

DISCLOSURE

DISCLOSURE UNDER REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 (“SEBI SBEB REGULATIONS”) READ WITH SEBI CIRCULAR CIR/CFD/POLICY CELL/2/2015 DATED JUNE 16, 2015 FOR THE FINANCIAL YEAR 2019-20:

Employee Stock Option Plan and the Scheme:

The Company instituted the Spandana Employee Stock Option Plan 2018 (the “ESOP Plan 2018”) and Spandana Employee Stock Option Scheme 2018 (the “ESOP Scheme 2018”) passed at its Extra-Ordinary General Meeting held on June 14, 2018. Post listing of equity shares of the Company on August 19, 2019, the Members of the Company ratified the ESOP Plan 2018 and the ESOP Scheme 2018 through postal ballot on December 19, 2019 in accordance with the Regulation 12 of the SEBI SBEB Regulations.

Under the ESOP Plan 2018 and the ESOP Scheme 2018, 20,68,650 (Twenty lakh sixty eight thousand six hundred fifty only) total number of Options were approved unless otherwise decided by the Nomination and Remuneration Committee for the benefit of the eligible employees.

SL	No	Particulars	Details
A		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.	The same has been appropriately disclosed in the Note 42 of Notes to Accounts forming part of the Standalone Financial Statements for the year ended March 31, 2020, mentioned in the Annual Report 2019-20, which is available on the website of the Company.
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.	₹53.40 per share (Standalone Financial Statements) ₹55.74 per share (Consolidated Financial Statements)
C		Details related to ESOS / Plan	
	(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -	The ESOP Plan 2018 and ESOP Scheme 2018 has been formulated by the Nomination and Remuneration Committee of the Board with the object of granting, at the discretion of the Company, to such Eligible Employees of the Company and its subsidiaries, Options convertible to Shares of the Company as per the terms of the Plan, and to be allotted Shares of the Company on Exercise of such Options.
		Date of shareholders’ approval	June 14, 2018
		Total number of options approved under ESOS	20,68,650 options convertible into 20,68,650 Equity Shares of face value Rs.10 each of the Company.
		Vesting requirements	Minimum vesting period of one year from the date of grant of option.
		Exercise price or pricing formula	The Company shall have the freedom to determine the exercise price subject to confirming to the requirements of the ‘Guidance Note on Accounting for employee share based Payments’ (Guidance Note) or accounting standards prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.
		Maximum term of options granted	The exercise period would commence from the date of vesting and will expire on completion of 9 years from the date of grant.
		Source of shares (primary, secondary or combination)	Primary allotment.
		Variation in terms of options	None.

SL	No	Particulars	Details
	(ii)	Method used to account for ESOS - Intrinsic or fair value.	Fair Value as per Ind AS 102.
	(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 (For each ESOS):	
		Number of options outstanding at the beginning of the year	8,58,500 options
		Number of options granted during the year	4,63,500 options
		Number of options forfeited / lapsed during the year	2,16,535 options
		Number of options vested during the year	2,20,800 options
		Number of options exercised during the year	1,38,415 options
		Number of shares arising as a result of exercise of options	1,38,415 equity shares
		Money realized by exercise of options (₹), if scheme is implemented directly by the company	₹3,64,51,590.25
		Loan repaid by the Trust during the year from exercise price received	Not Applicable
		Number of options outstanding at the end of the year	9,67,050 options
		Number of options exercisable at the end of the year	37,800 options
	(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Please refer Note 42 of Notes to Accounts forming part of the Standalone Financial Statements for the year ended March 31, 2020, mentioned in the Annual Report 2019-20, which is available on the website of the Company.
	(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; (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 (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.	Please refer Annexure A below. Not Applicable Not Applicable

SL	No	Particulars	Details
	(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: (a) the 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; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Please refer Note 42 of Notes to Accounts forming part of the Standalone Financial Statements for the year ended March 31, 2020, mentioned in the Annual Report 2019-20, which is available on the website of the Company. Not Applicable Not Applicable
D		Details related to ESPS	Not Applicable
E		Details related to SAR	Not Applicable
F		Details related to GEBS / RBS	Not Applicable
G		Details related to Trust	Not Applicable

ANNEXURE A:

Grants made during the last three financial years:

Name of the Senior Management Personnel	Designation	Number of options granted	Exercise Price (₹)
Deepak Nath Goswami	Chief Financial Officer*	84,138	263.35\$
Nitin Agarwal	Chief Risk Officer#	51,716	263.35\$
Abdul Feroz Khan	Chief Strategy Officer	60,000	263.35\$
Sudhesh Chandrasekar	Chief Financial Officer^	25,000	263.35\$
Sudhesh Chandrasekar	Chief Financial Officer^	10,000	1,077.37@
Rakesh Jhinjhar	Company Secretary	15,000	263.35\$
Rakesh Jhinjhar	Company Secretary	5,000	1,077.37@

* Resigned on April 10, 2019 # Resigned on March 28, 2019 ^ Appointed on May 17, 2019

\$ Granted on August 13, 2018 @ Granted on January 28, 2020.