



InterGlobe Aviation Limited

Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the financial year ended March 31, 2017

- 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 note no. 38 contained in the Notes to accounts forming part of the financial statements for the financial year ended March 31, 2017.
- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations, as disclosed, in accordance with the accounting standard - 20 earnings per share - please refer note no. 36 contained in the Notes to accounts forming part of the financial statements for the financial year ended March 31, 2017.
- C. Details related to Employee Stock Option Schemes (ESOS) of the Company:

1. InterGlobe Aviation Limited - Tenured Employees Stock Option Scheme 2015 (Scheme- I)

S. No.	Particulars	Details
1.	Date of shareholders' approval	June 25, 2015
2.	Total number of options	1,111,819 options
3.	Vesting Requirements	Vesting of the Options granted under the Scheme shall be one year from the Grant Date or the completion of the listing of the Equity Shares of the Company on a recognized stock exchange in India in an initial public offering, whichever is later.
4.	Exercise price	Exercise price is the face value of the Equity Shares i.e., Rs.10 per Equity Share.
5.	Pricing formula	The Black - Scholes option valuation model

6.	Maximum term of options granted	One year from the date of grant of options
7.	Sources of shares (primary, secondary or combination)	Primary
8.	Variation in terms of options	None
9.	Method used to account for ESOS – Intrinsic or fair value	Fair Value
10.	Where the Company opts for expensing of the options using the intrinsic value of 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 and its impact of this difference on the Profits and EPS	Not Applicable
11.	Option movement during the year	
	• Number of options outstanding as on April 1, 2016	1,111,819
	• Number of options granted during the year	Nil
	• Number of options forfeited / lapsed during the year	Nil
	• Number of options vested during the year	1,111,819
	• Number of options exercised during the year	1,111,819
	• Number of shares arising as a result of exercise of options	1,111,819
	• Money realized by exercise of options (INR), if scheme is implemented directly by the Company (Rs.)	11,118,190/-
	• Loan repaid by the Trust during the year from exercise price received	Not Applicable
	• Number of options outstanding as on March 31, 2017	Nil
	• Number of options exercisable as on March 31, 2017	Nil
12.	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 – Rs .10 per option Weighted average fair value – Rs. 569 per option
13.	Employee wise details of options granted to: (name of employee, designation, number of options granted during the year, exercise price)	
	a. Senior managerial personnel	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	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

14.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
	<ul style="list-style-type: none"> The weighted – average values of share price 	The Company has adopted the Black - Scholes option pricing model for valuation of the weighted average fair value of options and the share price used as input for measurement of grant date fair valuation is Rs. 578
	<ul style="list-style-type: none"> exercise price 	Rs. 10
	<ul style="list-style-type: none"> expected volatility 	57%
	<ul style="list-style-type: none"> expected option life 	One year
	<ul style="list-style-type: none"> expected dividends 	0.00%
	<ul style="list-style-type: none"> the risk-free interest rate 	7.5%
	<ul style="list-style-type: none"> any other inputs to the model 	Refer Note 1
	<ul style="list-style-type: none"> The method used and the assumptions made to incorporate the effects of expected early exercise 	the Black - Scholes option pricing model
	<ul style="list-style-type: none"> How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility 	Refer Note 1
	<ul style="list-style-type: none"> Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition 	Refer Note 1
15.	Disclosures in respect of grants made in three years prior to IPO under each ESOS until all options granted in three years prior to the IPO have been exercised or have lapsed	All the options under Scheme – I were granted on June 25, 2015 and same were exercised during the year as disclosed above

2. InterGlobe Aviation Limited - Employees Stock Option Scheme 2015 (Scheme- II)

S.No	Particulars	Details of Scheme- II			
1.	Date of shareholders' approval	The shareholders had approved the Scheme – II at their Extra ordinary General Meeting held on June 25, 2015 as ratified and amended through postal ballot resolution passed on September 07, 2016			
2.	Total number of options covered under the Scheme	3,107,674			
3.	Vesting Requirements	1,514,587 options	332,026 options	420,530 options	353,299 options
		Tranche 1-15% one year from the date of grant;	Four and a half years after the date of Grant, subject to certain market conditions being met	Tranche 1-15% one year from the date of grant;	Tranche 1-10% one year from the date of grant;
		Tranche 2 - 20% two years from the date of grant;		Tranche 2 - 20% two years from the date of grant;	Tranche 2 - 20% two years from the date of grant;
		Tranche 3 - 30% three years from the date of grant;		Tranche 3 - 30% three years from the date of grant;	Tranche 3 - 35% three years from the date of grant;
		Tranche 4 - 35% four years from the date of grant		Tranche 4 - 35% four years from the date of grant	Tranche 4 - 35% four years from the date of grant
4.	Exercise price (Rs. Per option)	765	765	10	10
5.	Pricing formula	Black - Scholes option valuation model	Black - Scholes option valuation model	Black - Scholes option valuation model and Monte- Carlo Simulation	Black - Scholes option valuation model
6.	Maximum term of options granted	Four years from the respective vesting date	Four years from the vesting date	One year from the respective vesting date	The options vested may be exercised within 15 March of the calendar year following the calendar year in which the applicable vesting occurs, but in any event no Option will be Exercised later than 7 (seven) years after the Date of Grant or 3 (three) months after termination of employment of the Optionee.

7.	Sources of shares (primary, secondary or combination)	Primary
8.	Variation in terms of options	The Scheme –It was ratified and amended by the Shareholders through a special resolution passed through postal ballot on September 07, 2016
9.	Method used to account for ESOS – Intrinsic or fair value	Fair Value
10.	Where the Company opts for expensing of the options using the intrinsic value of 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 and The impact of this difference on the Profits and EPS	Not Applicable
11.	Option movement during the year	
	• Number of options outstanding as on April 1, 2016	2,267,143
	• Number of options granted during the year	353,299
	• Number of options forfeited/lapsed during the year	307,970
	• Number of options vested during the year	Nil
	• Number of options exercised during	Nil

	the year				
	• Number of shares arising as a result of exercise of options	Nil			
	• Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil			
	• Loan repaid by the Trust during the year from exercise price received	Not Applicable			
	• Number of options outstanding as on March 31, 2017	2,312,472			
	• Number of options exercisable as on March 31, 2017	247,432			
12.	Weighted - average exercise prices and weighted - average fair values of options (separately for options whose exercise price either equals or exceeds or is less than the market price of the stock)	Weighted average exercise price is Rs .765 per option Weighted average fair value is Rs. 360-488 per option	Weighted average exercise price is Rs .765 per option Weighted average fair value is Rs. 620 per option	Weighted average exercise price is Rs .765 per option Weighted average fair value is Rs. 756-758 per option	Weighted average exercise price is Rs .10 per option Weighted average fair value is Rs. 737- 820 per option
13.	Employee wise details of options granted to: (name of employee, designation, number of options granted during the year, exercise price)				
	a. Senior managerial personnel:	Mr. Rohit Philip, Chief Financial Officer – 353,299 options granted at an exercise price of Rs. 10 each			

	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			
14.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: (in Rs.)				
	• The weighted – average values of share price	765	765	765	868
	• exercise price	765	765	10	10
	• expected volatility	60.0%- 61.1%	62.4%	60.5%- 66.7%	52.7%
	• expected option life	3 - 6 years	2 years	1.5 - 4.5 years	1.25 – 4.25 years
	• expected dividends	0%	0%	0%	3.62%
	• the risk-free interest rate	7.5%	7.5%	7.5%	7.5%
	• any other inputs to the model	Refer note 1			
	• The method used and the assumptions made to incorporate the	Refer note 1			

	effects of expected early exercise;	
	<ul style="list-style-type: none"> • How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; 	Refer note 1
	<ul style="list-style-type: none"> • Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition 	Refer note 1
15.	Disclosures in respect of grants made in three years prior to IPO under each ESOS Until all options granted in three years prior to the IPO have been exercised or have lapsed and Disclosures of the information specified above in respect of such options	Under Scheme – II, 2,267,143 options were granted on October 30, 2015 and the required disclosures in respect of these options are given above

Note:

1. The risk-free interest rates are determined based on current yield to maturity of Government Bonds with 10 years residual maturity. Expected volatility calculation is based on historical daily closing stock prices of competitors / Company using standard deviation of daily change in stock price. The minimum life of stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. The expected life has been considered based on average sum of maximum life and minimum life and may not necessarily indicative of exercise patterns that may occur. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date. For the measurement of grant date fair value certain market conditions were considered in the method of valuation.