

**DISCLOSURE PURSUANT TO REGULATION 14 OF SECURITIES AND EXCHANGE BOARD
OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014**

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI has been made in Notes to Accounts attached to the Annual Report.**
- B. Diluted EPS on issue of shares on exercise of options calculated in accordance with Indian Accounting Standards Ind-AS 33 is Rs.18.47**
- C. Details related to ESOS - Ipca Laboratories Ltd. - Employees Stock Option Scheme 2014 (ESOS)**

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

a.	Date of shareholder's approval	31 st July, 2014
b.	Total number of options approved under ESOS	63,74,010 options being 5% of the issued share Capital as on 31 st July, 2014 which is 12,74,80,204 Equity shares of Rs. 2 /- each. Each option is convertible on exercise into 1 equity share of the face value of Rs. 2/- each.
c.	Vesting requirement	The employees shall be granted options which will be vested on the expiry of 1 year from the grant date and may extend upto 4 years or such further or other period from the grant date as the Nomination & Remuneration Committee may determine at its sole discretion.
d.	Exercise price or pricing formula	The equity shares to be issued upon conversion of options would be issued at a price per share (Exercise Price), as the Nomination and Remuneration Committee may determine on the date(s) of the grant of option(s) at its sole discretion, which exercise price shall not be at a discount of more than 75% to the latest available closing price of Company's shares on a listed stock exchange where there is highest trading volume in Company shares on a day immediately prior to the date of the meeting of the Board of Directors or committee thereof in which the options are granted.
e.	Maximum term of options granted	Each option granted convertible into 1 equity share on completion of 1 year from the date of grant.
f.	Source of shares	Primary
g.	Variation in terms of options	There was no variation in the terms of issue of options under ESOS.

(ii) Method used to account for ESOS – Intrinsic or fair value

The Company has used the 'Fair Value' method to value its options and to calculate

employee compensation cost.

- (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.**

The Company has used fair value method to value its options.

- (iv) **Option movement during the year:**

a.	Number of options outstanding at the beginning of the year	Nil
b.	Number of options granted during the year	165000
c.	Number of options forfeited / lapsed during the year	8500
d.	Number of options vested during the year	Nil
e.	Number of options exercised during the year	Nil
f.	Number of shares arising as a result of exercise of options	Nil
g.	Money realised by exercise of options (INR), if Scheme is implemented directly by the Company	Nil
h.	Loan repaid by the Trust during the year from exercise price received	Not Applicable
i.	Number of options outstanding at the end of the year	156500
j.	Number of options exercisable at the end of the year	The date of grant of options was 25 th April, 2017. The vesting period is 1 year from the grant date, i.e; 25 th April, 2018.

- (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.**

a.	Weighted average Exercise Price	: Rs. 300.00
b.	Weighted average Fair Value	: Rs. 321.14

(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

Name of Employee -----	Designation -----	Number of Options Granted during the Year -----	Exercise Price per share of Rs. 2/- each (Rs.) -----
Mr. Ajit Kumar Jain	Joint Managing Director	10000	300/-
Dr. Ashok Kumar	President-R&D (Chemicals)	5000	300/-
Dr. Anil Kumar Pareek	President - Medical Affairs & Clinical Research	5000	300/-
Dr. Sanjay Kapadia	President- Corporate Quality Assurance	5000	300/-
Mr. A P Muralikrishnan Sarma	President - Generic	5000	300/-
Mr. E J Babu	President- Global Business	5000	300/-
Mr. Harish P Kamath	Corporate Counsel & Company Secretary	5000	300/-
Mr. Sunil Ghai	President - Marketing	5000	300/-
Mr. Pabitra Kumar Bhattacharyya	President - Operations (API)	5000	300/-
Mr. Sanjay Kumar Sinha	President - Operations (Formulations)	5000	300/-

- 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
- None of the Employees were granted 5% or more of the options granted during the year, except to Mr. Ajit Kumar Jain, Joint Managing Director, who was granted 10000 options.
- c. Identified employee 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
- None of the employees were granted options convertible into more than 1% of the issued capital of the Company.

(vii) **A description of the method and significant assumptions used during the year to estimate the fair value of options:**

a.	Dividend yield	: 0.11%
b.	Expected volatility	: 32.16%
c.	Risk-free interest rate	: 7.72%
d.	Expected life of share options (years)	: 1.17
e.	Weighted average share price (INR)	: Rs. 595.40
f.	Model used	: Black Scholes

D. Details related to ESPS - **Not Applicable**

E. Details related to SAR - **Not Applicable**

F. Details related to GEBS / RBS - **Not Applicable**

G. Details related to Trust - **Not Applicable**