

Cholamandalam Investment and Finance Company Limited

CIN: L65993TN1978PLC007576

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Disclosure pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2025

The Company has granted Stock Options to its employees under the Company's ESOP Scheme 2007 & ESOP 2016. Please refer Note no. 40 of the Standalone Financial Statements of the Company for the year ended March 31, 2025 for disclosures prescribed under Indian Accounting Standards 'Guidance Note on accounting for employee share-based payments issued by ICAI.

The details pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 are furnished hereunder:

Nature of Disclosure	Employee Stock Option Scheme 2007	Employee Stock Option Plan 2016
A description of each Employee Stock Option Scheme (ESOS) that existed at any time during the year, including the general terms and conditions of each ESOS	The Nomination and Remuneration Committee (earlier Compensation and Nomination Committee) had formulated the Cholamandalam Investment and Finance Company Limited Employee Stock Option Scheme 2007 entitling the option grantees under the Scheme to subscribe to one share upon exercise of one option.	The Nomination and Remuneration Committee had formulated the Cholamandalam Investment and Finance Company Limited Employee Stock Option Plan 2016 entitling the option grantees under the Plan to subscribe to one share upon exercise of one option.
Date of shareholders' approval	30-Jul-2007	03-Jan-2017
Total number of Options approved under ESOS	19,04,162* (Nineteen lakhs four thousand one hundred and sixty-two only) <i>*Adjusted for stock split (10:2) on 14 June, 2019.</i>	31,25,102 (thirty-one lakhs twenty-five thousand one hundred and two only) <i>*Adjusted for stock split (10:2) on 14 June, 2019.</i>
Vesting requirements	First vesting on completion of 1 year from the date of grant. Maximum vesting period is five years from the date of grant.	First vesting on completion of 1 year from the date of grant. Maximum vesting period is five years from the date of grant.
Exercise price or pricing formula	The options were granted at an exercise price equal to the latest available closing price of the equity share on the Stock Exchange in which there was highest trading volume, prior to the date of grant of options.	
Maximum granted term of Options	10 years from the date of Grant	9 years from the date of Grant

Nature of Disclosure	Employee Stock Option Scheme 2007	Employee Stock Option Plan 2016
Source of shares (primary, secondary or combination)	Primary	
Variation in terms of Options	The shareholders of the Company at the AGM held on 30 July, 2012 approved the extension of exercise period of 3 years from date of vesting to 6 years from the date of vesting.	No variations
Method used to account for ESOS - Intrinsic or fair value	As prescribed under the Companies (Indian Accounting Standards) Rules, 2015, the Options are accounted on the basis of fair value.	
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	
Total number of Options granted	25,97,215 Options have been granted under the ESOP scheme 2007 till 27 October, 2011. No Options were granted during the year 2024-25.	116,05,965 Options have been granted under the ESOP 2016. 17,23,960 Options were granted during the year 2024-25.
Number of Options outstanding at the beginning of the period	-	53,23,901
Number of Options granted during the year	-	17,23,960
Number of Options cancelled during the year	-	1,47,300

Nature of Disclosure	Employee Stock Option Scheme 2007	Employee Stock Option Plan 2016
Number of Options forfeited / lapsed during the year	-	-
Number of Options vested during the year	-	1,229,630
Number of Options exercised during the year	-	9,71,943
Number of shares arising as a result of exercise of Options	-	9,71,943
Money realised by exercise of Options (INR), if scheme is implemented directly by the company	-	₹ 47,13,43,490.14
Loan repaid by the Trust during the year from exercise price received	-	Not applicable
Number of Options outstanding at the end of the year	-	59,32,718
Number of Options exercisable at the end of the Year	-	1,844,408
Employee-wise details of Options granted to: a) Senior Management Personnel	No Options were granted during the year.	2,20,120 Options were granted during the year Mr. D Arulselvan, Chief Financial Officer (1,36,440) Mr. Jeeva Balakrishnan, President & Chief Human Resources Officer (71,800) Mr. Ajay Bhatia, President & Chief Risk Officer (5,940) Mr. Aman Sharma, President & Chief Processing Officer (5,940)
b) Any other employee who received a grant in any one year of Options amounting to 5 per	No fresh Options were granted during the year.	Mr. D Arulselvan, Chief Financial Officer (1,36,440)

Nature of Disclosure	Employee Stock Option Scheme 2007	Employee Stock Option Plan 2016
cent or more of Options granted during that year:		
c) Identified employees who were granted Options, during any one year, equal to or exceeding 1 per cent 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 used during the year to estimate the fair value of Options*:	The fair value of the Options has been computed as per the Black-Scholes model by taking into account the factors – exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate.	
a) Weighted - average exercise prices and Weighted-average fair values of Options granted during the year whose exercise price is either equal to or exceeds or is less than the market price.		₹1,309.48
b) Weighted Average Share price		₹613.13
c) Expected volatility		43.04%
d) Expected life of the Option		5 years
e) Expected dividend yields		0.15%
f) Risk-free interest rate		6.76%
g) Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Indian Accounting Standards.		₹ 50.55

Nature of Disclosure	Employee Stock Option Scheme 2007	Employee Stock Option Plan 2016
Method used to estimate the fair value of Options	Black-Scholes model	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	-	

During the year, there were no material changes carried out in the Cholamandalam Investment and Finance Company Limited Employee Stock Option Scheme 2007 & ESOP Plan 2016. The ESOP Scheme 2007 and the ESOP Plan 2016 are compliant with the applicable provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014.

***Assumptions:**

Stock Price: Closing price on National Stock Exchange on the day before the date of grant has been considered

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected dividend yield: Expected dividend yield has been calculated as an average of dividend yields for five financial years preceding the date of the grant

For more details, refer Note no.40 of the Standalone Financial Statements of the Company for the year ended March 31, 2025.