

Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended March 31, 2025

Employees Stock Option Scheme (ESOS)

i. Description of ESOS

The Company has granted Stock options to its eligible employees with a view to attain performance targets, competitiveness, retention of performers and wealth creation for the employees.

The details of options granted during FY 2025 are as below:

During the year ended March 31, 2025, the NRC in its meeting held on July 17, 2024 & July 24, 2024 has approved the grant of 6,44,550 & 30,850 stock options respectively to its eligible employees in accordance with the Company's Employee Stock Option Plan ('ESOP') and Employee Stock Option Scheme ('ESOS') approved by the shareholders of the Company.

The Scheme is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time. Further, there are no changes/variation in the scheme.

The salient features of ESOS 2018 are as stated below:

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Grant date	December 11, 2018	July 23, 2019	July 21, 2020	July 26, 2021	July 27, 2022	July 25, 2023	July 17, 2024 & July 24, 2024
Number of options granted	1,041,510	9,59,350	9,24,690	7,97,850	7,80,140	7,25,900	644,550 & 30,850
Exercise Price	₹562.45	₹759.01	₹848.44	₹1,031.10	₹1,138.20	₹1,303.49	₹1,526.10 & ₹1,567.12
Maximum term of options granted/ Contractual Life	7 years from the grant date						
Graded Vesting Period							
1st Year	30% of options granted						
2nd Year	30% of options granted						
3rd Year	40% of options granted						
Mode of settlement	Equity shares						
Sources of Shares	Primary						

a) Shareholders' approval

The SBI Life Employee Stock Option Plan 2018 ('ESOP 2018') and SBI Life Employees Stock Option Scheme 2018 ('the Scheme' or 'ESOS 2018') has been approved by the shareholders of the Company in the Annual General Meeting (AGM) held on **September 27, 2018** based on the recommendation of the Board Nomination & Remuneration Committee ('NRC') and Board of Directors ('Board') in their meetings held on August 31, 2018.

b) Total number of options approved under ESOS

The maximum number of stock options granted to eligible employees in accordance with ESOP 2018 shall not exceed 30,000,000 shares. During any one year, no Employee shall be granted Options equal to or exceeding 1% of the issued share capital of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of special resolution in a General Meeting. Further, the maximum number of Options in aggregate granted to an employee under the scheme shall not exceed 1,00,00,000 Options.

c) Vesting requirements

The minimum vesting period shall be one year from the date of grant subject to continued employment and achieving a minimum annual performance rating as prescribed in the ESOS 2018.

The Options Shall Vest as per the schedule set forth:

- (i) 30% of the Options shall vest on the First anniversary from the Grant Date;
- (ii) Next 30% of the Options shall vest on the Second anniversary from the Grant Date
- (iii) Balance 40% of the Options shall vest on the Third anniversary from the Grant Date

d) Exercise price or pricing formula

The Exercise Price for the Options granted shall be the Fair Market Value or Average Fair Market Value, whichever is lower. Average Fair Market Value" is simple average of the closing price of the share on the recognized stock exchange during 15 trading days immediately prior to the relevant date.

As the Shares of the Company are listed on more than one recognized stock exchange, closing price of the share on the recognized stock exchange, which records the highest volume of trading in the share, on the date immediately prior to the relevant date is considered for the purposes of arriving at the Fair Market Value.

Fair value of Equity-settled share-based payment is calculated as per the Black-Scholes-Merton formula which is one of Option-Pricing Models as recommended under Guidance Note on Accounting for Share-based Payments.

e) Maximum term of options granted

The maximum term of options granted is 7 years from the Grant Date.

f) Sources of Shares

The Sources of Shares issued under ESOS is primary.

g) Variation in terms of options

There is no variation in terms of options.

ii. Method of Accounting for ESOS

The Company follows intrinsic value method to account for its share-based employee compensation plans in accordance with the Guidance Note on Accounting for Employee Share based Payments (Revised 2020), issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date.

iii. Compensation cost based on fair value method and the impact on the net profit and earnings per share:

The Company follows intrinsic value method for accounting of share based employee compensation cost. Had the compensation cost for the Company's stock option plans been determined based on the fair value approach, the Company's net profit for the year and earnings per share (both basic and diluted) would have been as per the proforma amounts indicated below:

(₹ In lakhs)

Sr. No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
1	Net Profit after tax as per Profit & Loss Account available for both basic and diluted earnings per share	241,330	189,378
	Add: Stock-based employee compensation expense under intrinsic value method	278	62
	Less: Stock-based compensation expense determined under fair value based	3,454	2,983
2	Net profit (proforma)	238,153	186,456
3	No. of equity shares for basic earnings per share	1,001,823,654	1,001,094,805
	Add: Weighted average outstanding options deemed to be issued for no consideration*	778,737	722,168
4	Weighted average number of equity shares for Diluted Earnings per Share	1,002,602,391	1,001,816,973
5	Basic Earnings per share (₹) (proforma) (2/3)	23.77	18.63
6	Diluted Earnings per share (₹) (proforma) (2/4)	23.75	18.61

* It includes a potential equity share which is a financial instrument or other contract that entitles, or may entitle, its holder to equity shares.

iv. Option movement during the year

A summary of status of Company's Employee Stock Option Scheme in terms of options granted, forfeited and exercised is given below:

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	No. of Options	Weighted Average Exercise Price (Rs.)	No. of Options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of the year	3,322,935	1,016.76	3,249,424	907.72
Add: Granted during the year	675,400	1,527.97	725,900	1,303.49
Less: Forfeited/lapsed during the year	(41,595)	1,223.78	(81,683)	1079.08
Less: Exercised during the year	(669,618)	833.87	(570,706)	751.69
Outstanding at the end of the year	32,87,122	1,156.44	3,322,935	1,016.76
Exercisable at the end of the year ¹	1,839,251	985.39	1,823,827	868.54

¹ vested options available for exercise at the end of the year.

During the year ended March 31, 2025, the Company has granted 675,400 options to its eligible employees under ESOS 2018. Out of the total 3,322,935 options outstanding as at previous year ended March 31, 2024, 689,342 options are vested during the year ended March 31, 2025.

During the year ended March 31, 2025 ₹ 5,584 lakhs has been received on exercise of 669,618 options resulting in increase in paid-up equity share capital by ₹ 67 lakhs and securities premium by ₹ 5,557 lakhs. The Company has recognised a compensation cost of ₹ 278 lakhs for the year ended March 31, 2025 (previous year ended March 31, 2024: ₹ 62 lakhs) due to intrinsic value of the options granted.

The weighted average remaining contractual life of the options outstanding as at March 31, 2025 is 4.2 years (Previous year ended March 31, 2024: 4.4 years).

v. Weighted-average exercise prices and weighted-average fair values of options

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Grant date	December 11, 2018	July 23, 2019	July 21, 2020	July 26, 2021	July 27, 2022	July 25, 2023	July 17, 2024 & July 24, 2024
Number of options granted	1,041,510	9,59,350	924,690	7,97,850	7,80,140	725,900	644,550 & 30,850
Exercise Price	₹ 562.45	₹ 759.01	₹ 848.44	₹ 1031.10	₹ 1,138.20	₹ 1,303.49	₹ 1,526.10 & ₹ 1,567.12
Fair value of shares as on grant date	₹ 562.45	₹ 762.15	₹ 854.45	₹ 1050.45	₹ 1,138.20	₹ 1,317.15	₹ 1,621.35 & ₹ 1,594.85
Intrinsic value of stock option	Nil	₹ 3.14	₹ 6.01	₹ 19.35	Nil	₹ 13.66	₹ 95.25 & ₹ 27.73
Fair value of options granted	₹ 198.00	₹ 251.09	₹ 316.82	₹ 376.21	₹ 427.57	₹ 481.96	₹ 629.71 & ₹ 588.38

Weighted-average exercise price and weighted-average fair value of options whose exercise price is either equals or exceeds or is less than the market price of the stock for options granted during the year is ₹ 1,526.10 & ₹ 1,567.12 per options and ₹ 629.71 & ₹ 588.38 per option respectively.

vi. **Employee wise details of options granted during the year:**

Particulars	Name of Employee	Designation	No. of options granted during the year	Exercise Price per option
A. Senior Managerial Personnel	Mr. M Anand	President & Chief Distribution Officer	17,850	₹ 1,526.10
	Mr. Abhijit Gulanikar	President - Business Strategy	18,940	
	Mr. Sangramjit Sarangi	President & CFO	16,230	
	Mr. G Durgadas	President - Operations & IT	10,430	
	Mr. Subhendu Bal	Chief Actuary & CRO	14,210	
	Mr. Gopikrishna Shenoy	Chief Investments Officer	12,040	
	Mr. Ravindra Sharma	SVP & Chief of Brand, Corp. Comm. & CSR	5,320	
	Mr. Pranay Raniwala	Compliance Officer	2,730	
	Mr. Prithesh Chaubey	Appointed Actuary	13,770	₹ 1,526.10
			30,850	₹ 1,567.12
B. Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during that year	None	None	Nil	Nil

Particulars	Name of Employee	Designation	No. of options granted during the year	Exercise Price per option
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.	None	None	Nil	Nil

During the year FY 2025, the Company has not granted any loan to its employees for purchasing shares of the Company.

The disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Guidance Note on accounting for employee share based payments, disclosure of diluted EPS in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standard have been disclosed in the Notes to Accounts which form part of financial statements in the Annual Report.

vii. **Description of method and significant assumptions used during the year to estimate the fair value of options**

Method of computation of Fair Value of Options:

The fair value of options has been calculated using the Black-Scholes model. The key assumptions considered for calculating fair value of the options as on the grant date are as follows:

Particulars	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Basis
Risk free interest rate	7.30%	6.52%	5.02%	5.99%	7.34%	7.22%	7.44%	Determined based on G-Sec yield on the grant date corresponding to maturity period equal to expected life of options
Expected life of the options (years)	4.55	4.55	4.55	4.55	4.55	4.55	4.55	Average of the weighted-average time to vesting and the contractual life of options

Particulars	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Basis
Expected dividend yield	0.36%	0.30%	0.20%	0.25%	0.25%	0.25%	0.20%	Calculated based on recent rate of dividend declared
Expected volatility	26.78%	25%	35%	30%	30%	28%	27%	Based on historical stock prices using annualised standard deviation of daily change in stock price.

Fair value of option of options granted as on December 11, 2018 (i.e. grant date) is ₹ 198.00.

Fair value of option of options granted as on July 23, 2019 (i.e. grant date) is ₹ 251.09.

Fair value of option of options granted as on July 21, 2020 (i.e. grant date) is ₹ 316.82.

Fair value of option of options granted as on July 26, 2021 (i.e. grant date) is ₹ 376.21.

Fair value of option of options granted as on July 27, 2022 (i.e. grant date) is ₹ 427.57.

Fair value of option of options granted as on July 25, 2023 (i.e. grant date) is ₹ 481.96.

Fair value of option of options granted as on July 17, 2024 (i.e. grant date) is ₹ 629.71.

Fair value of option of options granted as on July 24, 2024 (i.e. grant date) is ₹ 588.38.
