

Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits Regulations), 2014, as amended for the financial year ended on March 31, 2019.

A. General Disclosures

Disclosures in terms of Guidance Notes on accounting for employee share based payments or any other relevant accounting standards:

For details please refer Notes to Financial Statements for the financial year 2018-19.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

PARTICULARS	Year ended 31 March 2019
Number of equity shares at the beginning of the year	17,410,492
Number of equity shares at the end of the year	17,410,492
Weighted average number of equity shares outstanding during the year (A)	17,410,492
Weighted average number of potential equity shares on account of employee stock options (B)	14,121
Weighted average number of equity shares for computing diluted earnings per share [C= (A+B)]	17,424,613
Nominal value of each equity share (Rs.)	10
Profit after tax available for equity shareholders (Rs.in Lakhs) [D]	5,193.02
Basic earnings per share (Rs.) [D/A]	29.83
Diluted earnings per share (Rs.) [D/C]	29.80

C. The following table sets forth the particulars of stock options granted under ESOP 2013:

Sr. No.	Description of scheme	The establishment of the Employee Stock Option Scheme 2013 (Scheme) was approved by the shareholders at the 2013 Annual General Meeting. The Scheme is designed to provide incentives to eligible employees to deliver long term returns.
1.	Date Of Shareholders Approval	July 26, 2013
2.	Total number of options approved under the scheme	8,70,146
3.	Vesting requirements	The Options shall vest as per the following schedule: After 1 year from the date of grant 20% of Options granted

		After 2 years from the date of grant 20% of Options granted After 3 years from the date of grant 20% of Options granted After 4 years from the date of grant 20% of Options granted After 5 years from the date of grant 20% of Options granted
4.	Maximum term of options granted	10 years from the date of vesting.
5.	Source of shares	Primary
6.	Variation in terms of options	The Members of the Company, at its Annual General meeting held on July 27, 2018, the Company has amended various clauses of Saregama Employees Stock Option Scheme - 2013 and provided flexibility to the Nomination and Remuneration Committee to increase or decrease the vesting periods depending on the performance criteria etc. if it considers expedient.
7.	Method used to account for ESOS	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Scheme 2013. The employee compensation cost as per fair value method for the financial year 2018-19 is Rs. 3.05 Lakhs (2017 -18 Rs. 8.44 Lakhs).
8.	Exercise price or pricing formula	Exercise price shall be the price determined by the Nomination and Remuneration Committee from time to time at which the eligible Employees shall be authorized to exercise their Options provided that such price is not detrimental to such eligible Employees' interest.

D. Option movement during the year:

Particulars	31 March 2019
Number of Options Outstanding at the beginning of the year	30000
Number of Options granted during the year	-
Number of Options forfeited/lapsed during the year	10471
Number of Options Vested during the Year	5940
Number of Options Exercised during the year	-
Number of Shares Arising as a result of exercise of Options	-
Number of Options Outstanding at the end of the year	19529
Number of Options Exercisable at the end of the year	13529

E. 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 per Option: Rs.158.87

Weighted average fair value per Option: Rs.96.80

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	G. B. Aayeer	Kumar Ajit
Fair value at grant date (Rs.)	49.48	141.90
Share price at grant date (Rs.)	69.85	243.70
Exercise price (Rs.)	69.85	243.70

F. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -

- (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 and
- (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

G. 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;

Measurement of fair value

The fair value of Employee Stock Options as on the date of grant was determined using the Black Scholes Model which takes into account the share price at the measurement date, expected price volatility of the underlying share, the expected dividend yield and risk free interest rate and carrying amount of liability included in employee benefit obligations.

The fair value of the options and the inputs used in the measurement of fair value as on the grant date are as follows:

	G. B. Aayeer	Kumar Ajit
Fair value at grant date (Rs.)	49.48	141.90
Share price at grant date (Rs.)	69.85	243.70
Exercise price (Rs.)	69.85	243.70
Expected volatility	57.30%	55.96%
Expected Life (expected weighted average life)	13 Years	8 Years
Expected dividend	0.50%	1.34%
Risk free interest rate (based on Government bonds)	9%	7%

Expected volatility has been based on the evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

- (b) the method used and the assumptions made to incorporate the effects of expected early exercise;**

The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour. There are no market conditions attached to the grant and vest.

- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and**

Expected volatility has been based on the evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The Expected term of the instruments has been based on the historical experience and general option holder behaviour.

Details related to Saregama Stock Appreciation Rights Scheme(“SAR) 2014 and 2018

The following table sets forth the particulars of Stock Appreciation Rights granted under SAR 2014 and SAR 2018:

Sr. No.	Particulars	SAR 2014	SAR 2018
a)	Description of scheme	‘Saregama Stock Appreciation Rights Scheme - 2014’	‘Saregama Stock Appreciation Rights Scheme - 2014’
b)	Date Of Shareholders Approval	July 31, 2015	July 27, 2018
c)	Total number of shares approved under the SAR scheme	2,00,000	1,00,000
d)	Vesting requirements	66% after 1 year from grant date 34% after 2 years from grant date	40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date
e)	SAR price or pricing formula	170.70 (grant price)	416.20 (grant price)
f)	Maximum term of SAR granted	10 years	10 years
g)	Method of settlement (whether in cash or equity)	Cash	Cash
h)	Choice of settlement (with the company or the employee or combination)	Employee	Employee
i)	Source of shares (primary, secondary or combination)	N.A.	N.A.
j)	Variation in terms of scheme	Nil	Nil

- i. Method used to account for SAR - Intrinsic or fair value. - Fair value
- ii. Where the company opts for expensing of SAR using the intrinsic value of SAR, 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 SAR, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. - N.A.

iii. SAR movement during the year:

Details of SAR Schemes	SAR Scheme 2014		SAR Scheme 2018	
	2019	2018	2019	2018
Grant Date	27 October 2014		31 July 2018	
Grant Price (Rs.)	170.70		416.20	
Vesting Schedule	66% after 1 year from grant date 34% after 2 years from grant date		40% after 1 year from grant date 20% after 2 years from grant date 20% after 3 years from grant date 20% after 4 years from grant date	
	As at 31 March		As at 31 March	
	2019	2018	2019	2018
Number of SAR outstanding at the beginning of the year	2,00,000	2,00,000	-	-
Add : Granted during the year	-	-	1,00,000	-
Less : Forfeited / lapsed during the year	-	-	-	-
Less : Exercised during the year	-	-	-	-
Number of SAR outstanding at the end of the year	2,00,000	2,00,000	1,00,000	-
Carrying amount of liability - included in employee benefits payable (Rs.in Lakhs) (Refer Note 16.3)	912.20	1037.00	156.73	-

iv. Employee-wise details (name of employee, designation, number of SAR granted during the year, exercise price) of SAR granted to -

a) senior managerial personnel;

Ms. Rashna Pochkhanawala - VP - Sales, 10,000 SAR

Exercise price will be the market price of the equity share of the Company on the date of exercise of vested SAR.

b) any other employee who receives a grant in any one year of amounting to 5% or more of SAR granted during that year; and

Mr. Vikram Mehra, Managing Director - 90,000 SAR

Exercise price will be the market price of the equity share of the Company on the date of exercise of vested SAR.

c) identified employees who were granted SAR, 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.