

**Disclosures pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2024**

- A) Relevant disclosures in terms of the ‘Guidance note on accounting for employee share- based payments’ issued by Institute of Chartered Accountants of India (‘ICAI’) or any other relevant accounting standards as prescribed from time to time.**

Members may refer the audited financial statements of the Company.

- B) Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Ind AS 33 -Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.**

Members may refer the audited financial statements of the Company.

The stock options granted to the employees operate under NFL-Employee Stock Option Plan 2018 ('Plan 2018'), Niyogin Employee Stock Option Plan 2019 ('Plan 2019') and Niyogin Employees Stock Option Plan 2020 ('Plan 2020'). The grant price shall be as decided by the Nomination and Remuneration Committee (NRC) of the Company. The number of options and terms could vary at the discretion of the NRC.

- C) Details related to ESOP Plans of the Company are summarised as under:**

<b>Particulars</b>	<b>Plan 2018</b>	<b>Plan 2019</b>	<b>Plan 2020</b>
Date of shareholder's approval	July 09, 2018	December 24, 2019	October 16, 2020
Total number of options approved of face value of Rs. 10/- each	40,00,000 options convertible into 40,00,000 equity shares	10,00,000 options convertible into 10,00,000 equity shares	50,00,000 options convertible into 50,00,000 equity shares
Vesting requirements	The vesting period shall commence on the expiry of one year from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options would vest not earlier	The vesting period shall commence on the expiry of one year from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options would vest not earlier	The vesting period shall commence on the expiry of one year from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options would vest not earlier

**Niyogin Fintech Limited**

(CIN L65910TN1988PLC131102)

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	<p>than 1 year and upto 5 years from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options granted shall vest so long as an employee continues to be in the employment of the Company. [including subsidiary(ies) companies/holding company (if any, in future)].</p>	<p>than 1 year and upto 5 years from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options granted shall vest so long as an employee continues to be in the employment of the Company's subsidiary. [including holding company (if any, in future)].</p>	<p>than 1 year and upto 10 years from the date of grant of options or such period as may be decided by the Nomination and Remuneration Committee at the time of each grant of options. The options granted shall vest so long as an employee continues to be in the employment of the Company. [including subsidiary(ies) companies/holding company (if any, in future)].</p>
The pricing formula	<p>The Exercise Price shall be equal to face value of shares i.e. Rs. 10 per Option or any other price as decided by the Nomination and Remuneration Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under Plan 2018</p>	<p>The Exercise Price shall be equal to face value of shares i.e. Rs. 10 per Option or any other price as decided by the Nomination and Remuneration Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under Plan 2019</p>	<p>The Exercise Price shall be equal to face value of shares i.e. Rs. 10 per Option or any other price as decided by the Nomination and Remuneration Committee. In any case, the Exercise Price per Option shall not be less than the face value of shares and it may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under Plan 2020</p>
Maximum term of options granted (years)	<p>The Exercise period shall not be more than 5 years from the date of respective vesting of options unless otherwise decided by the Nomination and</p>	<p>The Exercise period shall not be more than 5 years from the date of respective vesting of options unless otherwise decided by the Nomination and</p>	<p>The Exercise period shall not be more than 5 years from the date of respective vesting of options unless otherwise decided by the Nomination and</p>

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	Remuneration Committee. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.	Remuneration Committee. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.	Remuneration Committee. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.
Source of shares (primary, secondary or combination)	Primary	Primary	Primary
Variation in terms of ESOP	Not applicable	Not applicable	Not applicable

- D) The Company has adopted fair value method in accounting for employee cost on account of all the ESOP schemes.**
- E) 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 since the Company has adopted Indian Accounting Standards from April 1, 2018 which is based on Fair Value method of accounting.

**F) Option movement for the year ended March 31, 2024:**

Particulars	Plan 2018	Plan 2019	Plan 2020
Number of options outstanding at the beginning of the year	16,90,798	31,225	43,81,530
Options granted during the year	9,12,500	0	8,59,854
Options cancelled during the year	0	0	8,59,854
Options lapsed during the year	8,22,250	0	0
Options vested during the year	3,58,230	0	9,45,840

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Options exercised and allotted during the year	1,44,590	0	0
Total number of shares arising as a result of exercise of options	1,44,590	0	0
Money realised by exercise of options (Rs.)	27,76,404.50	0	0
Number of options outstanding at the end of the year	16,36,458	31,225	43,81,530
Number of options exercisable at the end of the year	3,84,058	31,225	22,35,620

Diluted Earnings Per Share (EPS) pursuant to the issue of shares on exercise of options calculated in accordance with Ind AS 133 – Earnings per share: (0.79) on standalone basis.

- G) 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**

<b>Weighted Average Exercise price of options granted during the year whose</b>	
Exercise price equals to market price (Rs.)	49.94
Exercise price equals exceeds market price	Nil
Exercise price is less than market price (Rs.)	10

<b>Weighted Average Fair value of options granted during the year whose</b>	
Exercise price equals to market price (Rs.)	12.93
Exercise price equals exceeds market price	Nil
Exercise price is less than market price (Rs.)	8.02

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

- a) senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;**

**Plan 2018**

<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>No. of options</b>	<b>Exercise Price (in Rs.)</b>
1	Hitesh Jain	Chief Risk Officer	1,50,000	69.74

2	Noorallah Charania	Chief Operating Officer	40,000	46.04
3	Neha Daruka	Company Secretary	25,000	46.04
4	Devanand Chaudhary	Chief Sales Officer - Retail	35,000	46.04
5	Prabal Goel	Compliance Officer - Business & Legal	25,000	46.04
6	Ronak Shah	Chief Audit Officer (Internal Auditor)	25,000	46.04
7	Salima Charania	Head- Marketing	25,000	46.04
8	Pankaj Chaudhary	Chief Business Officer	75,000	46.04

## Plan 2020

Sr. No.	Name	Designation	No. of options	Exercise Price (in Rs.)
1	Tashwinder Singh	Managing Director and Chief Executive Officer	8,59,854	46.04

- 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 – Not applicable
- 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 – Not applicable

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

The fair value has been calculated using the Black Scholes Option Pricing model.

- (a) The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model:

Assumptions / Tranches	Expected - Weighted average volatility (%)	Expected term (In years)	Risk free rate	Fair value	Grant date
I - 2018	62.23%	3.50	7.80%	89.44	13-Aug-18

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II - 2018	66.55%	3.50	8.07%	134.13	05-Sep-18
III - 2018	66.38%	1.50	7.20%	60.96	11-Feb-19
IV - 2018	70.67%	4.00	6.36%	43.67	09-Aug-19
V - 2018	62.75%	1.50	6.63%	34.65	23-Jan-20
VI - 2018	67.86%	4.00	4.93%	14.28	23-Jul-20
VII - 2018	61.13%	3.50	4.70%	29.76	19-May-21
VIII - 2018	61.13%	3.50	4.70%	64.50	19-May-21
IX -2018	61.13%	3.50	4.70%	30.89	19-May-21
X - 2018	59.27%	3.50	5.33%	24.76	15-Mar-22
XI - 2018	53.40%	1.50	4.90%	51.70	15-Mar-22
XII - 2018	58.22%	3.00	7.01%	50.45	14-May-22
XIII - 2018	29.15%	3.10	7.11%	8.69	09-Nov-22
XIV - 2018	29.15%	3.10	7.11%	11.32	09-Nov-22
XV - 2018	29.08%	3.10	7.15%	7.26	13-Feb-23
XVI - 2018	23.92%	3.10	6.81%	17.20	11-May-23
XVII - 2018	17.27%	2.10	7.07%	12.09	09-Nov-23
I-2019	57.73%	2.00	5.17%	27.68	10-Nov-20
I-2020	65.19%	5.50	5.17%	31.72	10-Nov-20
I-2020 - Modification	18.23%	2.05	6.77%	8.02	11-May-23
II-2020	61.96%	3.00	7.38%	23.93	14-May-22

Any other inputs to the model: Nil

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(b) The method used and the assumptions made to incorporate the effects of expected early exercise:

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The options are granted for no consideration and will vest upon the completion of service condition as specified in scheme in graded manner. Vested options are exercisable for the period of five years after the vesting.

(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility:

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. During the year, the Company has changed the base for calculation of volatility as the equity shares of the Company are not traded frequently and hence BSE S&P Financial Services Index is considered as the surrogate proxy for calculation of expected volatility for XIII, XIV, XV, XVI and XVII. The yield of Government of India Bond as on the date of Grant has been taken as the risk-free interest rate.

(d) Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition: Nil.

**J) Disclosures in respect of grants made in three years prior to IPO under each ESOP** (Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made) - Not applicable

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