

# Disclosure as per SEBI Guidelines

## A SUMMARY OF STATUS OF EMPLOYEE STOCK OPTIONS GRANTED

THE POSITION OF THE EXISTING SCHEMES IS SUMMARISED AS UNDER:

SR. NO	PARTICULARS	IDFC FIRST BANK ESOS 2015
1	Date of Shareholder's Approval	July 27, 2016
2	Total Number of Options approved under ESOPs	286,900,585
3	Vesting requirements	Options granted under IDFC FIRST 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 FIRST 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	The Scheme is implemented and administered directly by the Company by way of issue of equivalent Primary shares against exercise of Options.
7	Variation in terms of ESOP	There is no variation in the terms of the Options during the financial year ended March 31, 2019
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 2018-19 is Nil. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognized in the financial statements for the year 2018-19 would be ₹ 104.46 crore. The effect of adopting the fair value method on the net income and earnings per share is presented below:

## B ADJUSTED PRO-FORMA NET PROFIT / LOSS AND EARNING PER SHARE

PARTICULARS	₹ IN CRORE
<b>Net Profit / Loss as reported</b>	<b>(1,944.18)</b>
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	104.46
<b>Adjusted Pro-Forma Net Profit / Loss</b>	<b>(2,048.64)</b>
<b>Earning Per Share: Basic</b>	
As Reported (₹)	(4.75)
Adjusted Pro-Forma (₹)	(5.01)
<b>Earning Per Share: Diluted</b>	
As Reported (₹)	(4.71)
Adjusted Pro-Forma (₹)	(4.97)

**C OPTION MOVEMENT DURING THE YEAR 2018-19**

SR. NO	PARTICULARS	NUMBERS
1	Number of Options outstanding at the beginning of the year	90,711,660
2	Number of Options granted during the year	22,006,400
3	Addition on account of amalgamation	167,818,175
4	Options Forfeited / Surrendered during the year	23,590,980
5	Options Vested during the year	143,151,785
6	Options Exercised during the year	492,450
7	Options Lapsed during the year	196,500
8	Total number of shares arising as a result of exercise of options	492,450
9	Money realized by exercise of options (₹ in Lakh)	2,16,17,461.50
10	Options outstanding at the end of the year	256,256,305
11	Options exercisable at the end of the year	175,566,355

**D WEIGHTED AVERAGE EXERCISE PRICE and WEIGHTED AVERAGE FAIR VALUE OF OPTIONS GRANTED DURING 2018-19****WEIGHTED AVERAGE EXERCISE PRICE OF OPTIONS GRANTED DURING 2018-19 WHOSE**

SR. NO	PARTICULARS	NUMBERS
a.	Exercise price equals market price (₹)	45.96
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 2018-19 WHOSE**

SR. NO	PARTICULARS	NUMBERS
a.	Exercise price equals market price (₹)	14.31
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 2018-19 TO:****(i) Senior Managerial Personnel**

NAME	DESIGNATION	NO OF OPTIONS GRANTED	EXERCISE PRICE (₹)
Mr. V. Vaidyanathan*	Managing Director & CEO (w.e.f. December 19, 2018)	90,350,000	14.89
		34,055,000	57.54
Dr. Rajiv B. Lall	Founder Managing Director & CEO (up to December 18, 2018) Part-Time Non-Executive Chairman (w.e.f. December 19, 2018)	-	-
Mr. Pankaj Sanklecha*	Chief Financial Officer & Head-Corporate Centre (w.e.f. December 19, 2018)	208,500	33.24
		451,750	44.6
		417,000	51.06
Mr. Satish Gaikwad*	Head - Legal & Company Secretary (w.e.f. December 19, 2018)	13,900	12.53
		125,100	28.06
		83,400	33.24
		187,650	44.6
		166,800	51.06
Mr. Apul Nayyar*	Head - Retail Banking (Ceased as on April 30, 2019)	278,000	12.53
		347,500	33.24
		556,000	44.6
		695,000	51.06
Mr. Ajay Mahajan	Head - Wholesale Banking	1,700,000	47.4
Mr. Nihal Desai*	Head - Technology Ops, ESG & BTG (w.e.f. December 19, 2018)	3,961,500	14.64
		2,085,000	28.06
		347,500	33.24
		695,000	44.6
		695,000	51.06
Ms. Srishti Sethi	Chief Risk Officer (w.e.f. December 19, 2018)	75,000	45.4
Mr. Adrian Andrade*	Chief Human Resources Officer & Head Communications (w.e.f. December 19, 2018)	166,800	33.24
		311,360	44.6
		278,000	51.06
Mr. Bipin Gemani	Chief Financial Officer (Ceased as on December 18, 2018)	-	-
Mr. Mahendra Shah	Group Company Secretary & Group Compliance Officer (Ceased as on December 18, 2018)	500,000	47.4
Mr. Rajeev Uberoi	General Counsel & Head-Legal & Audit (Ceased as on December 18, 2018)	100,000	47.4
Mr. Avtar Monga	Chief Operating Officer (Ceased as on December 18, 2018)	1,700,000	47.4
Mr. Pavan Kaushal	Chief Risk Officer (Ceased as on December 18, 2018)	800,000	47.4
Dr. N. S. Rajan	Group CHRO, Group CMO, & CEO - IDFC Foundation (Ceased as on December 18, 2018)	1,400,000	47.4

**(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 (₹)
Mr. V. Vaidyanathan*	Managing Director & CEO (w.e.f. December 19, 2018)	90,350,000	14.89
		34,055,000	57.54

**(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 (₹)
Mr. V. Vaidyanathan*	Managing Director & CEO (w.e.f. December 19, 2018)	90,350,000	14.89
		34,055,000	57.54

\* The Members of the Nomination and Remuneration Committee at its Meeting held on February 04, 2019 has *inter-alia* considered and approved grant of 167,818,175 stock options to eligible employees of erstwhile Capital First Limited and its subsidiaries i.e. Capital First Home Finance Limited & Capital First Securities Limited ('Amalgamating Companies / Capital First Group') in accordance with and pursuant to effectiveness of Scheme of Amalgamation of Amalgamating Companies with IDFC FIRST Bank Limited (formerly IDFC Bank Limited) ('Amalgamated Company / IDFC FIRST Bank') ('Scheme') under IDFC FIRST Bank Employee Stock Option Scheme – 2015.

**F METHOD AND ASSUMPTIONS USED TO ESTIMATE THE FAIR VALUE OF OPTIONS GRANTED DURING THE YEAR 2018-19**

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	7.60%
2. Expected Life (in yrs)	3.86
3. Expected Volatility	33.11%
4. Dividend Yield	2.08%
5. Weighted Average Price of the underlying share in market at the time of the option grant (₹)	45.96

**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.