



INFORMATION REGARDING EMPLOYEES STOCK OPTION SCHEMES PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 - FOR THE FINANCIAL YEAR 2017-18

1) Details related to the Scheme

As on March 31, 2018 the Company has in place Parag Milk Foods Limited – Employee Stock Option Scheme 2015 (ESOS 2015). All the relevant details as prescribed under above Rule and Regulation are provided below and the same are also available in the website of the Company at <https://www.paragmilkfoods.com>

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 Annexure 1.

B. Diluted EPS on issue of shares pursuant to the scheme(s) covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard (Ind AS)'- Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

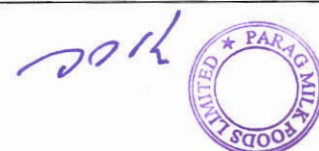


Particulars	
Fully diluted EPS pursuant to issue of Equity Shares on exercise of stock options calculated in accordance with Ind AS-33 'Earning Per Share' -Standalone	Basic: 9.36 Diluted: 1 9.33

C. Details related to Parag Milk Foods Limited – Employee Stock Option Scheme 2015 (ESOS 2015)

- (i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -

#	Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
(a)	Date of Shareholders approval	As on March 31, 2018, the Company has in place the Employee Stock Option Scheme 2015 (ESOS 2015), as approved by the shareholders on 16th May, 2015- Pre IPO approval. Which was further ratified by the shareholders of the Company on September 19, 2018 post IPO, pursuant to Regulation 12 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.		
(b)	Total number of options approved under ESOS 2015	The maximum number of 696,339 options were approved by the Members under ESOS 2015, however 227,000 shares were issued and allotted to the ESOP Trust formed to administer the ESOS 2015, the said 227,000 shares were subsequently listed during the IPO procedure.		
c)	Total Number of Options granted	NIL	NIL	227000
c)	Vesting requirements	Vesting of options was after 1 year of grant and were conditional, subject to continued employment of the eligible employee till September 03, 2016 and achievement by the Company of the performance target(s) set by the Company in the ESOP plan. However as the criteria's set in the ESOP plan by the Company had not been fully met with, therefore the vesting of options was less in number than the grants made to the eligible employees.		
(d)	Exercise price or pricing formula	Rs. 250		



(e)	Maximum term of options granted	3 Years
(f)	Source of shares (primary, secondary or combination)	Company had formed Parag Milk Foods Employees Stock Option Trust ("ESOP Trust") to administer the ESOS 2015 scheme. The Company had during Pre-IPO period issued and allotted 227000 shares to the ESOP Trust which were subsequently listed during the IPO procedure. Source of Shares to the ESOP Trust as on March 31, 2018 is Primary.
(g)	Variation in terms of options	The ESOS 2015 was ratified by the shareholders in the 26 th Annual General Meeting held on September 19, 2018, post IPO, no terms of the ESOS 2015 have been amended, modified or verified.

- (ii) Method used to account for ESOS 2015 – Fair value using Black Scholes model on grant date.
- (iii) Difference between the employee compensation cost using the intrinsic value of stock options and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the company. -

During the financial year 2015-2016 the Company followed the Fair Market Value of shares of the Company on the date of the Grant.

- (iv) Option movement relating to ESOS -2015 during the Financial Year(s):

Particulars	2017-18	2016-17	2015-16
Number of options outstanding at the beginning of the period	1,99,200	2,27,000	--
Number of options granted during the year	--	--	2,27,000
Number of options forfeited / lapsed during the year	35,500	27,800	--
Number of options vested during the year	--	1,26,927	--
Number of options exercised during the year	--	--	--
Number of shares arising as a result of exercise of options	--	--	--
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	--	--	--
Loan repaid by the Trust during the year from exercise price received	--	--	--



Number of options outstanding at the end of the year	1,63,700	1,99,200	2,27,000
Number of options exercisable at the end of the year	1,04,299	1,26,927	--

- (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.

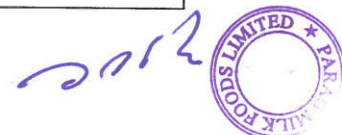
Weighted-average exercise prices: Rs.250

Weighted-average fair values of options granted during the year: NIL (No options granted during the year under review)

- (vi) *Employee wise details of options granted during the year -

Particulars	Name	Designation	No. of Options Vested during the year	Exercise Price
a) Senior Managerial Personnel & KMPs	NIL	NIL	NIL	NA
* No options granted during the year under review				
(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 - Nil				
(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 - Nil				

vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Fair value using Black Scholes model on grant date.
(a)	The weighted-average values of share price	250
(b)	Weighted average exercise price	250
(c)	Expected Volatility	41.71%
(d)	Expected life of options granted in years	3 years
(e)	Expected dividends	0%



(f)	Risk-free interest rate and any other inputs to the model	7.54%
(g)	the method used and the assumptions made to incorporate the effects of expected early exercise;	N.A
(h)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.
(i)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not considered

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

- (i) Company has constituted only ESOS 2015 scheme in the Financial year 2015-16 during Pre-IPO period to be administered by the ESOP Trust route which is continuing post IPO and the same has been now ratified by the shareholders on September 19, 2018. In Trust Route the Company has issued and allotted 2,27,000 shares to the Trust which the Trust is utilizing to grant and vest shares to the eligible employees as determined by the Company.

(d) Details related to Trust

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

- (i) General information on all schemes

Sl. No.	Particulars	Details
1	Name of the Trust	Parag Milk Foods Employees Stock Option Trust
2	Details of the Trustee(s)	1. Mr. Sachin Rasiklal Shah 2. Mr. Sanjay Nakra



		3. Mr. Rajeev Bhanawat 4. Mr. Sanjay Mishra 5. Mr. Arvind Desai 6. Mr. Shashikant Dalmia
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	As on 31st March, 2018 – Rs. 56,750,000/- (Rupees Five Crores Sixty-Seven Lakhs and Fifty Thousand only)
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	Nil

(ii) Brief details of transactions in shares by the Trust

Sr. No.	Particulars	Parag Milk Foods ESOP Trust (For ESOS 2015)
1.	Number of shares held at the beginning of the year	227,000
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	Nil
3.	Number of shares transferred to the employees / sold along with the purpose thereof;	126,927 options vested available for exercise during the year
4.	Number of shares held at the end of the year.	2,27,000



(iii) In case of secondary acquisition of shares by the Trust: **NIL**

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholder approval was obtained,
Held at the beginning of the year	Nil
Acquired during the year	Nil
Sold during the year	Nil
Transferred to the employees during the year	Nil
Held at the end of the year	Nil

On Behalf of the Board of Directors


Devendra Shah
Chairman
DIN: 01127319



Place: Mumbai
Date : October 12,2018

Notes

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS (Contd.)

NOTE 49: EMPLOYEE STOCK OPTION SCHEME:

The Board of Directors constituted the equity settled Employee Stock Option Scheme ("ESOS 2015") vide its resolutions dated 27 February, 2015 and 21 April, 2015 for issue of 696,339 stock options to the key employees of the Company, which has been further approved in the Company's Extra ordinary General meeting dated 3 April, 2015 and 16 May, 2015.

Pursuant to the above scheme, the Board of Directors vide its circular resolution dated September 3, 2015, approved grant of 227,000 stock options to its employees on September 4, 2015.

According to ESOP 2015, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The contractual life (comprising the vesting period and the exercise period) of options granted is 3 years. The other relevant terms of the grant are as below

Vesting Period	1 years
Exercise Period	2 Years
Expected Life	3 Years
Exercise Price	₹ 250.00
Fair value using Black Scholes model on grant date	₹ 73.86
Date of grant	September 03, 2015

The details of activity under ESOS 2015 are summarised below:

(All figures are in ₹ million, unless otherwise stated)

Particulars	Year ended on 31 March, 2018		Year ended on 3 1 March, 2017	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	-	-	227,000	250
Granted during the year	-	-	-	-
Forfeited during the year	-	-	100,073	250
Exercised during the year	-	-	-	-
Exercisable/ Vested during the year	-	-	126,927	250
Outstanding at the end of the year	-	-	-	-

(All figures are in ₹ million, unless otherwise stated)

Particulars	Year Ended 31 March, 2018		Year Ended 31 March, 2017	
Dividend yield (%)				
Expected volatility	41.71%		41.71%	
Risk-free interest rate	7.54%		7.54%	
Weighted average share price	250		250	
Exercise price (₹)	250		250	
Expected life of options granted in years	3		3	
Life of option remaining in months	5		17	

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome

Expenses Arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

(All figures are in ₹ million, unless otherwise stated)

Particulars	Year Ended 31 March, 2018		Year Ended 31 March, 2017	
Employee option Plans	-		7.17	

