



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, 2020:

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.

₹ 50.51

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 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 Employee s 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	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	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	100	95.95	394.75	125.9	158.5	95.95	153.65	100	1156.5	1200.4	702
e.	Maximum term of options granted	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 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 costs 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.

N.A.

iv. Option movement during the year:

Particulars	IHFL- IBFSL Employee s Stock Option Plan II – 2006	IHFL- IBFSL Employee s Stock Option – 2008	IHFL ESOS – 2013	IHFL- IBFSL Employee s Stock Option –2008- Regrant	IHFL- IBFSL Employees Stock Option – 2008- Regrant	IHFL- IBFSL Employee s 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
Number of options outstanding at the beginning of the year (Nos.)	1,152	70,676	4,025,556	15,030	38,880	39,500	3,000	21,900	10,336,500	-	10,000,000
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.	-
Number of options forfeited/ lapsed during the year	-	-	124,000	-	-	-	-	-	2,612,500	-	3,117,600
Number of options vested during the year	-	-	2,004,000	6,390	19,440	-	-	-	-	-	-
Number of options exercised during the year	-	54,812	111,800	4,140	-	-	-	-	-	-	-
Number of shares arising as a result of exercise of options	-	-	-	-	-	-	-	-	-	-	-
Money realized by exercise of options (in crore)	-	0.53	4.41	0.05	-	-	-	-	-	-	-
Number of options outstanding at the end of the year	1,152	15,864	3,789,756	10,890	38,880	39,500	3,000	21,900	7,724,000	-	6,882,400

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: -

Particulars	HFL ESOS - 2013 (Grant 4)
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.

Additional Information:

Pursuant to and in terms of shareholders authorization dated December 23, 2019, the Company in accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SBEB Regulations") has implemented Employees Stock Option Scheme- 2019 (hereinafter individually and/or collectively referred to as the "Scheme") inter-alia including 'to transfer and/or offer and/or grant employee stock options ("ESOPs") and/ or its fully paid-up equity shares of face value of INR 2 each ("Shares") and/or stock appreciation rights ("SARs" as defined in SBEB Regulations). In line with the SBEB Regulations, the Company has created an employee's welfare trust titled "Indiabulls Housing Finance Limited – Employees Welfare Trust" (the "Trust") to efficiently manage the Scheme and to acquire, purchase, hold and deal in fully paid-up equity shares of the Company from the secondary market, for the purpose of administration and implementation of the Scheme, as may be permissible under the SBEB Regulations. ESOPs/ shares/ SARs granted under the Scheme would be within the total number of options that may lapse under the existing Scheme(s), according to terms of the existing Scheme(s). Since shares granted under the existing Scheme(s), on account of exercise of options, will be out of those purchased by the Trust from the secondary market, there will be no dilution in shareholding