

### **Disclosure pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014**

The Securities and Exchange Board of India (SEBI), vide its notification dated October 28, 2014, had issued the Securities and Exchange Board of India (Share-based Employee Benefits) Regulations, 2014 ('The SEBI Regulations') which replaced the SEBI ESOP Guidelines, 1999.

#### **Details of ESOP Plans**

**Tejas Networks Limited ("The Company")** has three Employee Stock Option Plans (ESOP 2014, ESOP 2014A & ESOP 2016 Plans) and one Restricted Stock Unit Plan - 2017 (RSU 2017 Plan)

**Tejas Networks Limited Employees Stock Option Plan – 2014 ("ESOP Plan 2014")** The Company pursuant to resolutions passed by the Board and the Shareholders, dated May 29, 2014 and September 24, 2014, respectively, has adopted ESOP Plan 2014. ESOP Plan 2014 was subsequently modified pursuant to the Shareholders' resolutions dated March 28, 2016 and November 19, 2016. Pursuant to ESOP Plan 2014, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2014). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2014, shall not exceed 71,01,767 Equity Shares. The ESOP Plan 2014 is compliant with the SEBI Regulations and the Companies Act, 2013.

**Tejas Networks Limited Employees Stock Option Plan – 2014-A ("ESOP Plan 2014 - A")** The Company pursuant to resolutions passed by the Board and the Shareholders, dated June 27, 2016 and July 25, 2016, respectively has adopted ESOP Plan 2014-A. ESOP Plan 2014-A was subsequently modified pursuant to the Shareholders resolution dated November 19, 2016. Pursuant to ESOP Plan 2014-A, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP Plan 2014-A). The aggregate number of Equity Shares, which may be issued under ESOP Plan 2014-A, shall not exceed 20,00,000 Equity Shares. ESOP Plan 2014-A is compliant with the SEBI Regulations and the Companies Act, 2013.

**Tejas Networks Limited Employees Stock Option Plan – 2016 (" ESOP Plan 2016")** The Company pursuant to resolutions passed by the Board and the Shareholders, dated August 02, 2016 and August 29, 2016, respectively has adopted ESOP 2016. ESOP 2016 was subsequently amended pursuant to the Shareholders resolution dated November 19, 2016. Pursuant to ESOP 2016, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2016). The aggregate number of Equity Shares, which may be issued under ESOP 2016, shall not exceed 50,00,000 Equity Shares. The ESOP 2016 is compliant with the SEBI Regulations and the Companies Act, 2013.

**Tejas Restricted Stock Unit Plan – 2017 (" RSU 2017")**The Company pursuant to resolutions passed by the Board and the Shareholders, dated August 26, 2017 and September 27, 2017, respectively has adopted RSU 2017. The Plan provides alternatives to grant stock incentives such as RSU's and subject to applicable laws and conditions for exercise, the Eligible Employees shall be entitled to receive equity shares on exercise of such RSU's. The total number of RSU's to be granted to the Eligible Employees under RSU 2017 shall not exceed 30,00,000. The RSU Plan 2017 is compliant with the SEBI Regulations and the Companies Act, 2013.

**The disclosures pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are detailed under:**

SI 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 annexure 7 of the Board's Report, page 69 of the Annual Report 2018-19
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 of Standalone and Consolidated Financial Statements for the year ended March 31, 2019, page 153 and 196 of the Annual report respectively.  (Disclosures 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 153 and 195 of the Annual Report for disclosure of Diluted EPS at standalone and consolidated financial statements respectively.  ( Disclosures are provided in accordance with Ind AS 33, Earning Per Share)
C	<b>Details related to Employee Stock Options Schemes for the Financial Year ending March 31<sup>st</sup> 2019:</b>	

SI No	Particulars	ESOP Plan 2014	ESOP Plan 2014 - A	ESOP Plan 2016	RSU Plan 2017
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including				
	(a) Date of shareholders' approval	September 24, 2014	July 25, 2016	August 29, 2016	September 27, 2017
	(b) Total number of options/units approved	71,01,767	20,00,000	50,00,000	30,00,000
	(c) Vesting requirements	<ul style="list-style-type: none"> <li>- There shall be a minimum period of one year between the grant of options/units and their vesting.</li> <li>- Upon the employee continuing in the employment of the Company and upon compliance with the terms of <b>ESOP Plan 2014, ESOP Plan 2014 - A, ESOP Plan 2016</b> and <b>RSU 2017</b> Plan the options/units granted by the Company on the recommendation of the Nomination and Remuneration Committee would vest with the employees over the vesting period set out in the grant notice.</li> <li>- The Nomination and Remuneration Committee may also prescribe different vesting schedules for different employees (while ensuring a minimum vesting period of one year from the date of grant) based on the reasons to be recorded in writing in accordance with the SEBI ESOP Regulations. Such vesting schedule shall be as specified in the individual grant notices issued</li> </ul>			

SI No	Particulars	ESOP Plan 2014	ESOP Plan 2014 - A	ESOP Plan 2016	RSU Plan 2017
		<p>to the employees.</p> <p>- Unless otherwise decided by the Nomination and Remuneration Committee of the Company, 25% of the grant under <b>ESOP Plan 2014, ESOP Plan 2014 – A, ESOP Plan 2016</b> will vest after 12 months from the date of grant, and the balance thereafter will vest at the rate of 6.25% per quarter.</p> <p>- Unless otherwise decided by the Nomination and Remuneration Committee of the Company, 25% of the grant under <b>RSU 2017</b> will vest after 12 months from the date of grant, and the balance thereafter will vest at the rate of 25% per annum.</p>			
	(d) Exercise price or pricing formula	Rs 65	Rs. 85	The range of exercise prices of the outstanding options as at March 31, 2019 is Rs. 85 to Rs. 110	Rs. 10
	(e) Maximum term of options/units granted	Refer to Annexure 1			
	(f) Source of shares (primary, secondary or combination)	Primary	Primary	Primary	Primary
	(g) Variation in terms	<p>Pursuant to a resolution of the Board of Directors dated March 2, 2016 and a resolution of the Shareholders dated March 28, 2016, the size of the ESOP pool was amended. Further, pursuant to a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2014 was amended in order to ensure compliance with the SEBI Regulations. Further, amendments were made to the definitions of 'employee', 'promoter', promoter group' and 'independent director' to ensure compliance with the SEBI</p>	<p>Pursuant a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2014A was amended in order to ensure compliance with the SEBI Regulations. Further, amendments were made to the definitions of 'employee', 'promoter', promoter group' and 'independent director' to ensure compliance with the SEBI ESOP Regulations and the Companies Act, 2013</p>	<p>Pursuant to a resolution of the Board of Directors dated September 23, 2016 and a resolution of the Shareholders dated November 19, 2016, the exercise period under ESOP 2016 was amended in order to ensure compliance with the SEBI Regulations. Further, amendments were made to the definitions of 'employee', 'promoter', promoter group' and 'independent director' to ensure compliance with the SEBI ESOP Regulations and the Companies Act, 2013.</p>	Nil [KKT1]

SI No	Particulars	ESOP Plan 2014	ESOP Plan 2014 - A	ESOP Plan 2016	RSU Plan 2017
		Regulations and the Companies Act, 2013.			
(ii)	Method used to account for ESOS - Intrinsic or fair value.	Fair Value	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)	<b>Option movement during the year (For each ESOS):</b>				
	Number of options outstanding at the beginning of the period	Refer to Annexure 1			
	Number of options granted during the year				
	Number of options forfeited / lapsed during the year				
	Number of options vested during the year				
	Number of options exercised during 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				

SI No	Particulars	ESOP Plan 2014	ESOP Plan 2014 - A	ESOP Plan 2016	RSU Plan 2017
	Loan repaid by the Trust during the year from exercise price received				
	Number of options outstanding at the end of the year				
	Number of options exercisable at the end of the year				
(v)	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.	Weighted average share price during the year ended March 31, 2019 was Rs. 248.58/-	Weighted average share price during the year ended March 31, 2019 was Rs. 248.58/-	Weighted average share price during the year ended March 31, 2019 was Rs. 248.58/-	Weighted Average share price on the date of grant: Rs. 260.74/- Weighted average share price during the year ended March 31, 2019 was Rs. 248.58/-
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to :				

SI No	Particulars	ESOP Plan 2014	ESOP Plan 2014 - A	ESOP Plan 2016	RSU Plan 2017																		
	(a) senior managerial personnel;	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	<table border="1"> <thead> <tr> <th>Name</th> <th>No: of Options</th> <th>% of options granted</th> </tr> </thead> <tbody> <tr> <td>Sanjay Nayak – Chief Executive Officer</td> <td>55,000</td> <td>5.45</td> </tr> <tr> <td>Arnob Roy – Chief Operating Officer</td> <td>48,000</td> <td>4.76</td> </tr> <tr> <td>Venkatesh Gadiyar – Chief Financial Officer</td> <td>32,000</td> <td>3.18</td> </tr> <tr> <td>N R Ravikrishnan - Genaral Counsel, Chief Compliance Officer and Company Secretary</td> <td>10,000</td> <td>0.99</td> </tr> <tr> <td>Total</td> <td>145,000</td> <td>14.38</td> </tr> </tbody> </table>	Name	No: of Options	% of options granted	Sanjay Nayak – Chief Executive Officer	55,000	5.45	Arnob Roy – Chief Operating Officer	48,000	4.76	Venkatesh Gadiyar – Chief Financial Officer	32,000	3.18	N R Ravikrishnan - Genaral Counsel, Chief Compliance Officer and Company Secretary	10,000	0.99	Total	145,000	14.38
Name	No: of Options	% of options granted																					
Sanjay Nayak – Chief Executive Officer	55,000	5.45																					
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N R Ravikrishnan - Genaral Counsel, Chief Compliance Officer and Company Secretary	10,000	0.99																					
Total	145,000	14.38																					
	(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	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Nil																		
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Nil																		

SI No	Particulars	ESOP Plan 2014	ESOP Plan 2014 - A	ESOP Plan 2016	RSU Plan 2017
	conversions) of the company at the time of grant.				
(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) 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;	Refer to page 155 of the annual report			
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	No assumptions were made to incorporate the effects of expected early exercise of options
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	historic volatility from the date of listing till the date of grant was considered as the expected 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.	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Not Applicable (No options were granted during the year)	Apart from the above, no other features were incorporated into the measurement of fair value of option

## ANNEXURE 1

Disclosures related to Employee Stock Option Schemes and RSUs for the Financial Year ending March 31, 2019

Particulars	ESOP Plan 2014	ESOP Plan 2014 - A	ESOP Plan 2016	RSU Plan 2017
Outstanding at the beginning of the year:	29,17,690	16,89,511	23,48,086	34,790
Granted during the year:	-	-	-	10,08,550
Weighted average exercise price per option/unit	65.00	85.00	86.29	10
Exercised during the year:	4,52,905	1,81,939	2,61,848	4,127
Lapsed during the year:	24,716	31,145	61,693	18,290
Outstanding at the end of the year :	24,40,069	14,76,427	20,24,545	10,20,923
- Vested	24,31,050	9,88,234	10,60,578	4,435
- Balance to be vested	9,019	4,88,193	9,63,967	10,16,488
Available for grant*	-	-	-	19,56,660
Weighted average remaining contractual life for options/units outstanding (comprising the vesting period and the exercise period)	13.02 years	3.57 years	3.99 years	5.15 years

- *The company does not intend to grant further ESOPs to employees as it had formulated the Restricted Stock Unit Plan.*