

**STATEMENT PURSUANT TO REGULATION 14 (DISCLOSURE IN THE Board's REPORT) OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014.**

Pursuant to the Special Resolutions passed by the shareholders in the Annual General Meetings of the Company held on 29.07.2009, 29.7.2010, 22.7.2011, 24.7.2012 and 30.7.2014, the Nomination and Remuneration Committee (earlier known as Remuneration Committee) of the Directors have granted Stock Options to eligible employees and Managing Director/Whole Time Director for the financial years 2009-2010, 2010-2011, 2011-12, 2012-13 and 2014-15 respectively. The Company in its Annual General Meeting held on 26th July, 2013 had passed a Special Resolution approving Employees' Stock Option Scheme 2013 however, no options have been granted by the Company in the financial year 2013-14. The employees are entitled to get one equity share per option. The details of the Stock Options are given here below:

Sl. No.	Description	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012	Particulars of ESOS-2014
A.	Options granted	1,40,000 options were granted to the employees and Wholetime Directors of the Company on 27.01.2010.	1,47,705 options were granted to the employees and Wholetime Directors of the Company on 18.01.2011.	1,50,720 options were granted to the employees and Wholetime Directors of the Company on 24.01.2012.	1,60,945 options were granted to the employees and Wholetime Directors of the Company on 22.01.2013.	1,40,000 options were granted to the employees and Wholetime Directors of the Company on 21.01.2015.
B.	Pricing formula	@Rs.169/-	@Rs.174/-	@Rs.126/-	@Rs.268/-	@Rs.336/-
		Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less.				
		Accordingly, the exercise price has been determined at Rs. 169/- per share. The closing price on BSE on January 25, 2010 was Rs.168.55.	Accordingly, the exercise price has been determined at Rs. 174/- per share. The closing price on BSE on January 17, 2011 was Rs.173.35.	Accordingly, the exercise price has been determined at Rs. 126/- per share. The closing price on NSE on January 23, 2012 was Rs.125.93.	Accordingly, the exercise price has been determined at Rs. 268/- per share. The closing price on NSE on January 21, 2013 was Rs.267.45.	Accordingly, the exercise price has been determined at Rs. 336/- per share. The closing price on NSE on January 20, 2015 was Rs.335.40.
C.	Options vested	65,320	89,375	99,655	1,39,425	NIL
D.	Options exercised	54,620	9,605	26,805	5,400	NIL
E.	The total number of shares arising as a result of exercise of options.	54,620	9,605	26,805	5,400	NIL
F.	Options Lapsed	10,700	2,210	3,655	6,660	NIL
G.	Variation of terms of options	NIL	NIL	NIL	NIL	NIL
H.	Money realized by exercise of options.	Rs.92,30,780	Rs.16,71,270	Rs.33,77,430	Rs.14,47,200	NIL
I.	Total number of options in force.	NIL	77,560	69,195	1,27,365	1,40,000
J.	Details of options granted to :					
	(i) Senior Managerial Personnel :					
	(a) Mr. Manish Sanghi, Managing Director	15,000	20,000	20,000	20,000	20,000
	(b) Mr. M. L. Gupta, Director	15,000	-	-	-	-
	(c) Mr. Y. Srinivasa Rao, Executive Director	15,000	15,000	15,000	15,000	15,000
	(d) Mr. Manish Garg, President & Chief Executive (SBS)	7,000	7,000	10,000	10,000	7,000
	(e) Mr. Rakesh Kumar Gupta, CFO	5,000	7,500	7,500	5,250	3,000
	(f) Mr. Rahul Chopra, Sr. Vice President & Head Roofing Business	2,700	3,000	3,000	5,000	4,500
	(ii) 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	None	None	None	None

Sl. No.	Description	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012	Particulars of ESOS-2014	
	iii) 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.	None	None	None	None	None	
K.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	RrRs. 22.45					
L.	i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2014-15.					
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	The employee compensation cost would have increased by Rs.40.55 Lakhs					
	iii) The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:					
							(Rs. in lacs)
							3,420.63
		Net Income reported					
		Add: Intrinsic Value Compensation Cost					
		- Employees Stock Option Scheme 2012					-
		Less: Fair value Compensation Cost (Black Scholes Model)					
		- Employees Stock Option Scheme 2012					40.55
		Adjusted Net Income					3,380.08
						Basic (Rs. )	Diluted (Rs. )
		Earning Per share				22.45	22.45
		As reported				22.18	22.18
		As adjusted					

M.	Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs.169.00 Weighted average fair value: Rs.68.04	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs.174.00 Weighted average fair value: Rs.66.18	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs.126.00 Weighted average fair value: Rs.48.69	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs.268.00 Weighted average fair value: Rs.95.59	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs.336.00 Weighted average fair value: Rs.151.01
N.	A description of the method and significant assumptions used during the year to estimate the fair values of options :	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions
	(i) risk free interest rate:	7.42%	8.06%	8.13%	7.91%	7.72%
	(ii) expected life:	5 years	5 years	5 years	5 years	5 years
	(iii) expected volatility:	53.30%	44.50%	40.22%	35.32%	41.72%
	(iv) expected dividends:	2.84%	2.60%	3.42%	2.60%	0.75%

v) the price of the underlying share in market at the time of option grant:	Rs. 158.60	Rs. 173.35	Rs. 131.45	Rs. 269.40	Rs. 333.40
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For and on behalf of the Board

Mumbai, 22<sup>nd</sup> April, 2015

**Manish Sanghi**  
Managing Director

**Y. Srinivasa Rao**  
Executive Director