

## AUROBINDO PHARMA LIMITED

### DETAILS OF STOCK OPTIONS PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

**1. Disclosures in terms of Guidance note on accounting for employee share-based payments issued by ICAI:**

Disclosed in the Notes to financial statements - Refer to Note 30 of Standalone Financials Statements 2015-16, page No.127 & 128 of the Annual Report.

**2. Material Changes in the Scheme:**

During the year under review the Company has issued bonus shares to its shareholders and accordingly an adjustment was made to the options to give effect to such bonus issue. The Scheme is in compliance with the regulations.

**3. Diluted EPS**

Diluted EPS: Rs. 27.72

Adjusted Diluted EPS: 27.69

**4. Details related to Employee Stock Option Scheme (ESOS):**

DESCRIPTION	Particulars
(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -	
a. Date of Shareholders approval	18.09.2006
b. Total Number of options approved under ESOS	71,29,515*
c. Vesting requirements	Completion of continuous service, except in case of disability, death and retirement: After one year 10% After two years 15% After three years 25% After four years 50%
d. Exercise Price or pricing formulae	
December 16, 2011	Rs. 45.80*
January 09, 2013	Rs. 100.35*
January 28, 2013	Rs. 93.70*
August 9, 2013	Rs. 80.65*
e. Maximum term of Options granted	6 years
f. Source of shares	Primary
g. Variation in terms of Option	Not Applicable
(ii) Method used to account for ESOS-	Intrinsic Value

(iii) 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.	Rs. 1,78,60,261		
The impact of this difference on profits and on EPS of the company shall also be disclosed	PAT	Rs.1619,66,97,183	
	Less: Additional cost Based on Fair Value	Rs.1,78,60,261	
	Adjusted PAT	Rs.1617,88,36,922	
	Adjusted EPS	27.69	
(iv) Option movement during the year-			
<b>Particulars</b>	<b>Details</b>		
Number of options outstanding at the beginning of the period	15,56,145		
Number of options granted during the year	Nil		
Number of options added on account of 1:1 Bonus issue during the year	11,43,470		
Number of options forfeited / lapsed during the year	4,67,459		
Number of options vested during the year	14,97,564		
Number of options exercised during the year	12,05,036		
Number of shares arising as a result of exercise of options	12,05,036		
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs.7,19,57,373		
Loan repaid by the Trust during the year from exercise price received	Not Applicable		
Number of options outstanding at the end of the year	10,27,120		
Number of options exercisable at the end of the year	2,92,528		
(v) Weighted Average Exercise Price (Rs.)	Rs.70.99		
Weighted Average Fair Value (Rs.)	Rs.84.32		
(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to			
(a) Senior managerial Personnel			
<b>Name of employee</b>	<b>Designation</b>	<b>No. of options granted during the year</b>	<b>Exercise Price</b>
Nil	Nil	Nil	Nil
(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			
<b>Name of employee</b>	<b>Designation</b>	<b>No. of options granted during the year</b>	<b>Exercise Price</b>
Nil	Nil	Nil	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.			
Name of employee	Designation	No. of options granted during the year	Exercise Price
Nil	Nil	Nil	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.			
(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;			
Weighted Average Values of share price			Rs.70.99
Exercise Price			
December 16, 2011			Rs. 45.80*
January 09, 2013			Rs. 100.35*
January 28, 2013			Rs. 93.70*
August 28, 2013			Rs. 80.65*
Expected Volatility			0.15%
Expected Option Life			6 years
Risk -free interest rate (%)			8
Dividend yield (Expected)			2.67 (267%)
(b) the method used and the assumptions made to incorporate the effects of expected early exercise;			Black- Scholes option-pricing model.
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and			The expected volatility was considered based on fluctuation in the share price of the Company for the past three years from the date of grant
(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition			Fluctuation in the market price for past three years is considered
(viii) Disclosures in respect of grants made in three years prior to IPO under each ESOS.			Not Applicable

\*The total number of options and Exercise price adjusted on account of 1:1 bonus issue of equity shares during the year.

For and on behalf of the Board

Hyderabad  
May 30, 2016

K. RAGUNATHAN  
Chairman