

FINO PAYMENTS BANK LIMITED

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Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI ESOP Regulations, 2021") – For Financial Year 2024-25

- 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 has been disclosed in Note no. 44 of the Notes to Financial Statements forming part of the Annual Report FY 2024-25 of the Bank.
- B. Diluted Earnings Per Share ("EPS") pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government, has been disclosed in the Note no. 37 of the notes to the Financial Statements forming part of Annual Report FY 2024-25 of the Bank.

C. SUMMARY OF STATUS OF EMPLOYEE STOCK OPTIONS GRANTED

(i) The description of the existing scheme is summarized as under:

Sr. No.	Particulars	Fino Payments Bank Limited - Employees Stock Option Policy, 2020 ("ESOP 2020")	Fino Payments Bank Limited - Employees Stock Option Policy, 2023 ("ESOP 2023")	Fino Payments Bank Limited - Employees Stock Option Policy, 2024 ("ESOP 2024")
1.	Date of Shareholder's Approval	Approved on May 17, 2021 and subsequently amended on July 24, 2021, October 12, 2021, April 29, 2022 and September 25, 2024.	Approved on September 25, 2023	Approved on February 15, 2025
2.	Total Number of Options approved	15,45,175 (as adjusted pursuant to bonus issue)	10,90,625	5,00,000

3.	Vesting requirements	The Options granted under ESOP 2020 would vest not less than one year from the date of grant of such Options, except in case of death/ permanent disablement or retirement of the employee. The vesting schedule is given below:		The Options granted under ESOP 2023 would vest not less than one year from the date of grant of such Options, except in case of death/ permanent disablement or retirement of the employee. The vesting schedule is given below:		Options granted under ESOP 2024 would vest as under:	
		At the Year 1 from date of grant of option	Nil of the options so granted	At the end of First (1 st) Year from the date of Grant of Options	33.33% of Options so granted	At the end of First (1 st) Year from the date of Grant of Options	33.33% of Options so granted
		At the Year 2 from date of grant of option (i.e. after the end of first year from the date of grant of option)	33.33% of the options so granted	At the end of Second (2 nd) Year from the date of Grant of Options	33.33% of Options so granted	At the end of Second (2 nd) Year from the date of Grant of Options	33.33% of Options so granted
		At the Year 3 from date of grant of option (i.e. after the end of second year from the date of grant of option)	33.33% of the Options so granted	At the end of Third (3 rd) Year from the date of Grant of Options	Balance 33.33% of Options so granted	At the end of Third (3 rd) Year from the date of Grant of Options	Balance 33.33% of Options so granted
		At the Year 4 from date of grant of option (i.e. after the end of third year from the date of grant of option)	33.33% of the Options so granted				
4.	Exercise Price or Pricing Formula	Unless otherwise approved by the Nomination & Remuneration Committee, all equity shares including Options to subscribe to equity shares pursuant to		Unless otherwise approved by the Nomination & Remuneration Committee, all equity shares including Options to subscribe to equity		All Options to subscribe to equity shares pursuant to the ESOP 2024 shall have a purchase or Exercise Price at the Market Price.	

		the ESOP 2020 shall have a purchase or Exercise Price at such percentage of discount determined by Nomination and Remuneration Committee on the fair market value of the shares.	shares pursuant to the ESOP 2023 shall have a purchase or Exercise Price at 25% of discount on the Market Price.	
5.	Maximum term of Options granted	As per Annexure-A	As per Annexure-A	As per Annexure- A
6.	Source of shares	Primary Issuance	Primary Issuance	Primary Issuance
7.	Variation in terms of Options	The ESOP Scheme was approved on May 17, 2021 and subsequently amended on July 24, 2021, October 12 2021, April 29, 2022 and September 25, 2024.	During the year, no variation made in terms of options granted by the Bank.	During the year, no variation made in terms of options granted by the Bank.

(ii) Method used to account for ESOPs- The compensation cost of stock options granted to eligible employees is calculated based on fair value method.

(iii) Option movement during the financial year 2024-25 is as follows:

Sr. No.	Particulars	ESOP 2020	ESOP 2023	ESOP 2024
1.	Number of Options outstanding at the beginning of the year	15,45,175	10,90,625	5,00,000
2.	Number of Options granted during the Year	-	-	-
3.	Number of Options forfeited / lapsed during the year	23,054	2,13,587	-
4.	Number of Options vested during the year	366,449	2,93,720	-
5.	Number of Options exercised during the year	-	4,100	-
6.	Number of shares arising as a result of exercise of options	-	4,100	-
7.	Money realized by exercise of options (₹)	-	₹ 9,18,195	-
8.	Number of Options outstanding of March 31, 2025	15,45,175	10,86,525	5,00,000
9.	Number of Options exercisable at of March 31, 2025	12,32,035	289,620	-

(iv) Weighted-average Exercise Price and Weighted-average Fair Value of Options granted during the financial year 2024-25

During the year under review, no Options were exercised under ESOP 2020, ESOP 2023

and ESOP 2024 hence the disclosure is not applicable.

(v) Employee-wise details of Options granted during the financial year 2024-25 to:

(a) Senior Managerial Personnel/ Key Managerial Personnel- None

(b) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year: None

(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: NIL

(vi) Method and Assumptions used to estimate the Fair Value of Options granted during the year 2024-25.- Not Applicable

(vii) Disclosures in respect of grants made in three years prior to IPO

The grant of Options made under ESOP 2020 by the Bank was prior to its IPO. The details are already covered hereinbefore.

Annexure-A

Vested Options				
	Particulars	ESOP 2020	ESOP 2023	ESOP 2024
1	While in Employment of the Bank or Fino Group, including any subsidiary or an associate company of the Bank pursuant to an internal transfer/deputation	Can be exercised within a period of five# years from the date of Vesting.	Can be exercised within a period of five years from the date of Vesting.	Can be exercised within a period of five years from the date of Vesting.
2	Resignation / Termination (other than due to misconduct or breach of Bank policies/terms of employment) or Voluntary/ Involuntary separation from the Bank or its subsidiaries or affiliates.	All Vested Options can be exercised within a period of three years from the date of his/her last working day with the Bank.	All Vested Options can be exercised within a period of three years from the date of his/her last working day with the Bank.	All Vested Options can be exercised within a period of three years from the date of Vesting.
3	Termination due to misconduct or due to breach of Bank Policies or the Terms of Employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.
4	Retirement / Early Retirement approved by the Bank	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than six months from the date of Vesting or such other period as may be determined by the Nomination & Remuneration Committee.	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than six months from the date of Vesting or such other period as may be determined by the Nomination & Remuneration Committee.	All Vested Options can be exercised within a period of three years from the date of Vesting.

5	Death	All Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than five years from the date of death. This period may further be extended at the discretion of the Nomination & Remuneration Committee.	All Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than five years from the date of death. This period may further be extended at the discretion of the Nomination & Remuneration Committee.	All Vested Options may be exercised by the Option Grantee's nominee or legal heirs within a period of five years from the date of death. This period may further be extended at the discretion of the Nomination & Remuneration Committee, subject to the maximum period of 24 months.
6	Termination due to Permanent Disability	All Vested Options may be Exercised by the Option Grantee or, in case of his death, the nominee or legal heirs, immediately after, but in no event later than six months from the date of such disability.	All Vested Options may be Exercised by the Option Grantee or, in case of his death, the nominee or legal heirs, immediately after, but in no event later than six months from the date of such disability.	All Vested Options may be Exercised by the Option Grantee or, in case such permanent disability results in his/her death, the nominee or legal heirs, within a period of three years from the date of Vesting. This period may further be extended at the discretion of the Nomination & Remuneration Committee, subject to the maximum period of 24 months.
7	Abandonment***	All the Vested Options shall stand cancelled.	All the Vested Options shall stand cancelled.	All the Vested Options shall stand cancelled.
8	Separation due to reasons other than those mentioned above	The Nomination & Remuneration Committee will decide whether the Vested Options on the date of separation can be exercised by the Employee or not, and such decision shall be final.	The Nomination & Remuneration Committee will decide whether the Vested Options on the date of separation can be exercised by the Employee or not, and such decision shall be final.	The Nomination & Remuneration Committee will decide whether the Vested Options on the date of separation can be exercised by the Employee or not, and such decision shall be final.

***The Nomination and Remuneration Committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.

Pursuant to the recommendation of the Nomination & Remuneration Committee and the Board, the shareholders at its AGM approved amendment to the exercise period for the employees in employment of the Bank or Fino Group from three years to five years from the date of Vesting.