



**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, 2019:**

**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.

Share based compensation benefits are provided to employees via Employee Stock Option Plans (ESOPs). The Company is following fair value method for accounting of ESOS as specified in Ind AS 102. The employee benefit expense is measured using the fair value of the employee stock options and is recognised over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be specified. On the exercise of the employee stock options, the employees will be allotted equity shares of the Company.

The Company is allowed to apply Ind AS 102, Share-Based Payment, to equity instruments that remain unvested as of transition date. The Company has elected to avail itself of this exemption and apply the requirements of Ind AS 102 to all such grants under the scheme. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP.

**B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian Accounting Standard (IndAS)-33 "Earnings Per Share" issued by ICAI or any other relevant accounting standards as prescribed from time to time.**

Diluted EPS of the Company is ₹ 86.85

**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	IHFL ESOS – 2013- Regrant	IHFL ESOS – 2013- Regrant	IHFL ESOS – 2013- 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	March 6, 2013	March 6, 2013	March 9, 2019
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.	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	1156.50	1200.40	702.00
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	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 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.

Share based compensation benefits are provided to employees via Employee Stock Option Plans (ESOPs). The Company is following fair value method for accounting of ESOS as specified in Ind AS 102. The employee benefit expense is measured using the fair value of the employee stock options and is recognized over vesting period with a corresponding increase in equity. The vesting period is the period over which all the specified vesting conditions are to be satisfied. On the exercise of the employee stock options, the employees will be allotted equity shares of the Company.

The Company is allowed to apply Ind AS 102, Shared-Based Payment, to equity instruments that remain unvested as of transition date. The Company has elected to avail itself

of this exemption and apply the requirements of Ind AS 102 to all such grants under the Scheme. Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP.

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

The Company is following Ind AS and using fair value for the accounting of Employees Stock Options Plans (ESOPs), the difference in above figures is not applicable.

During the financial year 2018-19, the Company has granted 10,000,000 options under **IHFL ESOS - 2013-Regrant Scheme**. Accordingly, the impact on profits is NIL and on **EPS of the Company is 26,764 number of shares used in computing Dilutive EPS**.

iv. Option movement during the year:

Particulars	IHFL-IBFSL Employee's Stock Option Plan – 2006	IHFL-IBFSL Employee's Stock Option	IHFL-IBFSL Employee's Stock Option – 2008	IHFL ESOS – 2013	IHFL-IBFSL Employee's Stock Option – 2008	IHFL-IBFSL Employee's Stock Option – 2008-Regrant	IHFL-IBFSL Employee's Stock Option	IHFL-IBFSL Employee's Stock Option – 2008 - Regrant	IHFL-IBFSL Employee's Stock Option	IHFL ESOS - 2013-Regrant	IHFL ESOS - 2013-Regrant	IHFL ESOS - 2013-Regrant
		Plan II – 2006			-Regrant							
Number of options outstanding at the beginning of the year (Nos.)	-	1,152	3,40,124	45,48,381	15,570	58,320	79,000	4,500	43,800	1,05,00,000	1,00,000	-
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.	N.A.	N.A.	10,000,000
Number of options forfeited/ lapsed during the year	-	-	600	7,000	-	-	-	-	-	1,63,500	1,00,000	-

Number of options vested during the year	-	-	2,05,661	20,25,400	6,390	19,440	39,500	1,500	21,900	21,00,000	-	-
Number of options exercised during the year	-	-	2,68,848	5,15,825	540	19,440	39,500	1,500	21,900	-	-	-
Number of shares arising as a result of exercise of options	-	-	2,68,848	5,15,825	540	19,440	39,500	1,500	21,900	-	-	-
Money realized by exercise of options (in crore)	-	-	2.58	20.36	0.01	0.31	0.38	0.02	0.22	-	-	-
Number of options outstanding at the end of the year	-	1,152	70,676	40,25,556	15,030	38,880	39,500	3,000	21,900	1,03,36,500	-	1,00,00,000
Number of options exercisable at the end of the year	-	1,152	70,676	20,07,156	8,640	-	-	-	-	20,67,300	-	-

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

Details	Date of Grant	No. of Options Granted	Exercise Price (Rs.)	weighted average exercise price	Weighted Average Fair Value (Rs.)
IHFL ESOS - 2013 (Grant 4)	09 March 2019	10,000,000	702.00	702.00	126.96

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

Particulars	Details						
	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 @ 394.75	IHFL ESOS - 2013- @ 1156.5	IHFL ESOS - 2013- @ 702
Senior Managerial Personnel	Mr. Gagan Banga – 395,000	Mr. Gagan Banga – 299,160	Mr. Gagan Banga - 786,000	Mr. Gagan Banga	Mr. Gagan Banga	Mr. Gagan Banga	Mr. Gagan Banga - 9,52,000
	Mr. Sachin Chaudhary -48,000		Mr. Ajit Kumar Mittal - 124,000	Mr. Ajit Kumar Mittal 441,000	Mr. Ajit Kumar Mittal 150000	Mr. Ajit Kumar Mittal	Mr. Ashwini Omprakash Kumar - 476,000
			Mr. Sachin Chaudhary -250,000	Mr. Ashwini Omprakash Kumar - 500,000	Mr. Ashwini Omprakash Kumar - 500,000	Mr. Ashwini Omprakash Kumar	Mr. Sachin Chaudhary
			Mr. Mukesh Kumar Garg – 200000	Mr. Sachin Chaudhary	Mr. Sachin Chaudhary	Mr. Sachin Chaudhary	Mr. Mukesh Garg - 286,000
			Mr. Amit Jain - 30,000	Mr. Mukesh Garg - 325,000	Mr. Mukesh Garg - 300,000	Mr. Mukesh Garg - 300,000	Mr. Amit Jain - 30,000
				Mr. Amit Jain - 24,000	Mr. Amit Jain - 20,500	Mr. Amit Jain - 20,500	

any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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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	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: -

<b>Particulars</b>	<b>IHFL ESOS - 2013 (Grant 4)</b>
Exercise price (Rs.)	702.00
Expected volatility*	33.90%
Expected forfeiture percentage on each vesting date	Nil
Option Life (Weighted Average)	3 Years
Expected Dividends yield	7.65%
Weighted Average Fair Value (Rs.)	126.96
Risk Free Interest rate	7.37%

\*The expected volatility was determined based on historical volatility data.