

## ANNUAL DISCLOSURES BY THE BOARD OF DIRECTORS FOR FY 2023-24

(Pursuant to Regulation 14 read with Part F to Schedule I of Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity Shares), Regulations, 2021)

### A. About Tata Communications Limited – Employee Stock Unit Plan – 2023:

Tata Communications Limited ('the Company') believes that equity-based compensation plans are an effective tool to reward the talents working with the Company and its subsidiaries. With an objective to attract and retain key talent, drive achievement of long term objectives of the Company, to strengthen employee ownership and to create long-term wealth in the hands of the employees, by way of rewarding their performance and motivating them to contribute to the overall long term corporate growth and goals, Tata Communications Limited – Employee Stock Unit Plan – 2023 ('the Plan'), was implemented pursuant to the approval granted by shareholders, vide special resolutions passed at the Annual General Meeting held on July 18, 2023. The Plan is in compliance with Securities and Exchange Board of India (Share-Based Employee Benefits and Sweat Equity Shares), Regulations, 2021 ('the SBEB Regulations').

Under the Plan, the Company would grant upto 30,00,000 Restricted Stock Units (RSUs) in one or more tranches to eligible Employees of the Company and its subsidiaries that would entitle the grantees (in aggregate) to acquire, not exceeding 30,00,000 fully paid-up equity shares of ₹ 10/- (Rupee Ten Only) each.

### B. Relevant disclosure 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:

Disclosed in Note 37 of the standalone financial statements and Note 36 of the consolidated financial statements for the financial year ended March 31, 2024. (Disclosures are provided in accordance with Ind AS 102, Share-based payment)

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

Diluted EPS for the year ended March 31, 2024 is disclosed in Note 38 (Earning per Share) of standalone financial statements and Note 37 of consolidated financial statements. Based on consolidated financial statements, diluted EPS is ₹ 33.97 for the year ended March 2024. Based on standalone financial statements, diluted EPS is ₹ 22.40 for the year ended March 2024.

### D. Details related to Tata Communications Limited – Employee Stock Unit Plan - 2023

#### (i) General terms and conditions of the Plan:

Sr. No	Particulars	Details of the Plan
(a)	Date of shareholders' approval	July 18, 2023
(b)	Total number of options approved	30,00,000 (Thirty Lakhs) RSUs
(c)	Vesting requirements	The RSUs would vest essentially on the basis of continued tenure as per requirement of SBEB Regulations. Apart from this, the vesting of RSUs shall be subject to achievement of one or more of the corporate performance conditions such as return on capital employed, revenue, profits, delivering on key strategic initiatives, shareholders' value creation, and such other conditions as may be determined by the Nomination and Remuneration Committee ('NRC'). The NRC has power to select the performance parameters for an employee or class thereof depending on the specific roles and the relative weightages assigned to each parameter.
(d)	Exercise price or pricing formula	The Exercise Price per RSU shall be the face value of equity shares of the Company as on Grant Date.
(e)	Maximum term of RSUs granted	All the RSUs granted shall vest not later than the maximum period of 4 (Four) years from the Grant Date. The Exercise Period in respect of the Vested RSUs shall be subject to a maximum period of 1 (One) year from the date of Vesting of RSUs.
(f)	Source of shares (primary, secondary or combination)	Primary (The Plan contemplates issue of fresh equity shares by the Company).
(g)	Variation in terms of options	Not Applicable

**(ii) Method used to account for RSUs (Intrinsic or fair value):**

The Company shall adopt fair valuation method (Black-Scholes Model) for purpose of valuation of RSUs as applicable.

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

Not Applicable

**(iv) Option/ RSUs movement during the year:**

Number of options outstanding at the beginning of the period	NA
Number of options granted during the year	4,18,455**
Number of options forfeited/lapsed during the year	70,408
Number of options vested during the year	NA
Number of options exercised during the year	
Number of shares arising as a result of exercise of options	
Money realised by exercise of options (₹) if scheme is implemented directly by the Company	
Loan repaid by the Trust during the year from exercise price received	
Number of options outstanding at the end of the year	3,48,047
Number of options exercisable at the end of the year	NA

\* The plan was approved by the shareholders of the Company on July 18, 2023.

\*\* The eligible employees of the Company and its subsidiaries were granted a total of 5,95,590 RSU's of face value of ₹10/- each. The employees of the international subsidiaries who were granted 1,77,135 RSU's opted for Cash-Settled Stock Appreciation Rights.

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

Weighted-average exercise price (₹)	10
Weighted-average fair value as on date of grant (₹)	1,699.48*

\*The fair value of the RSU's are estimated using the Black-Scholes Model. The weighted average fair value per RSU's granted during the year is ₹1,699.48

**(vi) Employee wise details of options granted during FY 2023-24 to:**

- 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

Name	Designation	Number of RSUs granted during the year (Performance and Tenure Based)	Exercise Price Per RSU (₹)
Mr. Aadesh Goyal	Chief Human Resources Officer	20,670	10
Mr. CR Srinivasan	Executive Vice President - Cloud and Cybersecurity Services & Chief Digital Officer	17,820	10
Ms. Genius Wong	Executive Vice President - Core and Next-Gen Connectivity Services	24,378^	10
Mr. Kabir Ahmed Shakir	Chief Financial Officer	22,791	10
Mr. Madhusudhan MR	Executive Vice President, Collaboration and Connected Solutions	19,344	10
Mr. Sivasamban Natarajan	Executive Vice President and Head of Global Operations	13,839	10
Mr. Sumeet Walia	Executive Vice President - Chief Sales & Marketing Officer	23,097	10
Mr. Tri Luu Pham	Executive Vice President - Corporate Strategy Head	20,400^	10
Mr. Troy D. Reynolds	Chief Legal & Compliance Officer	17,769^	10

Name	Designation	Number of RSUs granted during the year (Performance and Tenure Based)	Exercise Price Per RSU (₹)
Mr. Zubin Adil Patel	Company Secretary	1,608	10

^ Equivalent number of units were granted as part of Cash-Based Stock Appreciation Rights (CSAR) plan in lieu of RSUs as opted by respective grantee.

- 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

Name	Designation	Number of RSUs granted during the year (Performance and Tenure Based)	Exercise Price Per RSU (₹)
Mr. A. S. Lakshminarayanan	Managing Director & CEO	52,764	10

No other employee has been granted RSUs amounting to 5% or more of the RSUs granted during the financial year ended March 31, 2024.

- 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 employee has been granted RSUs equal to or exceeding 1% of the issued capital of the Company during the financial year ended March 31, 2024.

**(vii) Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

(a)	Weighted-average values of share price	₹ 1,766.16
	Exercise price	₹ 10
	Expected volatility	32.41
	Expected option life	2.83
	Expected dividends	1.19 (%)
	Risk-free interest rate	6.98 (%)
	Any other inputs to the model	-
(b)	The method used and the assumptions made to incorporate the effects of expected early exercise	The expected life of the RSU is estimated based on the vesting term and contractual term of the RSU, as well as expected exercise behaviour of the employee who receives the RSU.
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility?	The measure of volatility used in the Black-Scholes Option pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time.  Each vest has been considered as a separate grant and the volatility for periods, corresponding to the expected lives of different vests, prior to the grant date, was considered. Volatility has been calculated based on the daily closing market price of the Company's stock price on National Stock Exchange of India Limited (NSE) over these years.
(d)	Whether and how any other features of the option granted were incorporated into the measurement of fair value, such as a market condition?	-

**(viii) Disclosures in respect of grants made in three years prior to IPO under each ESOS**

Not Applicable.

**E. Details related to ESPS:**

Not Applicable

**F. Details related to SAR**

Eligible grantees outside India were given an option to elect for an equivalent cash-based plan ('Cash-Settled Stock Appreciation Rights' or 'CSAR'). The overall design of RSUs and CSARs is same and is aligned to the terms & conditions mentioned in the Plan.

As at March 31, 2024, a total of 1,48,961 CSARs were outstanding. The carrying value of liability towards these CSARs is disclosed under other non-current financial liabilities in the financial statements of the Company.

**Summary of CSARs Granted during the year:**

	No. of Units	Weighted average Exercise Price (₹ per unit)
Opening balance	-	
Granted during the year	1,77,135	10
Lapsed during the year	(28,174)	
<b>Closing Balance</b>	<b>1,48,961</b>	<b>10</b>

The weighted average contractual life of CSARs outstanding as on March 31, 2024 is 25 months.

**G. Details related to GEBS / RBS**

Not Applicable

**H. Details related to Trust:**

Not Applicable

**Certification by Secretarial Auditor**

The Board of Directors

**Tata Communications Limited**

VSB, Mahatma Gandhi Road, Fort  
Mumbai – 400 001

I, Upendra C. Shukla, Company Secretary in Practice, have been appointed as the Secretarial Auditor vide the resolution passed at its meeting held on April 19, 2023 by the Board of Directors of Tata Communications Limited (hereinafter referred to as ‘the Company’) having CIN: L64200MH1986PLC039266 and having its Registered Office at VSB, Mahatma Gandhi Road, Fort, Mumbai 400 001. This certificate is issued under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as ‘the Regulations’) as required by the Company for submission to stock exchanges for obtaining in-principle approval.

**Management Responsibility:**

It is the responsibility of the management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems and effective internal controls to ensure compliance with the provisions of all applicable laws and regulations.

**Verification:**

The members of the Company in their 37<sup>th</sup> Annual General Meeting held on July 18, 2023 have passed a Special Resolution, approving the ‘Tata Communication Limited – Employee Stock Unit Plan 2023’ (hereinafter referred to as ‘RSU 2023’/ ‘Plan’/ ‘Scheme’).

For the purpose of verifying the compliance of the Regulations, I have examined the following documents:

1. Scheme received from/ furnished by the Company;
2. The Articles of Association of the Company;
3. Minutes of the meeting of the Board of Directors held for approving the Scheme;
4. Minutes of the Annual General Meeting held for approving the Scheme;
5. Minutes of the meeting of the Nomination & Remuneration Committee held for recommending the Scheme;
6. Relevant provisions of the Regulations, Companies Act, 2013 and rules made thereunder.

**Certification:**

In my opinion and to the best of knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its officers, I certify that the Scheme is in compliance with the applicable provisions of the Regulations.

**Assumption and Limitation of Scope and Review:**

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. My responsibility is to give certificate based upon examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

UDIN: F002727F000157926

Peer Review Certificate No. 1882/2022

Place: Mumbai

Date: 17/04/2024

UPENDRA  
CHANDRASH  
ANKAR  
SHUKLA

(U.C. SHUKLA)  
COMPANY SECRETARY  
FCS:2727/CP:1654