HDFC ASSET MANAGEMENT COMPANY LIMITED

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Employee Stock Option Schemes (ESOS)

DISCLOSURE PURSUANT TO REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 ("REGULATIONS") AS ON 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 including the 'Guidance note on accounting for employee share-based payments' issued by ICAI:

Guidance note is not applicable now. Please refer to Note no. 24 to the Standalone Financial Statement for FY 2024-25 (which forms part of the Annual Report 2024-25) for the relevant disclosures as per IND AS 102 - 'Share based payment'.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time:

AS 20 is not applicable. Diluted EPS for FY 2024-25 as per IND AS 33 is Rs. 114.79 per equity share.

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

(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS is as set out below:

Sr. No.	Particulars	ESOS 2020
(a)	Date of shareholders' approval	July 23, 2020
(b)	Total number of options approved under ESOS	32,00,000 stock options representing 32,00,000 equity shares of Rs. 5 each
(c)	Vesting requirements	The stock options shall vest in three tranches: 1st tranche - 1/3rd of the options granted shall vest on the completion of 1 (one) year from the date of grant; 2nd tranche - 1/3rd of the options granted shall vest on the completion of 2 (two) years from the date of grant; 3rd tranche - balance 1/3rd of the options shall vest on the completion of 3 (three) years from the date of grant.
(d)	Exercise price or pricing formula	The Pricing Formula approved by the Shareholders of the Company is that the stock options would be issued at the latest available closing price on the stock exchange on which the shares of the Company are listed and having highest trading volume prior to the date of the meeting of the Nomination & Remuneration Committee approving and grant of options.

(e)	Maximum term of options granted	5 years from the date of respective vesting of options
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	None during the year ended March 31, 2025

(ii) Method used for accounting for ESOS – Intrinsic or Fair Value:

The Company has followed the Fair Value method of accounting for stock options granted to the employees / directors of the Company and its wholly owned subsidiary.

(iii) 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.

(iv) Option movement during the year:

Particulars	ESOS 2020
Number of options outstanding at the beginning of the year	23,16,200
Number of options granted during the year	97,500
Number of options forfeited / lapsed during the year	81,452
Number of options vested during the year	4,04,518
Number of options exercised during the year	3,09,086
Number of shares arising as a result of exercise of options	3,09,086
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	69,31,65,743.60
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	20,18,029
Number of options exercisable at the end of the year	12,95,700

(v) 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:

Since all the options were granted at the same exercise price per option under the respective series/grant, the weighted average exercise price per option under the respective series/grant is the same.

The above holds true for weighted average fair values of the options as well for all series except ESOS 2020, where the fair value of all the three tranches are different. The weighted average fair value of

options granted under ESOS 2020 on February 22, 2021, January 24, 2022, July 21, 2022, April 25, 2023, January 10, 2024, April 10, 2024, June 07, 2024 and January 14, 2025 are provided in Note no. 24 to the Standalone Financial Statement for FY 2024-25 (which forms part of the Annual Report 2024-25).

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

Particulars	ESOS 2020
(a) Senior Managerial Personnel -	
1. Name and Designation	1) Mr. Harish Narayanan (Chief Digital and Marketing Officer) – 50,000 stock options – exercise price Rs. 3760.50/- per Option 2) Ms. Sonali Chandak (Company Secretary and Head - Legal) – 20,000 stock options – exercise price Rs. 3760.50/- per Option.
2. Number of options granted	
3. Exercise Price	
(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 -	
1. Name and Designation	1) Mr. Harish Narayanan (Chief Digital and Marketing Officer) – 50,000 stock options – exercise price Rs. 3760.50/- per Option. 2) Ms. Sonali Chandak (Company Secretary and Head - Legal) – 20,000 stock options – exercise price Rs. 3760.50/- per Option.
2. Number of options granted	
3. Exercise Price	
(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 -	
1. Name and Designation	The Company has not granted options during the current financial year under respective ESOS equal to or exceeding 1% of the issued capital
2. Number of options granted	
3. Exercise Price	

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The Company calculated the Fair Value using the Black Scholes Option pricing model.

Sr. No.	Particulars	ESOS 2020
(a)	Weighted-average value of share price	1) Weighted Average Price of the share of the Company at the time of option grant (Grant Date – February 22, 2021) was Rs. 2954.11/-
		2) Weighted Average Price of the share of the Company at the time of option grant (Grant Date - January 24, 2022) was Rs. 2362.75/-

		3) Weighted Average Price of the share of the Company at the time of option grant (Grant Date - July 21, 2022) was Rs. 1,934.44/-
		4) Weighted Average Price of the share of the Company at the time of option grant (Grant Date – April 25, 2023) was Rs. 1,776.56/-
		5) Weighted Average Price of the share of the Company at the time of option grant (Grant Date – January 10, 2024) was Rs. 3,402.47/-
		6) Weighted Average Price of the share of the Company at the time of option grant (Grant Date - April 10, 2024) was Rs. 3694.92/-
		7) Weighted Average Price of the share of the Company at the time of option grant (Grant Date - June 7, 2024) was Rs. 3767.28/-
		8) Weighted Average Price of the share of the Company at the time of option grant (Grant Date - January 14, 2025) was Rs. 3855.45/-
	Exercise price	1) Grant Date - February 22, 2021 – Rs. 2934.25/- per option
		2) Grant Date - January 24, 2022 – Rs. 2369.40/- per option
		3) Grant Date - July 21, 2022 – Rs. 1921.70/- per option
		4) Grant Date - April 25, 2023 – Rs. 1780.90/- per option
		5) Grant Date - January 10, 2024 – Rs. 3415.25/- per option
		6) Grant Date - April 10, 2024 – Rs. 3703.90/- per option
		7) Grant Date - June 7, 2024 – Rs. 3760.50/- per option
		8) Grant Date - January 14, 2025 – Rs. 3834.55/- per option
	Expected volatility	1) Grant Date - February 22, 2021 - 36.10% to 37.08%
		2) Grant Date - January 24, 2022 - 33.91% - 35.52%
		3) Grant Date - July 21, 2022 - 34.68% - 36.41%
		4) Grant Date - April 25, 2023 - 34.00% - 34.54%

		5) Grant Date - January 10, 2024 - 27.75% - 33.03%
		6) Grant Date - April 10, 2024 – 27.89% - 31.93%
		7) Grant Date - June 7, 2024 – 29.79% - 32.76%
		8) Grant Date - January 14, 2025 – 28.85% - 32.92%
	Expected life of the option	1) Grant Date - February 22, 2021 - 3.5 to 5.5 years
		2) Grant Date - January 24, 2022 - 3.5 - 5.5 years
		3) Grant Date - July 21, 2022 - 3.5 - 5.5 years
		4) Grant Date - April 25, 2023 - 3.5 - 5.5 years
		5) Grant Date - January 10, 2024 - 3.5 - 5.5 years
		6) Grant Date - April 10, 2024 – 3.5 - 5.5 years
		7) Grant Date - June 7, 2024 – 3.5 - 5.5 years
		8) Grant Date - January 14, 2025 – 3.5 - 5.5 years
	Expected dividend	1) Grant Date - February 22, 2021 - 0.84% p.a.
		2) Grant Date - January 24, 2022 - 0.92% p.a.
		3) Grant Date - July 21, 2022 - 1.18% p.a.
		4) Grant Date - April 25, 2023 - 2.48% p.a.
		5) Grant Date - January 10, 2024 - 1.75% p.a.
		6) Grant Date - April 10, 2024 – 1.75% p.a.
		7) Grant Date - June 7, 2024 – 1.75% p.a.
		8) Grant Date - January 14, 2025 – 2.16% p.a.
	Risk-free interest rate	1) Grant Date - February 22, 2021 - 5.04% - 5.66% p.a.
		2) Grant Date - January 24, 2022 - 5.34% - 5.98 % p.a.
		3) Grant Date - July 21, 2022 – 6.74% - 6.96% p.a.
		4) Grant Date - April 25, 2023 – 6.66% - 6.76% p.a.
		5) Grant Date - January 10, 2024 – 6.78% - 6.82% p.a.
		6) Grant Date - April 10, 2024 – 6.77% - 6.80% p.a.
		7) Grant Date - June 7, 2024 – 6.68% - 6.70% p.a.
		8) Grant Date - January 14, 2025 – 6.49% - 6.51% p.a.
(b)	Method used and the assumptions made to incorporate the effects of expected early exercise	Expected average life is modelled on the average exercise tenor of the options under the respective schemes / grants which is the best estimate of the Management of the Company.
(c)	How expected volatility was determined, including an explanation of the extent to which	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 Black–Scholes Model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. As on the date of grant in case of ESOS 2020 (Grant Date February 22, 2021, Grant Date January 24, 2022, Grant Date July 21, 2022, Grant Date April 25, 2023 Grant Date January 10, 2024, Grant Date April 10, 2024, Grant Date June 07, 2024 and Grant Date January 14, 2025), wherever, the trading history of the Company

	expected volatility was based on historical volatility	and/or its comparable company(s) listed on the Stock exchange are less than the life of the option. Nifty Financial Services Index is also considered for deriving the volatility.
(d)	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

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

Not applicable.

D. **Details related to ESPS** - Nil / Not applicable

E. **Details related to SAR**- Nil / Not applicable

F. **Details related to GEBS / RBS** - Nil / Not applicable

G. **Details related to Trust**- Nil / Not applicable