

**eClerx Services Limited**

CIN: L72200MH2000PLC125319

 Regd Office: Sonawala Building,  
 1<sup>st</sup> Floor, 29 Bank Street, Fort,

Mumbai – 400 023, India.

Phone: +91-22-66148301 | Fax: +91 22 6614 8655

 Email id : [investor@eclerx.com](mailto:investor@eclerx.com) | Website : [www.eclerx.com](http://www.eclerx.com)
**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 and ESOP 2011 as on March 31, 2016:-

Particulars	ESOP 2008*	ESOP 2011*
Date of shareholder's approval	May 19, 2008#	August 24, 2011#
Total number of options approved.	10,00,000#	16,00,000#
Number of options outstanding at the beginning of the year	182,969	1,478,235
Options granted during the year	Nil	604,110
Additional Options generated pursuant to Bonus issue	20,750	560,498
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>
Options vested as on 31.03.2016 (net)	55,867	79,301
Options exercised and allotted during the year	147,851	109,341
The total number of equity shares arising as a result of exercise of options	147,851	109,341
Options lapsed/forfeited /expired during the year	1	545,447
Money realised during the financial year 2015-2016 by exercise of options (nominal value)	1,478,510	1,093,410
Total number of options outstanding at the end of the year	55,867	1,988,055
Total Number of options exercisable at the end of the year	55,867	79,301



**eClerx Services Limited**

CIN: L72200MH2000PLC125319

Regd Office: Sonawala Building,  
1<sup>st</sup> Floor, 29 Bank Street, Fort,

Mumbai – 400 023, India.

Phone: +91-22-66148301 | Fax : +91 22 6614 8655

Email id : [investor@eclerx.com](mailto:investor@eclerx.com) | Website : [www.eclerx.com](http://www.eclerx.com)

Source of Shares	Primary	Primary
Variation in terms of options during the year	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
(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
(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
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')	<b>Rs. 71.63</b> for the year ended on March 31, 2016	
Method used to account ESOPs	Intrinsic 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.	Impact on profits: Rs. <b>61.55</b> million  Diluted EPS : Rs. <b>70.24</b> (post adjustment for aforesaid impact on profits)	
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



**eClerx Services Limited**

CIN: L72200MH2000PLC125319

Regd Office: Sonawala Building,  
1<sup>st</sup> Floor, 29 Bank Street, Fort,

Mumbai – 400 023, India.

Phone: +91-22-66148301 | Fax : +91 22 6614 8655

Email id : [investor@eclerx.com](mailto:investor@eclerx.com) | Website : [www.eclerx.com](http://www.eclerx.com)

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 the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 plan, however active options thereunder would continue to vest as per the respective terms.

The details of options granted, forfeited and exercised under the aforementioned scheme are given below:

	Year ended March 31, 2016		Year ended March 31, 2015	
	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	182,969	537.05	583,980	564.07
Adjusted for bonus*	20,750	-	-	-
Forfeited / cancelled	1	690.26	227,033	690.26
Exercised*	147,851	473.21	173,978	427.82
Balance as at the end of the year*	55,867	506.52	182,969	537.05
Exercisable at the end of the year	55,867	-	182,969	-

\* During the 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.

For options exercised during the period, the weighted average share price at the exercise date was Rs 1,613.31 per share (March 31, 2015 Rs.1,232.91).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 0.96 years (March 31, 2015: 1.54 years). The average vesting period is 2.83 years and exercise period is 3 years. The range of exercise prices for options outstanding at the end of the year adjusted for bonus issue was Rs. 257.50 to Rs. 517.70 (March 31, 2015: Rs. 111.47 to Rs. 690.26).

**eClerx Services Limited**

CIN: L72200MH2000PLC125319

 Regd Office: Sonawala Building,  
 1<sup>st</sup> Floor, 29 Bank Street, Fort,

Mumbai – 400 023, India.

Phone: +91-22-66148301 | Fax : +91 22 6614 8655

 Email id : [investor@eclerx.com](mailto:investor@eclerx.com) | Website : [www.eclerx.com](http://www.eclerx.com)
**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.

The details of options granted, forfeited and exercised under the aforementioned scheme are given below:

	Year ended March 31, 2016		Year ended March 31, 2015	
	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	1,478,235	867.88	1,019,828	673.62
Adjusted for bonus*	560,498	-	-	-
Granted during the year	604,110	1595.00	618,288	1181.45
Forfeited / cancelled*	545,447	727.55	159,881	841.41
Exercised*	109,341	674.23	-	-
Balance as at the end of the year*	1,988,055	857.24	1,478,235	867.88
Exercisable at the end of the year	79,301	-	-	-

\* During the 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.

For options exercised during the period, the weighted average share price at the exercise date was Rs 1,523.70 per share (March 31, 2015 Rs. Nil).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 3.98 years (March 31, 2015: 4.14 years). The average vesting period is 2.86 years and exercise period is 3 years. The range of exercise prices for options outstanding at the end of the year adjusted for bonus issue was Rs. 463.91 to Rs. 1,196.25 (March 31, 2015: Rs. 618.55 to Rs. 1,181.45).

**Proforma accounting for stock options granted:**

The Company applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach, the Company's net income and basic and diluted earnings per share (EPS) as reported would have been as per the proforma amounts as indicated herein below:

**eClerx Services Limited**

CIN: L72200MH2000PLC125319

Regd Office: Sonawala Building,  
1<sup>st</sup> Floor, 29 Bank Street, Fort,

Mumbai – 400 023, India.

Phone: +91-22-66148301 | Fax : +91 22 6614 8655

Email id : [investor@eclerx.com](mailto:investor@eclerx.com) | Website : [www.eclerx.com](http://www.eclerx.com)

(Rupees in million, except per share data)

	<b>Year ended March 31, 2016</b>	<b>Year ended March 31, 2015</b>
Net Profit after tax as reported	2,976.44	2,157.66
Add - Intrinsic Value Cost	(3.40)	(0.41)
Less - Fair Value Cost	64.95	66.34
Adjusted proforma Net Profit	2,908.09	2,090.91
Basic EPS as reported	73.21	53.42
Proforma Basic EPS	71.53	51.77
Diluted EPS as reported	71.63	52.23
Proforma Diluted EPS	70.24	50.77

The fair value of each option is estimated on the grant date based on the following assumptions:

**ESOP 2011**

<b>Date of grant</b>	<b>May 25,2015</b>	<b>May 20, 2014</b>
Expected Volatility	31.00%	33.93%
Risk Free Interest Rate	7.72%	8.72%
Expected life of options granted in years	4.35	4.37
Dividend Yield	2.19%	2.96%

The weighted average fair value of stock options granted during the year was Rs. 504.87 (March 31, 2015: Rs. 386.33).