

**Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – For the Financial Year 2022-23**

Sr. No.	Particulars	KFin Employee Stock Option Plan 2020
<b>A</b>	Relevant disclosures in terms of accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including 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 disclosures are provided in Note No. 45 of the Notes to standalone financial statements of the Company for the financial year 2022-23, forming part of the Annual Report of the Company.
<b>B</b>	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	The diluted earnings per share for the financial year 2022-23, is Rs. 11.55 per equity share.
<b>C</b>	<b>Details Related to ESOS</b>	
	(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -	
	a) Date of shareholders' approval	Date of shareholders' resolution approving the ESOP Plan: July 31, 2019 Date of shareholders' resolution approving the amendment to the ESOP Plan: October 20, 2020
	b) Total number of options approved	Not exceeding 95,93,839 (Ninety Five Lakh Ninety-Three Thousand Eight Hundred and Thirty-Nine only) units

	under ESOS	<i>Note - The members of our Company at the extraordinary general meeting held on October 20, 2020, inter-alia approved the extinguishment/ reduction/ cancellation of 25,00,000 units from the share pool of the Plan.</i>							
	c) Vesting requirements		<b>Scheme A</b>	<b>Scheme B</b>	<b>Scheme C</b>	<b>Scheme D</b>	<b>Scheme E</b>	<b>Scheme F</b>	<b>Scheme G</b>
	<b>Vesting Condition</b>	Time based vesting condition	Achievement of performance condition and non-market based condition	Achievement of nonmarket based condition	Time based vesting condition	Achievement of Performance condition and non-market based condition	Achievement of nonmarket based condition	Achievement of performance condition	
	<b>Vesting period</b>	15% - end of year 1 15% - end of year 2 35%- end of year 3 35% - end of year 4	50% or 100% on achievement of target specified in the scheme or 100% non-market based condition	100% on achievement of condition specified in the scheme or 100% on nonmarket based condition	20% - end of year 1 20% - end of year 2 30%- end of year 3 30% - end of year 4	50% or 100% on achievement of target specified in the scheme or 100% nonmarket based condition	100% on achievement of condition specified in the scheme or 100% on non-market based condition	100% on achievement of condition specified in the scheme	
	d) Exercise price or pricing formula		<b>Scheme A</b>	<b>Scheme B</b>	<b>Scheme C</b>	<b>Scheme D</b>	<b>Scheme E</b>	<b>Scheme F</b>	<b>Scheme G</b>
	<b>Exercise Price</b>	70.36 91.98 110.00	70.36 91.98 110.00 185.00	70.36 91.98 110.00 185.00	185.00	185.00	185.00	185.00	

		e) Maximum term of options granted	The exercise period is a period of 7 years from the date of listing of shares on the stock exchange ( <i>i.e.</i> , December 29, 2022) for Continuing Employee or Deceased Employee and a period of 3 years from the date of listing of shares on the stock exchange for Ex-Employees, unless the Board / Committee decides otherwise
		f) Source of shares (primary, secondary or combination)	Primary
		g) Variation in terms of options	None
	(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 as Company has used Fair value method

(iv)	Option movement during the year (For each ESOS):							
	Particulars	Details						
		Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
	Number of options outstanding at the beginning of the period ( <i>granted less lapsed</i> )	10,56,275	16,18,940	12,10,309	19,05,893	3,85,170	3,98,314	1,98,340
	Number of options granted during the year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Number of options forfeited / lapsed during the year	33,470	76,668	62,048	2,26,144	22,988	93,443	NIL
	Number of options vested during the year	2,11,662	9,33,489	1,148,260	3,42,204	1,05,391	NIL	NIL
	Number of options exercised during the year	3,65,994	10,46,367	NIL	1,64,476	82,979	NIL	NIL
	Number of shares arising as a result of exercise of options	3,65,994	10,46,367	Not Applicable	1,64,476	82,979	Not Applicable	Not Applicable
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	2,88,95,124.78	13,09,86,823.32	Not Applicable	3,04,28,060.00	1,53,51,115.00	Not Applicable	Not Applicable
Loan repaid by the Trust during the year from exercise price received	Not Applicable							
Number of options outstanding at the end of the year	7,23,751	6,49,241	12,72,357	19,67,561	3,25,179	4,91,757	1,98,340	

		Number of options exercisable at the end of the year	55,496	2,83,036	11,48,260	1,77,739	22,412	NIL	NIL
	(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.	As per Annexure A.						
	(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 as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;	NIL during the financial year 2022-23						
		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;	NIL during the financial year 2022-23						

		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.	NIL during the financial year 2022-23
	(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;	As per Annexure A.
		b) the method used and the assumptions made to incorporate the effects of	

	<p>expected early exercise;</p> <p>c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</p> <p>d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition</p>	
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

### Method and significant assumptions used during the year to estimate the fair value of options

The fair value of the options granted during the year and the inputs used in the measurement of the grant-date fair values of the equity-settled share-based payment plans measured based on the Black Scholes valuation model are as follows:

Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
<b>Date of grant</b>	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	8-Aug-19 13-Jan-20 8-Sept-20 29-Dec-20 1-Nov-21	01-Nov-21 24-Mar-22	01-Nov-21 24-Mar-22	01-Nov-21	24-Mar-22
<b>Fair Value of option (In INR)</b>	33.57/ 33.52 35.78	33.57/ 33.52 35.78/52.56	33.57/ 33.52 35.78/52.56	52.56/51.92	52.56/51.92	52.56	51.92
<b>Exercise price</b>	70.36 91.98 110.00	70.36 91.98 110.00 185.00	70.36 91.98 110.00 185.00	185.00	185.00	185.00	185.00
<b>Risk free interest rate</b>	6.47%/ 6.88% 6.40%	6.47%/ 6.88% 6.40%/6.79%	6.47%/ 6.88% 6.40%/6.79%	6.79%/ 7.12%	6.79%/ 7.12%	6.79%	7.12%
<b>Remaining contractual life</b>	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years	7/ 3 years
<b>Expected life of share options (years)</b>	8.15/7.72 years 7.06 years	8.15/7.72 years 7.06 years/4.16 years	8.15/7.72 years 7.06 years/4.16 years	4.16 years/ 3.77 years	4.16 years/ 3.77 years	4.16 years	3.77 years
<b>Expected volatility (weighted average)</b>	14.61%/ 13.96% 16.16%	14.61%/ 13.96% 16.16%/17.62%	14.61%/ 13.96% 16.16%/17.62%	17.62%/ 19.34%	17.62%/ 19.34%	17.62%	17.62%/ 19.34%



Particulars	Scheme A	Scheme B	Scheme C	Scheme D	Scheme E	Scheme F	Scheme G
volatility %)							
Expected dividend yields (%)	–	–	–	–	–	–	–

- The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur
- Since there are no listed companies in the Indian market that are absolutely comparable to Company, volatility of returns on the BSE500 index for historical period has been considered. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.
- The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option
- There are no market conditions attached to the grant and vesting.