



INDIABULLS HOUSING FINANCE LIMITED

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Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2017:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

The Employees Stock Option Scheme ('the Scheme') provides for grant, vesting and exercise of options by its employees to acquire equity shares of the Company. The options granted to employees vest in a graded manner and may be exercised by the employees within a specified period as specified in the Scheme.

The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Company cost is measured by the excess, if any, of the market price of the shares over the exercise price as determined in accordance with the Scheme. The market price is the latest closing price on the National Stock Exchange of India Limited, the stock exchange on which the shares are listed and having highest trading volume prior to the meeting of the Compensation Committee of Directors, at which the options are approved and granted. Compensation cost, if any, is amortised over the vesting period.

Since the options under IHFL-IBFSL Employees Stock Option Plan – 2006 (IHFL-IBFSL ESOP 2006), IHFL-IBFSL Employees Stock Option Plan II – 2006 (IHFL-IBFSL ESOP II 2006), IHFL-IBFSL Employees Stock Option – 2008 (IHFL-IBFSL ESOP 2008) and Indiabulls Housing Finance Limited Employees Stock Option Scheme, 2013 (IHFL ESOP 2013) were granted at the market price, the intrinsic value of the options is Nil. Consequently, the accounting value of the option (compensation cost) is also Nil.

Accordingly, the impact on profits and on EPS of the Company is Nil.

B. 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.

INR 66.48.

C. Details related to Employee Stock Option Schemes (ESOS) of the Company:

i. Description of ESOS that existed at any time during the year:

Sr. No.	Particulars	IHFL-IBFSL Employees Stock Option Plan – 2006	IHFL-IBFSL Employees Stock Option Plan II – 2006	IHFL-IBFSL Employees Stock Option – 2008	IHFL ESOS - 2013	IHFL-IBFSL Employees Stock Option – 2008 - Regrant	IHFL-IBFSL Employees Stock Option – 2008- Regrant	IHFL-IBFSL Employees Stock Option Plan – 2006 - Regrant	IHFL-IBFSL Employees Stock Option – 2008 - Regrant	IHFL-IBFSL Employees Stock Option Plan II – 2006 - Regrant
a.	Date of shareholders' approval	July 1, 2013	July 1, 2013	July 1, 2013	March 6, 2013	July 1, 2013	July 1, 2013	July 1, 2013	July 1, 2013	July 1, 2013
b.	Total number of Options approved under ESOS	14,40,000	7,20,000	75,00,000	390,00,000	N.A.	N.A.	N.A.	N.A.	N.A.
c.	Vesting Requirement	The Options would vest over a period of 1-10 years from the date of grant as per the relevant ESOS.								
d.	Exercise price or pricing formula	41.67	100.00	95.95	394.75	125.90	158.50	95.95	153.65	100.00
e.	Maximum term of options granted	4 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date	5 years from each vesting date
f.	Source of shares	Primary								
g.	Variation in terms of options	Nil								

ii. Method used to account for ESOS:

The Company has used intrinsic value method to account for the compensation cost of stock options to employees of the Company.

Compensation cost is measured by the excess, if any, of the market price of the shares over the exercise price as determined in accordance with the Scheme. The latest available closing price on the National Stock Exchange of India Limited, the stock exchange on which the shares of the Company are listed and having highest trading volume prior to meeting of the Compensation Committee of Directors approving and granting the options.

Since the options under IHFL-IBFSL ESOP 2006, IHFL-IBFSL ESOP II 2006, IHFL-IBFSL ESOP 2008 and IHFL ESOP 2013 were granted at the market price, the intrinsic value of the option is Nil. Consequently the accounting value of the option (compensation cost) is also Nil.

Accordingly, the impact on profits and on EPS of the Company is Nil.

iii. The difference between the employee compensation cost computed using the intrinsic value of options and the employee compensation cost that shall have been recognized if it had used the fair value of the options.

During the financial year 2016-17, the Company has not granted any fresh options. Accordingly, the impact on profits and on EPS of the Company is NIL.

iv. Option movement during the year:

Particulars	IHFL-IBFSL Employees Stock Option Plan – 2006	IHFL-IBFSL Employees Stock Option Plan II – 2006	IHFL-IBFSL Employees Stock Option – 2008	IHFL ESOS - 2013	IHFL-IBFSL Employees Stock Option – 2008 -Regrant	IHFL-IBFSL Employees Stock Option – 2008-Regrant	IHFL-IBFSL Employees Stock Option Plan – 2006 - Regrant	IHFL-IBFSL Employees Stock Option – 2008 - Regrant	IHFL-IBFSL Employees Stock Option Plan II – 2006 -Regrant
Number of options outstanding at the beginning of the year (Nos.)	58,536	46,422	12,28,919	86,86,025	33,840	97,810	2,37,000	7,500	1,31,400
Number of options granted during the year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Number of options forfeited/ lapsed during the year	2,880	396	11,075	1,60,800	2,700	N.A.	N.A.	N.A.	N.A.
Number of options vested during the year	55,656	24,168	4,12,335	20,62,000	6,390	19,440	39,500	1,500	21,900
Number of options exercised during the year	55,656	29,682	4,93,666	18,30,144	11,430	19,200	79,000	1,500	43,800
Number of shares arising as a result of exercise of options	55,656	29,682	4,93,666	18,30,144	11,430	19,200	79,000	1,500	43,800
Money realised by exercise of options (in crore)	0.23	0.30	4.74	72.24	0.14	0.30	0.76	0.02	0.44
Number of options outstanding at the end of the year	N.A.	16,344	7,24,178	66,95,081	19,710	78,610	1,58,000	6,000	87,600
Number of options exercisable at the end of the year	N.A.	16,344	1,05,672	5,97,881	540	850	39,500	N.A.	21,900

v. Weighted-average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock:

During the financial year 2016-17, the Company has not granted any fresh options.

vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price):

During the financial year 2016-17, the Company has not granted any fresh options.

vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

During the financial year 2016-17, the Company has not granted any fresh options.