

**Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2019**

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India ("ICAI") or any other relevant accounting standards as prescribed from time to time.**

The disclosures are provided in Note No. 33 of financial statement of the Company for the year 2018-19.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.**

Rs. 6.25

- C. Details related to Employees Stock Option Scheme (ESOS)**

<b>i. A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, are as under-</b>	
a. Date of shareholders' approval	January 8, 2007
b. Total number of options approved under ESOS	1,11,96,640
c. Vesting requirements	The vesting period shall commence on the expiry of one year from the Grant Date. Not earlier than 1 (one) year and not later than 5 (five) years from the date of grant of such options. The Vesting or Exercise shall be subject to the continued employment of the employee with the Company upto the specified date(s) of vesting or Exercise.
d. Exercise price or pricing formula	The Exercise price of each of the Option under each of the plan(s) shall be decided by the Nomination and Remuneration Committee and / or by the Board of Directors of the Company.
e. Maximum term of options granted	Exercise period would commence from the date of vesting and extend up to 5(five) years from the date of last vesting. Maximum term of options granted is 10(ten) years from the date of grant.
f. Source of shares (primary, secondary or combination)	Combination

- g. Variation in terms of options In terms of the provisions of the ESOS, on account of corporate action for demerger of Real Estate Lending Business of the Company, in line with the difference in the volume weighted average price of the Equity Shares of the Company on the National Stock Exchange of India Limited on pre and post demerger date, the exercise price for options granted under ESOS 2015 has been adjusted from Rs. 396 to Rs. 296 and for options granted under ESOS 2017 the exercise price of Rs. 656 has been adjusted to Rs. 556.

**ii. Method used to account for ESOS - Intrinsic or fair value**

Fair value

**iii. Where the company opts for expensing of the options using the intrinsic value of the options, difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the company**

Under the previous GAAP, the Company has used the intrinsic value method to account for the compensation cost of stock to the employees. Under Ind AS, the Company is using Fair Value Method for accounting of ESOS and the difference in above figures is not applicable.

**iv. Option movement during the year (For each ESOS):**

Sr. No.	Particulars	ESOS 2015	ESOS 2017
a.	Number of options outstanding at the beginning of the period	2,40,622	Nil
b.	Number of options granted during the year	Nil	34,11,870
c.	Number of options forfeited / lapsed / surrendered during the year	24,812	24,39,730
d.	Number of options vested during the year	50,266	Nil
e.	Number of options exercised during the year	4,220	Nil
f.	Number of shares arising as a result of exercise of options	4,220	Nil
g.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	12,49,120	Nil
h.	Loan repaid by the Trust during the year from exercise price received	-	-
i.	Number of options outstanding at the end of the year	2,11,590	20,61,240
j.	Number of options exercisable at the end of the year	1,17,858	Nil

**v. Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals or exceeds or is less than the market price of the stock-**

Weighted average Fair Value of Options granted during the year whose		ESOS 2015	ESOS 2017	
	Date of Grant	-	05-10-2018	13-02-2019
a.	Exercise price equals market price	-	₹ 86.64	₹ 33.96
b.	Exercise price is greater than market price	-	-	-
c.	Exercise price is less than market price	-	-	-
Weighted average Exercise Price of Options granted during the year whose				
a.	Exercise price equals market price	-	₹ 270	₹ 137
b.	Exercise price is greater than market price	-	-	-
c.	Exercise price is less than market price	-	-	-

**vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –**
**a. Senior Managerial Personnel**

Name	Designation	No. of Options	Exercise Price (₹)
Shri Amit Bapna	Chief Financial Officer	2,77,200	270
Shri Atul Tandon	Company Secretary & Compliance Officer	43,000	270

**b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year**

Name	Designation	No. of Options	Exercise Price (₹)
Shri Swaminathan Subramanian	Chief People Officer	1,74,000	270
Shri Lav Chaturvedi	Chief Risk Officer	1,71,000	270
Shri Rakesh Jain	ED & CEO - RGIC	1,74,300	270
Shri Ravindra Sudhalkar	ED & CEO – RHF	1,42,800	270
Shri Ashish Vohra	ED & CEO – RLIC	1,66,000	270
Shri Ravi Vishwanath	ED & CEO – RHI	1,33,200	270
Shri B Gopkumar	ED & CEO – RSEC	1,12,400	270

**c. 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

**vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

The Black Scholes valuation model is an option pricing model widely used for valuation of options and the Company has used this model for computing the weighted average fair value considering the following inputs:

**ESOS 2015**

Sr. No.	Particulars	Details
	<b>Date of Grant</b>	<b>October 15, 2015</b>
a.	The weighted average values of share price	
	Exercise Price (Rs.)	₹ 296
	Expected volatility	44.61% to 46.39%
	Expected option life (years)	4.51 to 6.51
	Expected dividend yield	2.28%
	Risk-free interest rate	7.51% - 7.56%
	Any other input to the model	NA
b.	the method used and the assumptions made to incorporate the effects of expected early exercise	Black Scholes Method Please see Note No. 33(a) on Page No. 92 of Annual Report of the Company for the year 2018-19.
c.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The expected volatility was determined based on historical volatility data. Volatility has been considered for periods, corresponding to the respective expected lives of the different grants, prior to the grant date. Daily volatility of the Company's stock price on NSE over these years has been considered.
d.	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not applicable

**ESOS 2017**

Sr. No.	Particulars	Details	
	<b>Date of Grant</b>	<b>October 5, 2018</b>	<b>February 13, 2019</b>
a.	The weighted average values of share price		
	Exercise Price (Rs.)	₹ 270	₹ 137
	Expected volatility	42.23% to 42.77%	46.01% to 45.17%
	Expected option life (years)	2.50 to 5.51	4.01 to 5.51
	Expected dividend yield	4.07%	8.05%
	Risk-free interest rate	7.78% - 8.06%	7.04% - 7.20%
	Any other input to the model	NA	NA
b.	the method used and the assumptions made to incorporate the effects of expected early exercise	Black Scholes Method Please see Note No. 33(c) on Page No. 93 of Annual Report of the Company for the year 2018-19.	
c.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The expected volatility was determined based on historical volatility data. Volatility has been considered for periods, corresponding to the respective expected lives of the different grants, prior to the grant date. Daily volatility of the Company's stock price on NSE over these years has been considered.	
d.	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not applicable	

- viii. Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.  
Not applicable

**D. Details related to Trust**
**i. General information**

Sr. No.	Particulars	Details
a.	Name of the Trust	RCAP ESOS Trust
b.	Details of the Trustee(s)	Reliance ADA Group Trustees Private Limited
c.	Amount of loan disbursed by company / any company in the group, during the year	Nil
d.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	The Company had outstanding loan of ₹54.09 Crore with the Trust as on March 31, 2019
e.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
f.	Any other contribution made to the Trust during the year	Nil

**ii. Brief details of transactions in shares by the Trust**

Sr. No.	Particulars	Details
a.	Number of shares held at the beginning of the year	16,00,000 Equity shares
b.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
c.	Number of shares transferred to the employees / sold along with the purpose thereof	Nil
d.	Number of shares held at the end of the year	16,00,000 Equity shares

iii. In case of secondary acquisition of shares by the Trust

<b>Number of shares</b>	<b>as a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained</b>
Held at the beginning of the year	0.64%
Acquired during the year	Nil
Sold during the year	Nil
Transferred to the employees during the year	Nil
Held at the end of the year	0.64%