



INDIABULLS HOUSING FINANCE LIMITED

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001

CIN: L65922DL2005PLC136029

Email: helpdesk@indiabulls.com, Tel: 0124-6681199, Fax: 0124-6681240

Website: <http://www.indiabullshomeloans.com/>

Indiabulls Housing Finance Limited

Criteria for making payment to Non- Executive Directors

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company.

Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 requires every company to publish its criteria of making payments to NEDs in its annual report. Alternatively, this may be put up on the company's website and reference may be drawn thereto in its annual report.

The Company is making payment of fee/remuneration payable to its NEDs in accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015:

➤ **Sitting Fee:**

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting in accordance with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing obligations and disclosure requirements) Regulations, 2015 or other applicable law or for any other purpose whatsoever as may be decided by the Board.

➤ **Commission:**

In terms of the applicable provisions under Companies Act, 2013, company may pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, where the company has managing director or

whole-time director or manager, the company may pay a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid.

➤ **Reimbursement of actual expenses incurred:**

NEDs may also be paid/reimbursed for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred them for attending Board/Committee Meetings.

➤ **Payment to independent directors:**

An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees for attending Board / Committee meetings and reimbursement of expenses for participation in such meetings and profit related commission up to a certain percentage of net profits within the permissible limits under the applicable law.

The shareholders of the Company at their meeting held on August 11, 2014, had approved the payment of commission to its NSDs, of upto 0.1% of the net profits of the Company, for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof, to be divided among any one or more directors, in such manner, as the Board may, from time to time, determine.

Further, sitting fee is also paid to the NEDs for attending Board meetings within the limits prescribed in the Companies Act, 2013.