

HDFC Life Insurance Company Limited

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021

A) Disclosure under Guidance Note on Accounting for Employee Share Based Payments

Employee Stock Option Scheme (ESOS)

- i) HDFC Life Insurance Company Limited (the “Company”) has implemented various employee stock option schemes from time to time with a view to reward and motivate employees and to attract and retain the best talent by providing them with an additional incentive in the form of Stock Options to enable them to acquire a certain number of equity shares of HDFC Life Insurance Company Limited at a future date. In accordance with all the schemes, each option on exercise would be eligible for one Equity Share on payment of exercise price.
- ii) The Company, pursuant to resolutions passed by the Nomination & Remuneration Committee of Directors on August 14, 2012 adopted ESOS 2012. The ESOS 2012 was for a total of 14,275,310 Equity Shares for the eligible employees of the Company.
- iii) The Company, pursuant to the resolution passed by the Shareholders on June 24, 2014 and resolution passed by the Nomination & Remuneration Committee of Directors on September 19, 2014 adopted ESOS 2014. The ESOS 2014 was for a total of 15,034,250 Equity Shares for all the eligible employees of the Company.
- iv) Thereafter, the Company, pursuant to the resolution passed by the Shareholders on July 21, 2015 and resolution passed by the Nomination & Remuneration Committee of Directors on September 22, 2015, adopted ESOS 2015. The ESOS 2015 was for a total of 9,733,300 Equity Shares for all the eligible employees of the Company.
- v) Thereafter, the Company pursuant to the resolution passed by the Shareholders on July 14, 2016 and resolution passed by the Nomination & Remuneration Committee of Directors on September 30, 2016, adopted ESOS 2016. The ESOS 2016 was for a total of 3,836,850 Equity Shares for all the eligible employees of the Company.
- vi) Thereafter, the Company pursuant to the resolution passed by the Shareholders on July 17, 2017 and resolution passed by the Nomination & Remuneration Committee of Directors on March 14, 2018 adopted the ESOS 2017 and ESOS (Trust) 2017 schemes. The ESOS 2017 and ESOS (Trust) 2017 schemes were for a total of 3,605,600 Equity Shares for all the eligible employees of the Company.
- vii) Thereafter, the Company pursuant to the resolution passed by the Shareholders on July 20, 2018 and resolution passed by the Nomination & Remuneration Committee of Directors on October 1, 2018 adopted the ESOS 2018 scheme. The ESOS 2018 scheme was for a total of 1,873,353 Equity Shares for all the eligible employees of the Company.

- viii) Thereafter, the Company pursuant to the resolution passed by the Shareholders on July 23, 2019 and resolution passed by the Nomination & Remuneration Committee of Directors on September 19, 2019 adopted the ESOS 2019 scheme. The ESOS 2019 scheme was for a total of 9,152,920 Equity Shares for all the eligible employees of the Company.
- ix) All the ESOS Schemes have been aligned with SEBI SBEB ESOP Regulations, 2014 to the extent applicable and relevant. All the ESOS Schemes have been framed and implemented in accordance with the guidance notes issued by ICAI and the relevant accounting standards.
- x) The total number of options granted as at March 31, 2022 under all active ESOP schemes by the Company are 57,511,583
- xi) The Company has listed its equity shares on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on November 17, 2017. Till November 17, 2017, for all grants issued under the ESOS 2012, ESOS 2014, ESOS 2015 and ESOS 2016 schemes, the vested options were required to be exercised by the employees within five years from the date of vesting or the date of an Initial Public Offering (IPO) whichever is later subject to the norms prescribed by the Nomination & Remuneration Committee. After the listing of the Company's shares, vested options under all ESOS schemes are required to be exercised by the employees within five years from the date of vesting subject to the norms prescribed by the Nomination & Remuneration Committee. Due to the exercise period of the options being variable prior to listing, it is not possible to provide the weighted average remaining contractual life of options outstanding at the beginning of the current year as well as at the beginning and end of the previous year.
- xii) The details of options, granted, exercised and lapsed for the year ended March 31, 2022 and for the year ended March 31, 2021 scheme-wise is set out below:

1) ESOS 2012

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	60.00 & 64.00	16,100	64.00	0.50	16,100	64.00	1.50
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	60.00 & 64.00	16,100	64.00	-	-	-	-
Exercised during the year	60.00 & 64.00	-	-	-	-	-	-
Outstanding at the end of the year	60.00 & 64.00	-	-	-	16,100	64.00	0.50
Exercisable at the end of the year	60.00 & 64.00	-	-	-	16,100	64.00	0.50

2) ESOS 2014

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	90.00	167,246	90.00	1.43	305,146	90.00	2.06
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-
Exercised during the year	90.00	85,659	90.00	-	137,900	90.00	-
Outstanding at the end of the year	90.00	81,587	90.00	-	167,246	90.00	1.43
Exercisable at the end of the year	90.00	81,587	90.00	0.84	167,246	90.00	1.43

3) ESOS 2015

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	95.00	439,221	95.00	2.28	532,671	95.00	3.27
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	-	5,400	95.00	-	-	-	-
Exercised during the year	95.00	303,156	95.00	-	93,450	95.00	
Outstanding at the end of the year	95.00	130,665	95.00	1.30	439,221	95.00	2.28
Exercisable at the end of the year	95.00	130,665	95.00	1.30	439,221	95.00	2.28

4) ESOS 2016

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	190.00	368,755	190.00	2.96	615,435	190.00	4.13
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	190.00	-	-	-	-	-	-
Exercised during the year	190.00	130,785	190.00	-	246,680	190.00	-
Outstanding at the end of the year	190.00	237,970	190.00	1.96	368,755	190.00	2.96
Exercisable at the end of the year	190.00	237,970	190.00	1.96	368,755	190.00	2.96

5) ESOS 2017

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	441.95	1,442,696	441.95	4.16	2,056,656	441.95	5.10
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	441.95	3,000	441.95	-	91,690	441.95	-
Exercised during the year	441.95	935,785	441.95	-	522,270	441.95	-
Outstanding at the end of the year	441.95	503,911	441.95	3.21	1,442,696	441.95	4.16
Exercisable at the end of the year	441.95	503,911	441.95	3.21	1,442,696	441.95	4.16

6) ESOS (Trust) 2017

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	441.95	207,634	441.95	5.10	207,634	441.95	5.10
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	441.95	207,634	441.95	3.24	207,634	441.95	4.24
Exercisable at the end of the year	441.95	207,634	441.95	3.24	207,634	441.95	4.24

7) ESOS 2018

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	391.60	1,011,952	391.60	4.91	1,287,342	391.60	5.78
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	391.60	15,471	391.60	-	28,297	391.60	-
Exercised during the year	-	593,782	391.60	-	247,093	391.60	-
Outstanding at the end of the year	391.60	420,699	391.60	-	1,011,952	391.60	4.91
Exercisable at the end of the year	391.60	420,699	391.60	-	432,606	391.60	4.91

8) ESOS 2019

(For employees being on the payroll of the Company for more than 12 months on date of grant)

a) Grant Date: September 19, 2019

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	539.10	6,228,858	539.10	5.11	7,190,163	539.10	6.98
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	539.10	125,380	539.10	-	248,813	539.10	-
Exercised during the year	-	2,586,763	539.10	-	718,492	539.10	-
Outstanding at the end of the year	539.10	3,568,744	539.10	5.15	6,228,858	539.10	5.11
Exercisable at the end of the year	539.10	3,568,744	539.10	5.15	2,838,813	539.10	5.11

b) Grant Date: October 19, 2020

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	561.15	201,500	-	7.98	-	-	6.98
Granted during the year	-	-	-	-	208,500	561.15	-
Lapsed during the year	561.15	7,000	561.15	-	7,000	561.15	-
Exercised during the year	-	7,000	561.15	-	-	-	-
Outstanding at the end of the year	561.15	187,500	561.15	5.15	201,500	561.15	5.11
Exercisable at the end of the year	-	90,250	561.15	5.15	-	-	-

c) Grant Date: March 17, 2021

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	703.05	270,923	703.05	5.11	-	-	-
Granted during the year	-	-	-	-	270,923	703.05	-
Lapsed during the year	-	27,153	703.05	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	703.05	243,770	703.05	5.15	270,923	703.05	5.11
Exercisable at the end of the year	-	121,885	703.05	-	-	-	-

d) Grant Date: October 22, 2021

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	-	-	-	-	-	-	-
Granted during the year	694.55	361,712	694.55	-	-	-	-
Lapsed during the year	694.55	19,600	694.55	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	694.55	342,112	694.55	5.15	-	-	-
Exercisable at the end of the year	-	-	-	-	-	-	-

e) Grant Date: March 15, 2022

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	-	-	-	-	-	-	-
Granted during the year	512.45	324,313	512.45	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	512.45	324,313	512.45	5.15	-	-	-
Exercisable at the end of the year	-	-	-	-	-	-	-

ESOS-2019**(For employees being on the payroll of the Company for less than 12 months on date of grant)****Grant Date: September 19, 2019**

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	-	581,812	539.10	5.11	581,812	539.10	6.98
Granted during the year	-	-	-	-	-	-	-
Lapsed during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	539.10	581,812	539.10	5.15	581,812	539.10	5.11
Exercisable at the end of the year	-	-	-	-	-	-	-

ESOS-2019**(For employees being on the payroll of the Company for less than 12 months on date of grant)****Grant Date: October 22, 2021**

Particulars	Exercise Price per Option	As of March 31, 2022			As of March 31, 2021		
		Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)	Number of options	Weighted Average Exercise Price Per Option	Weighted Average Remaining Contractual Life (Years)
Outstanding at the beginning of the year	-	-	-	-	-	-	-
Granted during the year	694.55	91,077	694.55	6.98	-	-	-
Lapsed during the year	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	694.55	91,077	694.55	6.26	-	-	-
Exercisable at the end of the year	-	-	-	-	-	-	-

- xii) The Company follows the intrinsic value method of accounting for stock options granted to employees. The intrinsic value of the options issued under the above referred schemes is 'Nil' as the exercise price of the option was the same as fair value of the underlying share on the grant date and accordingly, no expenses are recognised in the books.
- xiii) Had the Company followed the fair value method for valuing its options, the charge to the Revenue Account/Profit & Loss Account for the year would have been aggregated to Rs. 226,406 thousands (Previous year ended March 31, 2021 Rs. 525,995 thousands) and the profit after tax would have been lower by Rs. 131,965 thousands (Previous year ended March 31, 2021 Rs. 290,839 thousands). Consequently, the Company's basic and diluted earnings per share would have been Rs. 5.84 and Rs. 5.84 respectively (Previous year: Rs. 6.59 and Rs. 6.58 respectively).

Method of computation of fair value of options:

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

Assumptions	Basis of Assumptions
Risk free interest rate	Determined basis G-sec yield on the grant date corresponding to maturity period equal to expected life of options
Expected life of options (years)	Average of the weighted average time to vesting and the contractual life of options
Expected volatility	Based on the historical stock prices using annualized standard deviation of daily change in stock price
Expected dividend yield	Calculated based on recent rate of dividend declared

The ESOS scheme-wise ranges of values for the assumptions are as follows:

As at March 31, 2022

ESOS Scheme	Risk Free Interest Rate Range	Expected Life Range	Expected Volatility Range	Expected Dividend Yield
ESOS 2012	8.19% - 8.74%	1.37 - 3.45 years	30.44% - 36.53%	0.00%
ESOS 2014	7.73% - 8.28%	1.75 - 3.75 years	33.23% - 37.15%	1.06%
ESOS 2015	7.41% - 7.58%	1.75 - 3.75 years	34.21% - 38.38%	1.04%
ESOS 2016	6.57% - 6.80%	1.75 - 3.75 years	10.00%	0.88%
ESOS 2017	6.79% - 7.30%	1.75 - 3.75 years	28.96%	0.74%
ESOS (Trust) 2017	6.79% - 7.30%	1.75 - 3.75 years	28.96%	0.74%
ESOS 2018	8.02% - 8.15%	1.74 – 3.74 years	29.09%	0.40%
ESOS 2019	4.43% - 6.34%	1.68 – 5.09 years	29.12% - 39.73%	0.23% to 0.41%

As at March 31, 2021

ESOS Scheme	Risk Free Interest Rate Range	Expected Life Range	Expected Volatility	Expected Dividend Yield
ESOS 2012	8.19% - 8.74%	1.37 - 3.45 years	30.44% - 36.53%	0.00%
ESOS 2014	7.73% - 8.28%	1.75 - 3.75 years	33.23% - 37.15%	1.06%
ESOS 2015	7.41% - 7.58%	1.75 - 3.75 years	34.21% - 38.38%	1.04%
ESOS 2016	6.57% - 6.80%	1.75 - 3.75 years	10.00%	0.88%
ESOS 2017	6.79% - 7.30%	1.75 - 3.75 years	28.96%	0.74%
ESOS (Trust) 2017	6.79% - 7.30%	1.75 - 3.75 years	28.96%	0.74%
ESOS 2018	8.02% - 8.15%	1.74 – 3.74 years	29.09%	0.40%
ESOS 2019	4.43% - 6.34%	1.68 – 4.68 years	29.12% - 39.73%	0.65%

In the case of ESOS 2012, ESOS 2014 and ESOS 2015, volatility of a matured enterprise in the industry which is listed on BSE has been used as a basis for estimation of expected volatility of options.

In the case of ESOS 2016, the expected volatility has been assumed at the rate of 10% since the company was unlisted as on the date of the grant.

In the case of ESOS 2017, ESOS (Trust) 2017, ESOS 2018 and ESOS 2019, the average of the volatility calculated on the available historical share prices of the company and its two peers, namely SBI Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited has been considered.

The weighted average fair value of options granted during the year ended March 31, 2022 is as follows:

Grant dated October 22, 2021: Rs. 208.34 per option (Previous Year Rs. Nil)

Grant dated March 15, 2022: Rs.144.88 per option (Previous Year Rs. Nil)

xiv) Diluted EPS:

Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earnings Per Share" for year ended March 31, 2022 is Rs. 5.84 per equity share (Previous Year Rs. 6.58 per equity share).

xv) Scheme Specific Disclosures

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:

ESOS 2012:

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	September 22, 2017*
2	Total number of options approved under ESOS	14,275,310
3	Vesting requirements	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 60 & Rs. 64 per option
5	Maximum term of options granted	8 years from the date of grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

* Approval of Members sought for alignment of Scheme with SEBI (Share Based Employee Benefits) Regulations, 2014

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	16,100
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	16,100
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options, if scheme is implemented directly by the company	Not Applicable
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	Nil
Number of options exercisable at the end of the year	Nil
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 64.00
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	30.82 & 30.29

Employee wise details of options granted during the year to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per Option (Rs.)
1	Grants to senior managerial Personnel			Nil	
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,			Nil	
3	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			Nil	

A description of the method and significant assumptions to estimate the fair value of options is disclosed at a Company level below.

ESOS 2014:

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	September 22, 2017*
2	Total number of options approved under ESOS	15,210,043
3	Vesting requirements	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 90.00 per option
5	Maximum term of options granted	8 years from the date of grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

* Approval of Members sought for alignment of Scheme with SEBI (Share Based Employee Benefits) Regulations, 2014

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	167,246
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	85,659
Number of shares arising as a result of exercise of options	85,659
Money realized by exercise of options, if scheme is implemented directly by the company	Rs. 7,709,310
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	81,587
Number of options exercisable at the end of the year	81,587
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 90.00
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	26.70 & 26.55

Employee wise details of options granted during the year to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per Option (Rs.)
1	Grants to senior managerial personnel			Nil	
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,			Nil	
3	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			Nil	

A description of the method and significant assumptions to estimate the fair value of options is disclosed at a Company level below.

ESOS 2015:

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	September 22, 2017*
2	Total number of options approved under ESOS	10,000,000
3	Vesting requirements	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 95.00
5	Maximum term of options granted	8 years from the date of Grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

* Approval of Members sought for alignment of Scheme with SEBI (Share Based Employee Benefits) Regulations, 2014

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	439,221
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	5,400
Number of options vested during the year	Nil
Number of options exercised during the year	303,156
Number of shares arising as a result of exercise of options	303,156
Money realized by exercise of options, if scheme is implemented directly by the company	Rs. 28,799,820
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	130,665
Number of options exercisable at the end of the year	130,665
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 95.00
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 24.56 & 24.58

Employee wise details of options granted during the year to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per Option (Rs.)
1	Grants to senior managerial Personnel			Nil	
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,			Nil	
3	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			Nil	

A description of the method and significant assumptions to estimate the fair value of options is disclosed at a Company level below.

ESOS 2016:

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	September 22, 2017*
2	Total number of options approved under ESOS	3,900,000
3	Vesting requirements	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 190.00 per option
5	Maximum term of options granted	8 years from the date of grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

* Approval of Members sought for alignment of Scheme with SEBI (Share Based Employee Benefits) Regulations, 2014

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	368,755
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	130,785
Number of shares arising as a result of exercise of options	130,785
Money realized by exercise of options, if scheme is implemented directly by the company	Rs. 24,849,150
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	237,970
Number of options exercisable at the end of the year	237,970
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 190.00 per option
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 30.82 & 30.29

Employee wise details of options granted during the year to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per Option (Rs.)
1	Grants to senior managerial personnel			Nil	
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,			Nil	
3	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			Nil	

A description of the method and significant assumptions to estimate the fair value of options is disclosed at a Company level below.

ESOS 2017:

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	February 27, 2018
2	Total number of options approved under ESOS	45,00,000
3	Vesting requirements	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 441.95 per option
5	Maximum term of options granted	8 years from the date of Grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	1,442,696
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	3,000
Number of options vested during the year	Nil
Number of options exercised during the year	935,785
Number of shares arising as a result of exercise of options	935,785
Money realized by exercise of options, if scheme is implemented directly by the company	Rs. 413,570,181
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	503,911
Number of options exercisable at the end of the year	503,911
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 441.95
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 116.38

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per option
1	Grants to senior managerial personnel			Nil	
2	Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during that year			Nil	
3	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			Nil	

A description of the method and significant assumptions to estimate the fair value of options is disclosed at a Company level below.

ESOS (Trust) 2017:

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	February 27, 2018
2	Total number of options approved under ESOS	536,394
3	Vesting requirements	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 441.95 per option
5	Maximum term of options granted	8 years from the date of Grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	207,634
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options, if scheme is implemented directly by the company	Not Applicable
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	207,634
Number of options exercisable at the end of the year	207,634
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 441.95
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 116.38

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per option
1	Grants to senior managerial personnel			Nil	
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,			Nil	
3	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			Nil	

ESOS 2018:

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	July 20, 2018
2	Total number of options approved under ESOS	1,889,126
3	Vesting requirements	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 391.60 per option
5	Maximum term of options granted	8 years from the date of Grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	1,011,952
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	15,471
Number of options vested during the year	563,875
Number of options exercised during the year	593,782
Number of shares arising as a result of exercise of options	593,782
Money realized by exercise of options, if scheme is implemented directly by the company	Rs. 232,525,031
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	402,699
Number of options exercisable at the end of the year	402,699
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 391.60
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 113.24

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per option
1	Grants to senior managerial personnel	Nil			
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,	Nil			
3	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	Nil			

ESOS 2019:**(For employees being on the payroll of the Company for more than 12 months on date of grant)**

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	July 23, 2019
2	Total number of options approved under ESOS	8,375,818
3	Vesting requirements	The options have a graded vesting schedule over a period of 2 years from the date of grant. The vesting schedule is 50%-50% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 539.10 per option
5	Maximum term of options granted	7 years from the date of Grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	6,280,887
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	125,380
Number of options vested during the year	3,341,131
Number of options exercised during the year	2,586,763
Number of shares arising as a result of exercise of options	2,586,763
Money realized by exercise of options, if scheme is implemented directly by the company	Rs. 1,394,523,933
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	3,568,744
Number of options exercisable at the end of the year	3,568,744
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	539.10
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	127.18

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per option
1	Grants to senior managerial personnel		Nil		
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,		Nil		
3	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		Nil		

ESOS 2019:**(For employees being on the payroll of the Company for more than 12 months on date of grant)**

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	July 23, 2019
2	Total number of options approved under ESOS	8,375,818
3	Vesting requirements	The options have a graded vesting schedule over a period of 2 years from the date of grant. The vesting schedule is 50%-50% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 561.15 per option
5	Maximum term of options granted	7 years from the date of Grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	Nil
Number of options granted during the year	201,500
Number of options forfeited / lapsed during the year	7,000
Number of options vested during the year	97,250
Number of options exercised during the year	7,000
Number of shares arising as a result of exercise of options	7,000
Money realized by exercise of options, if scheme is implemented directly by the company	Rs. 3,928,050
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	187,500
Number of options exercisable at the end of the year	90,250
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	561.15
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	158.26

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per option
1	Grants to senior managerial Personnel	Nil			
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,				
3	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				

ESOS 2019:**(For employees being on the payroll of the Company for more than 12 months on date of grant)**

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	July 23, 2019
2	Total number of options approved under ESOS	8,375,818
3	Vesting requirements	The options have a graded vesting schedule over a period of 2 years from the date of grant. The vesting schedule is 50%-50% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 703.05 per option
5	Maximum term of options granted	7 years from the date of grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	270,923
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	27,153
Number of options vested during the year	121,885
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options, if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	243,770
Number of options exercisable at the end of the year	121,885
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	703.05
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	198.71

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the	Exercise Price per option
1	Grants to senior managerial personnel	Nil			
2	Any other employee who receives a grant in any one year of option amounting to 5% or granted during that year,	Nil			
3	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	Nil			

ESOS 2019:

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	July 23, 2019
2	Total number of options approved under ESOS	8,375,818
3	Vesting requirements	The options have a graded vesting schedule over a period of 2 years from the date of grant. The vesting schedule is 50%-50% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 694.55 per option
5	Maximum term of options granted	7 years from the date of grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	Nil
Number of options granted during the year	361,712
Number of options forfeited / lapsed during the year	19,600
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options, if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	342,112
Number of options exercisable at the end of the year	Nil
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	694.55
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	208.34

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the	Exercise Price per option
1	Grants to senior managerial personnel	Nil			
2	Any other employee who receives a grant in any one year of option amounting to 5% or granted during granted during that year,	Nil			
3	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	Nil			

ESOS 2019:**(For employees being on the payroll of the Company for more than 12 months on date of grant)**

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	July 23, 2019
2	Total number of options approved under ESOS	8,375,818
3	Vesting requirements	The options have a graded vesting schedule over a period of 2 years from the date of grant. The vesting schedule is 50%-50% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 694.55 per option
5	Maximum term of options granted	7 years from the date of grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	Nil
Number of options granted during the year	324,313
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options, if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	324,313
Number of options exercisable at the end of the year	Nil
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	512.45
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	144.88

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per option
1	Grants to senior managerial personnel	Mr. Niraj Shah	Chief Financial Officer	150,000	512.45
2	Any other employee who receives a grant in any one year of option amounting to 5% or granted during that year	Mr. Lavneesh Gupta	Group Head - Bancassurance	50,000	512.45
		Mr. Aneesh Khanna	Head – Products	20,000	512.45
		Mr. Dipesh Desai	SVP – Agency	25,000	512.45
		Mr. Brisil Mendonsa	SVP – Bancassurance	19,000	512.45
		Ms. Sareeta Bhatikar	SVP – Human Resources	26,313	512.45
		Mr. Vijay Nair	SVP – Direct Channels	19,000	512.45
3	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	Nil			

Sr. No.	Particulars	Disclosure
1	Date of shareholders' approval	July 23, 2019
2	Total number of options approved under ESOS	581,812 (* Forms part of total approved option under ESOS 2019 i.e. 8,375,818)
3	Vesting requirements	The options have a graded vesting schedule over a period of 4 years from the date of grant. The vesting schedule is 50%-50% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 539.10 per option
5	Maximum term of options granted	10 years from the date of Grant
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44

Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	581,812
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options, if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	581,812
Number of options exercisable at the end of the year	Nil
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 539.10
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs. 127.18

Employee wise details of options granted to:

Sr. No.	Particulars	Name of employee	Designation of employee	No. of options granted during the year	Exercise Price per option
1	Grants to senior managerial personnel	Nil			
2	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,	Nil			
3	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	Nil			

Fair Value Related Disclosure

A description of the method and significant assumptions to estimate the fair value of options is disclosed at a Company level below.

The Company follows the intrinsic value method of accounting for stock options granted to employees. The intrinsic value of the options issued under the above referred schemes is 'Nil' as the exercise price of the option was the same as fair value of the underlying share on the grant date and accordingly, no expenses are recognised in the books.

Had the Company followed the fair value method for valuing its options, the charge to the Revenue Account/Profit & Loss Account for the year would have been aggregated to Rs. 226,406 thousands (Previous year ended March 31, 2022 Rs. 525,995 thousands) and the profit after tax would have been lower by Rs. 131,965 thousands (Previous year ended March 31, 2021 Rs. 290,839 thousands). Consequently, the Company's basic and diluted earnings per share would have been Rs. 5.85 and Rs. 5.84 respectively (Previous year: Rs. 6.59 and Rs. 6.58 respectively)

Method of computation of fair value of options:

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

Assumptions	Basis of Assumptions
Risk free interest rate	Determined basis G-sec yield on the grant date corresponding to maturity period equal to expected life of options
Expected life of options (years)	Average of the weighted average time to vesting and the contractual life of options
Expected volatility	Based on the historical stock prices using annualized standard deviation of daily change in stock price
Expected dividend yield	Calculated based on recent rate of dividend declared

The ESOS scheme-wise ranges of values for the assumptions are as follows:

ESOS Scheme	Risk Free Interest Rate Range	Expected Life Range	Expected Volatility Range	Expected Dividend Yield
ESOS 2012	8.19% - 8.74%	1.37 - 3.45 years	30.44% - 36.53%	0.00%
ESOS 2014	7.73% - 8.28%	1.75 - 3.75 years	33.23% - 37.15%	1.06%
ESOS 2015	7.41% - 7.58%	1.75 - 3.75 years	34.21% - 38.38%	1.04%
ESOS 2016	6.57% - 6.80%	1.75 - 3.75 years	10.00%	0.88%
ESOS 2017	6.79% - 7.30%	1.75 - 3.75 years	28.96%	0.74%
ESOS (Trust) 2017	6.79% - 7.30%	1.75 - 3.75 years	28.96%	0.74%
ESOS 2018	8.02% - 8.15%	1.74 - 3.74 years	29.09%	0.40%
ESOS 2019	4.43% - 6.34%	1.68 - 5.09 years	29.12% - 39.73%	0.23% to 0.41%

In the case of ESOS 2012, ESOS 2014 and ESOS 2015, volatility of a matured enterprise in the industry which is listed on BSE has been used as a basis for estimation of expected volatility of options.

In the case of ESOS 2016, the expected volatility has been assumed at the rate of 10% since the company was unlisted as on the date of the grant.

In the case of ESOS 2017, ESOS (Trust) 2017, ESOS 2018 and ESOS 2019, the average of the volatility calculated on the available historical share prices of the company and its two peers, namely SBI Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited has been considered.

Method used and the assumptions made to incorporate the effects of expected early exercise:

Not Applicable

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

xvi) Disclosures in respect of grants made in three years prior to Initial Public Offering (IPO) under each ESOS:

A description of each ESOS scheme in respect of grants made in three years prior to IPO, including the general terms and conditions of each ESOS is as set out below:

Sr. No.	Particulars	ESOS 2014	ESOS 2015	ESOS 2016
1	Date of shareholders' approval	September 22, 2017*		
2	Total number of options approved under ESOS	15,210,043	10,000,000	39,00,000
3	Vesting requirements	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.	The options have a graded vesting schedule over a period of 3 years from the date of grant. The vesting schedule is 30%-30%-40% subject to vesting conditions.
4	Exercise price or pricing formula	Rs. 90.00 per option	Rs. 95.00 per option	Rs. 190.00 per option
5	Maximum term of options granted	8 years from the date of grant	8 years from the date of grant	8 years from the date of grant

6	Source of shares (primary, secondary or combination)	Primary	Primary	Primary
7	Variation in terms of options	None	None	None
8	Method used for accounting for ESOS – Intrinsic or Fair Value	Intrinsic Value Method	Intrinsic Value Method	Intrinsic Value Method
9	Fair Value Related Disclosure	Refer page no. 44		

* Approval of Members sought for alignment of Scheme with SEBI (Share Based Employee Benefits) Regulations, 2014

Option movement during the year:

Particulars	ESOS 2014	ESOS 2015	ESOS 2016
Number of options outstanding at the beginning of the year	167,246	439,221	368,755
Number of options granted during the year	-	-	-
Number of options forfeited /lapsed during the year	-	5,400	-
Number of options vested during the year	-	-	-
Number of options exercised during the year	85,659	303,156	130,785
Number of shares arising as a result of exercise of options	85,659	303,156	130,785
Money realized by exercise of options, if scheme is implemented directly by the company	Rs. 7,709,310	Rs. 28,799,820	Rs. 24,849,150
Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable	Not Applicable
Number of options outstanding at the end of the year	81,587	130,665	237,970
Number of options exercisable at the end of the year	81,587	130,665	237,970
Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	90.00	95.00	190.00
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	26.70 & 26.55	24.56 & 24.58	30.82 & 30.29

Employee wise details of options granted during the year to:

Scheme Name			ESOS		ESOS 2015		ESOS 2016	
Particulars	Name of employee	Designation of employee	No. of options granted	Exercise Price per option	No. of options granted	Exercise Price per option	No. of options granted	Exercise Price per option
Grants to senior managerial personnel				Nil				
Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year,				Nil				
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				Nil				

A description of the method and significant assumptions to estimate the fair value of options is disclosed at a Company level below.

The Company follows the intrinsic value method of accounting for stock options granted to employees. The intrinsic value of the options issued under the above referred schemes is 'Nil' as the exercise price of the option was the same as fair value of the underlying share on the grant date and accordingly, no expenses are recognised in the books.

Had the Company followed the fair value method for valuing its options, the charge to the Revenue Account/Profit & Loss Account for the year would have been aggregated to Rs. 226,406 thousands (Previous year ended March 31, 2021 Rs. 525,995 thousands) and the profit after tax would have been lower by Rs. 131,965 thousands (Previous year ended March 31, 2021 Rs. 290,839 thousands). Consequently, the Company's basic and diluted earnings per share would have been Rs. 5.84 and Rs. 5.84 respectively (Previous year: Rs. 6.59 and Rs. 6.58 respectively).

Method of computation of fair value of options:

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

Assumptions	Basis of Assumptions
Risk free interest rate	Determined basis G-sec yield on the grant date corresponding to maturity period equal to expected life of options
Expected life of options (years)	Average of the weighted average time to vesting and the contractual life of options
Expected volatility	Based on the historical stock prices using annualized standard deviation of daily change in stock price
Expected dividend yield	Calculated based on recent rate of dividend declared

The ESOS scheme-wise ranges of values for the assumptions are as follows:

ESOS Scheme	Risk Free Interest Rate Range	Expected Life Range	Expected Volatility Range	Expected Dividend Yield
ESOS 2012	8.19% - 8.74%	1.37 - 3.45 years	30.44% - 36.53%	0.00%
ESOS 2014	7.73% - 8.28%	1.75 - 3.75 years	33.23% - 37.15%	1.06%
ESOS 2015	7.41% - 7.58%	1.75 - 3.75 years	34.21% - 38.38%	1.04%
ESOS 2016	6.57% - 6.80%	1.75 - 3.75 years	10.00%	0.88%
ESOS 2017	6.79% - 7.30%	1.75 - 3.75 years	28.96%	0.74%
ESOS (Trust) 2017	6.79% - 7.30%	1.75 - 3.75 years	28.96%	0.74%
ESOS 2018	8.02% - 8.15%	1.74 - 3.74 years	29.09%	0.40%
ESOS 2019	4.43% - 6.34%	1.68 - 5.09 years	29.12% - 39.73%	0.23% to 0.41%

In the case of ESOS 2012, ESOS 2014 and ESOS 2015, volatility of a matured enterprise in the industry which is listed on BSE has been used as a basis for estimation of expected volatility of options.

In the case of ESOS 2016, the expected volatility has been assumed at the rate of 10% since the company was unlisted as on the date of the grant.

In the case of ESOS 2017, ESOS (Trust) 2017, ESOS 2018 and ESOS 2019, the average of the volatility calculated on the available historical share prices of the company and its two peers, namely SBI Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited has been considered.

xvii) **Details related to Trust**

i) **General information on all schemes**

Sr. No.	Particulars	Details
1	Name of the Trust	HDFC Life Employees Stock Option Trust
2	Details of the Trustee(s)	Mr. Srinivasan Parthasarthy Mr. Prosenjit Gupta Mr. Praveen Kumar Bhalla
3	Amount of loan disbursed by company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

ii) **Brief details of transactions in shares by the Trust**

Sr. No.	Particulars	Number of shares
1	Number of shares held at the beginning of the year	539,834 shares
2	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share;	Nil
3	Number of shares transferred to the employees / sold along with the purpose thereof;	Nil
4	Number of shares held at the end of the year.	539,834 shares

iii) **In case of secondary acquisition of shares by the Trust**

Sr. No.	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
1	Held at the beginning of the year: 539,834 shares	0.03%
2	Acquired during the year: Nil	-
3	Sold during the year: Nil	-
4	Transferred to the employees during the year :	-
5	Held at the end of the year: 539,834 shares	0.03%