

DISCLOSURE AS PER SEBI GUIDELINES

A SUMMARY OF STATUS OF ESOPS GRANTED

THE POSITION OF THE EXISTING SCHEMES IS SUMMARISED AS UNDER

SR. NO.	PARTICULARS	IDFC BANK ESOS 2015
1	Date of Shareholder's Approval	July 27, 2016
2	Total Number of Options approved under ESOPs	204,244,494
3	Vesting requirements	Options granted under IDFC Bank ESOS-2015 would vest not less than one year from the date of grant of such Options.
4	Exercise Price or Pricing Formula	Exercise Price shall be as decided by the Nomination and Remuneration Committee, subject to a minimum of the face value per share.
5	Maximum term of Options granted	Options granted under IDFC Bank ESOS-2015 would vest not less than one year from the date of grant of such Options. The Employee Stock Options granted shall be capable of being exercised within a maximum period of five years from the date of vesting of the respective employee stock Options.
6	Source of shares	Primary
7	Variation in terms of ESOP	There is no variation in the terms of the Options during the financial year ended March 31, 2018
8	Method used to account for ESOP	Intrinsic Value Method

The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2017-18 is ₹ Nil. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2017-18 would be ₹ 55.18 crore. The effect of adopting the fair value method on the net income and earnings per share is presented below:

B PRO FORMA ADJUSTED NET INCOME AND EARNING PER SHARE

PARTICULARS	₹ IN CRORE
Net Income as Reported	859.30
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	55.18
Adjusted Pro Forma Net Income	804.12
Earning Per Share: Basic	
As Reported (₹)	2.53
Adjusted Pro Forma (₹)	2.36
Earning Per Share: Diluted	
As Reported (₹)	2.52
Adjusted Pro Forma (₹)	2.36

C OPTION MOVEMENT DURING THE YEAR 2017-18

SR. NO	PARTICULARS	NUMBERS
1	Number of Options outstanding at the beginning of the year	90,712,744
2	Number of Options granted during the year	20,419,100
3	Options Forfeited / Surrendered during the year	15,157,900
4	Options Vested during the year	18,404,490
5	Options Exercised during the year	5,068,721
6	Options Lapsed during the year	193,563
7	Total number of shares arising as a result of exercise of options	5,068,721
8	Money realised by exercise of options (₹ In Lakh)	2,396.14
9	Options outstanding at the end of the year	90,711,660
10	Options exercisable at the end of the year	41,519,950

D**WEIGHTED AVERAGE EXERCISE PRICE OF OPTIONS GRANTED DURING 2017-18 WHOSE**

a.	Exercise price equals market price (₹)	58.57
b.	Exercise price is greater than market price	Nil
c.	Exercise price is less than market price	Nil

WEIGHTED AVERAGE FAIR VALUE OF OPTIONS GRANTED DURING 2017-18 WHOSE

a.	Exercise price equals market price (₹)	19.61
b.	Exercise price is greater than market price	Nil
c.	Exercise price is less than market price	Nil

E EMPLOYEE-WISE DETAILS OF OPTIONS GRANTED DURING THE FINANCIAL YEAR 2017-18 TO:**(i) Senior managerial personnel**

NAME	DESIGNATION	NO OF OPTIONS GRANTED	EXERCISE PRICE (₹)
Dr. Rajiv B. Lall	Founder Managing Director & CEO	-	-
Mr. Bipin Gemani	Chief Financial Officer (w.e.f. January 13, 2018)	-	-
Mr. Sunil Kakar	Chief Financial Officer (up to July 15, 2017)	360,000	58.75
Mr. Mahendra N. Shah	Group Company Secretary & Group Compliance Officer	222,000	58.75

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

NAME	DESIGNATION	NO OF OPTIONS GRANTED	EXERCISE PRICE (₹)
Dr. NS Rajan	Group CHRO, Group CMO & CEO - IDFC Foundation	2,250,000	58.35

(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.

NAME	DESIGNATION	NO OF OPTIONS GRANTED	EXERCISE PRICE (₹)
N.A.			

F METHOD AND ASSUMPTIONS USED TO ESTIMATE THE FAIR VALUE OF OPTIONS GRANTED DURING THE YEAR

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

VARIABLES	WEIGHTED AVG
1. Risk Free Interest Rate	6.68%
2. Expected Life (in yrs)	4.06
3. Expected Volatility	33.52%
4. Dividend Yield	1.27%
5. Weighted Average Price of the underlying share in market at the time of the option grant (₹)	57.90

ASSUMPTIONS

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Options based on the zero-coupon yield curve for Government Securities.

Time to Maturity: Bank has estimated the expected life of the Options on the basis of average of minimum and maximum life of the Options. Historical data for early exercise of Options is not available, hence not considered in expected life calculations.

Volatility: Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange of India Limited, over a period prior to the date of grant, corresponding with the expected life of the Options has been considered.

Expected dividend yield: The latest dividend declared is considered as the dividend expected to be paid during the vesting period.

Stock Price: Being the closing price on the stock exchange with the highest trading volumes on the last working day prior to the date of grant.

No other feature has been considered for fair valuation of Options except as mentioned in point F above.