



## **Indiabulls Ventures Limited**

(CIN: L74999DL1995PLC069631)

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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 options under "Indiabulls Ventures Limited Employees Stock Option Scheme – 2008" (IBVL ESOP - 2008) and "Indiabulls Ventures Limited Employees Stock Option Scheme - 2009" (IBVL ESOP - 2009) 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.

#### **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.**

Rs. 1.51

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

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

The Company has two Employees Stock Option Schemes namely, –‘Indiabulls Ventures Limited Employees Stock Option Scheme – 2008’ and ‘Indiabulls Ventures Limited Employees Stock Option Scheme – 2009’ consisting of 2,00,00,000 (Two Crores) Equity Options, respectively, entitling the option holders to purchase an equivalent number of Equity Shares of face value Rs. 2/- each of the Company, at such price, in one or more tranches, and on such terms and conditions as may be decided by the Board (which term shall be deemed to include the Compensation Committee of the Board), under these schemes and/or amendments thereto and as allowed under prevailing laws, rules and regulations and/or amendments thereto, from time to time.

**General terms and conditions of each ESOS are as under:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>‘Indiabulls Ventures Limited Employees Stock Option Scheme – 2008’</b>	<b>‘Indiabulls Ventures Limited Employees Stock Option Scheme – 2009’</b>
<b>a.</b>	<b>Date of shareholders’ approval</b>	January 19, 2009	September 30, 2009
<b>b.</b>	<b>Total number of Options approved under ESOS</b>	2,00,00,000 stock options Representing 2,00,00,000 equity shares of Rs.2/- each	2,00,00,000 stock options Representing 2,00,00,000 equity shares of Rs.2/- each
<b>c.</b>	<b>Vesting Requirement</b>	The Options would vest over a period of -1-10 years from the date of grant as per the relevant ESOS.	
<b>d.</b>	<b>Exercise price or pricing formula</b>	The latest available closing price on the National Stock Exchange of India Limited (on which the shares of the Company are listed and having the highest trading volume), prior to the meeting of the Compensation Committee of Board of Directors approving and granting the options.	
<b>e.</b>	<b>Maximum term of options granted</b>	10 Years from each vesting date	
<b>f.</b>	<b>Source of shares</b>	Primary	
<b>g.</b>	<b>Variation in terms of options</b>	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 “Indiabulls Ventures Limited Employees Stock Option Scheme – 2008” and “Indiabulls Ventures Limited Employees Stock Option Scheme – 2009” 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.**

Rs.558,728/-

**(iv). Option movement during the year:**

<b>Particulars</b>	<b>‘Indiabulls Ventures Limited Employees Stock Option Scheme – 2008’</b>	<b>‘Indiabulls Ventures Limited Employees Stock Option Scheme – 2009’</b>
Number of options outstanding at the beginning of the year	48,84,894	1,05,00,000
Number of options granted during the year	97,00,000	1,95,00,000
Number of options forfeited/ lapsed/Surrendered during the year	6,71,200	2,03,97,000
Number of options vested during the year	7,08,808	50,000
Number of options exercised during the year	26,87,378	-
Number of shares arising as a result of exercise of options	26,87,378	-
Money realised by exercise of options (Rs.in crore)	4.68	-
Number of options outstanding at the end of the year	1,12,26,316	96,03,000
Number of options exercisable at the end of the year	4,63,106	2,50,000

(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:

	'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008'	'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009'	
ESOP Granted during the Year(Nos.)	97,00,000	95,00,000	100,00,000
Weighted-average exercise price (Rs.)	24.15	16.00	24.15
Weighted-average Fair Value Options ( Black Scholes Merton Option Pricing Model) (Rs.)	4.31	1.38	4.31

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

	'Indiabulls Ventures Limited Employees Stock Option Scheme – 2008'		'Indiabulls Ventures Limited Employees Stock Option Scheme – 2009'	
	Name	Option Granted	Name	Option Granted
<b>(a) Senior Managerial personnel;</b>	Mr. Divyesh B Shah	9,75,000	Mr. Amiteshwar Choudhary	800,000
			Mr. Rajeev Lochan Agrawal	100,000
			Mr. Lalit Sharma	40,000
<b>(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and</b>	Mr. Gagan Banga	3,000,000		
	Mr. Sachin Chaudhary	9,50,000		
	Mr. Gurbans Singh	5,00,000		
	Mr. Saket Bahuguna	5,00,000		
	Mr. Ajit Kumar Mittal	7,50,000		
	Mr. Ashwini Kumar	7,50,000		
<b>(c) 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.</b>	Mr. Gagan Banga	3,000,000		

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

The Company has estimated the fair value of options by using the Black Scholes Merton Option Pricing Model.

<b>Particulars</b>		<b>IBVL ESOP - 2008</b>	<b>IBVL ESOP – 2009</b>	
	No. of Options	97,00,000	95,00,000	100,00,000
		Options Regranted	Options Regranted	Options Regranted & Surrendered
a)	the weighted-average values of			
	Share Price	Rs. 24.15	Rs. 16.00	Rs. 24.15
	Exercise price	Rs. 24.15	Rs. 16.00	Rs. 24.15
	Expected volatility *	42.97%	40.74%	42.97%
	Option Life (Weighted Average)	6 Years	6 Years	6 Years
	Expected Dividends yield	10.82%	16.33%	10.82%
	Risk Free Interest rate	7.45%	7.45%	7.45%
	Expected forfeiture percentage on each vesting date	Nil	Nil	Nil
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Nil		
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The Company has estimated the volatility based on historical market price of the shares listed on stock exchanges.		
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Nil		

**D. Details related to ESPS : Not applicable**

**E. Details related to SAR : Not applicable**

**F. Details related to GEBS / RBS: Not applicable**

**G. Details related to Trust: Not applicable**