

**Disclosures with respect to Employee Stock Option Scheme pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2022:**

Sr. No.	Particulars	Status of compliance
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.	Members may refer to Note No. 46 of the audited standalone financial statements prepared for the Financial Year 2021-22.
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20- Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Diluted EPS for the year ended March 31, 2022 is Rs. 14.40 per share (face value of share is Rs. 10.00 per share).
C	Details related to ESOS	
(i)	Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS.	Details are provided in Annexure 1.
(ii)	Method used to account for ESOS (Intrinsic or Fair value).	The Company uses the fair value method of accounting for stock options granted.
(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 recognised 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 as no options were granted during the Financial Year 2021-22.

**Tega Industries Limited**

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	(iv)	Option movement during the year (for each ESOS).	Details are provided in Annexure – 3.
	(v)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals/exceeds/is less than the market price of the stock.	Weighted average exercise price is Rs. 38.91 and weighted average fair value is Rs.468.00 as on March 31, 2022.
	(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to-	No options were granted during the Financial Year 2021-22.
		a) Senior Managerial Personnel	-
		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	-
		c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital of the company (excluding outstanding warrants and conversions) 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:	Not applicable as no options were granted during the Financial Year 2021-22.
		a) Weighted average values of share price, exercise price, expected volatility, expected option life, expected dividends, risk-free interest rate and any other inputs to the model;	-
		b) Method used & assumptions made to incorporate effects of expected early exercise;	-
		c) How expected volatility was determined, including 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 market condition.	-

**Annexure -1**

**Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS:**

Particulars	Employee Stock Option Scheme 2011	Employee Stock Option Scheme 2021
	ESOP 2011	ESOP 2021
a) Date of shareholders' approval	February 18, 2011 and further by Postal Ballot on April 3, 2022.	August 7, 2021
b) Total number of options approved under ESOS	17,28,025	2% of the paid up equity share capital as on August 7, 2021.
c) Vesting Requirements	<p><b>Vesting Period / schedule / Conditions</b></p> <ul style="list-style-type: none"> <li>The Options granted shall vest so long as an Employee continues to be in the employment of the Company or the Holding Company or its Subsidiary Company or Associate Company or Group Company as the case may be. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such Vesting, and the proportion in which Options granted would vest subject to the minimum Vesting Period of 1 (one) year.</li> <li>The Vesting dates in respect of the Options granted under the Scheme may vary from Employee to Employee or any class thereof and/or in respect of the number or percentage of Options granted to an Employee.</li> <li>Options shall vest essentially based on continuation of employment and apart from that the Board / compensation/ NRC may prescribe other performance / other condition(s) for Vesting. The Vesting may occur in tranches or otherwise.</li> <li>Options granted under ESOP - 2011 would vest subject to maximum</li> </ul>	<p><b>Vesting Period / schedule / Conditions</b></p> <ul style="list-style-type: none"> <li>Subject to the terms contained herein, the acceptance in accordance with the Plan of a Grant made to a Grantee, shall conclude a contract between the Grantee and the Company, pursuant to which each Option shall, on such acceptance, be an Unvested Option.</li> <li>There shall be a minimum period of two years between Grant of Options and Vesting of Options or as may be determined by the Committee, subject to Applicable Law. In any case the vesting period shall not be less than one year. Provided that in the event of death or permanent incapacity of an employee, the minimum vesting period of one year shall not be applicable. In such instances, the options shall vest in with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.</li> <li>Upon Vesting, the Vested Options shall be exercisable in accordance with the terms and conditions set forth under the Plan.</li> <li>Subject to Participant's continued employment with the Company, including the Group, as the case may be, and restrictions if any as set out in the Plan, the Options granted pursuant to this Plan shall vest over</li> </ul>

	<p>period of 6 years from the date of respective grant of such Options.</p> <ul style="list-style-type: none"> <li>The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the document(s) given / communication made to the Option Grantee at the time of Grant of Options.</li> </ul>	<p>the Vesting Period as prescribed in the Grant Letter issued to the Participant at the time of Grant. The Vesting Period in any case shall not exceed 5 (Five) years from the Grant Date. The Vesting Period shall not be less than one year.</p> <ul style="list-style-type: none"> <li>Subject to the Plan, for a valid Vesting, a Participant is required to be in service on the Vesting Date and must neither be serving his notice for termination of employment with the Company, or the subsidiary companies and holding companies, as the case may be, nor be subject to any disciplinary proceedings pending against him on the Vesting Date.</li> <li>Neither the Participant nor any person entitled to exercise Participant's rights in the event of death of the Participant shall be entitled to claim or receive any dividend and right to vote, or in any manner enjoy the benefits as a Shareholder of the Company in respect of the Options granted/ vested, till such time as the Shares are transferred pursuant to a valid Exercise of the Options in favor of such Participant or such person.</li> </ul>
d) Exercise price/Pricing formula	<p>Refer Note No. 46 of the audited standalone financial statements for the Financial Year 2021-22.</p> <p>The Exercise Price shall be as may be decided by the Nomination and Remuneration Committee as is allowed under the Companies Act/SEBI (SBEB) and Sweat Equity Regulations, 2021 which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for Options granted on same/different dates.</p>	<p>The Exercise Price of the Vested Options shall be a discounted FMV /FMV of shares as on the date of grant of options/ may be determined by the Committee.</p>
e) Maximum term of options granted	<p>Refer Annexure 2 – Clause 7.2(b)</p>	<p>The Exercise Period shall be one year from the date of Vesting of the Options or date of listing of Shares of the Company on a Recognized Stock Exchange, whichever is later.</p>
f) Source of shares (primary, secondary or combination)	<p>Primary/Fresh issue of shares</p>	<p>Primary/Fresh issue of shares</p>
g) Variation in terms of options	<p>Details are provided in Annexure 2</p>	<p>N.A.</p>

**Annexure - 2**

**Details of variation made to the Employees Stock Option Scheme 2011:**

Clause	Existing Provisions	New Provisions
2.1 (v)	No such Clause	<b>“Associate Company”</b> means a company (present or future) which shall have the same meaning as defined under section 2(6) of the Companies Act, 2013 (18 of 2013).
2.1 (xxvii)	No such Clause	<b>“Group”</b> means two or more companies (present or future) which, directly or indirectly, are in a position to— (i) exercise twenty-six per cent or more of the voting rights in the other company; or (ii) appoint more than fifty per cent of the members of the Board of Directors in the other company; or (iii) control the management or affairs of the other company.
2.1 (xv)	<b>Employee:</b> (i) a permanent employee of the Company working in India or out of India; or (ii) a director of the Company, whether a whole-time or not ; or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Clause 2.1 (x) of a Subsidiary Company, in India or out of India or of a Holding Company of the Company but excludes: (a) an employee who is a Promoter or belongs to the Promoter Group; (b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed shares of the Company;	<b>Employee:</b> (i) an employee as designated by the Company, who is exclusively working in India or outside India; or (ii) a director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the Company, but does not include— (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company.
3.1	The members of the Company, in their general meeting held on February 18, 2011 have approved the Grant of Employee Stock Options exercisable into such number of equity Shares being not more than 3% of paid-up equity	Further to the amendment to this Scheme the Company is/shall be authorized by the members to issue to the Employees under ESOP–2011, not exceeding 17,28,025 (Seventeen Lakhs Twenty Eight Thousand and Twenty Five only) Employee Stock Options

	<p>share capital of the Company at any point in time, either directly and / or through an Esop Trust, under one or more Employee Stock Option Schemes to the Employees of the Company, its Subsidiary Companies and its Holding Company.</p>	<p>convertible into not more than 17,28,025 (Seventeen Lakhs Twenty Eight Thousand and Twenty Five only) Equity Shares of face value of Rs. 10/- (Rupees Ten) each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Equity Share of the Company, in accordance with the terms and conditions of such issue, in compliance with the SEBI SBEB and Sweat Equity Regulations and the said ESOP-2011 stands amended, modified and ratified by the Members in its Extra Ordinary General Meeting via Postal Ballot dated April 3, 2022 in accordance with SEBI (SBEB and Sweat Equity) Regulations. Further the maximum number of Options to be granted under the subject scheme shall not exceed 17,28,025 (Seventeen Lakhs Twenty Eight Thousand and Twenty Five only).</p>
7.2 (b)	<p><b>Prior to listing</b> Resignation / Termination (other than due to misconduct or breach of Company Policies / Terms of Employment) All Vested options which were not Exercised as on the date of submission of resignation shall stand cancelled with effect from the date of submission of such resignation / date of termination</p> <p><b>Post Listing</b> All the Vested Options as on the date of submission of resignation / date of termination shall be exercisable by the Option Grantee before his last working day with the Company or before the expiry of the Exercise Period, whichever is earlier.</p>	<p><b>Prior to listing</b> Resignation / Termination (other than due to misconduct or breach of Company Policies / Terms of Employment) All Vested Options on the date of resignation/termination can be exercised immediately after, but in no event later than 2 years from the date of listing</p> <p><b>Post Listing</b> All the Vested Options as on the date of submission of resignation / date of termination shall be exercisable by the Option Grantee within six months from his last working day with the Company or before the expiry of the Exercise Period, whichever is earlier.</p>
7.2 (b)	<p><b>Prior to listing</b> <b>Retirement / early Retirement approved by the Company</b> <b>Prior to listing</b> All <b>Vested Options</b> on the date of Retirement can be exercised immediately after, but in no event later than six months from the date of listing. All <b>Unvested Options</b> will stand cancelled as on the date of such</p>	<p><b>Retirement / early Retirement approved by the Company</b> <b>Prior to listing</b> All <b>Vested Options</b> on the date of Retirement can be exercised immediately after, but in no event later than 2 years from the date of listing. All <b>Unvested Options</b> shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.</p>

	<p>Retirement, unless otherwise determined by the Board whose determination will be final and binding.</p> <p><b>Post listing</b></p> <p>All <b>Vested Options</b> can be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such Retirement.</p> <p>All <b>Unvested Options</b> will stand cancelled as on the date of such Retirement, unless otherwise determined by the Board whose determination will be final and binding.</p>	<p><b>Post listing</b></p> <p>All <b>vested Options</b> shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.</p> <p>All <b>Unvested Options</b> will stand cancelled as on the date of such Retirement, unless otherwise determined by the Board whose determination will be final and binding.</p>
7.2 (b)	<p><b>Termination due to Permanent Disability</b></p> <p><b>Prior to listing</b></p> <p>All <b>Vested Options</b> may be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs, immediately after, but in no event later than six months from the date of listing.</p> <p>All the <b>Unvested Options</b> as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs within six months from the date of listing.</p> <p><b>Post listing</b></p> <p>All <b>Vested Options</b> may be exercised by the Option Grantee or, in case of his death, the nominee or legal heir, immediately after, but in no event later than six months from the date of termination of the Option Grantee, or before the expiry of the Exercise Period, whichever is later.</p> <p>All the <b>Unvested Options</b> as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs immediately after, but in no event later than six months from the date of termination of the Option Grantee.</p>	<p><b>Termination due to Permanent Disability</b></p> <p>All <b>Vested Options</b> may be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs, immediately after, but in no event later than 2 years from the date of listing.</p> <p>All the <b>Unvested Options</b> as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs within 2 years from the date of listing.</p> <p><b>Post Listing</b></p> <p>All <b>Vested Options</b> may be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs, immediately after, but in no event later than 12 months from the date of termination of the Option Grantee, or before the expiry of the Exercise Period, whichever is later.</p> <p>All the <b>Unvested Options</b> as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, in case of his death, the nominee or legal heirs immediately after, but in no event later than 12 months from the date of termination of the Option Grantee.</p>
7.2 (b)	<p><b>Death</b></p> <p><b>Prior to listing</b></p> <p>All <b>Vested Options</b> may be exercised by the Option Grantee's nominee or legal</p>	<p><b>Death</b></p> <p><b>Prior to listing</b></p> <p>All <b>Vested Options</b> may be exercised by the Option Grantee's nominee or legal heirs</p>

	<p>heirs immediately after, but in no event later than six months from the date of listing.</p> <p>All the <b>Unvested Options</b> as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of listing.</p> <p><b>Post Listing</b></p> <p>All <b>Vested Options</b> may be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of death of the Option Grantee, or before the expiry of the Exercise Period, whichever is later.</p> <p>All the <b>Unvested Options</b> as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heirs* immediately after, but in no event later than six months from the date of death of the Option Grantee.</p>	<p>immediately after, but in no event later than 2 years from the date of listing.</p> <p>All the <b>Unvested Options</b> as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than 2 years from the date of listing.</p> <p><b>Post Listing</b></p> <p>All <b>Vested Options</b> may be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than 12 months from the date of death of the Option Grantee, or before the expiry of the Exercise Period, whichever is later.</p> <p>All the <b>Unvested Options</b> as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than 12 months from the date of death of the Option Grantee.</p>
4.2 (o)	<b>No such Clause</b>	<p>The procedure for buy-back of Employee Stock Options issued under these regulations, if to be undertaken at any time by the Company, and the applicable terms and conditions, including:</p> <ul style="list-style-type: none"> <li>(i) permissible sources of financing for buy-back;</li> <li>(ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and</li> <li>(iii) limits upon quantum of specified securities that the Company may buy-back in a financial year.</li> </ul>
17	<b>No such Clause</b>	<p>1. Certificate from Secretarial Auditors</p> <p>The Board of Directors shall at each annual general meeting place before the members a certificate from the Secretarial Auditors of the Company that the Scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.</p>



**Annexure - 3****Option movement during FY 2021-22:**

<b>Particulars</b>	<b>Employee Stock Option Scheme 2011</b>	<b>Employee Stock Option Scheme 2021</b>
	<b>ESOP 2011</b>	<b>ESOP 2021</b>
No. of options outstanding as on 01/04/2021	3,57,251	-
No. of options granted during 2021-22	-	-
No. of options forfeited/lapsed during 2021-22	-	-
No. of options vested during 2021-22	-	-
No. of options exercised during 2021-22	-	-
No. 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	-	-
No. of options outstanding as on 31/03/2022	3,57,251	-
No. of options exercisable as of 31/03/2022	3,57,251	-