

Disclosure as required under SEBI (Share Based Employee Benefits) Regulations, 2014

The following table sets forth the particulars of stock options granted under ESOP 2008, ESOP 2011 and ESOP 2015 as on March 31, 2017:-

Particulars	ESOP 2008*	ESOP 2011*	ESOP 2015*
Date of shareholder's approval	May 19, 2008#	August 24, 2011#	July 17, 2015#
Total number of options approved.	10,00,000#	16,00,000#	16,00,000
Number of options outstanding at the beginning of the year	55,867	1,988,055	16,00,000
Options granted during the year	Nil	Nil	324,162
Additional Options generated pursuant to Bonus issue in Dec 2015	20,750	560,498	Nil
Pricing formula	<p>The exercise price shall be equal to the lower of the following:</p> <p>a) the latest available closing market price (at a stock exchange where there is highest trading volume on said date) on the date prior to the date on which the Remuneration Committee finalises the specific number of options to be granted to the employees or</p> <p>b) Average of the two weeks high and low price of the share preceding the date of grant of option on the stock exchange on which the shares of the company are listed.</p>	<p>The exercise price shall be equal to the lower of the following:</p> <p>a) the latest available closing market price (at a stock exchange where there is highest trading volume on said date) on the date prior to the date on which the Remuneration Committee finalizes the specific number of options to be granted to the employees or</p> <p>b) Average of the two weeks high and low price of the share preceding the date of grant of option on the stock exchange on which the shares of the company are listed.</p>	<p>The exercise price shall be equal to the lower of the following:</p> <p>a) the latest available closing market price (at a stock exchange where there is highest trading volume on said date) on the date prior to the date on which the Remuneration Committee finalizes the specific number of options to be granted to the employees or</p> <p>b) Average of the two weeks high and low price of the share preceding the date of grant of option on the stock exchange on which the shares of the company are listed.</p>
Options vested as on 31.03.2017 (net)	16,401	1,62,504	Nil
Options exercised and allotted during the year	39,466	1,26,019	Nil
The total number of equity shares arising as a result of exercise of options	39,466	1,26,019	Nil
Options lapsed/forfeited /expired during the year	Nil	5,80,962	24,954
Money realised during the financial year 2016-2017 by exercise of options (nominal value)	3,94,660	1,260,190	Nil
Total number of options outstanding at the end of the year	16,401	12,81,074	2,99,208

Total Number of options exercisable at the end of the year	16,401	162,504	Nil
Source of Shares	Primary	Primary	Secondary acquisition through trust route
Loan repaid by the Trust during the year from exercise price received	NA	NA	Nil
Variation in terms of options during the year	NA	NA	NA
<u>Details of options granted to Employee:</u>			
(i) Senior Managerial Personnel	As per statement attached in the Annual Report	As per statement attached in the Annual Report	As per statement attached in the Annual Report
(ii) Any other employee receiving a grant in any one year of option amounting to 5% or more	Fiscal 2009-10:- Scott Houchin Fiscal 2010-11:- Scott Houchin Fiscal 2011-12:- Scott Houchin	Fiscal 2012 - 13:- Scott Houchin Fiscal 2013 – 14:- Nil Fiscal 2014-15:- Nil Fiscal 2015-16- Nil	Fiscal 2016-17- Nil
(iii) 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
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS 20 'Earning Per Share')	Rs. 80.78 for the year ended on March 31,2017		
Method used to account ESOPs	Fair Value		
Difference, if any, between the employees compensation cost calculated using the intrinsic value of stock options and the employee compensation cost recognised if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company.	-		
Vesting Schedule/Requirements and maximum term of options granted	Options granted under the respective ESOP Scheme(s) / Plans(s) would not earlier than one year and not later than five years from date of grant of such options.		

The date of approval and the number of options approved mentioned herein are as initially approved by the shareholders.

*Pursuant to Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the number of options have been suitably adjusted, as required, for Bonus issue in July 2010 in the ratio of 1:2 i.e one bonus option for every two options held and in December 2015 in the ratio of 1:3, i.e , one bonus option for every three options held.

Employees Stock Option Plan (ESOP)

ESOP 2008 scheme:

The Company instituted ESOP 2008 scheme under which 1,000,000 stock options have been allocated for grant to the employees. The scheme was approved by the shareholders by way of postal ballot, the result of which was declared on May 19, 2008. The Scheme was subsequently amended to increase the number of options to 1,600,000 stock options vide resolution passed at Ninth Annual General Meeting held on August 26, 2009. Pursuant to bonus issue by the Company on July 29, 2010, the number of options available under the scheme accordingly increased to 2,400,000 pursuant to relevant SEBI regulations. During the year ended March 31, 2016, the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 Scheme, however active options thereunder would continue to vest as per the respective terms.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under ESOP 2008 scheme

	Year ended March 31, 2017		Year ended March 31, 2016	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	55,867	506.52	182,969	537.05
Adjusted for bonus*	-	-	20,750	-
Forfeited / cancelled	-	-	1	690.26
Exercised*	39,466	501.88	147,851	473.21
Balance as at the end of the year*	16,401	517.70	55,867	506.52
Exercisable at the end of the year	16,401	-	55,867	-
Number of shares arising as a result of exercise of options	39,466		147,851	
Money realized by exercise of options (INR), if scheme is implemented directly by the company	3,94,660		1,478,510	
Loan repaid by the Trust during the year from exercise price received	NA		NA	

* During the previous year ended March 31, 2016, the Company has issued bonus shares in the ratio of 1:3 on December 18, 2015. The effect on the weighted average exercise price due to bonus issue has been consequently adjusted.

The weighted average share price at the date of exercise of these options was Rs. 1,465 per share. (March 31, 2016: Rs. 1,613.31)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 0.01 years (March 31, 2016: 0.96 years).

The exercise price for options outstanding at the end of the year was Rs. 517.70 (March 31, 2016: Rs. 257.50 to Rs. 517.70).

The average vesting period is 2.83 years and exercise period is 3 years.

ESOP 2011 scheme:

The Company instituted ESOP 2011 scheme under which 1,600,000 stock options have been allocated for grant to the employees. The scheme was approved by the shareholders at the Eleventh Annual General Meeting held on August 24, 2011. The Scheme was subsequently amended to increase the number of options to 2,600,000 stock options vide resolution passed at Thirteenth Annual General Meeting held on August 22, 2013.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under ESOP 2011 scheme

	Year ended March 31, 2017		Year ended March 31, 2016	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	19,88,055	857.24	1,478,235	867.88
Adjusted for bonus*	-	-	560,498	-
Granted during the year	-	-	604,110	1595.00
Forfeited / cancelled*	5,80,962	671.14	545,447	727.55
Exercised*	1,26,019	485.67	109,341	674.23
Balance as at the end of the year*	12,81,074	978.19	1,988,055	857.24
Exercisable at the end of the year	1,62,504	-	79,301	-
Number of shares arising as a result of exercise of options		1,26,019		109,341
Money realized by exercise of options (INR), if scheme is implemented directly by the company		1,260,190		1,093,410
Loan repaid by the Trust during the year from exercise price received		NA		NA

* During the previous year ended March 31, 2016, the Company has issued bonus shares in the ratio of 1:3 on December 18, 2015. The effect on the weighted average exercise price due to bonus issue has been consequently adjusted.

The weighted average share price at the date of exercise of these options was Rs. 1,444 per share. (March 31, 2016: Rs. 1,523.70)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 2.68 years (March 31, 2016: 3.98 years).

The range of exercise prices for options outstanding at the end of the year was Rs. 463.91 to Rs. 1,196.25 (March 31, 2016: Rs. 463.91 to Rs.1,196.25).

There were no grants given in current year under this scheme. The weighted average fair value of options granted during the previous year was Rs. 676.34.

The following tables list the inputs to the models used for fair valuation of the options granted in the year ended March 31, 2016:

Date of grant	25 May 2015
Dividend yield (%)	2.19%
Expected volatility (%)	31.00%
Risk-free interest rate (%)	7.72%
Expected life of options granted (years)	4.35
Model used	Black and Scholes
Stock price (Rs.)	1,595.00
Exercise Price (Rs.)	1,595.00

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

ESOP 2015 scheme:

Pursuant to the applicable requirements of the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI guidelines'), the Company had framed and instituted Employee Stock Option Plan 2015 ('ESOP 2015') to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company.

ESOP 2015 envisages an ESOP trust which is authorised for secondary acquisition and accordingly during the year under review, ESOP Trust has bought 75,113 shares from open market.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under ESOP 2015 scheme

	Year ended March 31, 2017	
	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	-	-
Adjusted for bonus*	-	-
Granted during the year	324,162	1,379.15
Forfeited / cancelled*	24,954	1,379.15
Exercised*	-	-
Balance as at the end of the year*	299,208	1,379.15
Exercisable at the end of 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	NIL	-
Loan repaid by the Trust during the year from exercise price received	NA	NA

These options are not yet vested as of 31st March, 2017.

The weighted average remaining contractual life for the share options outstanding as at 31 March 2017 was 5 years

The exercise prices for options outstanding at the end of the year was Rs. 1,379.15

The weighted average fair value of options granted during the year was Rs. 462.43.

The average vesting period is 2.86 years and exercise period is 3 years.

The following tables list the inputs to the models used for fair valuation of the options granted in the year ended 31 March 2017:

Date of grant	20 May 2016
Dividend yield (%)	2.41%
Expected volatility (%)	33.26%
Risk-free interest rate (%)	7.29%
Expected life of options granted (years)	3.87
Model used	Black and Scholes
Stock price (Rs.)	1,450.25
Exercise Price (Rs.)	1,379.15

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Details Related to Trust

The Company has formulated Employee Stock Option Scheme 2015 ('ESOP 2015') which envisages an ESOP trust which is authorised for secondary acquisition. Details of the Trust are as below:

Sr No.	Particulars	Details
1	Name of the Trust	eClerx Employee Welfare Trust
2	Details of the Trustee(s)	Barclays Wealth Trustees (India) Private Limited
3	Amount of loan disbursed by company, during the year	Rs. 110,000,000
4	Amount of loan outstanding (repayable to company) as at the end of the year (including interest)	Rs. 114,566,994
5	Amount of loan, if any, taken from any other source for which company has provided any security or guarantee	NA

6	Any other contribution made to the Trust	NA										
7.	No. of shares held at the beginning of the year	Nil										
8.	No of shares acquired during the year:	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 25%;">No. of shares</th> <th style="width: 25%;">% of Capital</th> </tr> </thead> <tbody> <tr> <td>i. Primary Issue</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>ii. Secondary Issue</td> <td>75,113</td> <td>0.19</td> </tr> </tbody> </table>			No. of shares	% of Capital	i. Primary Issue	Nil	Nil	ii. Secondary Issue	75,113	0.19
	No. of shares	% of Capital										
i. Primary Issue	Nil	Nil										
ii. Secondary Issue	75,113	0.19										
9.	Weighted average cost of acquisition per share	Rs. 1377.21/-										
10.	No. of shares sold during the year	Nil										
10.	No. of shares transferred to the employees/slod along with the purpose thereof	Nil										
11.	No. of shares held at the end of the year	75,113 (0.19%)										