

## **SBI CARDS AND PAYMENT SERVICES LTD.**

### **Disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 for the FY 21**

#### **1. Description of SBI Cards Employee Stock Option Plan 2019.**

Pursuant to the recommendation of the Board of Directors in their Meeting held on January 16, 2019, the Shareholders at the Extra-ordinary General Meeting held on February 22, 2019 had approved the SBI Cards - Employees Stock Option Plan – 2019. Post- IPO of the Company, SBI Cards - Employees Stock Option Scheme – 2019 was ratified by the Shareholders through postal Ballot on 17<sup>th</sup> June 2020.

The objective of employee stock option plan is to reward employees to align individual performance with Company objectives and drive share-holders' value creation, create a culture of ownership among the executives, works towards successful Initial Public offering and employees to enhance their commitment to organization, motivate management to collaborate and attract and retain key talent, critical to organizations' success. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Other Details are as under:

<b>Total number of options approved under ESOS</b>	Upto 27,970,028 shares subject to adjustments as may be required due to any corporate action as stated in the scheme
<b>Vesting Requirements</b>	<b><u>Goodwill Grants:*</u></b> Upon completion of 12 months from the Grant date or 180 days after the date of listing of shares, whichever is later subject to Eligible employee being on the rolls of company at such time.  <b><u>Performance Grants:</u></b> Participant should be employed with company on the date of vesting. Participant should not be rated 'Does not meet expectations' for the appraisal cycle immediately prior to the vesting date
<b>Exercise price or pricing formula</b>	Rs. 152.10 per equity share
<b>Maximum term of options granted</b>	<b><u>Goodwill Options:</u></b> 6 years from the grant date  <b><u>Performance Options:</u></b> 9 year from the grant date (Last vesting happens at 4 <sup>th</sup> anniversary after which employee have 5 years to exercise)

<b>Source of shares (primary, secondary or combination)</b>	Primary
<b>Variation in terms of options</b>	NA
<b>Method used to account for ESOS - Intrinsic or fair value.</b>	Fair value.

2. **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 the Company has used Fair Value method for Accounting.

3. **Option movement during the year (For each ESOS):**

<b>Number of options outstanding at the beginning of the period</b>	13,343,700
<b>Number of options granted during the year ended March 31, 2021</b>	131950
<b>Number of options forfeited / lapsed during the year</b>	187515
<b>Number of options vested:</b> ➤ During the year ended March 31, 2021 ➤ As on the date of the Annual report	2424170 2437365
<b>Number of options exercised during the year</b>	1760432
<b>Number of shares arising as a result of exercise of options</b>	1760432
<b>Money realized by exercise of options (INR), if scheme is implemented directly by the company</b>	Rs. 26.78 Crores
<b>Loan repaid by the Trust during the year from exercise price received</b>	N.A
<b>Number of options outstanding at the end of the year (including options vested but not exercised)</b>	11,527,703
<b>Number of options exercisable at the end of the year</b>	6,44,803

4. **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 No. 42 of the Notes to Accounts of the Financial Statements

**5. Employee wise details (name of employee, designation, number of options granted during the year ended March 31, 2021, exercise price) of options granted to**

**(i) Senior Managerial Personnel:**

NIL

**(ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.**

During the financial year ended March 31, 2021, options were granted to following employees:

<b>Sl. No.</b>	<b>Name of the Employee</b>	<b>Total No. of Options Granted</b> <i>(Exercise Price- Rs. 152.10 per equity share)</i>
1	<b>Mr. Piyush Balasaria,</b> <i>Deputy Vice President - Circle Sales- Banca</i>	63700
2	<b>Mr. Sajith Rajan</b> <i>Vice President - National Sales- Corporate ADG</i>	68250

**(iii) Identified employee who was granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;**

NIL

**6. Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

<b>Date of Grant</b>	
Goodwill Option	September 18, 2019
Performance Based Option-1	September 17, 2019
Performance Based Option-1	June 17, 2020

Avg. Exercise price per share option is INR 152.10.

The fair value of the options is determined on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Volatility is a measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time which is considered as equivalent to the life to expiration. In the instant case, the volatility of the Company is computed based on the average volatility of the comparable companies listed on stock exchange

Please refer Notes to account Point no. 42 related to ESOP Disclosure in financials also

whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. – Not applicable

**7. Disclosures in respect of grants made in three years prior to IPO under each ESOS**

**Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made. – Not Applicable**

**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.**

Please refer Note No. 42 of the Notes to Accounts of the Financial Statements

**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.**

Please refer Note No. 35 of the Notes to Accounts of the Financial Statements