

E2E NETWORKS LIMITED
Employee Stock Option Schemes (ESOSs)
Disclosure Pursuant to Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity)
Regulations, 2021
(ESOP disclosure for the FY 2021-22)

GENERAL DISCLOSURES:

- A.** Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

All relevant disclosures have been made in Note No. 36 in notes to Financial Statements forming part of Annual Report 2021-22.

- B.** Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

For details please refer to Note No. 27 in notes to Financial Statements forming part of Annual Report 2021-22.

SCHEME SPECIFIC DISCLOSURES:

A. DETAILS RELATED TO EMPLOYEES STOCK OPTION SCHEMES:

i.	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS:		
	The description including terms and conditions of ESOS 2018 and ESOS 2021 is as under:		
	Particulars	E2E ESOS Scheme 2018 ("ESOS 2018") (Administered Directly)	E2E Networks Limited Employees Stock Option Scheme - 2021 ("ESOS 2021") (Administered through Trust)
a)	Date of shareholders' approval	March 01, 2018	April 5, 2021
b)	Total number of options approved under ESOS	4,00,000	15,00,000

c)	Vesting requirements	<p>The options shall vest over a period of five years of continuous completed service from the date of Grant of Options. It is being clarified that each annual vesting shall be subject to continuous and uninterrupted employment of the option holder with the company for a period of 12 months. The options shall vest as follows:-</p> <ul style="list-style-type: none"> -20% on expiry of 1 year from the date of grant -20% on expiry of 2 year from the date of grant. -20% on expiry of 3 year from the date of grant. -20% on expiry of 4 year from the date of grant. -20% on expiry of 5 year from the date of grant. 	The granted Options shall vest within minimum period of 1 year and maximum period of 4 years from the date of grant.
d)	Exercise price or Pricing formula	<p>For K R Mohamed Imran (Chief Operating Officer): Rs. 12/-</p> <p>For other employees: 10% discount to the IPO price of Rs. 57</p>	Under this Scheme, the exercise price of the Shares will be decided by the Committee on the basis of market price of the Company on one day before the date of grant. The committee can give suitable discount on market price.
e)	Maximum term of options granted	<p>The options shall vest maximum within Five years from the date of grant.</p> <p>Once vested, options can be exercised</p> <p>(a) At any time, as long as the option holder continues to be employed with the Company, or</p> <p>(b) Within a period of 90 (Ninety) days from the date of cessation of the option holder's employment with the Company.</p>	The options shall vest maximum within Four years from the date of grant. Once vested, options shall be exercisable within 2 years from the date of respective vesting.
f)	Source of shares (primary, secondary or combination)	Primary	Combination

g)	Variation in terms of options	No Variation was made in the terms of options during the Financial Year 2021-22.	No Variation was made in the terms of options during the Financial Year 2021-22.
ii.	Method used to account for ESOS - Intrinsic or fair value	Fair value estimated by Black Scholes Method.	Fair value estimated by Black Scholes Method.
iii.	Where the company opts for expensing of the options using the intrinsic value of the options -		
		ESOS 2018	ESOS 2021
a)	Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options	Not Applicable as the Company has used fair value method of accounting.	Not Applicable as the Company has used fair value method of accounting.
b)	Impact of this difference on profits and on EPS of the Company	Not Applicable as the Company has used fair value method of accounting.	Not Applicable as the Company has used fair value method of accounting.
iv.	Option movement during the year (For each ESOS):		
	Particulars	ESOS 2018	ESOS 2021
a	Number of options outstanding at the beginning of the period	2,59,988	NIL
b	Number of options granted during the year	NIL	2,40,000
c	Number of options forfeited / lapsed during the year	62,000	NIL
d	Number of options vested during the year	68,409	NIL
e	Number of options exercised during the Year	46,004	NIL
f	Number of shares arising as a result of exercise of options	46,004	N.A
g	Money realized by exercise of options (INR), if scheme is implemented directly by	5,52,048	Not Applicable

	the Company														
h	Loan repaid by the Trust during the year from exercise price received	Not Applicable	Not Applicable												
i	Number of options outstanding at the end of the year	1,51,984	2,40,000												
j	Number of options exercisable at the end of the year	37,996	NIL												
v.	Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals or exceeds or is less than the market price of the stock	Weighted Average Exercise Price: INR 39.40 Weighted Average Fair Value of options: INR 19	Weighted Average Exercise Price: INR 63.75 Weighted Average Fair Value of options: INR 30.66												
vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -														
	Particulars	ESOS 2018	ESOS 2021												
a)	Senior Managerial Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	No options were granted during the Financial Year 2021-22	<table border="1"> <thead> <tr> <th>S. No.</th><th>Name of Employee</th><th>Designation</th><th>Number of Options</th></tr> </thead> <tbody> <tr> <td>1</td><td>M Kesava Reddy</td><td>Chief Revenue Officer</td><td>50,000</td></tr> <tr> <td>2</td><td>Neha Baid</td><td>Company Secretary</td><td>6,000</td></tr> </tbody> </table>	S. No.	Name of Employee	Designation	Number of Options	1	M Kesava Reddy	Chief Revenue Officer	50,000	2	Neha Baid	Company Secretary	6,000
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1	M Kesava Reddy	Chief Revenue Officer	50,000												
2	Neha Baid	Company Secretary	6,000												

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	No options were granted during the Financial Year 2021-22	S. No.	Name of Employee	Designation	Number of Options	Exercise Price (in Rs.)
			1	M Kesava Reddy	Chief Revenue Officer	50,000	50/-
			2	Ashish Charan	AVP - Sales	40,000	50/-
			3	Paritosh Puri	Senior Software Architect	20,000	50/-
			4	Paritosh Kumar Thapliyal	Manager - Engineering	20,000	50/-
			5	Sazid Ahmad Khan	Sr. Software Engineer	16,000	50/-
			6	Vipin Rauthan	Company Secretary	12,000	50/-
c)	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	No options were granted during the Financial Year 2021-22	Not Applicable				
vii	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:						
	The Black Scholes valuation model is an option pricing model widely used for valuation of options and the Company has used this model for computing the weighted average fair value of options under ESOS 2018 and ESOS 2021 considering the following inputs:						
	Particulars	ESOS 2018		ESOS 2021			
a)	the weighted average values:						
	Share Price (Rs.)	25-47.00		50.05-116.55			
	Exercise Price (Rs.)	12.00-51.30		50.00-116			
	Expected volatility	0% -81.36%		60-72%			
	Expected option life	1-5 years		1-4 years/2-5 years			
	Expected dividend yield	Nil		Nil			
	Risk-free interest rate	5.88% -7.76%		5.14% to 6.43%			
	Any other inputs to the model	Nil		Nil			

b)	the method used and the assumptions made to incorporate the effects of expected early exercise	Black Scholes Method
c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The expected volatility was determined based on historical volatility data. The volatility has been considered for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. Daily volatility of the Company's stock price on NSE over these years has been considered.
d)	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Not Applicable

B. DETAILS RELATED TO TRUST

(i) GENERAL INFORMATION

Sl. No.	Particulars	Details
1.	Name of the Trust	E2E Networks Limited Employees Welfare Trust
2.	Details of the Trustee(s) (as on July 22, 2022)	Mr. M Kesava Reddy Mr. Soumyadeep Paul
3.	Amount of loan disbursed by company/ any company in the group, during the year	Rs. 49.44 Lakhs
4.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	The Company had outstanding loan of Rs. 49.44 from the Trust as on March 31, 2022.
5.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	NIL
6.	Any other contribution made to the Trust during the year	NIL

(ii) BRIEF DETAILS OF TRANSACTIONS IN SHARES BY THE TRUST

a)	Number of shares held at the beginning of the year	NIL
b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	The trust has acquired 1,04,000 shares (i.e 0.72% of paid-up capital as on March 31, 2021) through secondary acquisition during FY 21-22. The weighted average cost of acquisition per share is Rs. 47.53.
c)	Number of shares transferred to the employees / sold along with the purpose thereof	NIL
d)	Number of shares held at the end of the year	1,04,000

(iii) IN CASE OF SECONDARY ACQUISITION OF SHARES BY THE TRUST

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	NIL
Acquired during the year	0.72% (1,04,000 equity shares)
Sold during the year	NIL
Transferred to the employees during the year	NIL
Held at the end of the year	0.72% (1,04,000 equity shares)