



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 2020-21:

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.

The ESOP Plan 2018 and the ESOP Scheme 2018 were implemented by the Compensation Committee (rechristened as the Nomination and Remuneration Committee) and the effective date of the same is June 14, 2018.

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 (“NRC”) 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.	Disclosures in terms of 'Guidance note on accounting for employee share based payments' issued by ICAI and diluted EPS in accordance with Indian Accounting Standard IndAS 33 - Earnings Per Share are provided in Note 31 of Standalone Financial Statements in this Annual Report.
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.	Details related to stock option schemes are provided in Note 43 of the Standalone Financial Statements in this Annual Report.
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 Spandana Employee Stock Option Plan 2018 (the “ESOP Plan 2018”) and Spandana Employee Stock Option Scheme 2018 (the “ESOP Scheme 2018”)
		Date of shareholders' approval	June 14, 2018
		Total number of options approved under ESOS	20,68,650
		Vesting requirements	Refer to Annexure 1 below



	Exercise price or pricing formula	As per provisions of the ESOP Plan 2018: “the Exercise Price of the Option shall be determined by the Committee acting in good faith and should at least be equal to the Fair Market Value of the shares on the Grant Date as determined by an independent valuer within a period of six months prior to the Grant Date.
	Maximum term of options granted	Options granted under ESOP Scheme would vest subject to maximum period of 5 (five) years from the date of grant of such options.
	Source of shares (primary, secondary or combination)	Primary
	Variation in terms of options	There was no variation in the terms of the ESOP Plan 2018 and the ESOP Scheme 2018 during the financial year 2020-21.
(ii)	Method used to account for ESOS - Intrinsic or fair value.	Fair Value
(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. <i>(the cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model)</i>
(iv)	Option movement during the year (For each ESOS):	
	Number of options outstanding at the beginning of the year Number of options granted during the year Number of options forfeited / lapsed during the year Number of options vested during the year Number of options exercised during the year Number of shares arising as a result of exercise of options Money realized by exercise of options (Rs.), if scheme is implemented directly by the company Loan repaid by the Trust during the year from exercise price received Number of options outstanding at the end of the year	Refer Note 43 of the Standalone Financial Statements in the Annual Report.



		Number of options exercisable at the end of the year	
	(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.	Refer Note 43 of the Standalone Financial Statements in the Annual Report.
	(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.	Refer Annexure 2 below
	(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.	Refer Note 43 of the Standalone Financial Statements in the Annual Report.
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 1:

Vesting provisions for the ESOP Plan 2018 and the ESOP Scheme 2018 were as follows:

- The minimum vesting period shall be one year from the date of grant of option.
- In case the employment of the employee with the Company ceases due to the Participant's Retirement on attaining the superannuation age or an extended date, or early retirement after approval from the Company, the Company/Board/Committee shall in its absolute discretion decide number of options that can vest, provided such options have been granted 1 (one) year prior to such date, with respect to the Unvested Options which decision shall be binding on the employee.
- Subject to continued employment, the Options shall Vest as per the below schedule:
 - For employees who have been employed with the Company for six years or more on the Grant date, Options shall vest as per the below schedule:

Sr. No.	Particulars	Maximum options entitled for vesting
1	At the end of Year 1 from the Grant date	30 (Thirty)% of total options granted
2	At the end of Year 2 from the Grant date	30 (Thirty)% of total options granted
3	At the end of Year 3 from the Grant date	20 (Twenty)% of total options granted
4	At the end of Year 4 from the Grant date	20 (Twenty)% of total options granted

- Other employees who are not covered under sub clause one above:

Sr. No.	Particulars	Maximum options entitled for vesting
1	At the end of Year 1 from the Grant date	20 (Twenty)% of total options granted
2	At the end of Year 2 from the Grant date	20 (Twenty)% of total options granted
3	At the end of Year 3 from the Grant date	20 (Twenty)% of total options granted
4	At the end of Year 4 from the Grant date	20 (Twenty)% of total options granted
5	At the end of Year 5 from the Grant date	20 (Twenty)% of total options granted



Annexure 2:

Grants made during the last three financial years:

Name of the Senior Management Personnel	Designation	Number of options granted	Exercise Price (Rs.)
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 Jhinharia	Company Secretary&	15,000	263.35
Rakesh Jhinharia	Company Secretary&	5,000	1,077.37
Amit Ranjan Biswal	Chief Business Officer\$	50,000	565.72
Satish Kottakota	Chief Financial Officer**	7,5000	565.72
Ramesh Periasamy	Company Secretary###	20,000	608.74

* Resigned on April 10, 2019

Resigned on March 28, 2019

^ Appointed on May 17, 2019 and resigned w.e.f June 05, 2020

& Resigned w.e.f June 05, 2020

** Appointed w.e.f June 01, 2020. 75,000 options granted on June 3, 2020 were lapsed by NRC at its meeting held on November 11, 2020 and also granted 75,000 options in lieu of lapsed options.

\$ Appointed w.e.f May 21, 2020. 50,000 options granted on June 3, 2020 were lapsed by NRC at its meeting held on November 11, 2020 and also granted 50,000 options in lieu of lapsed options.

Appointed w.e.f August 29, 2020

Note: No employee was granted options amounting to 5% or more of the total options granted in any one year. Similarly there was no grant in any one year that was equal to or exceeding the 1% of issued capital of the Company.