

# SEBI DISCLOSURE DOCUMENT FOR FY2024

## Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

### Summary of status of ESOPs granted

The position of the existing employee stock option scheme (ESOS) as on 31 March 2024 is summarised as below:

Sr. No.	Particulars	ESOS 2009
<b>I.</b>	<b>Details of the ESOS</b>	
1	Date of Shareholder's Approval	Approved on 15 December 2009, further modified on 16 July 2014, 19 April 2021 and 19 March 2024
2	Total Number of Options approved	35,071,160
3	Vesting Requirements	The options would vest not earlier than 1 year and not later than 5 years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined by the Compensation Committee, subject to the minimum vesting period of 1 year from the date of grant of options. The options granted shall vest so long as the employee continues to be in the employment of the Company or group company [including subsidiary companies / holding company/ associate if any]
4	Exercise Price or Pricing formula	Closing market price on the day prior to the date of grant on stock exchange with highest trading volume is registered, subject to the condition that the exercise price will not be less than the face value of the share under any circumstances
5	Maximum term of Options granted	Options to be exercised within 5 years of vesting
6	Source of shares (primary, secondary or combination)	Primary issuance
7	Variation in terms of ESOP	On 19 March, the shareholders approved modification to the scheme through postal ballot, to include enabling provisions for inclusion of employees from the Group and associate companies, treatment of stock options in case of retirement, death, permanent incapacity, transfers and deputation. The scheme is in compliance with the SBEB Regulations.
<b>II</b>	<b>Method used to account for ESOS – (Intrinsic or fair value)</b>	Fair Value method
<b>III</b>	<b>Where the company opts for expensing of the options using the intrinsic value of the options, the 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 shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.</b>	Not Applicable

**IV. Option Movement during the year**

Sr. No.	Particulars	No. of Options
1	No. of Options Outstanding at the beginning of the year	5,481,470
2	Options Granted during the year	1,563,397
3	Options Cancelled during the year	71,147
4	Options Lapsed/forfeited during the year	1,311
5	Options Vested during the year	845,608
6	Options Exercised during the year	1,482,620
7	Total number of shares arising as a result of exercise of options	1,482,620
8	Money realised by exercise of options (₹)	2,671,743,370
9	Loan repaid by Trust during the year from exercise price received (₹)	2,671,743,370
10	Number of options Outstanding at the end of the year	5,489,789
11	Number of Options exercisable at the end of the year	2,334,802

**V Weighted average exercise price of options granted during the year whose**

Sr. No.	Particulars	Amount (in ₹)
(a)	Exercise price equals market price (₹)	6,075.25
(b)	Exercise price exceeds the market price	Nil
(c)	Exercise price is less than market price	Nil

**Weighted average fair value of options granted during the year whose**

Sr. No.	Particulars	Amount (in ₹)
(a)	Exercise price equals market price (₹)	2,756.16
(b)	Exercise price exceeds the market price	Nil
(c)	Exercise price is less than market price	Nil

**VII Employee-wise details of options granted during the financial year 2023-24 to:**
**(i) Senior managerial personnel as defined in Regulation 16(d) of SEBI Listing Regulations, 2015:**

	Name	Designation	No. of options granted at an exercise price of ₹ 6,075.25
1	Nitish Asthana	President - Payments	14,611
2	Deepak Reddy	President - Rural Lending, Gold Loans & Insurance Businesses	14,634
3	Harjeet Toor	President - Bharat Lending & Strategic Partnership	16,608
4	Deepak Bagati	President - Debt Management Services	17,779
5	Sandeep Jain	Chief Financial Officer	17,998
6	Amit Raghuvanshi	President - Personal Loans and Sales Finance	16,227
7	Anurag Chottani	Chief Technology Officer	17,998
8	Manish Jain	President - Consumer Finance	15,218
9	Kurush Irani	President - Corporate Social Responsibility	16,866
10	Fakhari Sarjan	President - Risk	19,743
11	Sidhaant Dadwal	President - SME and Auto	10,169
12	Manav Mianwal	President - Digital Platforms	13,715
13	Vivek Likhite	President - Corporate Audit Services	12,200
14	Anupam Sirbhaiya	Chief Human Resources and Administration Officer	9,802
15	Babu Rao	General Counsel	12,397

	<b>Name</b>	<b>Designation</b>	<b>No. of options granted at an exercise price of ₹ 6,075.25</b>
16	Nitin Neema	Executive Vice President - Operations and Service	4,789
17	Anand Bagri	Executive Vice President - Treasury	10,094
18	Neelesh Sarda	Chief Compliance Officer	3,111
19	Vijay R	Company Secretary	3,281
20	Prashant Verma	Chief Information Security Officer	1,263

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

<b>Name</b>	<b>No. of options granted</b>
Rajeev Jain, Managing Director	1,37,980

**(iii) Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.**

NIL

**VII a) Method and Significant Assumptions used during the year to estimate the fair value of options**

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

The Assumptions used in the model are as follows:

<b>Date of grant (26 April 2023)</b>	<b>Particulars</b>
1. Risk Free Interest Rate	6.94%
2. Expected Option Life	5 years
3. Expected Volatility	41.44%
4. Dividend Yield	0.33%
5. Price of the underlying share in market at the time of the option grant (₹)	6,075.25

**(i) Assumptions:**

The above assumptions are computed based on weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model for the grants made during the year. Grant wise assumptions is given below:

**Stock Price:** Closing price on National Stock Exchange of India Ltd. ('NSE') on the date of grant has been considered.

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

**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.

**Exercise Price:** Exercise Price of each specific grant has been considered.

**Time to Maturity:** The Company has estimated the expected life of the options on the basis of average of minimum and maximum life of the options. Historical data is not considered in expected life calculations.

**Expected dividend yield:** Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant.

(ii) No other feature has been considered for fair valuation of options except as mentioned in point VII (a) (i) above

(b) **The method used and the assumptions made to incorporate the effects of expected early exercise:**  
Not Applicable

(c) **How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:** The expected price volatility is determined using annualized standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options

(d) **Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition:**

NIL

<b>VIII</b>	<b>Diluted earnings per share pursuant to issue of shares on exercise of options calculated in accordance with IndAS 33 (Standalone)</b>	₹ 206.47
<b>IX</b>	<b>Relevant disclosures in terms of accounting standards prescribed by Central Government as per section 133 of Companies Act, 2013 including guidance note on accounting for employee share based payments issued in that regard.</b>	Same are disclosed in note no 48 to Standalone Financial Statements

**Significant assumptions used to estimate the fair value of options:**

<b>Grant Date</b>	<b>Risk Free Interest Rate (%)</b>	<b>Expected Option Life</b>	<b>Expected Volatility (%)</b>	<b>Dividend Yield (%)</b>	<b>Price of the underlying share in market at the time of the option grant (₹)</b>
12 January 2010	6.70	1-5 years	54.01	0.62	35.87*
21 July 2010	7.42	3.5 -6.5 years	55.38	1.28	54.20*
28 July 2011	8.27	3.5 -6.5 years	53.01	1.42	70.52*
16 May 2012	8.36	3.5 -6.5 years	49.58	1.37	87.61*
15 May 2013	7.32	1-5 years	29.97	1.09	138.04*
1 November 2013	8.71	1-5 years	32.83	1.11	135.31*
16 July 2014	8.66	1-5 years	38.01	0.73	219.66*
20 May 2015	7.76	3.5 -6.5 years	34.88	0.36	448.16*
24 May 2016	7.38	3.5 -6.5 years	33.13	0.47	765.37*
17 May 2017	6.89	3.5 -6.5 years	34.23	0.05	1,347.75
16 October 2017	6.69	3.5 -6.5 years	34.51	0.04	1,953.05
1 February 2018	7.42	3.5 -6.5 years	34.05	0.04	1,677.85
17 May 2018	7.91	3.5 -6.5 years	33.65	0.19	1,919.95
16 May 2019	7.09	3.51-6.51 years	34.03	0.13	3,002.75
19 May 2020	5.58	3.5 - 6.5 years	40.30	0.83	1,938.60
27 April 2021	5.65	3.5 - 6.5 years	42.51	0.21	4,736.55
26 April 2022	6.52	3.5 - 6.5 years	42.12	0.29	7,005.50
26 April 2022	6.95	7.5 years	39.54	0.29	7,005.50
25 July 2022	7.09	3.5 - 6.5 years	42.20	0.32	6,258.25
25 July 2022	6.91	3.5 years	44.71	0.32	6,258.25
25 July 2022	6.99	4 years	44.15	0.32	6,258.25
26 April 2023	6.94	5 years	41.44	0.33	6,075.25

\*Adjusted for Sub-division (each equity share having face value of ₹ 10/- into 5 equity shares having face value of ₹ 2/- each) and issue of bonus shares thereon

### Details related to Trust

Details in connection with transactions made by the Trust meant for the purpose of administering the scheme under the regulations are as follows:

#### (i) General information on all schemes

Sr. No.	Particulars	Details
1	Name of the Trust	BFL Employee Welfare Trust
2	Details of the Trustee(s)	V Rajagopalan, Anupam Sirbhaiya and Ganesh Mandhane
3	Amount of loan disbursed by Company/any company in the group, during FY2024	₹ 4,482,886,681.90
4	Amount of loan outstanding (repayable to Company /any company in the group) as at the end of FY2024	₹ 3,072,532,214.00
5	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
6	Any other contribution made to the Trust during FY2024	Not Applicable

#### (ii) Brief details of transactions in shares by the Trust

Sr. No.	Particulars	No. of equity shares
(a)	Number of shares held at the beginning of FY2024	1,008,401
(b)	Number of shares acquired during FY2023 through	
	(i) Primary issuance	1,462,548
	(ii) Secondary acquisition	NIL
	1. Percentage of paid up equity capital as at the end of FY2023	Not Applicable
	2. Weighted average cost of acquisition per share	Not Applicable
(e)	Number of shares transferred to the employees along with the purpose thereof	1,482,620 equity shares were transferred to the employees upon exercise of options
(f)	Number of shares held at the end of FY2023	988,329