

ESOP DISCLOSURE ON WEBSITE OF THE COMPANY

For Aadhar Housing Finance Limited - Employee Stock Option Plan 2018 (ESOP 2018)

Disclosures by the Board of Directors pursuant to Part F of Schedule I of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

- A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.**

FY 2023-24	FY 2022-23	FY 2021-22
Members may refer to note no. 41 the audited financial statement prepared as per Indian Accounting Standard (Ind AS) for the financial year 23-24.	Members may refer to note no. 41 the audited financial statement prepared as per Indian Accounting Standard (Ind AS) for the financial year 22-23.	Members may refer to note no. 41 the audited financial statement prepared as per Indian Accounting Standard (Ind AS) for the financial year 21-22.

- 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 Central Government or any other relevant accounting standards as issued from time to time.**

FY 2023-24	FY 2022-23	FY 2021-22
Diluted EPS for the year ended 2023-24 is Rs. 18.35 (Consolidated) calculated in accordance with Ind AS 33 (Earnings Per Share)	Diluted EPS for the year ended 2022-23 is Rs. 13.39 (Consolidated) calculated in accordance with Ind AS 33 (Earnings Per Share)	Diluted EPS for the year ended 2021-22 is Rs. 10.93 (Consolidated) calculated in accordance with Ind AS 33 (Earnings Per Share)

C. Details related to ESOP 2018

(i) A description for, including the general terms and conditions, including											
	FY 2023-24	FY 2022-23	FY 2021-22								
(a) Date of shareholders' approval	Date of institution of Plan by the Shareholders: March 26, 2018, i.e., the effective date of plan, as per Clause 1.3 of the Plan. The date of amendment of Plan by the Shareholders: January 24, 2024										
(b) Total number of options approved under ESOS	18,65,545 ¹										
(c) Vesting requirements	Options granted under the plan would vest after One (1) year but not later than three (3) years from the grant date of such option. Unless the Nomination and Remuneration Committee requires a different Vesting schedule on any other occasion of Grant, the following Vesting schedule shall apply to all Grants made under this Plan:										
	<table border="1"> <thead> <tr> <th>Dates of Vesting</th> <th>Percentage of Options to vest</th> </tr> </thead> <tbody> <tr> <td>On 1st anniversary from the date of Grant</td> <td>30% of Options granted</td> </tr> <tr> <td>On 2nd anniversary from the date of Grant</td> <td>30% of Options granted</td> </tr> <tr> <td>On 3rd anniversary from the date of Grant</td> <td>40% of Options granted</td> </tr> </tbody> </table>			Dates of Vesting	Percentage of Options to vest	On 1st anniversary from the date of Grant	30% of Options granted	On 2nd anniversary from the date of Grant	30% of Options granted	On 3rd anniversary from the date of Grant	40% of Options granted
Dates of Vesting	Percentage of Options to vest										
On 1st anniversary from the date of Grant	30% of Options granted										
On 2nd anniversary from the date of Grant	30% of Options granted										
On 3rd anniversary from the date of Grant	40% of Options granted										
(d) Exercise price or pricing formula	“ Exercise Price ” means the price per Share that shall be payable by the ESOP Grantee for exercising each of the Vested ESOPs as specified in the letter of Grant,										

¹ The maximum number of ESARs as approved by the Shareholders in its meeting dated March 26, 2018, under the plan shall not exceed more than 11,00,000 (Eleven lakhs) at face value of Rs. 10/-. However, post adjustment of Bonus issue in the ratio of 1:9 under the Plan, the maximum number of shares that can be issued shall not exceed 18,65,545 (eighteen lakhs sixty-five thousand five hundred and forty-five) fully paid-up Equity Shares of the Company.

	<p>provided that the Exercise Price shall not be less than the face value of the Share and should be in conformity with applicable accounting standards. Provided that after Listing, the Exercise Price shall be in compliance with the accounting standards specified under the SEBI SBEB & SE Regulations, including any ‘Guidance Note on Accounting for employee share-based Payments’ issued in that regard from time to time.</p> <p>The Exercise Price per Option shall be the price payable by the ESOP Grantee as mentioned in the letter of Grant.</p> <p>The ESOP Grantees shall pay the face value of a Share prevailing at the time of such allotment per share along with Exercise Price of INR 29.17 (Indian Rupees Twenty-Nine Point One Seven only) and any taxes as may be applicable.</p>
(e) Maximum term of options granted	Options granted under the plan would vest after One (1) year but not later than three (3) years from the grant date of such option.
(f) Source of shares (primary, secondary or combination)	Primary
(g) Variation in terms of options (FY 2023-24)	This amendment has the effect of re-designating the (erstwhile) stock appreciation rights (“SARs”) as employee stock options (“ESOPs”) with a fixed exercise ratio (the number of the shares that will be allotted on exercise of the vested SARs), where for every vested ESOPs, the grantees will be entitled to 1 (one) equity share for each ESOP under ESOP Plan 2018, to ensure that the definite number of shares is made known to the employees. Upon exercise of the options under the ESOP Plan 2018 the shares will be calculated, and any fraction will be rounded up to nearest number. With the proposed amendments, the Company is also proposing to rename the ESAR Plan to ESOP Plan 2018 to align the nomenclature with the type of employee benefit being provided.

	The Company has aligned the ESOP Plan 2018 with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (“SEBI SBEB & SE Regulations”)
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(ii) Method used to account for ESOS – Intrinsic or fair value

Fair value method has been used as per Ind AS 102- Share Based Payment.

(iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. - Not Applicable

(iv) Option movement during the year:

Particulars	FY 2023-24	FY 2022-23	FY 2021-22
Number of options outstanding at the beginning of the period	1969286.3	1,969,286.3	1,969,286.3
Number of options granted during the year	-	-	-
Number of options forfeited / lapsed during the year	103741	-	-
Number of options vested during the year	-	-	-
Number of options exercised during the year	-	-	-
Number of shares arising as a result of exercise of options	-	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-	-	-
Loan repaid by the Trust during the year from exercise price received	Not applicable as direct route scheme	Not applicable as direct route scheme	Not applicable as direct route scheme
Number of options outstanding at the end of the year	1865545	1969286.30	1969286.30
Number of options exercisable at the end of the year	-	-	-

Aadhar Housing Finance Ltd.

CIN: L66010KA1990PLC011409

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(v) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

Particulars (Grant Date)	ESOP Plan 2018
Fair value of the option (Rs)	291.70
Weighted Average Exercise Price(Rs)	291.70

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

(a) senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; - Not Applicable

(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 – Not Applicable

(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. – Not Applicable

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

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;

Particulars (Grant date)	ESOP Plan 2018
Weighted-average values of share price (Rs.)	291.70
Exercise price (Rs.)	291.70
Expected Volatility (%)	0.01%
Expected Option Life (years)	3 years

Particulars (Grant date)	ESOP Plan 2018
Expected dividend rate (%)	2.40%
Risk Free rate of return (%)	7.45%

(b) the method used and the assumptions made to incorporate the effects of expected early exercise;

- The Black-Scholes Model has been used.

(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and

- The volatility is based on annualised standard deviation of the continuously compounded rates of return based on the peer companies and competitive stocks over a period of time.

(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition

The following factors have been considered:

- a) Share price
- b) Exercise prices
- c) Historical volatility
- d) Expected option life
- e) Dividend Yield