



CAPITALINDIA

CAPITAL INDIA FINANCE LIMITED

CIN: L74899DL1994PLC128577

Registered Office: 2nd Floor, DLF Centre, Sansad Marg, New Delhi - 110001, Tel.: 011-49546000

Website: www.capitalindia.com, E-mail: secretarial@capitalindia.com

DISCLOSURE UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 (“SEBI SBEB REGULATIONS”) FOR FINANCIAL YEAR 2019-20

- A. Disclosures in terms of the Guidance note on accounting for employee share-based payments issued by ICAI or any other relevant accounting standards as prescribed from time to time.
- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ‘Accounting Standard 20 - Earnings Per Share’ issued by ICAI or any other relevant accounting standards as prescribed from time to time.
- C. Details related to ESOS:

Sl. No.	Particulars	
1.	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:	
a)	Date of shareholders’ approval	September 23, 2018
b)	Total number of options approved under ESOP	35,00,000
c)	Vesting requirements	Option granted under ESOP 2018 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant.
d)	Exercise price or pricing formula	Rs. 72
e)	Maximum term of options granted	Five Years
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation of terms of options	NIL
2.	Method used to account for ESOP	Fair Value Method
a)	The difference between the employee compensation cost so computed using Intrinsic Value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options	Since the Company has calculated the employee compensation cost using the Fair Value of stock options there is no impact of difference on profits.
b)	The impact of this difference on profits and on EPS of the Company	Since the Company has calculated the employee compensation cost using the Fair Value of stock options there is no impact of difference on EPS.
3.	Option movement during the year (For each ESOS):	
a)	Number of options outstanding at the beginning of the period	16,35,000
b)	Number of options granted during the year	4,15,000
c)	Number of options forfeited/lapsed during the year	Nil
d)	Number of options vested during the year	4,08,750
e)	Number of options exercised during the year	Nil
f)	Number of shares arising as a result of exercise of options	Nil
g)	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil
h)	Loan repaid by the Trust during the year from exercise price received	NA
i)	Number of options outstanding at the end of the year	20,50,000
j)	Number of options exercisable at the end of the year	4,08,750



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4.	Weighted-average exercise prices and weighted average fair values of options	72 and 9.41										
5.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to											
a)	Senior managerial personnel;	Refer Annexure I										
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; and	Refer Annexure II										
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.	Refer Annexure III										
6.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	<p>The Black-Scholes Option Pricing Model has been used for valuing employee stock options. This model requires the consideration of certain significant assumptions/variables such as volatility, risk-free rate, expected dividend yield, expected option life, market price and exercise price for calculation of fair value of options. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of options.</p> <p>The Fair value of options granted on 23rd September, 2018 have been calculated using Black Scholes Options pricing formulae and the significant assumptions made in this regard are as follows:</p> <table border="1"> <thead> <tr> <th>Key assumption</th> <th>Values</th> </tr> </thead> <tbody> <tr> <td>Risk free interest rate</td> <td>6.62% - 7.10%</td> </tr> <tr> <td>Expected life</td> <td>1 year to 4 years</td> </tr> <tr> <td>Expected volatility</td> <td>18%</td> </tr> <tr> <td>Expected dividend yield</td> <td>NIL</td> </tr> </tbody> </table>	Key assumption	Values	Risk free interest rate	6.62% - 7.10%	Expected life	1 year to 4 years	Expected volatility	18%	Expected dividend yield	NIL
Key assumption	Values											
Risk free interest rate	6.62% - 7.10%											
Expected life	1 year to 4 years											
Expected volatility	18%											
Expected dividend yield	NIL											
a)	the weighted-average values of share price	9.41										
b)	the weighted-average values of exercise price	72										
c)	the weighted-average values of expected volatility	18%										
d)	the weighted-average values of expected option life	1 year to 4 years										
e)	the weighted-average values of expected dividends	Nil. Since the company is in its early growth stage. Our intention is to reinvest free cash flow into the growth of the business rather than declaring dividend. We have used this assertion to assume 0% dividend yield.										
f)	the weighted-average values of the risk-free interest rate	6.62% - 7.10%										
g)	The method used and the assumptions made to incorporate the effects of expected early exercise	No such cases during the year										



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h)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Though CIFL is a listed Company, the shares are not frequently traded on the stock Exchange. Hence, historical volatility has not been considered. Apart from this, there are no peers with similar nature of business activity which can be considered as peer set. Due to this limitation, 'BSE Finance' index has been considered as proxy for arriving at CIFL's volatility. We have arrived at a volatility of 18%
i)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	The fair value of the options has been determined under the Black-Scholes model which take cares of relevant market conditions.
7.	Disclosures in respect of grants made in three years prior to IPO under each ESOS 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.	No Options exercised till date.
8.	Diluted Earnings Per Share (EPS) on issue of shares pursuant to issue of shares on exercise of option calculated in accordance with Ind AS 33 – "Earnings Per Share	Rs. 3.86 Per share
9.	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards, as prescribed from time to time	Relevant disclosure has been given in Note no 38 of Standalone Financial statements.

Employee wise details of options granted to the senior managerial personnel during the Financial Year 2019-20

Sr No.	Name of employee	Designation	Number of options granted during the year	Exercise price of options granted
1	Ashutosh Narang	General Counsel	50,000	72
2	Manish Gupta	Head Information Technology	5,000	72
3	Parvinder Singh	Business Head - Urban Infrastructure	75,000	72
4	Sunil Indrakumar Hotchandani	Head Credit & Risk - Wholesale Lending	75,000	72
5	Deepak Maheshwari	Head-Business Finance	25,000	72
6	Vandana Shejwal	Chief Human Resource Officer	40,000	72
7	Shivshankar Panigrahi	Vice President	10,000	72
8	Ravindran Menon	Chief Executive Officer – RapiMoney	50,000	72

Employee wise details of options granted to any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year

A. Details of Options granted during the Financial Year 2018-19

Sr No.	Name of employee	Designation	Number of options granted during the year	Exercise price of options granted
1	Amit Sahai Kulshreshtha	ED & CEO	7,00,000	72
2	Neeraj Toshniwal	Chief Financial Officer	1,00,000	72
3	Ashutosh Narang	General Counsel	1,00,000	72
4	Parvinder Singh	Business Head - Urban In-frastructure	1,25,000	72
5	Sunil Indrakumar Hotchandani	Head Credit & Risk - Wholesale Lending	1,25,000	72
6	Deepak Maheshwari	Head-Business Finance	1,25,000	72
7	Vineet Kumar Saxena	Non-Executive Director	1,00,000	72
8	Ravindran Menon	Chief Executive Officer – RapiMoney	50,000	72

B. Details of Options granted during the Financial Year 2019-20

Sr No.	Name of employee	Designation	Number of options granted during the year	Exercise price of options granted
1	Neeraj Toshniwal	Chief Financial Officer	50,000	72

Details of 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

A. Details of Options granted during the Financial Year 2018-19

Sr No.	Name of employee	Designation	Number of options granted during the year	Exercise price of options granted
Nil				

B. Details of Options granted during the Financial Year 2019-20

Sr No.	Name of employee	Designation	Number of options granted during the year	Exercise price of options granted
Nil				