

Reliance Capital gives green signal to ₹300-cr ESOPs; stock gallops

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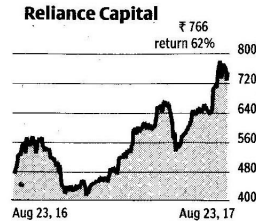
Mumbai, August 23

Amid a robust trading session for banking and financial services stocks on Wednesday, the stock of Reliance Capital jumped and closed with gains of 3 per cent on the NSE.

This jump took place after 2 pm when the company announced that Reliance Capital and its subsidiaries had approved grant of ESOPs worth approximately ₹300 crore to about 500 employees across all major operating businesses.

ESOPs are issued mostly to retain employees and create long-term value, the company said in a press release.

It may be noted that in June this year, Madhusudhan Kela had quit as the company's chief



investment strategist, and taken up a part-time advisory role from July.

The ESOP scheme will be applicable to employees of Reliance Capital and its businesses including Reliance Nippon Life Asset Management, Reliance Commercial Finance, Reliance Home Finance, Reliance Nippon Life Insurance, Reliance

General Insurance and Reliance Securities. The options vest over a period of four years, with the customary lock-in period.

The notional value of the ESOPs, which comprise 9.21 lakh shares, represent 1.5 per cent of Reliance Capital's market capitalisation and 2 per cent of its net worth (as on March 31).

Reliance Capital's net profit has been lagging its topline growth. Its consolidated total income jumped close to 33 per cent year-on-year in the June 2017 quarter but adjusted net profit rose 15 per cent, according to data provided by Capitaline. Similarly, total income zoomed 76 per cent in FY17 but adjusted net profit declined 1.4 per cent.