

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

The position of the existing employee stock option scheme (ESOS) as on 31 March 2022 is summarised as below:

I. Details of the ESOS

Sr. No.	Particulars	ESOS 2009
1	Date of Shareholder's Approval	Approved on 15 December 2009, further modified on 16 July 2014 and 19 April 2021
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.
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
5	Maximum term of Options granted (years)	Options to be exercised within 5 years of vesting
6	Source of shares	Primary issuance
7	Variation in terms of ESOP	Nil
II	Method used to account for ESOS - Intrinsic or fair value	Fair Value method
III	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	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	6,633,275
2	Options Granted during the year	936,643
3	Options Cancelled during the year	184,252
4	Options Lapsed/forfeited during the year	0
5	Options Vested during the year	1,293,177
6	Options Exercised during the year	1,714,216
7	Total number of shares arising as a result of exercise of options	1,714,216
8	Money realised by exercise of options (₹)	1,729,308,549.47
9	Loan repaid by Trust during the year from exercise price received (₹)	1,729,308,549.47
10	Number of options Outstanding at the end of the year	5,671,450
11	Number of Options exercisable at the end of the year	2,608,173

V Weighted average exercise price of Options granted during the year whose

(a) Exercise price equals market price	4,736.55
(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

(a) Exercise price equals market price	2,108.92
(b) Exercise price exceeds the market price	Nil
(c) Exercise price is less than market price	Nil

VI Employee-wise details of options granted during the financial year 2021-22 to:**(i) Senior managerial personnel as defined in regulation 16(d) of SEBI Listing Regulations, 2015:**

Sr. No	Name	Designation	No. of options granted at an exercise price of ₹ 4,736.55
1	Ajay Sharda	Executive Vice President - Collections	7,760
2	Amit Raghuvanshi	Senior Executive Vice President - Personal Loans and Sales Finance	13,100
3	Anand Kumar	Executive Vice President - Rural Business	9,751
4	Anup Kumar Saha	Deputy CEO	25,054
5	Anupam Sirbhaiya	Chief Human Resources and Administration	7,336
6	Anurag Chottani	Chief Technology Officer	15,148
7	Ashish Panchal	Chief of Staff	14,709
8	Deepak Bagati	President - Collections	14,598
9	Fakhari Sarjan	Chief Risk Officer	16,487
10	Kurush Irani	President - Credit Operations	13,849
11	M M Muralidharan	Treasurer	10,572
12	Manev Mianwal	Sr. Executive Vice President - Marketing	12,042
13	Manish Jain	Sr. Executive Vice President - Consumer Finance	11,840
14	Manish Kumar Jain	CEO - Bajaj Financial Securities Limited	9,363
15	R Vijay	Company Secretary	2,694
16	Sandeep Jain	Chief Financial Officer	15,003
17	Siddhant Dadwal	Executive Vice President - SME	8,112
18	Vivek Likhite	Executive Vice President - Corporate Audit Services	10,018

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

Name	No. of options granted
Rajeev Jain, Managing Director	113,914

- (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:

Sr. No.	Date of grant (27 April 2021)	Particulars
1.	Risk Free Interest Rate	5.65%
2.	Expected Life	3.5 - 6.5 years
3.	Expected Volatility	42.51%
4.	Dividend Yield	0.21%
5.	Price of the underlying share in market at the time of the option grant (₹)	4,736.55

(i) Assumptions:

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

VIII	Diluted earnings per share pursuant to issue of shares on exercise of options calculated in accordance with IndAS 33 (₹) (standalone)	104.63
IX	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.	Same are disclosed in note no 49 to Standalone Financial Statements

Significant assumptions used to estimate the fair value of options:

Grant Date	Risk Free Interest Rate	Expected Life	Expected Volatility	Dividend Yield	Price of the underlying share in market at the time of the option grant (₹)*
12-Jan-10	6.70%	1-5 years	54.01%	0.62%	35.87
21-Jul-10	7.42%	3.5 -6.5 years	55.38%	1.28%	54.20
28-Jul-11	8.27%	3.5 -6.5 years	53.01%	1.42%	70.52
16-May-12	8.36%	3.5 -6.5 years	49.58%	1.37%	87.61
15-May-13	7.32%	1-5 years	29.97%	1.09%	138.04
01-Nov-13	8.71%	1-5 years	32.83%	1.11%	135.31
16-Jul-14	8.66%	1-5 years	38.01%	0.73%	219.66
20-May-15	7.76%	3.5 -6.5 years	34.88%	0.36%	448.16
24-May-16	7.38%	3.5 -6.5 years	33.13%	0.47%	765.37
17-May-17	6.89%	3.5 -6.5 years	34.23%	0.05%	1,347.75
16-Oct-17	6.69%	3.5 -6.5 years	34.51%	0.04%	1,953.05
01-Feb-18	7.42%	3.5 -6.5 years	34.05%	0.04%	1,677.85
17-May-18	7.91%	3.5 -6.5 years	33.65%	0.19%	1,919.95
16-May-19	7.09%	3.51-6.51 years	34.03%	0.13%	3,002.75
19-May-20	5.58%	3.5 - 6.5 years	40.30%	0.83%	1,938.60
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	4,736.55

*Adjusted for sub-division of shares 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)	Deepak Reddy, M M Muralidharan and V Rajagopalan
3	Amount of loan disbursed by Company/any company in the group, during FY2022	₹ 3,700,270,458.71
4	Amount of loan outstanding (repayable to Company /any company in the group) as at the end of FY2022	₹ 2,842,609,996.90
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 FY2022	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 FY2022	1,021,714
(b)	Number of shares acquired during FY2022 through	
(i)	Primary issuance	2,841,894
(ii)	Secondary acquisition	NIL
1.	Percentage of paid up equity capital as at the end of FY2022	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	1,714,216 equity shares were transferred to the employees upon exercise of options
(f)	Number of shares held at the end of FY2022	2,149,392