

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

The following table sets forth the particulars of stock options granted under ESOP 2011 and ESOP 2015 as on March 31, 2020:-

Particulars	ESOP 2011*	ESOP 2015
Date of shareholder's approval	August 24, 2011 [#]	July 17, 2015 [#]
Total number of options approved.	16,00,000 [#]	16,00,000
Number of options outstanding at the beginning of the year	2,81,426	8,67,345
Options granted during the year	Nil	3,43,451
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 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 31.03.2020 (net)	1,36,053	1,11,865**
Options exercised and allotted during the year	18,972	Nil
The total number of equity shares arising as a result of exercise of options	18,972	Nil
Options lapsed/forfeited /expired during the year	1,26,401	2,80,098
Money realized during the financial year 2019-2020 by exercise of options (nominal value)	1,89,720	Nil
Total number of options outstanding at the end of the year	1,36,053	9,30,698
Total Number of options exercisable at the end of the year	1,36,053	1,11,865**
Source of Shares	Primary	Secondary acquisition through trust route
Loan repaid by the Trust during the year from exercise price received	NA	Nil
Variation in terms of options during the year	NA	NA

<p><u>Details of options granted to Employee:</u></p> <p>(i) Senior Managerial Personnel</p> <p>(ii) Any other employee receiving a grant in any one year of option amounting to 5% or more</p> <p>(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.</p>	<p>NA</p> <p>Fiscal 2012 - 13:- Scott Houchin Fiscal 2013 – 14:- Nil Fiscal 2014-15:- Nil Fiscal 2015-16- Nil</p> <p>Nil</p>	<p>Refer to annexure 1</p> <p>Fiscal 2016-17- Nil Fiscal 2017-18- Nil Fiscal 2018-19- Nil Fiscal 2019-20- John Flowers</p> <p>Nil</p>
<p>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')</p>	<p>Rs. 33.05 for the year ended on March 31, 2020</p>	
<p>Method used to account ESOPs</p>	<p>Fair Value</p>	
<p>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.</p>	<p>-</p>	
<p>Vesting Schedule/Requirements and maximum term of options granted</p>	<p>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.</p>	

#The date of approval and the number of options approved mentioned herein are as initially approved by the shareholders. ESOP 2011 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.

*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 December 2015 in the ratio of 1:3, i.e. one bonus option for every three options held.

**Options as per audited financials are 98,279. Above includes 13,586 options that became vested due to death of an employee.

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

Name of employee	Designation	No. of options Granted	Exercise Price (Rs.)
John Flowers	Managing Principal	20,190	595.70
Robert Horan	Managing Principal	13,460	595.70
Scott Houchin	Managing Principal	13,460	595.70
Ben Sciortino	Principal	8,400	595.70
David Goldberg	Principal	8,400	595.70
John Stephens	Principal	8,400	595.70
Mahesh Muthu	Principal	8,400	595.70
Sandeep Dembi	Principal	8,400	595.70
Thomas McElroy	Principal	8,400	595.70
Amir Bharwani	Principal	5,460	595.70
Amit Bakshi	Principal	5,460	595.70
Hoshi Mistry	Principal	5,460	595.70
Rohitash Gupta	Principal	5,461	595.70
Sanjay Kukreja	Principal	5,460	595.70
Srinivasan Nadadhur	Principal	5,460	595.70

Employees Stock Option Plan (ESOP)

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, 2020		Year ended March 31, 2019	
	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	2,81,426	1,076.21	7,46,807	1,006.10
Adjusted for bonus*	-	-	-	-
Granted during the year	-	-	-	-
Forfeited / cancelled*	1,26,401	938.20	3,83,368	1,167.45
Exercised*	18,972	564.05	82,013	619.86
Balance as at the end of the year*	1,36,053	1,196.25	2,81,426	1,076.21

Exercisable at the end of the year	1,36,053	2,81,426
Number of shares arising as a result of exercise of options	18,972	82,013
Money realized by exercise of options (INR), if scheme is implemented directly by the company	189,720	820,130
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. 1,128.06 per share. (March 31, 2019: Rs. 1,186)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 1.15 years. (March 31, 2019: 1.87 years).

Exercise price for options outstanding at the end of the year was Rs 1,196.25 (March 31, 2019: 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. During the year under review, ESOP Trust has not bought any shares from the 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, 2020		Year ended March 31, 2019	
	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	8,67,345	1,327.84	6,33,405	1,327.87
Adjusted for bonus*	-	-	-	-
Granted during the year	3,43,451	595.70	3,83,720	1,320.95
Forfeited / cancelled*	2,80,098	1,243.81	1,49,780	1,330.38
Exercised*	-	-	-	-

Balance as at the end of the year	9,30,698	1,082.00	8,67,345	1,327.84
Exercisable at the end of the year	1,11,865**		-	
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

**Options as per audited financials are 98,279. Above includes 13,586 options that became vested due to death of an employee.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2020 was 4.06 years (March 31, 2019: 4.73 years).

The range of exercise prices for options outstanding at the end of the year was Rs. 595.70 to Rs. 1,379.15 (March 31, 2019: Rs. 1,294 to Rs. 1,379.15).

The weighted average fair value of options granted during the year was Rs. 50.59 (March 31, 2019: Rs 292.03).

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 2020:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Date of grant	August 2, 2019	May 23, 2018
Dividend yield (%)	12.06%	5.13%
Expected volatility (%)	28.20%	28.96%
Risk-free interest rate (%)	6.10%	7.84%
Expected life of options granted (years)	4.17	4.01
Model used	Black and Scholes	Black and Scholes
Stock price (Rs.)	595.70	1,320.95
Exercise Price (Rs.)	595.70	1,320.95

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	NIL						
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. 21,700,746/-						
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	920,860 shares						
8.	No of shares acquired during the year:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">No. of shares</th> <th style="text-align: center;">% of Capital</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">i. Primary Issue</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td style="text-align: center;">ii. Secondary Issue</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table>	No. of shares	% of Capital	i. Primary Issue	Nil	ii. Secondary Issue	Nil
No. of shares	% of Capital							
i. Primary Issue	Nil							
ii. Secondary Issue	Nil							
9.	Weighted average cost of acquisition per share	Rs. 1,220.40						
10.	No. of shares sold during the year	37,255 (Through Buy-back of shares of the Company)						
10.	No. of shares transferred to the employees/sold along with the purpose thereof	Nil						
11.	No. of shares held at the end of the year	8,83,605 shares						