

Annexure - 5

Disclosures in the Board's Report pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended

A. Relevant Disclosures in terms of the 'Guidance Note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India (ICAI) have been made in notes to accounts of the financial statements for the Financial Year 2019-20.

B. Diluted EPS on issue of shares pursuant to the various Schemes/Plan:

Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with Ind AS - 33, "Earnings Per Share"	Diluted earnings per share of the Company calculated after considering the effect of potential equity shares arising on account of exercise of options/ESARs is ₹-433.76
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A. The details of Employee Stock Appreciation Rights as on March 31, 2020 pursuant to DHFL Employee Stock Appreciation Rights Plan 2015 are given below:

Sl. No.	Particulars	ESAR Plan 2015 (Grant I)	ESAR Plan 2015 (Grant II)	ESAR Plan 2015 (Grant III)	ESAR Plan 2015 (Grant IV)	ESAR Plan 2015 (Grant V)	ESAR Plan 2015 (Grant VI)
1	Date of Shareholder(s) Approval	February 23, 2015	February 23, 2015	February 23, 2015	February 23, 2015	February 23, 2015	February 23, 2015
2	Total Number of ESARs approved	The Members of the Company had approved 51,46,023 ESARs. During the financial year 2015-16, Company had issued Bonus Equity Shares in the ratio of 1:1. Consequent to the bonus issue total number of ESARs also increased in the same ratio to 1,02,92,046 ESARs. The Members of the Company vide the special resolution passed on March 3, 2018 through Postal ballot, increased the number of ESARs that can be granted to the eligible employees to 2,67,82,046 ESARs.					
3.	Vesting requirement	ESARs granted under Grant I would Vest after One (1) year from the date of grant of such ESARs over a period of 5 years in the ratio 20:20:20:20:20	ESARs granted under Grant II would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 10:20:30:40	ESARs granted under Grant III would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30 (During the Financial Year 2017-18, the vesting schedule for Grant III was changed from 10:20:30:40 to 20:30:20:30.)	ESARs granted under Grant IV would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30 (During the Financial Year 2017-18, the vesting schedule for Grant IV was changed from 10:20:30:40 to 20:30:20:30.)	ESARs granted under Grant V would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30 (During the Financial Year 2017-18, the vesting schedule for Grant V was changed from 10:20:30:40 to 20:30:20:30.)	ESARs granted under Grant VI would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30

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Sl. No.	Particulars	ESAR Plan 2015 (Grant I)	ESAR Plan 2015 (Grant II)	ESAR Plan 2015 (Grant III)	ESAR Plan 2015 (Grant IV)	ESAR Plan 2015 (Grant V)	ESAR Plan 2015 (Grant VI)
4	ESAR Price or Pricing Formula	ESAR price: ₹ 380.00 (Rupees Three Hundred and Eighty Only) per ESAR, being calculated after a discount of 20% to closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on March 20, 2015 by the Nomination & Remuneration Committee. Consequent to the Bonus issue the exercise price is ₹ 190.00 per ESAR.	ESAR price: ₹ 230.80 (Rupees Two Hundred Thirty and Eighty Paise only) per ESAR's being closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on November 16, 2016 by the Nomination & Remuneration Committee.	ESAR price: ₹ 434.90 (Rupees Four Hundred Thirty Four and Ninety Paise only) per ESAR's being closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on July 12, 2017 by the Nomination & Remuneration Committee.	ESAR price: ₹ 300.08 (Rupees Three Hundred and Eight Paise only) per ESAR's, being calculated after a discount of 31% to closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on July 12, 2017 by the Nomination & Remuneration Committee.	ESAR price: ₹ 434.90 (Rupees Four Hundred Thirty Four and Ninety Paise only) per ESAR being calculated after a discount of 18.25% to closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on October 13, 2017 by the Nomination & Remuneration Committee.	ESAR price: ₹ 434.02 (Rupees Four Hundred Thirty Four and Two Paise only) per ESAR being calculated after a discount of 29.14% to closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on January 19, 2018 by the Nomination & Remuneration Committee.
5	Maximum term of ESARs granted	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs
6	Method of Settlement	Equity Shares of the Company	Equity Shares of the Company	Equity Shares of the Company	Equity Shares of the Company	Equity Shares of the Company	Equity Shares of the Company
7	Choice of Settlement	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors
8	Source of shares	Primary issuance	Primary issuance	Primary issuance	Primary issuance	Primary issuance	Primary issuance
9	Variation in terms of ESARs	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Sl. No.	Particulars	ESAR Plan 2015 (Grant I)	ESAR Plan 2015 (Grant II)	ESAR Plan 2015 (Grant III)	ESAR Plan 2015 (Grant IV)	ESAR Plan 2015 (Grant V)	ESAR Plan 2015 (Grant VI)
10	ESARs granted	The Nomination & Remuneration Committee granted 15,50,100 ESARs under Grant I during the financial year 2015-16 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.) During the financial year 2015-16, Company issued Bonus Equity Shares in the ratio of 1:1. The outstanding options as on the date of Bonus issue were increased in the same ratio i.e. 1:1.	The Nomination & Remuneration Committee granted 20,81,545 ESARs under Grant II during the financial year 2016-17 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)	The Nomination & Remuneration Committee granted 32,47,100 ESARs under Grant III during the financial year 2017-18 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)	The Nomination & Remuneration Committee granted 5,50,000 ESARs under Grant IV during the financial year 2017-18 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)	The Nomination & Remuneration Committee granted 1,50,800 ESARs under Grant V during the financial year 2017-18 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015. ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)	The Nomination & Remuneration Committee granted 71,900 ESARs under Grant VI during the financial year 2017-18 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)

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The movement of ESARs during the year are as follows:

SI. No.	Particulars of ESARs	ESAR Plan 2015 (Grant – I)	ESAR Plan 2015 (Grant – II)	ESAR Plan 2015 (Grant – III)	ESAR Plan 2015(*) (Grant – IV)	ESAR Plan 2015 (Grant – V)	ESAR Plan 2015(**) (Grant – VI)
1	Number of ESARs outstanding at the beginning of the year	8,39,160	12,12,720	24,11,080	5,50,000	1,50,800	71,900
2	Number of ESARs granted during the year	0	0	0	0	0	0
3	Number of ESARs issued due to Bonus during the year	0	0	0	0	0	0
4	Number of ESARs forfeited/cancelled / lapsed during the year	3,28,720	4,85,346	10,80,520	5,50,000	1,00,000	71,900
5	Number of ESARs vested during the year	2,00,800	2,56,058	5,48,010	0	15,240	0
6	Number of ESARs exercised / settled during the year	0	0	0	0	0	0
7	Total number of shares arising as a result of exercise of options	0	0	0	0	0	0
8	Money realized by exercise of options (in ₹)	0	0	0	0	0	0
9	Number of ESARs outstanding at the end of the year	5,10,440	7,27,374	13,30,560	0	50,800	0
10	Number of ESARs exercisable at the end of the year	5,10,440	4,15,144	6,55,360	0	25,400	0

(*) All the options granted under Grant IV of ESAR Plan 2015 have been exercised/lapsed.

(**) All the options granted under Grant IV of ESAR Plan 2015 have been exercised/lapsed.

B. Employee-wise details of ESARs granted (during the year) to:

(i) Key Managerial Personnel

Name	Designation	No. of ESAR's granted	Weighted Avg. Grant Price (₹)
N.A.	N.A.	N.A.	N.A.

(ii) Employees who were granted, during any one year, ESAR's amounting to 5% or more of the ESAR's granted during the year

Name	Designation	No. of ESAR's granted	Weighted Avg. Grant Price (₹)
N.A.	N.A.	N.A.	N.A.

(iii) Identified employees who were granted ESARs, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Name	Designation	No. of ESAR's granted
N.A.	N.A.	N.A.

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options/ESARs calculated in accordance with Accounting Standard (Ind AS - 33) ₹ -433.76

D. Method used for Accounting of ESAR's : Intrinsic Value Method

The impact on the profits and EPS of the fair value method is given in the table below:

	₹
Profit as reported (₹ in lakh)	N.A.
Add - Intrinsic Value Cost (net of tax)	N.A.
Less - Fair Value Cost	N.A.
Profit as adjusted	
Earning per share (Basic) as reported	N.A.
Earning per share (Basic) adjusted	N.A.
Earning per share (Diluted) as reported	N.A.
Earning per share (Diluted) adjusted	N.A.

E. Weighted average exercise price of ESARs whose

(a) Exercise price equals market price	N.A.
(b) Exercise price is greater than market price	N.A.
(c) Exercise price is less than market price	N.A.

Weighted average fair value of ESARs whose

(a) Exercise price equals market price	N.A.
(b) Exercise price is greater than market price	N.A.
(c) Exercise price is less than market price	N.A.

F. Method and Assumptions used to estimate the fair value of ESARs granted during the year:

During the financial year 2019-20, your Company has not granted any new ESARs.

1. Other details

- 1) Weighted Average Market Price on the date of Exercise is N.A.
- 2) Remaining Contractual life for ESARs granted and outstanding as on March 31, 2020

Particulars ESAR	ESAR Plan 2015 (Grant - I)	ESAR Plan 2015 (Grant - II)	ESAR Plan 2015 (Grant - III)	ESAR Plan 2015 (Grant - IV)	ESAR Plan 2015 (Grant - V)	ESAR Plan 2015 (Grant - VI)
Remaining Contractual life for unvested ESARs outstanding at the end of the year	-	3.63	3.89	-	4.15	-
Remaining Contractual life for ESARs exercisable at the end of the year	2.15	2.14	1.9	-	2.15	-