

Disclosure under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”) as on March 31, 2022

The Company has three (3) employee stock option schemes, as on March 31, 2022, pursuant to special resolution passed at the general meetings of the Company. Following are the Employee Stock Option Schemes under which stock options are granted to eligible employees / directors of the Company from time to time:

1. Quess Corp - Employees’ Stock Option Scheme, 2009 (“**ESOP 2009**”)
2. Quess Corp Limited - Employees’ Stock Option Scheme, 2015 (“**ESOP 2015**”)
3. Quess Stock Ownership Plan- 2020 (“**QSOP-2020**”)

I. Details related to Schemes as per SEBI SBEB Regulations are given below:

A.	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards, as prescribed from time to time	The same has been appropriately disclosed in the note 41 of the standalone financial statements for the year ended 31 March 2022, which is also available on the website of the Company viz., www.quesscorp.com
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with IND AS 33 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time	The same has been appropriately disclosed in the statement of Profit and loss for the year ended 31 March 2022 mentioned in the Annual Report 2021-22, which is also available on the website of the Company viz., www.quesscorp.com .

II. Details related to Employee Stock Option Schemes:

Sr. No.	Particulars	ESOP 2009	ESOP 2015	QSOP 2020
1.	Date of Shareholder’s approval	23 December 2015	23 December 2015, 26 November 2016, 24 July 2019 and 31 March 2020	31 March 2020
2.	Total Number of options approved	33,69,256	19,00,000 were approved initially by the shareholders. On 31 March 2020, the shareholders through postal ballot approved amendment in ESOP 2015 by way of re-deployment of the balance 17,51,560 employee stock options (“ Options ”) and equity shares from the aggregated number of 19,00,000 (Nineteen Lakhs) options and equity shares under the ESOP 2015 to QSOP 2020 and reduced the	36,50,000

			total number of options to be granted under ESOP 2015 to 1,48,440 options, thereby entitling the option grantee to acquire not exceeding 148,440 equity shares, without any retrospective effect on existing options granted under the scheme.	
3.	Vesting Requirement	Minimum vesting period of one year from the date of grant.		
4.	Pricing Formula/ Exercise Price	The exercise price would be determined by the Nomination & Remuneration Committee, provided that the exercise price per option shall not be less than the face value of the Equity Shares of the Company.		Rs. 10 per share.
5.	Maximum term of options granted (Years)	5 (five) years		Vesting over a period of 6 (Six) years
6.	Source of Shares	Primary		
7.	Variation in terms of ESOP	Not Applicable		
III. Option Movement during the year ended March 31, 2022				
1.	No. of Options outstanding at the beginning of the year	27,135*	68,199	36,50,000
2.	Options Granted during the year	-	-	4,82,618
3.	Options forfeited during the year	-	-	-
4.	Options lapsed during the year	0	-	1,097,126 (lapsed and reverted to the pool)
5.	Options vested during the year	-	-	
6.	Options exercised during the year	0	26,936	2,84,757
7.	Number of shares arising as a result of exercise of options	0	26,936	2,84,757
8.	Money realized by exercise of options (Rs.) if scheme is implemented directly by the Company	0	2,69,360	28,47,570
9.	No. of options outstanding at the end of the year	27,135	41,263	49,292
10.	No. of options exercisable at	27,135	41,263	49,292

	the end of the year			
11.	Method of Accounting	Fair value method in accordance with IND- AS 102: Share based payment		
12.	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	Not Applicable.		
13.	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	Please refer Note 41 to Standalone financial statements		

*claim by one of the ex-employee of the Company after expiry of 3 years cooling period as per the Scheme.

IV. Employee wise details of options granted during the financial year 2021-22:

Sr. No.	Particulars	ESOP 2009	ESOP 2015	QSOP 2020		
				Sl No	Name of Employee	No of options granted
1.	Senior Managerial Personnel	NA	NA	1	Narayanaswamy Ravi Viswanath	100,000
2.	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during FY22	NA	NA	NA		

3.	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	NA	NA	NA
4.	A description of the method and significant assumptions used during FY19 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 b) The method used and the assumptions made to incorporate the effects of expected early exercise c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Please refer Note 41 to Standalone financial statements.		

V. Disclosures in respect of grants made in three years prior to IPO

1.	Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made	Please refer Note 41 to standalone financial statements.
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VI. The Company has not implemented schemes for the benefit of their employees involving dealing in shares, directly or indirectly, in the form of stock appreciation rights scheme, general employee benefits scheme and retirement benefit scheme.

For and on behalf of Board of Director of Qness Corp Limited

**Sd/-
Ajit Isaac
Chairman**

Date: May 26, 2022

Place: Bengaluru