



## Annexure to Directors Report for the year ended March 31, 2025

### STATUTORY DISCLOSURES REGARDING ESOS

#### A. SUMMARY OF STATUS OF ESOS GRANTED

The position of the existing scheme is summarized as under:

Particulars	SIB ESOS 2008
1 Date of Shareholders' Approval	Initial approvals by the Shareholders at 80 <sup>th</sup> Annual General Meeting held on August 18, 2008 and further amended by shareholders vide their resolution at the 85 <sup>th</sup> , 87 <sup>th</sup> , 92 <sup>nd</sup> and 93 <sup>rd</sup> Annual General Meeting of the Bank held on June 28, 2013, July 15, 2015, September 29, 2020 and August 18, 2021 respectively.
2 Total Number of Options approved under ESOS	The maximum number of Options granted to Eligible Employees of the Bank under this Scheme shall not exceed 5 % [five percent] of the total number of fully paid up Equity Shares of the Bank, from time to time, as on the date(s) of Grant of Options under this Scheme. We have obtained in-principle approval for 10,46,37,050 shares.
3 Vesting Requirements	The Options Granted under the Scheme, shall vest with the Grantee as per the schedule decided by Nomination and Remuneration Committee, in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other SEBI Regulations/Guidelines issued in this regard.
4 Exercise Price or Pricing Formula	The Nomination and Remuneration Committee shall fix the exercise price for the Options Granted under the Scheme, based on Market price or on such other basis in compliance of provisions of Para 13, prior to the date of Nomination and Remuneration Committee meeting recommending the grant of options. Presently, we are following Fair Value method Under Black Scholes Model w. e. f. April 01, 2022.
5 Maximum Term of Options Granted	The Exercise Period for the relevant Grant shall be the period after the vesting of Options within which the Grantee should exercise his right to apply for Shares against Options vested in him in pursuance of the Scheme as mentioned under Para 9.5.c of the scheme.
6 Source of Shares (primary, secondary or combination)	Primary
7 Variation in terms of options	The scheme was last modified at the 93 <sup>rd</sup> AGM held on 18.08.2021
8 Method used to account for ESOS – Intrinsic or fair value	Intrinsic Value Method till March 31, 2021 and thereafter Fair Value Method by using Black-Scholes Model.
9 (1) 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.	Not Applicable. Bank is opting Black-Scholes Model for valuation of options.

Particulars	SIB ESOS 2008
9 (2) The impact of this difference on profits and on EPS of the Bank shall also be disclosed.	Not Applicable. Bank is opting Black-Scholes Model for valuation of options.

## B. OPTION MOVEMENT DURING THE FINANCIAL YEAR 2024-25

Sr. No	Particulars	Tranche 11 Exercise Price per option ₹8.35	Tranche 12 Exercise Price per option ₹16.50	Tranche 13 Exercise Price per Option ₹20.00	Tranche 14 Exercise Price per Option ₹22.00	Tranche 15 Exercise Price per Option ₹27.14	Tranche 16 Exercise Price per Option ₹24.95	Tranche 17 Exercise Price per Option ₹24.03
1	Number of Options Outstanding at the Beginning of the period	3,99,171	11,06,194	67,24,418	0	0	0	0
2	Number of Options Granted during the Year	0	0	0	2014396	3148500	118226	866738
3	Number of Options Forfeited/lapsed during the Year	0	0	448460	84260	24000	1469	0
4	Number of Options Vested during the Year	119751	331858	1970122	0	0	0	0
5	Number of Options Exercised during the Year	239502	0	135517	0	0	0	0
6	Number of Shares arising as a result of Exercise of Options	239502	0	135517	0	0	0	0
7	Money realized by Exercise of Options (INR), if scheme is implemented directly by the Bank	1999841.7	0	2710340	0	0	0	0
8	Loan repaid by the Trust during the year from exercise price received	N.A	N.A	N.A	N.A	N.A	N.A	N.A
9	Number of Options Outstanding at the End of the Year	159669	1106194	6140441	1930136	3124500	116757	866738
10	Number of Options Exercisable at the End of the Year	159669	1106194	6140441	1930136	3124500	116757	866738



### C. THE WEIGHTED AVERAGE MARKET PRICES OF OPTIONS EXERCISED DURING THE FINANCIAL YEAR:

SI No		Exercise Price	Number of Options exercised	Weighted average market prices of options exercised during FY 2024-25*
1	Tranche 11	Rs. 8.35	2,39,502	27.31
2	Tranche 13	Rs.20.00	1,35,517	25.64

\*refers to the weighted average FMV of the options which were exercised during FY 2024-25 under respective tranche.

### D. WEIGHTED AVERAGE EXERCISE PRICES OF OPTIONS GRANTED DURING FINANCIAL YEAR 2024- 25 WHOSE

(Amount in ₹)

SI. No.	Particulars	Tranche 14	Tranche 15	Tranche 16	Tranche 17
(a)	Exercise price equals market price (Rs.) of the share	NA	27.14	24.95	24.03
(b)	Exercise price is greater than market price of the share	NA	NA	NA	NA
(c)	Exercise price is less than market price of the share	30.75	NA	NA	NA

### E. WEIGHTED AVERAGE FAIR VALUES OF OPTIONS GRANTED DURING FINANCIAL YEAR 2024-25 WHOSE

(Amount in ₹)

SI. No	Particulars	Tranche 14	Tranche 15	Tranche 16	Tranche 17
(a)	Exercise price equals market price (₹) of the share	NA	37.66	34.45	33.26
(b)	Exercise price is greater than market price of the share	NA	NA	NA	NA
(c)	Exercise price is less than market price of the share	39.57	NA	NA	NA

### F. EMPLOYEE-WISE DETAILS OF OPTIONS GRANTED DURING THE FINANCIAL YEAR 2024-25 TO:

As detailed below, the Board of Directors of the Bank at its various meetings held during the FY 2024-25 has granted options under four tranches under SIB ESOS-2008. Price of options allocated to respective grantee employees are calculated as per Black - Scholes option premium.

Particulars	Tranche 14	Tranche 15	Tranche 16	Tranche 17
Grant date (Date of Board Meeting)	02-05-2024	30-07-2024	26-09-2024	29-11-2024
No of options granted	20,14,396	31,48,500	1,18,226	8,66,738
No of grantees	6857	106	12	1
Exercise price	₹ 22.00	₹ 27.14	₹ 24.95	₹ 24.03

i) Details of options granted to KMP & Senior Managerial Personnel –

Name	Designation	Options Granted Under Tranche 14	Options Granted Under Tranche 15	Options Granted Under Tranche 16	Options Granted Under Tranche 17
Mr P R Seshadri	MD & CEO	0	0	0	866738
Mr Thomas Joseph K *	EVP & Chief Business Officer	3148	0	0	0
Mr Anto George T	Chief General Manager & Chief Operating Officer	1549	100000	0	0
Mr Sanchay Kumar Sinha	Chief General Manager & Head Retail Assets	2015	120000	6736	0
Mr Sony A	Senior General Manager & Chief Information Officer	1549	75000	0	0
Ms Biji S S	Senior General Manager & Head Branch Banking	1549	112500	0	0
Mr Senthil Kumar	Senior General Manager Head Credit, Collection & Recovery	7241	112500	24210	0
Ms Chithra H	Senior General Manager & Chief Compliance Officer	1549	60000	0	0
Ms Minu Moonjely	Senior General Manager & Head – Corporate Business Group	1549	60000	0	0
Mr Nandakumar G	Senior General Manager & Head of Internal Audit & Chief of Internal Vigilance	1177	40000	0	0
Mr Vinod Francis	General Manager & Chief Financial Officer	743	32000	0	0
Mr Jimmy Mathew	General Manager & Company Secretary	929	40000	0	0
Mr Biju E Punnachalil	General Manager & Chief Risk Officer	929	0	0	0

\* Mr. Thomas Joseph K, EVP and Chief Business Officer retired from the Bank w.e.f May 31, 2024 on completion of his term of appointment.

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year –

Options under Tranche 17 is exclusively granted to Mr. P R Seshadri, MD & CEO which is part of his variable pay as approved by Reserve Bank of India, as part of his terms of appointment.

(iii) 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 - None



## G. DESCRIPTION OF THE METHOD AND SIGNIFICANT ASSUMPTIONS USED DURING THE YEAR TO ESTIMATE THE FAIR VALUE OF OPTIONS:

The fair value of options granted during the financial year 2024-25 has been estimated on the date of grant using the Black Scholes option pricing model with the following assumptions:

Particulars	Tranche 14	Tranche 15	Tranche 16	Tranche 17
Exercise Price per share (₹)	22	27.14	24.95	24.03
Weighted Average Closing Price per share (₹)(Fair value of Options)	39.57	37.66	34.45	33.26
Expected Volatility (%)	5.20%	3.51%	2.99%	3.22%
Life of the options granted (Vesting and Exercise period in years)	<ul style="list-style-type: none"> <li>Exercise Period -5 years from the date of vesting</li> <li>Vesting Period: 1-3 Years (-30% on completion of 1<sup>st</sup> Year -30% on completion of 2<sup>nd</sup> Year -40% on completion of 3<sup>rd</sup> Year)</li> </ul>			
Average Risk Free Interest rate (%)	7.34, 7.33 & 7.35 respectively for 6 <sup>th</sup> , 7 <sup>th</sup> and 8 <sup>th</sup> Year	7.01, 7.01 & 7.06 respectively for 6 <sup>th</sup> , 7 <sup>th</sup> and 8 <sup>th</sup> Year	6.84, 6.86 & 6.89 respectively for 6 <sup>th</sup> , 7 <sup>th</sup> and 8 <sup>th</sup> Year	6.92, 6.95 & 6.98 respectively for 6 <sup>th</sup> , 7 <sup>th</sup> and 8 <sup>th</sup> Year
Expected Dividend Yield (%)	NA	NA	NA	NA
Price of underlying share in the market at the time of grant of option (Rs.)	30.75	27.14	24.95	24.03
The method used and the assumptions made to incorporate the effects of expected early exercise.	As per Black Scholes Model			
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.	Using last one year closing price of NSE, being the closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved and recommended to Board by Nomination and Remuneration Committee of Board.			
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	As per Valuation report (Taking Average Option Premium of different Vesting Period)			

## H. ASSUMPTIONS

**Stock Price:** The closing price of stock exchange which recorded the highest trading volumes in equity shares of the Bank and trading day immediately preceding the date on which the grant of options was approved

**Volatility:** The historical price of last one year and 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 FIMMDA/FBIL par 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 Bank expects the options to be live.

## I. DISCLOSURES IN COMPLIANCE WITH THE GUIDANCE NOTE ON ACCOUNTING FOR EMPLOYEE SHARE BASED PAYMENTS AS ON 31ST MARCH 2025:

Refer Note No. B.4 of Schedule 18

## J. DILUTED EPS ON ISSUE OF SHARES PURSUANT TO ALL THE SCHEMES COVERED UNDER THE REGULATIONS SHALL BE DISCLOSED IN ACCORDANCE WITH 'ACCOUNTING STANDARD 20 - EARNINGS PER SHARE' ISSUED BY ICAI OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME.

Refer Note No. B.9 of Schedule 18

### Other details are as under: -

Money realized by exercise of options	₹ 43,21,64,754.34
Pricing Formula:	
a) for Tranche 1, Tranche 2, Tranche 3 Tranche 5, Tranche 6, Tranche 7& Tranche 9	a) At a discount of 10% on closing market price on Stock Exchange with the highest trading volume on the immediately preceding trading day of the dates of grant.
b) Tranche 4	b) At a discount of 45% on closing market price on Stock Exchange with the highest trading volume on the immediately preceding trading day of the date of grant.
c) Tranche 8	c) At a discount of 40.67% on closing market price on Stock Exchange with the highest trading volume on the immediately preceding trading day of the date of grant.
d) Tranche 10	d) At closing market price on Stock Exchange with the highest trading volume on the immediately preceding trading day of the date of grant.
e) Tranche 11,12,13,14,15,16 & 17	e) Fair Value Method under Black Scholes Model
Detail of options granted to KMP & Senior Management Personnel	Refer Point F (i)



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**Weighted-average Exercise Prices of Options whose:**

- |   |   |
|---|---|
| • Exercise price equals market price        | The price of the stock options granted are: |
|   | Trance 11- ₹ 8.35                           |
|   | Trance 12- ₹ 16.50                          |
|   | Trance 13- ₹ 20.00                          |
|   | Trance 15- ₹ 27.14                          |
|   | Trance 16- ₹ 24.95                          |
|   | Trance 17- ₹ 24.03                          |
| • Exercise price greater than market price  | Nil   |
| • Exercise price less than the market price | Trance 14- ₹ 22.00                          |
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**Weighted-average Fair Value of Options whose:**

- |   |  |
|---|--|
| • Exercise price either equals market price | The price of the fair value options granted are: |
|   | Trance 11- ₹ 11.64                               |
|   | Trance 12- ₹ 23.28                               |
|   | Trance 13- ₹ 27.94                               |
|   | Trance 15- ₹ 37.66                               |
|   | Trance 16- ₹ 34.45                               |
|   | Trance 17- ₹ 33.26                               |
| • Exercise price greater than market price  | Nil  |
| • Exercise price less than the market price | Trance 14- ₹ 39.57                               |
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**K. There are no material changes to the scheme other than the modifications proposed in the notice of 97th Annual General Meeting dated July 17, 2025.**

**L. This is to confirm that the scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021**

**M. The relevant document referred to in the 97th Annual General Meeting Notice, Annual Report including this disclosure document is made available in the website of South Indian Bank at <https://www.southindianbank.com/content/annual-report-financial-year-2024-to2025/4074>**

**(V J KURIAN)**  
CHAIRMAN  
DIN : 01806859

**(P R SESHADRI)**  
MANAGING DIRECTOR & CEO  
DIN : 07820690

Place : Thrissur  
Date: 17-07-2025