

SBI PAYMENT SERVICES PVT LTD.
(A Joint Venture between SBI & Hitachi Payment Services)

**23rd Floor, Urmi Estate, C.S. No.156 of Lower Parel Division, Ganpatrao Kadam Marg,
Lower Parel (W), Mumbai 400013**

Request for Quotation for Engagement of ESOP Service Provider

RFQ No. SBIP/VM/25-26/08

Dated: 11.06.2025.

SBI Payment Service Private Limited (hereinafter referred to as “**SBI PAYMENTS**”) is a Joint Venture between SBI & Hitachi Payment Services, established with the objective of carrying out Merchant Acquiring Business activities. This Request for quotation has been issued by SBI PAYMENTS for “**Engagement of a Service Provider to manage end to end ESOP program for the organization.**”

Scope of Services:

1. ESOP Structuring:

Sr. No	Particular	Steps
1	Policy Development and Approval.	Define Eligibility
		Set Vesting Period
		Determine Exercise Price
		Draft the ESOP Policy
		Obtain Approval
2	Communication, Education and Post Implementation support	Employee Communication
		Training and Support
		Address Queries
3	Implementation and Management	Option Granting
		Share Allocation
		Share Issuance
		Vesting and Exercise
		Compliance
		Record Keeping
		Reporting
4	Ongoing Management and Review	Policy Updates
		Communication and Engagement
		Performance Monitoring

2. Valuation

Sr. No.	Scope of Work
1.	<p><u>Valuation of Equity Share</u></p> <ul style="list-style-type: none"> • To determine the fair market value of equity shares of the Company, through Income Approach (Discounted Cash flow method) in Indian National Rupees (INR). The same shall be done on the basis of the projections and their assumptions which shows the estimated financial performance for next 3 to 5 financial years. • Valuation of ESOP options and Valuation of FMV of the equity shares • Review each ESOP plan/alternative and evaluate the accounting implications of the same as per the requirements of the Ind AS 102 – Share-Based Payments. • Preparation of workings for computation of yearly employee compensation expenses and the related scheme of the journal entries based on the requirements of Ind AS 102. • Preparation of accounting memorandum for accounting treatment in the books of entities that are party to the ESOP agreement. • Drafting of accounting policy to be disclosed in the financial statements for the share-based payment transactions. • Preparation of disclosures to be included in Company's Ind AS financial statements. • Assistance in preparation of excel templates to capture any other ESOP information that the Company requires.

Designing

Sr. No.	Scope of Work
1.	<p><u>Setting the Pool Size</u></p> <ul style="list-style-type: none"> • Understanding business plan for next 3 to 5 years and projecting the current valuation / share price of Company based on management input, past share price trends and market benchmarking of similar companies. • Setting the minimum / maximum employee wealth creation budgets, CTC coverage budgets and corresponding shareholder dilution under different share price projection scenarios.

Sr. No.	Scope of Work
	<ul style="list-style-type: none"> • Determining acceptable range of shareholder dilution basis management input on the projected results. • Holding discussions with management of the Client to garner a better understanding of the financial / commercial aspects & other factors that that may have a bearing on the development of suitable long-term incentive framework such as – • Performance parameters; • lock-in requirements; • exercise price to be charged; • aspects regarding mechanism for payment of exercise price; • grant-vesting-exercise period; • exit event / liquidity for employees; etc
2.	Defining Grant Framework <ul style="list-style-type: none"> • Setting Eligibility Criteria basis, the budgets are set in Step 2 above. This shall include working through with the current employees and future higher at critical roles across various bands. • Determining Number of ESOPs to be granted at individual employee level vis-à-vis the potential wealth creation under different business plan scenarios. • This shall involve setting objective wealth creation rules for each band and back solving the individual employee level figures under different scenarios. • Evaluating ESOP grant strategy, i.e., One big grant or Annual recurring grant, depending on the objective of the grant and company's growth trajectory.
3.	Setting Terms of Grant <ul style="list-style-type: none"> • Setting employee level Vesting criteria factoring the need to drive better retention (where applicable) whilst also factoring performance linkages for key employees in the chosen set. • Setting the exercise price for ESOPs considering the projected future growth of the Company and assessing impact of different exercise price scenarios from a shareholder dilution and employee perspective. • Evaluation of option for long-term incentive under direct route from a tax perspective including the following –

Sr. No.	Scope of Work
	<ul style="list-style-type: none"> • Tax implications in the hands of employees; • Tax implications in the hands of the Client; • Withholding tax obligation in the hands of the Client; • Compliance including approval and valuation requirements for the Company under tax laws • Review of documents such as long-term incentive scheme, grant letters, exercise letters, etc. and providing comments from a tax perspective.
4.	Optimizing Income statement Cost vs. Wealth Creation <ul style="list-style-type: none"> • Determining expected ESOPs related charge to Income statement over the next 5-year period under different employee eligibility / exercise price or strike price / wealth creation scenarios. • The charge shall be determined using the Black-Scholes Method or Intrinsic Value Method as may be applicable to the Company. • If required, we will assist in discussing and agreeing the income statement charge approach with the auditors of the Company. • We will present results under different scenarios from a shareholder, employee and Company perspective to aid in management decision making.
5.	Critical Non-Financial Aspects <ul style="list-style-type: none"> • Treatment of vested options of ex-employees including distinguishing between bad leavers and good leavers, sharing the emerging trends and market best practices in this area and assisting the Company in adopting rules which reduce administrative burden for the Company whilst offering adequate protection to employees. • Exercise / Liquidity Event Rules including assessing potential exit routes envisaged by Company, giving Board flexibility to define rules based on exact terms of deals and assisting in choosing rules which minimize cash-flow strain for Employees. • Expiry period and related conditions; • Undertaking 'what-if' analysis with the management to ensure the scheme is robust to cater to any emerging risk or opportunity for the business and gives the Board the right level of flexibility to deal with different scenarios.

Sr. No.	Scope of Work
6.	Board Presentation for Design 'go-ahead' <ul style="list-style-type: none"> Preparing board deck explaining the scheme contours and impact on all stakeholders i.e. shareholders, employees and the Company. Incorporating feedback from the Board and revising the design framework to the extend required.

Implementation

Sr. No.	Scope of Work
1	Review of current Articles of Association, Shareholders' Agreement for compatibility with proposed ESOP. Drafting amendments to Articles of Association (if required) to include ESOP provisions. Legal Documentation enabling resolution of Board/Shareholder/Compensation Committee.
2	Consulting and Drafting of ESOP plan/scheme, enabling resolution of Board/Shareholder/Compensation Committee as per the agreed framework during designing phase and in compliance with Companies Act 2013 and best practices in the area.
3	Employee Communication including preparation of Grant letters, FAQ, Agreements, handling of communication / awareness sessions for employees.
4	Advice on the latest legal rules on ESOP and suggest suitable procedures in the best interest of the Company and employees.
5	Complete the whole process of issue of ESOP and all procedures connected therewith.
6	Conduct a comprehensive review of applicable laws and regulations governing ESOPs, including local labour laws, tax regulations, and securities laws. Identify specific compliance requirements related to the establishment and administration of the ESOP.

Right to impose Penalty

In case of any breach of compliances/ Scope of work during the contract period, SBI Payments reserves the right to initiate the actions with regards to penalty as per standard clause

Eligibility Criteria:

- The service provider should have more than 5 years of experience in providing services related to ESOP.
- The vendor Should be authorised to carry out the services defined in the scope of services.
- The vendor should have a valid PAN, GST registration and required to submit complete details of his/ their Business / Partners / promoters.

Submission of quotation:

The vendor has to submit their quotation on or before 06.00 PM on 01.07.2025 on our website (www.sbipayments.com) under RFQ/RFP Apply section after successful registration as a vendor.

For any further details/information about the requirement, please contact the below persons at SBI Payments.

Contact person Name	Designation	Email Id
Ms. Alpana Yadav	Sr. Executive	srexevm1@sbipayments.com
Mr. Romario Singha	AM-VM	amvm3@sbipayments.com
Ms. Sony Gupta	Sr. Manager	srmhr@sbipayments.com


Notes:

- SBI Payments reserves the right to reject any or all the proposals without assigning any reason thereof.
- After submission of proposal, some or all the Bidders may be asked to make presentations on the proposed scope.

Other Terms & Conditions:

1. The Project shall be completed within 9 months of the Project execution date.
2. The Out-of-Pocket expenses shall not exceed 05% of the total project cost, subject to approval.


Siddharth Kumar Singh
(VP – Vendor Management & Operations)


Saikiran Amin
(VP-HR)

