

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, 2019:-

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	Nil	7,46,807	6,33,405
Options granted during the year	Nil	Nil	3,83,720
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 31.03.2019 (net)	Nil	2,81,426	Nil
Options exercised and allotted during the year	Nil	82,013	Nil
The total number of equity shares arising as a result of exercise of options	Nil	82,013	Nil
Options lapsed/forfeited /expired during the year	Nil	3,83,368	149,780
Money realized during the financial year 2018-2019 by exercise of options (nominal value)	Nil	8,20,130	Nil
Total number of options outstanding at the end of the year	Nil	2,81,426	8,67,345
Total Number of options exercisable at the end of the year	Nil	2,81,426	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	NA	NA	Refer to annexure 1
(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 Fiscal 2017-18- Nil Fiscal 2018-19- 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. 54.11 for the year ended on March 31,2019		
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 vest 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.

Details of Senior Managerial Personnel to whom ESOPs were granted during the year

Name of employee	Designation	No. of options Granted	Exercise Price (Rs.)
Scott Houchin	Managing Principal	13460	1320.95
Stephen Vena	Managing Principal	13460	1320.95
Robert Horan	Managing Principal	13460	1320.95
Thomas McElroy	Principal	8400	1320.95
David Goldberg	Principal	8400	1320.95
Sandeep Dembi	Principal	8400	1320.95
Ben Sciortino	Principal	8400	1320.95
Mahesh Muthu	Principal	8400	1320.95
John Stephens	Principal	8400	1320.95
Roberto Antoniotti	Principal	8400	1320.95
Srinivasan Nadadhur	Principal	5460	1320.95
Sanjay Kukreja	Principal	5460	1320.95
Amit Bakshi	Principal	5460	1320.95
Amir Bharwani	Principal	5460	1320.95
Hoshi Mistry	Principal	5460	1320.95
Rohitash Gupta	Principal	5460	1320.95

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 current year 2018-19, the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 plan.

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, 2019		Year ended March 31, 2018	
	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	-	-	16,401	517.70
Adjusted for bonus*	-	-	-	-
Forfeited / cancelled	-	-	6,535	517.70
Exercised*	-	-	9,866	517.70
Balance as at the end of the year*	-	-	-	517.70

Exercisable at the end of the year	-	-	-	-
Number of shares arising as a result of exercise of options		-		9,866
Money realized by exercise of options (INR), if scheme is implemented directly by the company		-		98,660
Loan repaid by the Trust during the year from exercise price received		NA		NA

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, 2019		Year ended March 31, 2018	
	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	7,46,807	1,006.10	12,81,074	978.19
Adjusted for bonus*	-	-	-	-
Granted during the year	-	-	-	-
Forfeited / cancelled*	3,83,368	1,167.45	4,09,222	1,097.16
Exercised*	82,013	619.86	1,25,045	657.59
Balance as at the end of the year*	2,81,426	1076.21	7,46,807	1,006.10
Exercisable at the end of the year	2,81,426		2,19,317	-
Number of shares arising as a result of exercise of options		82,013		1,25,045
Money realized by exercise of options (INR), if scheme is implemented directly by the company		820,130		12,50,450
Loan repaid by the Trust during the year from exercise price received		NA		NA

The weighted average share price at the date of exercise of these options was Rs. 1,186 per share. (March 31, 2018: Rs. 1,319)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 1.87 years (March 31, 2018: 2.92 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, 2018: Rs. 463.91 to Rs.1,196.25).

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 till financial year 2018-19: 920,860 shares (till financial year 2017-18: 487,660 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, 2019		Year ended March 31, 2018	
	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	6,33,405	1,327.87	2,99,208	1,379.15
Adjusted for bonus*	-	-	-	-
Granted during the year	3,83,720	1320.95	3,82,663	1,294.00
Forfeited / cancelled*	1,49,780	1330.38	48,466	1,348.34
Exercised*	-	-	-	-
Balance as at the end of the year*	8,67,345	1327.84	6,33,405	1,327.87
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		-		-
Loan repaid by the Trust during the year from exercise price received		NA		NA

These options are not yet vested as of 31st March, 2019.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 4.73 years (March 31, 2018: 5.07 years)

The range of exercise prices for options outstanding at the end of the year was Rs. 1,294 to Rs. 1,379.15 (March 31, 2018: Rs. 1,294 to Rs. 1,379.15).

The weighted average fair value of options granted during the year was Rs. 292.03 (March 31, 2018: Rs 455.97)

The average vesting period is 3 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 2019:

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
Date of grant	May 23, 2018	May 30, 2017
Dividend yield (%)	5.13%	0.08%
Expected volatility (%)	28.96%	32.03%
Risk-free interest rate (%)	7.84%	6.74%
Expected life of options granted (years)	4.01	3.85
Model used	Black and Scholes	Black and Scholes
Stock price (Rs.)	1,320.95	1,294.00
Exercise Price (Rs.)	1,320.95	1,294.00

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.

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. 550,000,000
4	Amount of loan outstanding (repayable to company) as at the end of the year (including interest)	Rs. 1,200,000,000/- & Interest of Rs 92,297,182/-

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	487,660 shares										
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>433,200</td> <td>1.12%</td> </tr> </tbody> </table>			No. of shares	% of Capital	i. Primary Issue	Nil	Nil	ii. Secondary Issue	433,200	1.12%
	No. of shares	% of Capital										
i. Primary Issue	Nil	Nil										
ii. Secondary Issue	433,200	1.12%										
9.	Weighted average cost of acquisition per share	Rs. 1,227.24										
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	9,20,860 shares										