

ANNEXURE – I

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 ended March 31, 2025

- 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 disclosures are provided in the Note 52 to the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2025.

- 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 (Ind AS) 33 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.**

Diluted EPS Financial Year ended March 31, 2025 is Rs. 51.85.

- C. Details Related to "Shriram Finance Limited Employee Stock Option Scheme 2023 (No.1)" or "SFL ESOS 2023 (No.1)" during the Financial Year ended March 31, 2025:**

Sr. No	Particulars	Details
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:	SFL ESOS 2023 (No.1) was approved by the Board of Directors of the Company in its meeting held on March 15, 2023, on the recommendation of the Nomination and Remuneration Committee, in terms of clause 3.35.17 read with clause 3.35.11 of the composite scheme of arrangement and amalgamation, inter alia, involving amalgamation of Shriram City Union Finance Limited (SCUF/Transferor Company) with the Company sanctioned by the Hon'ble National Company Law Tribunal, Chennai, (NCLT) vide its common order dated November 14, 2022 (Scheme of Arrangement and Amalgamation). SFL ESOS 2023 (No.1) is created for the benefit of certain eligible employees of erstwhile SCUF whom stock options were granted/vested under SCUF ESOS 2013 who became employees of the Company upon dissolution of SCUF without winding up and coming into effect of the Scheme of Arrangement and Amalgamation.
(a)	Date of shareholders' approval	July 4, 2022, the date on which the Scheme of Arrangement and Amalgamation was approved by the shareholders of the Company and the same shall be deemed to be their consent in relation to all matters pertaining to the revised employee stock options scheme created by the Company titled SFL ESOS 2023 (No.1)
(b)	Total number of options approved under SFL ESOS 2023 (No.1)	24,79,508 (pre-split)
(c)	Vesting requirements	Fresh Options granted under SFL ESOS 2023 (No.1) would Vest after completion of a minimum period of 12 (twelve) months but not later than 5 (five) years from the date of grant of such Fresh Options. Where Fresh Options are granted by the Company under the SFL ESOS 2023 (No.1) in lieu of options held by eligible employee of erstwhile SCUF the period during which the options granted by erstwhile SCUF under SCUF ESOS 2013 were held by him/her shall be adjusted against the minimum Vesting Period required under SFL ESOS 2023 (No.1).

Sr. No	Particulars	Details
		Where options granted by erstwhile SCUF/ Transferor Company under SCUF ESOS 2013 have completed the vesting period, such options shall stand cancelled and Fresh Options (as per clause 2.1) shall be granted under SFL ESOS 2023 (No.1) pursuant to SFL ESOS 2023 (No.1) and such Fresh Options shall vest immediately and be available for Exercise. Vesting of Fresh Options would be subject to continued employment of the eligible employee with the Company and subject to satisfaction of performance of Employees or other conditions as may be determined by the Nomination and Remuneration Committee As a pre-requisite for a valid Vesting, an Employee is required to be in employment or service of the Company, on the date of Vesting and must neither be serving his/her notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him/her on the such date of Vesting.
(d)	Exercise price or pricing formula	Pre-split: Exercise Price is Rs.193.55 per Fresh Option under the SFL ESOS 2023 (No.1). The manner of computation of the exercise price is as under: - As per the Scheme of Arrangement and Amalgamation, for every one hundred equity shares held by shareholders in the erstwhile SCUF/Transferor Company, they are entitled for one hundred and fifty-five equity shares in the Transferee Company. Hence, the Employees who were entitled for one hundred Options under the SCUF ESOS 2013 are entitled for one hundred and fifty-five Fresh Options under SFL ESOS 2023 (No.1). - The exercise price under SCUF ESOS 2013 was Rs. 300/- for each option. - Hence, the Exercise price under SCUF ESOS 2013 (No.1) is Rs. 193.55 per Fresh Option (Rs. 300 * 100 options/155 options). Upon payment of this Exercise Price and the applicable taxes, if any, the Employee shall be entitled to one equity share of face value of Rs. 10/- each fully paid up for each Fresh Option exercised by him/her. Post-split: Exercise Price is Rs. 38.71 (Rs. 193.55/5) per Fresh Option under the SFL ESOS 2023 (No.1) adjusted as on January 10, 2025 consequent to sub-division/split of face value of equity share of the Company from Rs. 10/- to Rs. 2/- each fully paid-up.
(e)	Maximum term of options granted	10 years from the date of vesting of Fresh Options vested on April 26, 2023 Where Fresh Options are granted and vested under SFL ESOS 2023 (No.1), the exercise period from date on which the options vested to the Employee by the Transferor Company under SCUF ESOS 2013 shall be adjusted against the exercise period required under SFL ESOS 2023 (No.1). 10 years from the date of vesting of balance Fresh Options.
(f)	Source of shares	Primary
(g)	Variation in terms of options	Nil
(ii)	Method used to account for ESOS - Intrinsic or fair value	Fair value method
(iii)	The difference between the employee compensation cost so computed at (ii) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company.	Not Applicable, as Fair value method is followed.

Sr. No	Particulars	Details
(iv)	Option movement during the year:	
	Number of options outstanding at the beginning of the period	37,73,305 (7,54,661 adjusted consequent to split)
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	19,285 (adjusted consequent to split)
	Number of options vested during the year	Nil
	Number of options exercised during the year	14,19,830 (adjusted consequent to split)
	Number of shares arising as a result of exercise of options	14,19,830 (adjusted consequent to split)
	Money realised by exercise of options (Rs.), if scheme is implemented directly by the Company	Rs. 5.50 crores
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of the year	23,34,190 (post-split)
	Number of options exercisable at the end of the year	23,34,190 (post-split)
(v)	Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Pre-split: Exercise Price is Rs. 193.55 per Fresh Option under the SFL ESOS 2023 (No.1). Post-split: Exercise Price is Rs. 38.71 per Fresh Option under the SFL ESOS 2023 (No.1).
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	Nil
(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;	
(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.	
(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;	Not Applicable. Since SFL ESOS 2023 (No.1) is created for the benefit of certain eligible employees of erstwhile SCUF whom stock options were granted/vested under SCUF ESOS 2013 who became employees of the Company upon dissolution of SCUF without winding up and coming into effect of the Scheme of Arrangement and Amalgamation.
(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.	