



# ESOP DISCLOSURE

Route Mobile Limited  
2020-21

A Global Player in Cloud Communications Platform



Associate Member

## Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with CIR/CFD/POLICY CELL/2/2015 June 16, 2015

The details of Employee stock options as on March 31, 2021 under 'Route Mobile Limited - Employee Stock Option Plan 2017' ("RML ESOP 2017/Scheme") are given below. The Scheme is administered by Route Mobile Employee Welfare Trust ("Trust").

### Directors Report Disclosures:

Statement as at March 31, 2021, pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

#### A. 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.

The disclosures are provided under Note no. 46 of the Standalone Financial statements for the Financial year ended March 31, 2021.

#### 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.

The diluted EPS of the Company calculated after considering the effect of potential equity shares arising on account of exercise of options is ₹ 4.06 per share.

#### C. Summary of Status of ESOPs Granted:

##### i. The description of the existing scheme is summarized as under -

Sr. No.	Particulars	ESOP 2017
1	Date of shareholders' approval	October 12, 2017
2	Total number of options approved	25,00,000
3	Vesting requirements	The options would vest not earlier than one (1) year and not more than four (4) years from the date of grant of such options.
3	Exercise Price or Pricing formula	The Exercise price is as below: <hr/> Grant I - ₹300/- per share (₹10/- face value per share and ₹290/-

		premium per share) <hr/> Grant II and Grant III – ₹326.16 per share (₹10/- face value per share and ₹316.16/- premium per share)
4	Maximum term of options granted	4 years
5	Sources of Shares	Primary
6	Variation in terms of ESOP	None.

## ii. Method used for Accounting of ESOP

The Company has recorded compensation costs for all grants made to employees using the fair value method of accounting. The fair value of each option granted is estimated on the date of grant using discounted cash flow method.

## iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed

Not Applicable

## iv. The movement of options during the year are as follows:

Sr. No.	Particulars	ESOP 2017
1	No. of options outstanding at the beginning of the year	20,55,500
2	No. of options Granted during the year	4,70,500
3	No. of options forfeited/lapsed during the year	54,500
4	No. of options vested during the year	10,80,625
5	No. of options exercised during the year	8,56,441
6	No. of shares arising as a result of exercise of options	8,56,441
7	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	N.A
8	Loan repaid by the trust during the year from the exercise price received	₹ 38,74,706
9	No. of options outstanding at the end of the year	16,15,059
10	No. of options exercisable at the end of the year	2,24,184

- v. **Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.**

a) Weighted average Fair Value of Options granted during the year whose –				
Sr. No.	Particulars	Grant 1	Grant 2	Grant 3
A	Exercise price equals market price*	₹300	₹326.16	₹326.16
B	Exercise price is greater than market price	Nil	Nil	Nil
C	Exercise price is less than market price	Nil	Nil	Nil
b) Weighted average Exercise price of Options granted during the year whose –				
Sr. No.	Particulars	Grant 1	Grant 2	Grant 3
A	Exercise price equals market price*	₹300	₹326.16	₹326.16
b	Exercise price is greater than market price	Nil	Nil	Nil
C	Exercise price is less than market price	Nil	Nil	Nil

\* All Disclosures in respect of grants made in three years prior to IPO under each ESOS; All Options were granted prior to the Listing of the Company on September 21, 2020.

- vi. **Employee-wise details of options granted during the financial year 2020-21 to:**

a) Senior managerial personnel				
Sr. No.	Name of employee	Designation	Number of options granted during the year	Exercise price (in ₹)
1	Ramesh Helaiya	Chief Technical Officer	12,000	326.16
2	Elsa Shibu	Vice President & HR Head	10,000	326.16
3	Tushar Agnihotri	Executive Vice President – India & APAC	5000	326.16
4	Suresh Jankar	Chief Financial Officer	5,000	326.16
5	Rathindra Das	Head Legal, Company Secretary & Compliance Officer	5000	326.16
b) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year: NIL				

- c) Identified employees who were granted options, 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: NIL

**vii. Method and Assumptions used to estimate the fair value of options granted during the year:**

The method used for valuation of ESOP is Fair Value Method. The Assumptions used in the model are as follows:

Sr. No.	Particulars	Grant I	Grant II and Grant III
1	Risk Free Interest Rate	6.70%	6.55%
2	Expected Life (years)	4	4
3	Expected Volatility	56%	100%
4	Market Risk Premium	8.82%	2.32%
5	Cost of debt	11.00%	12.87%
6	Terminal Growth Rate	4.00%	3%
7	Cost of capital	11.06%	12.53%

How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility

For Grant I we have considered market volatility in the absence of comparable companies whereas for Grant II & III we have taken the beta of the telecommunication service providers.

Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition

There are no market conditions attached to the grant and vest.

**D. Disclosures Related to Trust:** The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of SEBI regulations:

Sr. No.	Particulars	Details
1	Name of the Trust	Route Mobile Employee Welfare Trust
2	Details of the Trustee(s)	i. Mr. Vinay Binyala

		ii. Mr. Rakeshkumar Nayak iii. Mrs. Sushma Gedam iv. Mr. Pratik Joshi
3	Amount of loan disbursed by company / any company in the group,during the year.	Amount of Loan disbursed by the Company was ₹38,74,706
4	Amount of loan outstanding (repayable to company / any company in thegroup) as at the end of the year	NIL
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	Not Applicable
7	<b>Brief details of transactions in shares by the Trust</b>	
	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;	i. 8,56,441 equity shares having face value of ₹10/- each were acquired through primary issuance. The shares were allotted to the Trust by the Nomination & Remuneration Committee.  ii. <b>Secondary acquisition: NIL</b>  <b>Percentage of paid up equity capital as at the end of the previous financial year: 1.71%</b>  <b>Weighted average cost of acquisition per share: ₹314.44</b>
	c) Number of shares transferred to the employees / sold along with the purpose thereof;	8,56,441 equity shares having face value of ₹10/- each were transferred to employees pursuant to the Scheme.
	d) Number of shares held at the end of the year.	NIL