

## DISCLOSURE PURSUANT TO REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 (“SEBI SBEB REGULATIONS”) FOR THE FINANCIAL YEAR 2022-23:

### Employee Stock Option Plan and the Scheme:

The Company has 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 for the benefit of the eligible employees.

Subsequently, the Company instituted Spandana Employee Stock Option Scheme 2021 (the “ESOP Scheme 2021”) under the ESOP Plan 2018 through the Postal Ballot Notice dated February 23, 2021 approved approval by the shareholders on March 25, 2021 such that total 19,30,262 (Nineteen lakh thirty thousand two hundred and sixty-two) out of the total pool of 20,68,650 (Twenty lakh sixty-eight thousand six hundred fifty only) under ESOP Plan 2018 shall be granted and exercised under the ESOP Scheme 2021.

Company has also instituted the Spandana Employee Stock Option Plan 2021-Series A (the “ESOP Plan 201-Series A”) and Spandana Employee Stock Option Scheme 2021-Series A (the “ESOP Scheme 2021-Series A”) passed at its 18<sup>th</sup> Annual General Meeting held on September 28, 2021 with a total pool option of 25,76,327 (Twenty-five lakh seventy-six thousand three hundred and twenty-seven).

### A. Relevant disclosures in terms of the 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 in that regard from time to time:

The disclosure is provided in note no.42 to the Standalone Financial Statements of the Company for the financial year ended March 31, 2023.

### B. Diluted EPS on issue of shares: ₹ 1.74

### C. Details relating to Employee Stock Option Schemes (ESOS):

#### i. A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS

Sr. No.	Particulars	ESOP Scheme 2018	ESOP Scheme 2021	ESOP Scheme 2021-Series A
a.	Date of shareholders' approval	December 19, 2019	March 25, 2021	September 28, 2021
b.	Total number of options approved under ESOS	20,68,650	19,30,262	25,76,327
c.	Vesting requirements	ESOPs will vest not earlier than One (1) year and not more than Five (5) years from the date of Grant of option.		
d.	Exercise price or pricing formula	As per provisions of the ESOP Plan 2018 and ESOP Scheme 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.	As per provisions of the ESOP Plan 2018 and ESOP Scheme 2021: “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.”	As per provisions of the ESOP Plan 2021-Series A and ESOP Plan 2021-Series A: “the Exercise Price of the Option shall be determined by the Committee acting in good faith from time to time. Any decision on Exercise Price decided by the Committee shall be final and binding on the Participants.

Sr. No.	Particulars	ESOP Scheme 2018	ESOP Scheme 2021	ESOP Scheme 2021-Series A
e.	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.		
f.	Source of shares (primary, secondary or combination)	Primary		
g.	Variation in terms of options	No Variation		
ii.	<b>Method used to account for ESOS</b>	Calculation is based on Fair Value Method.		
iii.	<b>Where the company opts for expensing of the options using the intrinsic value</b>			
a.	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	N.A.		
b.	The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A.		
iv.	<b>Option movement during the year (For each ESOS):</b>			
	Number of options outstanding at the beginning of the period	Refer Note. No 42 of the Standalone Financial Statements in the Annual Report.		
	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 (INR), 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			
	Number of options exercisable at the end of the year			
v.	<b>Weighted-average exercise prices and weighted-average fair values of options.</b>			
	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 No. 42 of the Standalone Financial Statements in the Annual Report.		
vi.	<b>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to</b>			
a.	senior managerial personnel	Refer Annexure 1 below		
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;			
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.			

Sr. No.	Particulars	ESOP Scheme 2018	ESOP Scheme 2021	ESOP Scheme 2021-Series A
vii.	<b>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b>			
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;	Refer Note. No 42 of the Standalone Financial Statements in the Annual Report.		
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 options granted were incorporated into the measurement of fair value, such as a market condition.			

## Annexure 1:

Grants made during the financial year to senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital:

Name	Designation	Number of options granted	Exercise Price (₹)
Mr. Amit Biswal*	Chief Business Officer	1,50,000	415.59
Mr. Ramesh Periasamy	Company Secretary	37,000	415.59
Mr. Amit Anand	Chief Risk Officer	40,000	554.88
Mr. Sushanta Kumar Tripathy	Chief Business Officer	40,000	554.88
Mr. Vikas Jagdish Jajoo**	Chief Internal Auditor	40,000	554.88
Mr. Deepak Varma	Chief Business Officer-South	40,000	553.10
Mr. Amit Anand	Chief Risk Officer	20,000	569.18
Mr. Sushanta Kumar Tripathy	Chief Business Officer	60,000	569.18
Mr. Deepak Varma	Chief Business Officer-South	60,000	569.18
Mr. Ramesh Periasamy	Company Secretary	13,000	569.18
Mr. Ajay Ganotra	Chief Business Officer- North	1,00,000	569.18
Mr. Vishal Sharma	Chief Operating Officer	2,00,000	569.18

\*Resigned w.e.f October 18, 2022

\*\*Resigned w.e.f April 07, 2023