

l.	<p>Where the company has calculated the employees compensation cost using the intrinsic value of the stock options:</p> <p>i. the difference between the employee compensation cost so computed and the employee compensation cost that shall be recognised if it had used the fair value of the options shall be disclosed.</p> <p>ii. The impact of this difference:</p> <p>– on profits</p> <p>– EPS</p>	<p>The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the ESOS – 2006.</p> <table><tr><td>Employee compensation cost:</td><td></td><td></td></tr><tr><td>- intrinsic value based</td><td></td><td>Rs. 0.77 crores</td></tr><tr><td>- fair value based</td><td></td><td>Rs. 1.84 crores</td></tr><tr><td>Difference</td><td></td><td><u>Rs. 1.07 crores</u></td></tr></table> <table><tr><td></td><td>Reported</td><td>Adjusted</td></tr><tr><td>Net Profit</td><td>Rs. 1,007.61 crores</td><td>Rs. 1,006.54 crores</td></tr><tr><td>Basic:</td><td>Rs. 80.94</td><td>Rs. 80.86</td></tr><tr><td>Diluted:</td><td>Rs. 80.91</td><td>Rs. 80.83</td></tr></table>	Employee compensation cost:			- intrinsic value based		Rs. 0.77 crores	- fair value based		Rs. 1.84 crores	Difference		<u>Rs. 1.07 crores</u>		Reported	Adjusted	Net Profit	Rs. 1,007.61 crores	Rs. 1,006.54 crores	Basic:	Rs. 80.94	Rs. 80.86	Diluted:	Rs. 80.91	Rs. 80.83
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n.	<p>A description of the method used during the year to estimate the fair values of options.</p> <p>Significant assumptions used during the year to estimate the fair values of options including the following weighted average information:</p> <p>i. Risk – free interest rate</p> <p>ii. Expected life</p> <p>iii. Expected volatility</p> <p>iv. Expected dividend</p> <p>v. The price of the underlying share in the market at the time of option grant.</p>	<p>Black – Scholes Method</p> <p>8%</p> <p>Period up to vesting plus the average of the exercise period corresponding to each vesting.</p> <p>Implied volatility of the Company’s stock prices on NSE based on the price data of last one year up to the date of grant</p> <p>Tranche I = 49%</p> <p>Tranche II = 52%</p> <p>Adjustment of the closing price of the Company’s share on the NSE for the expected dividend yield over the expected life of the options (dividend for FY 2006-07 and a growth factor have been considered, which are then discounted and an average present value of dividend ascertained)</p> <p>Rs. 829/-</p>																								