



**AAVAS FINANCIERS LIMITED**

CIN: L65922RJ2011PLC034297

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**DISCLOSURE PURSUANT TO REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2012 AS ON MARCH 31, 2023:**

**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 Notes 32 to the Standalone Financial Statements of the Company for the financial year ended March 31, 2023.

**B. Diluted EPS on issue of shares: Rs. 54.32**

**C. Details related to Employee Stock Option Schemes (ESOS) of the Company:**

(i) Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:-										
Sr. No.	Particulars	ESOP 2016 I (a)	ESOP 2016 I (b)	ESOP 2016 I (c)	ESOP 2016 III	ESOP 2019	ESOP 2020	ESOP 2021	ESOP 2022	Total
a.	Date of shareholders' approval	ESOP 2016 was approved by the Shareholders of the Company by a Special Resolution passed on February 23, 2017.				ESOP 2019 was approved by the Shareholders of the Company by a Special Resolution passed on August 01, 2019.	ESOP 2020 was approved by the Shareholders of the Company by a Special Resolution passed on July 22, 2020.	ESOP 2021 was approved by the Shareholders of the Company by a Special Resolution passed on August 10, 2021.	ESOP 2022 was approved by the Shareholders of the Company by a Special Resolution passed on July 21, 2022	-
b.	Date of Grant	February 23, 2017	January 24, 2018	March 30, 2023	February 23, 2017	October 03, 2019	July 13, 2021	August 18, 2021	August 22, 2022	-
c.	Options granted/approved	9,80,118	4,24,687	1,25,000	7,19,084	3,00,000	3,00,000	3,00,000	8,50,000	<b>39,98,889</b>

d.	Vesting Requirement	ESOPs will vest not earlier than One (1) year and not more than Five (5) years from the date of Grant of option.								
e.	Exercise Price or Pricing Formula	215.25	328	1606.40	215.25	1580.20	2887.05	2477.15	2241.25	
f.	Maximum term of Options granted	Four (4) years from the date of each vesting.								
g.	Source of shares	Primary								
h.	Variations in terms of ESOP	No variation								
ii) Method used to account for ESOS-Intrinsic or fair value										
Calculation is based on Fair Value Method.										
iii) Where the Company opts for expensing the options using the intrinsic value of the Options										
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	N.A.								
iv) Option movement during the year (For each ESOS)										
	Number of options outstanding at the beginning of the Period	27,721	1,23,175	-	35,000	3,00,000	3,00,000	3,00,000	-	
	Number of options granted during the year	-	-	125,000	-	-	-	-	8,50,000	
	Number of options forfeited/ lapsed during the year	-	7033	-	-	85,758	58,806	44,313	2,36,300	
	Number of options vested during the year	-	50,498	-	-	42,692	48,794	49,687	-	
	Number of options exercised during the year #	5,036	48,380	-	17,800	34,547	-	-	-	

	Number of shares arising as a result of exercise of options #	5,036	48,380	-	17,800	34,547	-	-	-	
	Money realizes by exercise of options, if scheme is implemented directly by the Company (In Rs.)	10,83,999	1,58,68,640	-	38,31,450	5,45,91,169	-	-	-	
	Loan repaid by the Trust during the year from exercise price received	-	-	-	-	-	-	-	-	
	Number of options outstanding at the end of the year *	22,685	67,762	125,000	17,200	1,79,695	2,41,194	2,55,687	6,13,700	
	Number of Options exercisable at the end of the year	22,685	67,762	-	17,200	93,135	48,794	49,687	-	

**v) Weighted-average exercise prices and weighted-average fair values of option**

a.	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	All the options were granted at an exercise price of Rs. 215.25 per option and hence the Weighted average price is Rs. 215.25 per option and the weighted average fair value of options is Rs. 94.18	All the options were granted at an exercise price of Rs. 328 per option and hence the Weighted average price is Rs. 328.00 per option and the weighted average fair value of options is Rs. 149.23	All the options were granted at an exercise price of Rs. 1606.40 per option and hence the Weighted average price is Rs. 1606.40 per option and the weighted average fair value of options is Rs.455.36	All the options were granted at an exercise price of Rs. 215.25 per option and hence the Weighted average price is Rs. 215.25 per option and the weighted average fair value of options is Rs 104.66	All the options were granted at an exercise price of Rs. 1580.20 per option and hence the Weighted average price is Rs. 1580.20 per option and the weighted average fair value of options is Rs 648.04	All the options were granted at an exercise price of Rs. 2887.05 per option and hence the Weighted average price is Rs. 2887.05 per option and the weighted average fair value of options is Rs 1092.06	All the options were granted at an exercise price of Rs. 2477.15 per option and hence the Weighted average price is Rs. 2477.15 per option and the weighted average fair value of options is Rs 663.63	All the options were granted at an exercise price of Rs. 2241.25 per option and hence the Weighted average price is Rs. 2241.25 per option and the weighted average fair value of options is Rs.636.14	-
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vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted: -							
a.	Senior Managerial Personnel	N.A.	N.A.	Name: Sachinder Bhinder Designation: Managing Director and CEO Number of Options Granted: 125000 Exercise Price: 1606.40	N.A.	Name: Ghanshyam Rawat Designation: President and Chief Financial Officer Number of Options Granted: 75000 Exercise Price: 2241.25  Name: Ashutosh Atre Designation: President & Chief Risk Officer Number of Options Granted: 75000 Exercise Price: 2241.25  Name: Siddharth Srivastava Designation: Chief Business Officer Number of Options Granted: 65000 Exercise Price: 2241.25  Name: Ripudaman Bandral Designation: Chief Credit Officer Number of Options Granted: 25000 Exercise Price: 2241.25  Name: Surendra Kumar Sihag Designation: Chief Collection Officer Number of Options Granted: 50000 Exercise Price: 2241.25  Name: Anshul Bhargava Designation: Chief People Officer – Human Resource Number of Options	

						<p>Granted: 40000 Exercise Price: 2241.25</p> <p>Name: Jijy Oomen Designation: Chief Technology Officer Number of Options Granted: 25000 Exercise Price: 2241.25</p> <p>Name: Rajaram Balasubramaniam Designation: Chief Strategy Officer and Head of Analytics Number of Options Granted: 40000 Exercise Price: 2241.25</p> <p>Name: Ramachandran Venkatesh Designation: Head of Internal Audit Number of Options Granted: 20000 Exercise Price: 2241.25</p> <p>Name: Sharad Pathak Designation: Company Secretary and Compliance Officer Number of Options Granted: 800 Exercise Price: 2241.25</p>	
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year	N.A.	NIL		N.A.	NIL	

c.	Identified employee 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	N.A.	Mr. Sachinder Bhinder 1,25,000 option.	N.A.	NIL																									
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 (in Rs) exercise price: (In Rs) expected volatility expected option life Expected dividend the risk-free interest rate	N.A.	exercise price (in Rs): 1606.40 expected volatility: 28.92% expected option life: <table><tr><td>Life of the options granted (years)</td><td></td></tr><tr><td>1<sup>st</sup> Vesting</td><td>1<sup>st</sup> Year</td></tr><tr><td>2<sup>nd</sup> Vesting</td><td>2<sup>nd</sup> Year</td></tr><tr><td>3<sup>rd</sup> Vesting</td><td>3<sup>rd</sup> Year</td></tr><tr><td>4<sup>th</sup> Vesting</td><td>4<sup>th</sup> Year</td></tr><tr><td>5<sup>th</sup> Vesting</td><td>5<sup>th</sup> Year</td></tr></table> expected dividend: 0% the risk free interest rate: 7.25%	Life of the options granted (years)		1 <sup>st</sup> Vesting	1 <sup>st</sup> Year	2 <sup>nd</sup> Vesting	2 <sup>nd</sup> Year	3 <sup>rd</sup> Vesting	3 <sup>rd</sup> Year	4 <sup>th</sup> Vesting	4 <sup>th</sup> Year	5 <sup>th</sup> Vesting	5 <sup>th</sup> Year	N.A.	exercise price (in Rs): 2241.25 expected volatility: 25.98% expected option life: <table><tr><td>Life of the options granted (years)</td><td></td></tr><tr><td>1st Vesting</td><td>1st Year</td></tr><tr><td>2<sup>n</sup> Vesting</td><td>2<sup>nd</sup> Year</td></tr><tr><td>3<sup>rd</sup> Vesting</td><td>3<sup>rd</sup> Year</td></tr><tr><td>4<sup>th</sup> Vesting</td><td>4<sup>th</sup> Year</td></tr><tr><td>5<sup>th</sup> Vesting</td><td>5<sup>th</sup> Year</td></tr></table> expected dividend: 0% the risk free interest rate: 7.26%	Life of the options granted (years)		1st Vesting	1st Year	2 <sup>n</sup> Vesting	2 <sup>nd</sup> Year	3 <sup>rd</sup> Vesting	3 <sup>rd</sup> Year	4 <sup>th</sup> Vesting	4 <sup>th</sup> Year	5 <sup>th</sup> Vesting	5 <sup>th</sup> Year	
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b.	the method used and the assumptions made to incorporate the effects of expected early exercise	N.A.	The fair value has been measured using black scholes formula which presumes the option will be exercised at the end of the term	N.A.	The fair value has been measured using black scholes formula which presumes the option will be exercised at the end of the term																									
c.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	N.A.	Expected volatility was determined based on the historical price data on the stock exchange of similar enterprises.	N.A.	Expected volatility was determined based on the historical price data on the stock exchange of similar enterprises.																									

d.	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition	N.A.	The fair value is calculated using Black Scholes (Option pricing) Model.	N.A.	The fair value is calculated using Black Scholes (Option pricing) Model.	
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Note:  
# This includes options exercised during the F.Y ended March 31, 2023 and allotted in subsequent year.  
\* This does not include options exercised during the F.Y ended March 31, 2023 and allotted in subsequent year.

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