

DETAILS OF EMPLOYEE STOCK OPTIONS SCHEME

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB REGULATIONS”) as on March 31, 2021

Description of the ESOP Schemes

The Company has formulated and implemented three Employee Stock Option Plans (ESOP 2016, ESOP 2017 & ESOP 2020 Plans), the details of which are provided as follows:

Nazara Technologies Employee Stock Option Plan 2016 (“ESOP 2016”): Our Company adopted ESOP 2016, pursuant to resolutions passed by our Board and Shareholders dated November 24, 2016 and December 26, 2016, respectively. The purpose of ESOP 2016 is to reward eligible employees of our Company (as defined in ESOP 2016) for their performance in our Company and to share the wealth created by our Company with them. As per the terms of ESOP 2016, the aggregate number of Equity Shares issued under ESOP 2016, upon exercise, was not permitted to exceed 97,089 equity shares of face value of ₹10 each, at such price and on such terms and conditions as may be fixed or determined by the Board. Pursuant to our Shareholders’ resolution dated December 28, 2017, every two equity shares of face value of ₹10 each were split into five equity shares of ₹ 4 each, and accordingly the aggregate number of Equity Shares issued under ESOP 2016, upon exercise, is not permitted to exceed 2,42,722 Equity Share. ESOP 2016 is in compliance with the SEBI SBEB Regulations

Nazara Technologies Employee Stock Option Plan 2017 (“ESOP 2017”): Our Company adopted ESOP 2017, pursuant to resolutions passed by our Board and Shareholders dated December 11, 2017 and December 15, 2017, respectively. The purpose of ESOP 2017 is to reward eligible employees of our Company (as defined in ESOP 2017) for their performance in our Company and to share the wealth created by our Company with them. The aggregate number of Equity Shares issued under ESOP 2017, upon exercise, shall not exceed 5,87,500 Equity Shares at such price and on such terms and conditions as may be fixed or determined by the Board. ESOP 2017 is in compliance with the SEBI SBEB Regulations.

Nazara Technologies Employee Stock Option 2020 (“ESOP 2020”): Our Company adopted ESOP 2020, pursuant to resolutions passed by our Board and Shareholders dated November 23, 2020 and December 30, 2020, respectively. The purpose of ESOP 2020 is to reward eligible employees of our Company (as defined in ESOP 2020) for their performance in our Company and to share the wealth created by our Company with them. The aggregate number of Equity Shares issued under ESOP 2020, upon exercise, shall not 1,50,000 Equity Shares at such price and on such terms and conditions as may be fixed or determined by the Board. ESOP 2020 is in compliance with the SEBI SBEB Regulations.

The disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are detailed under for ESOP 2016, ESOP 2017 and ESOP 2020:

Sr. No.	Particulars	Details
1.	The board of directors in its report shall disclose any material change in the scheme(s) and whether Scheme(s) is/are in compliance with the regulations	Refer to the Board’s Report, page 50 of the Annual Report 2020-21
2.	Further the following details, inter alia, shall be disclosed on the Company’s website and a weblink there to shall be provided in the report of board of directors	
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.	Disclosed in Notes to Accounts – Note 31 to Standalone Financial Statements for the year ended March 31, 2021, page 146 of the Annual report respectively (Disclosure are provided in accordance with Ind-AS 102 – Share Based Payment).
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.	Refer to page 143 and 202 of the Annual Report for disclosure of Diluted EPS at standalone and consolidated financial statements respectively
C	Details related to Employee Stock Options Schemes for the Financial Year ending March 31, 2021:	

The disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are detailed under for ESOP 2016, ESOP 2017 and ESOP 2020:

Sr. No.	Particulars	ESOP 2016	ESOP 2017	ESOP 2020
i.	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOS, including -			
a.	Date of shareholders' approval	December 26, 2016 and December 28, 2017	December 15, 2017	December 30, 2020
b.	Total number of options/units approved	7,42,634*	5,87,500	1,50,000
c.	Vesting requirements	The vesting period of options granted shall vest in not less than one year and not more than five years from the date of grant of such options.	The vesting period of options granted shall vest in not less than one year and not more than five years from the date of grant of such options.	The vesting period of options granted shall vest in not less than one year and not more than five years from the date of grant of such options.
d.	Exercise price or pricing formula	₹ 234.32/- per option	₹ 282.91 per option	₹ 728/- per option
e.	Maximum term of options/units granted	The maximum term of options granted shall vest in not more than five years from the date of grant of such options.	The maximum term of options granted shall vest in not more than five years from the date of grant of such options.	The maximum term of options granted shall vest in not more than five years from the date of grant of such options.
f.	Source of shares	Primary	Primary	Primary
g.	Variation in terms of options	There were no variations in terms of options during the year		
ii.	Method used to account for ESOP	Fair value	Fair value	Fair value
iii.	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 shall also be disclosed.	Not Applicable		
iv.	Movement during the year (For each ESOP):			
1	Number of options outstanding at the beginning of the period	2,33,046	5,62,733	0
2	Number of options granted during the year	Nil	Nil	1,47,955
3	Number of options forfeited / lapsed during the year	Nil	Nil	Nil
4	Number of options vested during the year	Nil	Nil	Nil

Sr. No.	Particulars	ESOP 2016	ESOP 2017	ESOP 2020
5	Number of options exercised during the year	2,33,046	2,64,486	Nil
6	Number of shares arising as a result of exercise of options	2,33,046	2,64,486	Nil
7	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	₹ 5,46,07,339/-	₹ 7,48,25,734/-	-
8	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
9	Number of options outstanding at the end of the year	0	2,98,247	1,47,955
10	Number of options exercisable at the end of the year	Nil	2,98,247	-
v.	Weighted-average exercise prices and weighted-average fair values of options			
1	Where the exercise price is less than the market price of the stock	Weighted average exercise price is ₹ 234.32/-	Weighted average exercise price is ₹ 282.91/-	Weighted average exercise price is ₹ 728/-
2	Where the exercise price equals the market price of the stock	NA	NA	NA
3	Where the exercise price is more than the market price of the stock	NA	NA	NA
vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -			
a)	senior managerial personnel;	NA	NA	Mr. Manish Agarwal –Chief Executive Officer-1,47,955 options
b)	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	NA	NA	Mr. Manish Agarwal – Chief Executive Officer -1,47,955 options
c)	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

Sr. No.	Particulars	ESOP 2016	ESOP 2017	ESOP 2020
vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:			
a.	Weighted-average values of share price			
	Exercise Price	As provided in notes to accounts no 31 at page No 146 and 147 of Standalone Financial Statements		
	Expected Volatility			
	Expected Option Life			
	Expected Dividends			
	The risk free interest rates			
	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; and			
d.	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.			

* On December 28, 2017, the Shareholders of our Company approved for subdivision of every two equity shares of face value ₹ 10 each into five equity shares of ₹ 4 each and issuance of bonus shares in the ratio of 4:1 with record date of January 4, 2018. Pursuant to this, the Board approved adjustment to exercise price and number of options to all outstanding stock options. Accordingly, the outstanding 59,411 employee stock options convertible into equity shares of ₹ 10 each were converted into 7,42,634 employee stock options convertible into 1 equity share of ₹ 4 each and exercise price got revised from ₹ 2,929 per share to ₹ 234.32 per share. Each option entitled one equity share of ₹ 10 each to eligible employees of the Company and its Subsidiaries.

For and on behalf of Board of Directors

Vikash Mittersain

Chairman & Managing Director

DIN: 00156740

Nitish Mittersain

Joint Managing Director

DIN: 02347434

Place: Mumbai

Date: May 28, 2021