

SEBI Disclosure Document for FY2023

Disclosure pursuant to regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2011

Summary of Status of ESOPs Granted

The position of the existing employee stock option scheme (ESOS) as on 31 March 2023 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, secondary or combination)	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 recognised 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	5,671,450
2.	Options Granted during the year	1,023,105
3.	Options Cancelled during the year	72,094
4.	Options Lapsed/forfeited during the year	0
5.	Options Vested during the year	864,192
6.	Options Exercised during the year	1,140,991
7.	Total number of shares arising as a result of exercise of options	1,140,991
8.	Money realised by exercise of options (₹)	1,581,224,345.80

Sr. No.	Particulars	No. of Options
9.	Loan repaid by Trust during the year from exercise price received (₹)	1,581,224,345.80
10.	Number of options Outstanding at the end of the year	5,481,470
11.	Number of Options exercisable at the end of the year	2,659,078

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

(a)	Exercise price equals market price	6,991.37
(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	3,202.49
(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 2022-23 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 ₹ 7,005.5
1.	Amit Raghuvanshi	President – Personal Loans and Sales Finance	11,156
2.	Anup Saha*	Deputy CEO	38,043
3.	Anupam Sirbhaiya	Chief Human Resources and Administration Officer	6,747
4.	Anurag Chottani	Chief Technology Officer	13,070
5.	Deepak Bagati	President – Debt Management Services	12,596
6.	Fakhari Sarjan	Chief Risk Officer	14,226
7.	Kurush Irani	President – Credit Operations	11,950
8.	Manish Jain	Chief Executive Officer- Bajaj Financial Securities Limited	14,793
9.	Manish Jain	President – Consumer Finance	9,852
10.	Nitish Asthana	President – Payments	36,534
11.	Rakesh Bhatt*	Deputy CEO	38,007
12.	Sandeep Jain	Chief Financial Officer	12,946
13.	Vijay R	Company Secretary	2,324
14.	Vivek Likhite	Sr. Executive Vice President – Corporate Audit Services	8,532

*Shri Anup kumar Saha and Shri Rakesh Bhatt have been appointed as Executive Director effective from 1 April 2023.

Sr. No.	Name	Designation	No. of options granted at an exercise price of ₹ 6,258.25
1.	Harjeet Toor	President – International Business	19,349

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

Name	No. of options granted at an exercise price of ₹ 7,005.5
Rajeev Jain, Managing Director	1,16,789

- (iii) Identified employees who were granted options, 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:

Date of grant (26 April 2022 and 25 July 2022)	Particulars
1. Risk Free Interest Rate	6.55%
2. Expected Option Life	5.13 years
3. Expected Volatility	42.01%
4. Dividend Yield	0.29%
5. Price of the underlying share in market at the time of the option grant (₹)	6,991.37

(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 annualised 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)

₹ 169.51

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 48 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 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*
01 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
01 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

* 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 for the grant upto 24 May 2016.

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

Sl. 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 FY2023	Nil
4.	Amount of loan outstanding (repayable to Company/any company in the group) as at the end of FY2023	₹ 1,261,387,829.10
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 FY2023	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 FY2023	2,149,392
(b)	Number of shares acquired during FY2023 through	
	(i) Primary issuance	NIL
	(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
(c)	Number of shares transferred to the employees along with the purpose thereof	1,140,991 equity shares were transferred to the employees upon exercise of options
(d)	Number of shares held at the end of FY2023	1,008,401