



Tega Industries

Employee Stock Option Scheme 2011

'Employees Stock Option Plan 2011'
SCHEME CUM DISCLOSURE DOCUMENT

PART A

STATEMENT OF RISKS

All investments in shares, options or SARs on shares are subject to risk as the value of shares may go down or up. In addition, option/SARs are subject to the following additional risks:

1. Concentration: The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.
2. Leverage: Any change in the value of the share can lead to a significantly larger change in the value of the options.
3. Illiquidity: The options cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their options before they are exercised.
4. Vesting: The options / SAR will lapse if the employment is terminated prior to vesting. Even after the options / SARs are vested, the unexercised options / SARs may be forfeited if the employment is terminated for gross misconduct.

PART B

INFORMATION ABOUT THE COMPANY

1. Business of the Company: A description of the main objects and present business of the Company.

History:- Our Company was incorporated as "Tega India Limited" under the Companies Act, 1956, as a public limited company, pursuant to a certificate of incorporation dated May 15, 1976, issued by the RoC. Our Company received a certificate of commencement of business on May 28, 1976, from the RoC. Pursuant to a special resolution passed by our Members on January 4, 2002, and with the approval of the Central Government on January 31, 2002, the name of our Company was changed to "Tega Industries Limited", and a fresh certificate of incorporation dated February 1, 2002, was issued by the RoC.

Main objects:-

The main objects of our Company as contained in our Memorandum of Association are:

1. *"To carry on the business of manufacturing, buying, selling, exporting, importing designing, installing, servicing and dealing in all kinds of wear resistant components and moulded wear resistant products made of rubber, plastics, metals and its alloys, ceramic materials, ceramals or combinations of ceramic or metallic alloy composites, for use in industries and mineral mining of all description and for material handling and*

Employee Stock Option Scheme 2011

processing facilities at ports, dry docks, steel plants, thermal power stations, mines, cement, plants, smelter complexes, power stations, quarrying, crushing, beneficiation plants and any other uses.

2. *To carry on business as manufacturers of and dealers in lining made of rubber, plastics, metals, and its alloys, ceramic materials, ceramals or combinations of ceramic or metal or metallic alloy composites for grinding mills, ball mills, impactors, washing drums, pumps, floatation cells, concrete mixers and other plant, machinery and equipment.*
3. *To carry on business as manufacturers of, and dealers in, wear components made of rubber, plastics, metals and its alloys, ceramic materials, ceramals, or combination of ceramic or metal or metallic alloy composites for wagon tippers, unloaders, bins, chutes launders, skips, truck bodies, granby cars, and other similar appliances.*
4. *To carry on business as manufacturers of and dealers in, screen decks made of rubber, plastics, metals and its alloys, ceramic materials, ceramals or combinations of ceramic or metal or metallic alloy composites, rubber, cloth, belt scrapers and moulded products made of rubber, plastics, metals and, its alloys, ceramic materials and ceramals or combinations of ceramic or metal or metallic alloy composites.*
5. *To carry on the business of designing and manufacturing grinding mills, ball mills, impactors, washing drums, pumps, floatations cells, vibrating feeders, concrete mixers, bins, chutes, launders, skips, truck bodies, granby cars and other plant and machinery and equipment for material handling conveying, processing and beneficiation.*
6. *To carry on the business of retreading of tyres of all kinds, and of manufacturing and dealing in seals, rings, back up rings, wiper rings, piston rod seals, vehicle tracks, sports ground and road surfaces and all kinds of moulded products, with or without reinforcement, pods for military tracked vehicles, ratabelt sleeves, rubber slings for loaders, gate seals, rubber hoses rubber lined parts for pumps, floatation equipments, rubber lined pipe fittings, containers, tanks for fluids, wheels, rolls, chlor cells, and similar other products and appliances which are capable of being dealt in or in connection with or for the benefit of the undertaking of the Company.*
7. *To carry on the business of making, processing and manufacturing rubber, rubber products of all kinds and articles made from rubber, styrene rubber, butadiene rubber, EP rubber, butyl rubber, chloroprene rubber, nitrite rubber, cerbunan, silicone rubber flourene rubber, isoprene rubber and materials used in the manufacture and or treatment of natural and articles and dealing in the same."*

Present business:-

We are a leading manufacturer and distributor of specialized 'critical to operate' and recurring consumable products for the global mineral beneficiation, mining and bulk solids handling industry. We offer comprehensive solutions to marquee global clients in the mineral beneficiation, mining and bulk solids handling industry, through our wide product portfolio of specialized abrasion and wear-resistant rubber, polyurethane, steel and ceramic based lining components, used by our customers across different stages of mining and mineral processing, screening, grinding and material handling, including after-market spends on wear, spare parts, grinding media and power, which are regular operating expenses for our customers. Our engineering capability, which has evolved over decades, has enabled us to consistently offer our quality, complex manufactured products within stipulated timelines, allowing us to reduce downtime and maximize operational efficiency for our customers, and forge robust relationships with our customers leading to high recurring revenues.

2. Abridged financial information: Abridged financial information, for the last five years for which audited financial information is available, as specified by the Board from time to time. The last audited accounts of the Company shall also be provided unless this has already been provided to the employee in connection with previous option or SAR grant or otherwise.

Consolidated Financial Information for Tega Industries Limited

Balance sheet					
(Currency: Indian rupees) (in lakhs)					
EQUITY AND LIABILITIES	As at	As at	As at	As at	As at
	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Shareholders' funds					
Share capital	6,629.30	6,629.30	6,629.30	6,629.30	6,629.30
Reserves and surplus	54,742.90	39,619.60	33,575.80	31,084.10	28,270.30
Non-current liabilities					
Deferred tax liabilities (net)	876.10	674.20	540.10	449.80	219.60
Borrowings and Long term provisions	11,891.40	11,989.60	5,973.30	9,182.90	8,512.60
Current liabilities					
Borrowings	8,816.10	14,632.00	12,850.00	14,966.00	14,476.70
Trade payables	9,871.00	6,529.60	8,068.30	7,059.40	7,929.40
Other current liabilities	6,578.10	6,552.80	6,572.30	6,679.10	7,162.90
Short term provisions	2,429.00	1,241.00	1,631.90	1,143.80	1,954.40
Total	1,01,833.90	87,868.10	75,841.00	77,194.40	75,155.20
ASSETS					
Non-current assets					
Fixed assets					
(i) Tangible assets	22,829.70	20,973.50	18,585.30	20,223.00	21,309.80
(ii) Intangible assets	6,399.50	5,289.80	5,648.90	5,809.50	6,063.30
(iii) Capital work-in-progress & Intangible assets under development	685.90	861.50	403.50	497.90	524.70
Non current investments	4,895.60	4,442.50	4,233.30	2,635.20	2,487.50
Other non-current assets	4,751.70	4,341.60	3,175.70	2,787.20	2,904.80
Current assets					
Inventories	15,863.10	13,263.00	12,105.80	11,014.30	11,239.20
Investments	15,619.20	11,666.30	3,821.50	6,028.70	7,254.20
Trade receivables	22,086.40	18,521.80	21,032.40	16,982.30	16,047.10
Cash and bank balances	4,841.00	3,691.10	1,970.20	5,878.20	3,082.90
Short-term loans	422.70	-	-	-	-
Other current assets	3,439.10	4,817.00	4,864.40	5,338.10	4,241.70
Total	1,01,833.90	87,868.10	75,841.00	77,194.40	75,155.20

Employee Stock Option Scheme 2011

Statement of Profit & Loss account	For the year ended				
Particulars	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Income					
Net sales	80,552.20	68,484.70	63,375.70	54,858.90	49,743.20
Other Income	1,726.30	1,069.50	717.00	674.90	1,696.90
Total Income	82,278.50	69,554.20	64,092.70	55,533.80	51,440.10
Expenditure					
Operating & other Expenses	61,358.60	55,154.50	54,230.50	47,324.20	45,637.20
Interest	1,727.80	2,143.90	2,069.10	2,050.00	1,782.00
Depreciation	4,018.00	3,835.50	3,262.10	3,343.50	3,490.20
Loss on exchange difference	-2,944.30	2,676.90	-75.30	-1,036.30	-215.70
Total Expenditure	64,160.10	63,810.80	59,486.40	51,681.40	50,693.70
Profit before tax	18,118.40	5,743.40	4,606.30	3,852.40	746.40
Prior period & Extraordinary Items	-	-	-	-	868.80
Provision for taxes	4,745.70	-626.10	1,424.50	1,190.10	239.80
Profit After Tax	13,372.70	6,369.50	3,181.80	2,662.30	-362.20
Profit/(Loss) from associate	267.80	180.90	181.80	143.60	132.10
Exceptional items/Prior adj. - associate	-	-	-	-	-
Other Comprehensive Income	1,406.30	-492.70	-886.10	16.10	65.40
Profit for the year attributable to	-	-	-	-	-
- Minority Interest	-	-	4.20	-3.90	4.90
- Equity Holders of the parent	15,046.80	6,057.70	2,473.30	2,825.90	-169.60
Surplus brought forward	39,696.10	33,069.20	28,606.60	28,262.10	28,435.00
Add : Profit for the year	15,046.80	6,057.70	2,477.50	2,822.00	-164.70
Net Surplus in Statement of profit & loss	54,742.90	39,126.90	31,084.10	31,084.10	28,270.30

Consolidated Statements of Cash Flows					
Particulars	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
A. Cash Flow from Operating Activities					
Net Profit/(Loss) before tax	18,386.20	5,924.30	4,788.10	3,996.00	9.70
Adjustments for:	0.00	0.00	0.00	0.00	0.00
Depreciation and Amortization	4,018.00	3,835.50	3,262.10	3,343.50	3,490.20
Finance Cost	1,387.90	1,947.80	1,961.40	1,847.80	1,715.20
Interest income	(45.60)	(41.50)	(43.50)	(72.90)	(78.00)
Provision for expected credit loss(Including bad debt & advance written off)	573.90	487.20	147.00	373.20	521.80
Provision for claims	144.70	26.90	343.80	215.40	529.30
Net fair value(gain)/loss on investment classified at FVTPL	(781.30)	(373.50)	(213.10)	(346.60)	(494.80)
Mark to market (gain)/loss on derivative instruments	(615.90)	873.60	(208.60)	248.30	298.50
Effect of unrealised exchange differences(net)	(188.50)	766.80	957.80	(973.20)	(157.60)
Others	1,027.60	140.30	(7.90)	35.50	390.90
Operating profit/(loss) before working capital changes	23,907.00	13,587.40	10,987.10	8,667.00	6,225.20
Changes in Working Capital:					
(Increase)/decrease in Non Current/Current financial and other assets	(3,966.50)	4,305.10	(4,166.90)	(2,281.60)	857.00
(Increase)/decrease in Inventories	(3,129.20)	(1,651.80)	(1,091.50)	224.90	(2,027.50)
(Increase)/decrease in Non Current/Current financial and other liabilities and prov	3,246.90	(1,450.70)	1,768.70	(1,421.40)	1,489.10
Cash generated from operations	20,058.20	14,790.00	7,497.40	5,188.91	6,543.80
Direct tax paid (Net of Refund)	(3,033.60)	(1,952.50)	(1,462.80)	(800.60)	(493.70)
Net cash generated from operating activities	17,024.60	12,837.50	6,034.60	4,388.31	6,050.10
B. Cash Flow from Investing Activities					
Purchase of Capital assets	(4,861.20)	(2,779.90)	(2,615.70)	(1,165.00)	(1,970.60)
Sale of Capital assets	22.70	135.70	75.40	63.10	444.70
Payment for purchase of Investments	(16,595.60)	(12,443.00)	(6,069.60)	(2,090.20)	(962.00)
Proceeds from sale of Investments	13,414.60	4,866.80	7,194.10	3,709.50	1,011.40
Deposits with bank matured/(placed)	(9.60)	(31.00)	65.30	201.30	(29.70)
Interest received	33.70	54.20	38.60	78.90	88.40
Dividend received	22.50	67.50	22.50	45.00	0.00
Net cash (used in)/generated from Investing activities	(7,972.90)	(10,129.70)	(1,289.40)	842.60	(1,417.80)
C. Cash Flow from Financing Activities					
Proceeds from Long term borrowings	1,714.60	6,975.90	0.00	3,755.60	75.30
Repayment of Long term borrowings	(1,283.60)	(5,641.80)	(4,513.90)	(4,236.70)	(4,784.60)
Proceeds from/(repayment of) short term borrowings (net)	(5,740.30)	454.80	(2,068.00)	120.80	2,033.50
Finance cost paid	(1,372.30)	(1,942.20)	(1,961.40)	(1,875.70)	(1,712.20)
Payment on derivative settlement(net)	(445.60)	(231.40)	0.00	0.00	0.00
Repayment of Lease liability	(773.20)	(535.60)	0.00	0.00	0.00
Net cash (used in) financing activities	(7,900.40)	(920.30)	(8,543.13)	(2,236.00)	(4,388.00)
Net increase in cash and cash equivalents	1,151.30	1,787.50	(3,797.93)	2,994.91	244.30
Cash and cash equivalents at the beignning of the year	3,684.68	1,924.78	5,769.01	2,772.50	2,539.40
Exchange differences on translation of foreign currency cash and cash equivalent	(50.60)	(27.60)	(46.30)	1.60	(11.20)
Cash and cash equivalents at the end of the year	4,785.38	3,684.68	1,924.78	5,769.01	2,772.50
Cash and cash equivalents comprise:					
Cash on hand	12.90	9.80	9.40	11.50	11.20
Balance with bank on current account	3,433.20	2,259.70	1,916.30	5,403.50	2,211.70
Balance with bank in deposit account (less than three months maturity)	1,340.90	1,416.80	0.70	354.10	549.60
	4,787.00	3,686.30	1,926.40	5,769.10	2,772.50

Standalone Financial Information for Tega Industries Limited

Balance sheet					
(Currency: Indian rupees) (in lakhs)					
EQUITY AND LIABILITIES	As at	As at	As at	As at	As at
	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
Shareholders' funds					
Share capital	6,629.30	6,629.30	6,629.30	6,629.30	6,629.31
Reserves and surplus	75,502.40	48,123.30	41,718.00	36,663.80	34,544.70
Non-current liabilities					
Deferred tax liabilities (net)	13.10	-74.80	110.10	180.40	-97.00
Borrowings and Long term provisions	8,499.10	9,828.30	3,013.90	3,442.30	416.30
Current liabilities					
Borrowings	6,590.50	10,906.60	10,197.00	11,739.60	10,894.80
Trade payables	7,551.00	5,146.30	7,185.10	5,822.50	6,340.40
Other current liabilities	5,252.00	5,193.00	3,337.90	2,902.80	3,801.70
Short term provisions	1,481.10	1,022.60	1,177.10	1,063.70	1,552.10
Total	1,11,518.50	86,774.60	73,368.40	68,444.40	64,082.31
ASSETS					
Non-current assets					
Fixed assets					
(i) Tangible assets	10,808.10	13,085.40	12,464.00	14,136.40	15,288.80
(ii) Intangible assets	3,411.90	41.70	67.40	41.90	75.10
(iii) Capital work-in-progress & Intangible assets under development	489.10	861.50	403.50	497.90	816.70
Non current investments	47,009.10	28,068.40	20,486.40	12,563.50	12,563.50
Other non-current assets	2,010.80	1,469.90	2,063.10	1,977.20	2,123.30
					-
Current assets					-
Inventories	10,810.40	8,815.70	7,833.00	7,181.10	8,260.50
Investments	15,619.10	11,666.30	3,821.50	6,028.70	7,254.30
Trade receivables	18,007.50	18,496.00	22,309.80	17,847.20	12,957.40
Cash and bank balances	117.80	589.90	134.40	3,792.80	1,232.10
Short-term loans	-	-	-	-	-
Other current assets	3,234.70	3,679.80	3,785.30	4,377.70	3,510.61
Total	1,11,518.50	86,774.60	73,368.40	68,444.40	64,082.31

Employee Stock Option Scheme 2011

Statement of Profit & Loss account	For the year ended				
Particulars	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Income					
Net sales	49,681.50	44,718.00	44,396.60	38,425.60	30,303.10
Other Income	359.60	678.50	619.10	273.10	609.20
Total Income	50,041.10	45,396.50	45,015.70	38,698.70	30,912.30
Expenditure					
Operating & other Expenses	37,077.90	35,930.30	36,087.70	31,846.00	26,858.80
Interest	1,274.80	1,606.70	1,384.00	1,118.70	480.50
Depreciation	2,476.30	2,567.80	2,356.20	2,391.60	1,871.70
Loss on exchange difference	-1,578.10	-358.10	-257.30	-638.50	-143.50
Net (gains)/ losses on fair value changes	-19,665.30	-1,935.80	-863.40	908.80	3,197.60
Total Expenditure	19,585.60	37,810.90	38,707.20	35,626.60	32,265.10
Profit before tax	30,455.50	7,585.60	6,308.50	3,072.10	-1,352.80
Prior period & Extraordinary Items					
Provision for taxes	3,099.70	1,138.90	1,222.60	949.40	263.00
Profit After Tax	27,355.80	6,446.70	5,085.90	2,122.70	-1,615.80
Surplus brought forward	48,123.30	41,635.20	36,663.80	34,544.70	36,187.80
Add : Profit for the year	27,355.80	6,446.70	5,085.90	2,122.70	-1,615.80
Less : Appropriation					
Other Comprehensive income	-23.30	-41.40	-31.70	-3.60	-27.30
Total appropriations	-23.30	-41.40	-31.70	-3.60	-27.30
Net Surplus in Statement of profit & loss	75,502.40	48,123.30	41,718.00	36,663.80	34,544.70

Statements of Cash Flows					
Particulars	31-03-2021	31-03-2020	31-03-2019	31-03-2018	31-03-2017
A. Cash Flow from Operating Activities					
Net Profit/(Loss) before tax	30,455.50	7,585.60	6,308.50	3,072.10	(1,352.80)
Adjustments for:					
Depreciation and Amortization	2,476.30	2,567.80	2,356.20	2,391.60	1,871.70
Finance Cost	934.90	1,410.60	1,276.20	916.50	441.00
Interest income	(21.20)	(35.50)	(37.40)	(64.30)	(272.30)
Provision for expected credit loss(Including bad debt & advance written off)	0.00	264.90	114.60	364.80	15.50
Provision for claims	144.70	26.90	343.80	215.40	33.20
Net fair value(gain)/loss on investment classified at FVTPL	(19,690.30)	(1,938.30)	(863.40)	938.00	3,199.60
Mark to market (gain)/loss on derivative instruments	(648.70)	873.60	(208.60)	248.30	208.00
Effect of unrealised exchange differences(net)	44.30	(18.30)	549.20	(348.30)	(283.20)
Others	1,340.90	349.40	(111.70)	90.40	(113.40)
Operating profit/(loss) before working capital changes	15,036.50	11,066.70	9,727.40	7,824.50	3,747.30
Changes in Working Capital:					
(Increase)/decrease in Non Current/Current financial and other assets	204.60	4,303.90	(4,225.10)	(7,335.60)	91.50
(Increase)/decrease in Inventories	(2,372.30)	(1,174.50)	(651.90)	1,079.50	(2,719.00)
(Increase)/decrease in Non Current/Current financial and other liabilities and prov	3,068.20	(1,452.00)	1,701.70	481.00	2,551.00
Cash generated from operations	15,937.00	12,744.10	6,552.10	2,049.40	3,670.80
Direct tax paid (Net of Refund)	(2,782.20)	(1,569.70)	(1,137.50)	(563.20)	(486.50)
Net cash generated from operating activities	13,154.80	11,174.40	5,414.60	1,486.20	3,184.30
B. Cash Flow from Investing Activities					
Purchase of Capital assets	(3,546.80)	(1,880.90)	(1,011.10)	(843.80)	(584.20)
Sale of Capital assets	23.60	69.90	128.30	48.60	384.40
Payment for purchase of Investments	(16,595.60)	(18,310.80)	(11,828.30)	(3,374.80)	(4,986.40)
Proceeds from sale of Investments	13,414.60	4,866.80	7,119.60	3,709.50	964.00
Deposits with bank matured/(placed)	(9.60)	(31.10)	12.90	201.30	(29.40)
Interest received	30.00	30.20	32.60	70.20	464.70
Dividend received	22.50	67.50	22.50	45.00	0.00
Net cash (used in)/generated from Investing activities	(6,661.30)	(15,188.40)	(5,523.50)	(144.00)	(3,786.90)
C. Cash Flow from Financing Activities					
Proceeds from Long term borrowings	0.00	6,963.60	0.00	3,755.60	45.30
Repayment of Long term borrowings	(1,066.80)	(852.30)	(697.20)	(1,772.70)	(1,007.60)
Proceeds from/(repayment of) short term borrowings (net)	(4,223.90)	238.90	(1,494.60)	395.40	2,375.80
Finance cost paid	(940.10)	(1,350.80)	(1,255.50)	(926.80)	(605.70)
Payment on derivative settlement(net)	(445.60)	(231.40)	0.00	0.00	0.00
Repayment of Lease liability	(339.00)	(251.30)	0.00	0.00	0.00
Net cash (used in) financing activities	(7,015.40)	4,516.70	(3,447.30)	1,451.50	807.80
Net increase in cash and cash equivalents	(521.90)	502.70	(3,556.20)	2,793.70	205.20
Cash and cash equivalents at the beginning of the year	585.10	90.60	3,683.70	921.70	765.80
Exchange differences on translation of foreign currency cash and cash equivalent	(0.30)	(8.20)	(36.90)	(31.70)	(49.30)
Cash and cash equivalents at the end of the year	62.90	585.10	90.60	3,683.70	921.70
Cash and cash equivalents comprise:					
Cash on hand	8.50	7.70	6.30	10.00	8.70
Balance with bank on current account	55.30	187.40	83.90	3,346.70	363.40
Balance with bank in deposit account (less than three months maturity)	0.00	390.00	0.40	327.00	549.60
	63.80	585.10	90.60	3,683.70	921.70

Employee Stock Option Scheme 2011

3. Risk factors: Management perception of the risk factors for the Company (i.e. sensitivity to foreign exchange rate fluctuations, difficulty in availability of raw materials or in marketing of products, cost/time overrun etc.)

As per Annexure I attached to the said Scheme

4. Continuing disclosure requirement: The Option Grantee shall be provided copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of meetings and the accompanying explanatory statements.

PART C
SALIENT FEATURES OF THE SCHEME

Table of Contents

1. NAME, OBJECTIVE AND TERM OF THE SCHEME	12
2. DEFINITIONS AND INTERPRETATIONS	13
3. AUTHORITY AND CEILING	19
4. ADMINISTRATION	20
5. ELIGIBILITY AND APPLICABILITY	22
6. VESTING PERIOD / SCHEDULE / CONDITIONS	23
7. EXERCISE	24
8. LOCK-IN	30
9. SURRENDER OF OPTIONS	31
10. EXIT ROUTE	31
11. METHOD OF VALUATION	31
12. OTHER TERMS AND CONDITIONS	31
13. TAXATION	33
14. AUTHORITY TO VARY TERMS	33
15. MISCELLANEOUS	33
16. ACCOUNTING AND DISCLOSURES	34
17. CERTIFICATE FROM SECRETARIAL AUDITORS	35
18. GOVERNING LAWS	35
19. NOTICES	36
20. GOVERNING LAW AND JURISDICTION	36
21. SEVERABILITY	37
22. CONFIDENTIALITY	37

1. Name, Objective and Term of the Scheme

- 1.1 This Scheme shall be called 'Employee Stock Option Plan 2011' ("**ESOP - 2011/Scheme**").
- 1.2 The objective of ESOP - 2011 is to reward the eligible Employees of the Company and its Holding Company or its Subsidiary Company (ies)/Group Company(ies)/Associate Company(ies) (present or future) in India and / or outside India for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talents in the organization. The Company views Employee Stock Options as a means that would enable the Employees to get a share in the value they create for the Company in future. The Company strongly believes that an equity component in the compensation goes a long way in aligning the objectives of an individual with those of the organization. The underlying philosophy of ESOP - 2011 is to enable the Employees, present and future, to share the wealth that they help to create for the organization over a certain period of time.
- 1.3 ESOP - 2011 has been made effective vide resolution passed by the members at the extra-ordinary general meeting held on February 18, 2011. Further in view of the listing of Equity shares of the Company on the Stock Exchange/s, it will be necessary to amend the Scheme to make it in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI (SBEB and Sweat Equity) Regulations**") and accordingly amendment to this Scheme has been adopted by the Board of Directors by a resolution passed at its meeting held on February 11, 2022 and it will be effective on approval by the members by the way of Special Resolution to be passed at the Extra-Ordinary General Meeting/Annual General meeting on April 3, 2022 and the said ESOP - 2011 shall continue to be in force until (i) its termination by the Board, or a duly constituted compensation committee by whatever named called, in accordance with Regulation 5 of the SEBI (SBEB and Sweat Equity) Regulations (ii) the date on which all of the Employee Stock Options available for issuance under the ESOP - 2011 have been issued and Exercised, whichever is earlier.
- 1.4 The Board of Directors or the Committee as authorized may subject to compliance with the Applicable Laws, at any time alter, amend, suspend or terminate the ESOP - 2011.

2. Definitions and Interpretations

2.1 Definitions

- i. **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992) together with the statutory modifications, amendments or re-enactments thereof from time to time;
- ii. **"Abandonment"** means discontinuation of employment by an Option Grantee without the Company's consent.
- iii. **"Agreement"** means the Employee Stock Option Agreement between the Company and the Option Grantee evidencing the terms and conditions of an individual Employee Stock Option. The Agreement is subject to the conditions of ESOP - 2011.
- iv. **"Applicable Law"** means every law relating to Employee Stock Options, to the extent applicable, including and without limitation to the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Companies (Share Capital and Debenture) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (each as amended from time to time), and all relevant tax, securities, exchange control or corporate laws of India, or amendments thereof or of any relevant jurisdiction or of any Recognized Stock Exchange on which the Shares are listed or quoted.
- v. **"Associate Company"** 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);
- vi. **"Board"** means the Board of Directors of the Company.
- vii. **"Cause"** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:
 - (i) dishonest statements or acts of an Employee, with respect to the Company;
 - (ii) a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;
 - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;

- (iv) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;
 - (v) participating or abetting a strike in contravention of any law for the time being in force;
 - (vi) Misconduct as provided under the labour laws after following the principles of natural justice.
- viii. **"Companies Act"** means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof.
 - ix. **"Committee"** means Nomination and Remuneration Committee of the Board ("**NRC**") as constituted in accordance with Section 178 of the Companies Act, and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time and will also constitute and act as the compensation committee for the purposes of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and erstwhile SEBI (SBEB) Regulations.
 - x. **"Company"** means Tega Industries Limited a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at 147 Block G, New Alipore, Kolkata - 700053 registered vide CIN: U25199WB1976PLC030532.
 - xi. **"Company Policies / Terms of Employment"** mean the Company's policies for Employees and the terms of employment as contained in the employment letter and any other rules / bye-laws issued from time to time.
 - xii. **"Control"** shall have the same meaning as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - xiii. **"Director"** means a member of the Board of the Company.
 - xiv. **"Eligibility Criteria"** means the criteria as may be determined from time to time by the Committee for granting the Employee Stock Options to the Employees.
 - xv. **"Employee"** means
 - (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;

- xvi. **“Employee Stock Option” or “Option”** means an Option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.
- xvii. **“Equity Shares”** means fully paid-up Equity Shares of the Company of face value of Rs. 10/- (Rupees Ten) each.
- xviii. **“ESOP - 2011” or “Scheme”** means the Employees Stock Option Scheme 2011 under which the Company is authorized to grant Employee Stock Options to the Employees.
- xix. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP - 2011, in accordance with the procedure laid down by the Company for the Exercise of Options.
- xx. **“Exercise Period”** means such a time period after vesting within which the Employee can Exercise the Options vested in him in pursuance of the ESOP - 2011.
- xxi. **“Exercise Price”** means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the ESOP - 2011.
- xxii. **“Fair Value of the Option”** means the value computed in respect of the Options granted based on the date of grant by use of mathematical/ statistical model such as Black Scholes.
- xxiii. **“Grant”** means issue of Options to the Employees under the ESOP 2011.

- xxiv. "**Grant Date**" means the date on which the compensation committee approves the grant. For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;
- xxv. "**General Meeting**" means an annual general meeting or an extraordinary general meeting of the members of the Company held by the Company in compliance with the Companies Act.
- xxvi. "**Grantee**" means an Employee who receives an offer of Options from the Company or the Committee under the Scheme.
- xxvii. "**Group**" 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;
- xxviii. "**Holding company**" means any present holding company (present or future) of the Company, as defined in sub-section (46) of section 2 of the Companies Act, 2013.
- xxix. "**Independent Director**" shall have the same meaning assigned to it under the provisions of Companies Act, 2013 read together with the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- xxx. "**Key Managerial Personnel**" shall have the same meaning as defined under section 2(51) of the Companies Act, 2013 (18 of 2013);
- xxxi. "**Long Leave**" means a sanctioned leave in excess of 60 days without break.
- xxxii. "**Market Price**" means the latest available closing price, immediately prior to the date of grant of Options by the Board/ Committee, on the recognized Stock Exchange on which the Shares of the Company are listed, in case of the Options to be granted post listing of Equity Shares of the Company. In case of Options granted prior to listing of the Equity Shares of the Company on the Stock Exchanges, the Market Price shall be the fair market value as calculated by a by a Registered Valuer or a Chartered Accountant or a Merchant banker as the case may be as required under relevant Regulations. In case Shares are listed on more than one Stock Exchange,

- then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered.
- xxxiii. “**Option Grantee**” means an Employee having a right but not an obligation to exercise an Option in pursuance of the ESOP - 2011.
- xxxiv. “**Permanent Disability**” means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board based on a certificate of a medical expert identified by the Board.
- xxxv. “**Promoter**” means shall have the same meaning as assigned to the term under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended read with Companies Act.
- xxxvi. “**Promoter Group**” shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended .
- xxxvii. “**Relative**” shall have the same meaning as defined under section 2(77) of the Companies Act.
- xxxviii. “**Retirement**” means retirement as per the rules of the Company.
- xxxix. “**SEBI**” means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.
- xl. “**SEBI (SBEB and Sweat Equity) Regulations**” means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and reenacted from time to time and includes any clarifications or circulars issued thereunder;
- xli. “**Secretarial Auditor**” means a company secretary in practice appointed by a company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Section 204 of the Companies Act;

- xlii. **“Securities”** means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- xliii. **“Shares”** means Equity Shares of the Company within the meaning of this Scheme.
- xliv. **“Stock Exchange or Recognised Stock Exchange”** means the National Stock Exchange of India Ltd, The BSE Ltd or any other Recognized stock exchange in India on which the Company’s Shares are listed or to be listed in future and shall have the same meaning attributed to it under Section 2(j) of the Securities Contracts (Regulation) Act, 1956, as amended.
- xlv. **“Subsidiary Company”** means a subsidiary of the Company (present or future) as per the definition under Section 2 (87) of the Companies Act, 2013.
- xlvi. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xlvii. **“Vesting”** means process by which the Employee becomes entitled to receive the benefit of a Grant made to him in pursuance of the ESOP – 2011.
- xlviii. **“Vesting Condition”** means any condition subject to which the Options granted would Vest in an Option Grantee.
- xlix. **“Vesting Period”** means the period during which the Vesting of the Employee Stock Option granted to the Employee, in pursuance of the ESOP - 2011 takes place.
- 1. **“Vested Option”** means an Option in respect to which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option subject to fulfillment of Exercise conditions.

2.2 Interpretation

In this Plan, unless contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;

- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) reference to Company shall refer to the Company and / or Holding Company or its Subsidiary Company (present or future) or Group Companies (present or future) or Associate Companies (present or future) where the contexts so requires, in case Options are granted to the Employees of Holding Company or its Subsidiary Company in future. .

Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation.

3. Authority and Ceiling

3.1 Pursuant to the resolution passed by the members in the extra-ordinary general meeting on February 18, 2011, the Company was authorized by the members to issue to the Employees under ESOP - 2011, not more than 3% of paid-up equity share capital of the Company at any point in time under one or more Employee Stock Option Schemes to the Employees of the Company, its Subsidiary Company(ies) and its Holding Company(ies).

Post introduction of this Scheme w.e.f February 18, 2011, the Company has issued bonus shares in the ratio of 12:1 and accordingly the scheme size has been revised from 1,32,925 options to 17,28,025 options.

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 convertible into not more than 17,28,025 (Seventeen Lakhs Twenty Eight Thousand and Twenty Five only) 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 said ESOP - 2011 shall be amended and stand ratified by the members vide resolution passed in the Extra-ordinary general / annual

Employee Stock Option Scheme 2011

general meeting on April 3, 2022 in accordance with SEBI (SBEB and Sweat Equity) Regulations. Further the maximum number of Options to be granted per Employee per Grant and in aggregate shall not exceed 17,28,025 (Seventeen Lakhs Twenty-Eight Thousand and Twenty Five only).

- 3.2 The maximum number of Options that shall be granted to any specific Employee(s) of the Company or of its Holding or its Subsidiary Company, Group Company, Associate Company (present or future) under ESOP - 2011, in any financial year and in aggregate under the ESOP 2011 shall not be equal to or exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company and in aggregate at the time of grant of Options, if the prior specific approval from members of the Company through a special resolution to this effect is not obtained. The appraisal process for determining the eligibility of the Employee will be specified by the Committee of the Board and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Committee from time to time.
- 3.3 If an Employee Stock Option expires, lapse, gets cancelled, surrendered or becomes un-exercisable due to any reason/s, it shall be brought back to the Employee Stock Options pool and shall become available for future Grants, subject to compliance with the provisions of Applicable Law.
- 3.4 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the ESOP - 2011, the maximum number of Shares that can be allotted under ESOP - 2011 as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.
- 3.5 In case of a Share split, merger, demerger, sale of division, consolidation, rights issues, bonus issues and other corporate actions, if the revised face value of an Equity Share is less or more, as the case may be, then the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available under ESOP - 2011 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such split or consolidation remains unchanged after such split or consolidation.

4. Administration

- 4.1 The ESOP - 2011 shall be administered by the Board or by the Committee as may be authorized by the Board. All questions of interpretation of the ESOP - 2011 or any Employee Stock Option shall be

determined by the Board/Committee and such determination shall be final and binding upon all persons having an interest in the ESOP – 2011, in compliance with Applicable Law.

- 4.2 The Board/compensation/NRC Committee shall in accordance with this Scheme and Applicable Laws determine the following:
- a) The Eligibility Criteria subject to which an Employee would become entitled to be granted Options under the Scheme;
 - b) The procedure for ESOP allocation and the specific quantum of Employee Stock Options to be granted under the ESOP - 2011 per Employee, subject to the ceiling as specified in Para 3.1;
 - c) Vesting schedule;
 - d) Vesting Conditions;
 - e) The Exercise Period within which the Employee should Exercise the Option and that the Option would lapse on failure to Exercise the Option within the Exercise Period;
 - f) The specified time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee;
 - g) The right of an Employee to Exercise all the Options vested in him at one time or at various points of time within the Exercise Period;
 - h) The conditions under which the Employee Stock Option vested in Employees may lapse in case of termination of employment for misconduct;
 - i) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others;
 - j) The procedure and terms for the Grant, vest and Exercise of Employee Stock Option in case of Employees who are on a long leave;
 - k) Mode of payment of the Exercise Price (cheque, demand draft, deduction from salary, or any other mode) ;

- l) The procedure for cashless Exercise of Employee Stock Options, if required;
- m) Approve forms, writings and/or agreements for use in pursuance of the ESOP - 2011. The Board/Committee shall frame suitable policies and procedures to ensure that there is no violation of Companies Act, securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, each as amended, by the Company and its Employees, as and when such Regulations are made applicable to the Company;
- n) Frame any other bye - laws, rules or procedures as it may deem fit for administering ESOP - 2011;
- o) 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:
 - (i) permissible sources of financing for buy-back;
 - (ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
 - (iii) limits upon quantum of specified securities that the Company may buy-back in a financial year.
- p) Decide all other matters that must be determined in connection with an Option under the Plan.

5. Eligibility and Applicability

- 5.1 Only Employees within the meaning of this Scheme are eligible for being granted Employees Stock Options under ESOP - 2011. The specific Employees to whom the Employees Stock Options would be granted and their Eligibility Criteria would be determined by the Board/Committee.
- 5.2 The Scheme shall be applicable to the Company and any successor Company thereof, Holding Company or Subsidiary Companies, Associate Company, Group Company (present or future) and may be granted to the Employees and Directors of the Company, of the Holding Company or its Subsidiary Company or Associate Company or Group Company, as determined by the Board/Committee/NRC at its own discretion.

Provided that in case of any Grant of Option to the Employees of Holding or its Subsidiary Company or Associate Company or Group Company, prior approval of the members shall be obtained as per provisions of the Applicable Law.

- 5.3 Where the Employee is a Director nominated by an institution as its representative on the Board of Directors of the Company –
- i the contract or agreement entered into between the institution nominating its employee as the Director of the Company, and the Director so appointed shall, inter alia, specify the following:
 - a. whether the Employees Stock Options granted by the Company under the Scheme(s) can be accepted by the said Employee in his capacity as Director of the Company;
 - b. that Options if granted to the Director, shall not be renounced in favour of the nominating institution; and
 - c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the Director from the Company.
 - ii the institution nominating its employee as a Director of the Company shall file a copy of the contract or agreement with the Company, which shall, in turn file the copy with all the Stock Exchanges on which its Shares are listed.
 - iii the Director so appointed shall furnish a copy of the contract or agreement at the first Board meeting of the Company attended by him after his nomination.

6. Vesting Period / schedule / Conditions

- 6.1 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.
- 6.2 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.
- 6.3 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.
- 6.4 Options granted under ESOP - 2011 would vest subject to maximum period of 6 years from the date of respective grant of such Options.
- 6.5 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.

7. Exercise

7.1 Exercise Price:

- (a) The Exercise Price shall be as may be decided by the Compensation Committee/ NRC as is allowed under the Companies Act / SEBI (SBEB and Sweat Equity) Regulations 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.
- (b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favor of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.
- (c) No amount shall be payable by the Option Grantee at the time of Grant and hence no amount is required to be forfeited even if an Employee does not Exercise the Options within Exercise Period and accordingly no adjustment is required to be made for the same.

7.2 Exercise Period:

(a) While in employment:

- (i) The Exercise Period shall not be more than 6 years from the date of respective Vesting of Options. The Options granted may be exercised by the Grantee at one time or at various points of time within the Exercise Period as determined by the compensation/ NRC Committee from time to time.
- (ii) The Vested Options shall be exercisable by the Employees by a written application (or by electronic means through a software) to the Company expressing his/ her desire to Exercise such Options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The Options shall lapse if not Exercised within the specified Exercise Period.

- (b) **Exercise Period in case of separations:** Options can be Exercised as per provisions outlined below:

		Vested Options	Unvested Options
PRIOR TO LISTING			
1	While in Employment	All Options Vested prior to listing can be exercised within a period of two years from the date on which the shares of the Company get listed on a Recognized Stock Exchange.	The Options would continue to vest as per the original Vesting schedule.
2	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.	All Unvested Options on the date of submission of resignation / date of termination shall stand cancelled with effect from that date.
3	Termination due to misconduct or breach of Company Policies / Terms of Employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from that date.
4	Retirement / early Retirement approved by the Company	All Vested Options on the date of Retirement can be exercised immediately after, but in no event later than 2 years from the date of listing.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	Termination due to Permanent Disability	All Vested Options 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.	All the Unvested Options 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.
6	Death	All Vested Options 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	All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heirs* immediately after,

		listing.	but in no event later than 2 years from the date of listing.
7	Abandonment**	All the Vested Options shall stand cancelled. The NRC / compensation committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.	All the Unvested Options shall stand cancelled. The NRC / compensation committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.
8	Separation due to reasons other than those mentioned above	The NRC / compensation committee will decide whether the Vested Options on the date of separation can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

		Vested Options	Unvested Options
POST LISTING			
1	While in employment	All Options Vested after the Company gets listed can be exercised as per the original Vesting schedule.	The Options would continue to vest as per the original Vesting schedule.
2	Resignation / Termination (other than due to misconduct or breach of Company Policies / Terms of Employment)	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.	All Unvested Options on the date of submission of resignation / date of termination shall stand cancelled with effect from that date.
3	Termination due to misconduct or breach of Company Policies / Terms of Employment	All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from that date.

Employee Stock Option Scheme 2011

4	Retirement / early Retirement approved by the Company	All Vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options will stand cancelled as on the date of such Retirement, unless otherwise determined by the Board whose determination will be final and binding.
5	Termination due to Permanent Disability	All Vested Options 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.	All the Unvested Options 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.
6	Death	All Vested Options 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.	All the Unvested Options 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.
7	Abandonment**	All the Vested Options shall stand cancelled. The NRC / compensation committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.	All the Unvested Options shall stand cancelled. The NRC / compensation committee, at its sole discretion shall decide the date of cancellation of Options and such decision shall be binding on all concerned.
8	Separation due to reasons other than those mentioned above	The NRC / compensation committee will decide whether the Vested Options on the date of separation can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

In case of any regulatory changes warranting any change in vesting schedule/conditions/exercise period in any of the above separation conditions, the provision of such change shall apply.

**The nomination shall be made in the form prescribed by the Company for this purpose. In case no nomination has been made by the Option Grantee, then in case of his / her death, the Options shall vest in and shall be exercised*

Employee Stock Option Scheme 2011

by the legal heir of such Option Grantee within the specified time period as may be decided by the NRC / compensation committee, provided that such legal heir of such Option Grantee produces before the Board all such documents as may be required by the Company to prove the succession to the assets of the deceased Option Grantee.

***The Board/Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the ESOP – 2011 in any manner which may be detrimental to the interests of the Employees.*

- 7.3 In the event of transfer of an Employee from the Company to its Holding Company or its Subsidiary(ies) company or Associate Company (present or future), the Unvested Options as on the date of transfer, shall continue to vest as per the original Vesting schedule and be Exercised, subject to the compliance of the Applicable Laws.
- 7.4 In the event that an Employee who has been granted benefits under a Scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the Vesting or Exercise, the treatment of Options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.
- 7.5 The Options not Exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

Tag Along -

- a) If prior to listing of shares on a Recognized Stock Exchange, Current Shareholders ("**Selling Shareholder**") intend to sell ("**the Sale**") such number of Equity Shares being more than 50 % of the paid up capital of the Company ("**the Sale Shares**"), to any person ("**the Intended Purchaser**"), then only such Option Grantee who is in employment with the Company as on the date of issue of the Sale Notice (as explained below) shall have the right, but not the obligation, to Exercise all the Vested Options as on the date of issue of Sale Notice and thereafter shall be bound to sell all the equity Shares arising out of such Exercise ("**Esop Shares**") to the Intended Purchaser on terms no less favourable than those of the Sale as more particularly mentioned here under:
- (i) The Selling Shareholder shall give a written notice ("**the Sale Notice**") to the Option Grantees containing the salient features of the Sale and an offer ("**the Offer**") to tag along

the Esop Shares along with the Sale Shares in accordance with the provisions of this Clause 8 (d). The Sale Notice shall specify the number of Sale Shares, the price at which they are proposed to be sold, the terms and conditions of the proposed Sale and the time within which the Offer must be accepted ("**the Offer Period**") following which the Offer shall be deemed to have lapsed. The Offer Period shall not be less than forty eight hours from and including the date of receipt of the Sale Notice by the Option Grantees. The Offer shall be irrevocable during the Offer Period.

- (ii) Any or all of the Option Grantees shall be entitled to respond to the Sale Notice by serving a written notice ("**the Response Notice**") on the Selling Shareholder prior to the expiry of the Offer Period requiring the Selling Shareholder to ensure that the Intended Purchaser also purchases all of the Esop Shares as mentioned in the Response Notice(s) at the same price and on the same terms and conditions as are mentioned in the Sale Notice along with the Sale Shares. Provided however that, notwithstanding the foregoing, no Option Grantee shall be required to make any representations or warranties to any person in connection with such sale or transfer except representations and warranties as to the ownership of, good title to, absence of liens, charges, claims or other encumbrances on and authority to sell the Esop Shares which are to be sold to the Intended Purchaser.

- (iii) If one or more of the Option Grantees delivers to the Selling Shareholder a Response Notice(s) before the expiry of the Offer Period in accordance with the provisions of this Clause 8 (d), the Selling Shareholder shall ensure that, along with the Sale Shares, the Intended Purchaser also purchases the Esop Shares specified in the Response Notice(s) for the same consideration and upon the same terms and conditions as are applicable to the Sale Shares. If the Intended Purchaser(s) is / are unwilling or unable to acquire all of the Esop Shares mentioned in the Response Notice (s) upon such terms, then the Selling Shareholder may elect either to cancel the Sale or to allocate the maximum number of equity shares which the Intended Purchaser is willing to purchase among the Sale Shares and the Esop Shares specified by the Option Grantees in the Response Notice(s) pro-rata in proportion to the equity share holdings of the Selling Shareholder and the concerned Option Grantee(s) at such time. The Selling Shareholder shall not be entitled to sell or transfer any of the Sale

Shares to any Intended Purchaser unless the Intended Purchaser simultaneously purchases and pays for the Esop Shares mentioned in the Response Notice(s) in accordance with the provisions of this Clause 8 (d).

- (iv) In the event that none of the Option Grantees deliver a Response Notice to the Selling Shareholder prior to the expiry of the Offer Period, the Selling Shareholder shall be entitled to sell and transfer the Sale Shares to the Intended Purchaser strictly on the same terms and conditions and for the same consideration as is specified in the Sale Notice upon the expiry of the Offer Period.
- (v) If completion of the sale and transfer of the Sale Shares to the Intended Purchaser does not take place within the period of 180 days following the expiry of the Offer Period (plus a period not exceeding of 60 (sixty) days for obtaining any required regulatory approvals), the Selling Shareholder's right to sell the Sale Shares to the Intended Purchaser shall lapse and the provisions of this Clause 8 (d) shall once again apply to the Sale Shares.

For the purpose of the Clause 8 (d) above,

- **“Current Shareholders”** means Mr. Madan Mohanka and Mr. Mehul Mohanka

Provided that nothing in this clause shall apply to transfer of shares by the Current Shareholders to any other individual in the family. For this purpose, 'any other individual in the family' means any parent, brother, sister, spouse, son or daughter of the Current Shareholders.

8. Lock-in

- 8.1 The Shares issued upon Exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such Exercise. However, the Board or Committee as may be authorized by the Board may, in some cases, provide for lock-in of Shares issued upon Exercise of Options.

Provided that the transferability of the Equity Shares shall be subject to the restriction for such period in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading),

Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading as and when such Regulations are made applicable to the Company.

9. Surrender of Options

- 9.1 An Employee may surrender his/her Vested /Unvested Options at any time during / post his employment with the Company. Any Employee willing to surrender his/her Options shall communicate the same to the Board or Committee in writing. Thereafter the surrendered Options shall be brought back to the Employee Stock Options pool and shall become available for future grant of Options.

10. Exit route

If the Company gets de-listed from all the Stock Exchange/s, then the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

11. Method of Valuation

The Company will follow fair value method for computing the compensation cost, if any, for the Options granted. The Company will follow IFRS/ IND AS/ any other requirements for accounting of the Employees Stock Options as are applicable to the Company for the same.

12. Other Terms and Conditions

- 12.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a member in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on Exercise of such Employee Stock Option.
- 12.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a member of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee exercises the Employee Stock Option and becomes a registered holder of the shares of the Company.
- 12.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of Options

Employee Stock Option Scheme 2011

or the Exercise Price or both would be made in accordance with Clause 4.2 of ESOP - 2011. Only if the Employee Stock Options are vested and exercised and the Option Grantee is a valid holder of the shares of the Company, the Option Grantee would be entitled for bonus or rights shares as member of the Company.

- 12.4 Employee Stock Options shall be personal to the Option Grantee and shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Sub-clause 7.2(b) would apply.
- 12.5 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to any benefit arising out of the Employee Stock Option or Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which provisions in table under Sub-clause 7.2 (b) would apply.

Provided that, subject to the Applicable Laws, the Company may fund or permit the empaneled stock brokers to make suitable arrangements to fund the Employee for payment of Exercise Price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to Exercise of Options granted under the ESOP - 2011 and such amount shall be adjusted against the sale proceeds of some or all the Shares of such Employee.

- 12.6 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 12.7 In the event of listing of the Company, the Scheme shall be subject to such amendment, suspension, alteration or termination as may be required to bring it in compliance with the relevant regulations pertaining to listed companies and listing of shares of companies.
- 12.8 Nothing in this Scheme shall be treated as a representation relating to an IPO of the Company, or a commitment that the Company will undertake an IPO at any point of time.
- 12.9 Subject to the provisions of Applicable Law, including the Companies Act, the Company may at its sole discretion provide financial assistance to the Employees of such amounts and on such terms as may be deemed fit, to enable them to Exercise the Options.

13. Taxation

- 13.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Scheme and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.
- 13.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Law. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.
- 13.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

14. Authority to vary terms

The Board/Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the terms of ESOP - 2011, subject to compliance with the Applicable laws.

15. Miscellaneous**15.1 Government Regulations**

This ESOP - 2011 shall be subject to all Applicable Laws, and approvals from governmental authorities. The Grant of Options and allotment of Shares to the Employees under this ESOP - 2011 shall be subject to the Company requiring the Employees to comply with all Applicable Law.

15.2 Inability to obtain authority

The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful allotment and issuance of any shares

Employee Stock Option Scheme 2011

hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

- 15.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.
- 15.4 The rights granted to an Option Grantee upon the Grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 15.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Employee Stock Option in whole or in part.
- 15.6 Participation in ESOP - 2011 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the Market Price of the Shares, if any and the risks associated with the investments are that of the Employee alone.
- 15.7 Insider Trading etc. as and when applicable.

The Employee shall ensure that there is no violation of:

- a. Companies Act
 - b. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and
 - c. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended from time to time; and
 - d. Any other regulations to prevent fraudulent or harmful practices relating to the securities market.
- The Employee shall keep the Company, the Board, the Committee fully indemnified in respect of any liability arising for violation of the above provisions.

16. Accounting and Disclosures

- 16.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including section 133 of the Companies Act but not limited to SEBI (SBEB and

Sweat Equity) Regulations as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the regulatory authorities from time to time, including the disclosure requirements prescribed therein, as and when applicable to the Company.

- 16.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Scheme document of the ESOP - 2011 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Law as in force.
- 16.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under Companies Act, SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force.

17. Certificate from Secretarial Auditors

- 17.1 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.

18. Governing Laws

- 18.1 The terms and conditions of the ESOP- 2011 shall be governed by and construed in accordance with the Applicable Law including the Foreign Exchange Laws mentioned below.
- 18.2 Foreign Exchange Laws

In case any Employee Stock Options are granted to any Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable, and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Employee Stock Options and allotment of Equity Shares thereof.

19. Notices

19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP - 2011 shall be in writing or electronic mode. The communications shall be made by the Company in any one or more of the following ways:

- (i) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or
- (ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or
- (iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

19.2 Any communication to be given by an Option Grantee to the Company in respect of ESOP - 2011 shall be sent to the person at the address mentioned below or e - mailed at:

Designation : Manager, Human Resource

Address : Tega Industries Limited, 147, Block - G, New Alipore, Kolkata - 700053, West Bengal, INDIA

Email : hrd@tegaindustries.com

20. Governing Law and Jurisdiction

20.1 The terms and conditions of the ESOP - 2011 shall be governed by and construed in accordance with the laws of India.

20.2 The Courts of Kolkata, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP - 2011.

20.3 Nothing in this Clause will however limit the right of the Company to bring proceedings against any Employee in connection with this ESOP 2011:

- (i) in any other court of competent jurisdiction; or
- (ii) Concurrently in more than one jurisdiction.

21. Severability

21.1 In the event any one or more of the provisions contained in this Scheme shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Scheme in which case the Scheme shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

22. Confidentiality

22.1 An Option Grantee must keep the details of the ESOP - 2011 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.

22.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

For **Tega Industries Limited**

Sd/-

Manoj Kumar Agarwal

Chief Financial Officer, Company Secretary & Compliance Officer

Place: Kolkata

Date: February 11, 2022

SUBSEQUENT UPDATE ON THE ESOP 2011 SCHEME

The ESOP 2011 Scheme has been amended by the members by the way of a Special Resolution passed vide a postal ballot dated April 3, 2022 to make it in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEB and Sweat Equity) Regulations”).