Invenia™

Disclosures by the Board of Directors

Pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021

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:** Refer Note No.- 2.3 & 2.3 respectively forming part of the Standalone and Consolidated Financial Statements for the Financial Year 2025-26.

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 Central Government or any other relevant accounting standards as issued from time to time:** Refer Note No. 33 & 34 respectively forming part of the Standalone Financial & Consolidated Financial Statements for the Financial Year 2025-26.

C.	**Summary of Status of ESOPs Granted**		
	The position of the existing schemes is summarized as under:-		
S.No.	**Particulars**	**STL Networks Limited – Special Purpose Employee Stock Options Scheme – 2025**	**STL Networks Limited - Employee Stock Option Scheme – 2025**
I. Details of the ESOS:			
1	Date of Shareholder's Approval	September 30, 2025	September 30, 2025
2	Total Number of Options approved	18,76,412	1,95,00,000
3	Vesting Requirements	The Options granted under the Scheme would Vest after One year but not later than Five years from the Grant Date.	The Options granted under the Scheme would Vest not earlier than the minimum Vesting Period of 1 (One) year and not later than the maximum Vesting Period of 4 (Four) years from the Grant Date.
4	Exercise Price or Pricing formula (Rs.)	Rs. 2/- per share (Face Value)	Rs. 2/- per share (Face Value)

5	Maximum term of Options granted (years)	Five Years	Four Years
6	Source of shares (primary, secondary or combination)	Primary	Primary
7	Variation in terms of Options	NA	NA

II	Method used to account for ESOS - Intrinsic or fair value.	Valuation has been done through fair value method, using the Black-Scholes option Time Based Vesting.	Valuation has been done through fair value method, using the Black-Scholes option for Time Based Vesting. Valuation has been done through fair value method, using the Monte Carlo Simulation Method for Performance Based Vesting.
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 as the Company has accounted for the Stock Option at Fair Value.	Not Applicable as the Company has accounted for the Stock Option at Fair Value.

IV	Option movement during the year		
1	Number of options outstanding at the beginning of the period	18,76,412	1,95,00,000
2	Number of options granted during the year	18,76,412	24,67,918
3	Number of options forfeited / lapsed during the year	Nil	61,760
4	Number of options vested during the year	4,53,942	Nil
5	Number of options exercised during the year	1,10,418	Nil
6	Number of shares arising as a result of exercise of options	1,10,418	Nil

7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	2,20,836	Nil
8	Loan repaid by the Trust during the year from exercise price received	NA	NA
9	Number of options outstanding at the end of the year	17,65,994	24,06,158
10	Number of options exercisable at the end of the year	17,65,994	24,06,158

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 – ₹ 2.00. Weighted average fair value of options granted during the year - ₹ 20.89.	Weighted average exercise price - ₹ 2.00. Weighted average fair value of options granted during the year for time based vesting option - ₹ 20.77. Weighted average fair value of options granted during the year for performance based vesting option - ₹ 11.78.

VI	**Employee-wise details of options granted during the financial year 2025-26:**				
(i)	**Senior Managerial Personnel as defined under Regulation 16 (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:**				
S.No.	**Name**	**Designation**	**No. of Options granted during the year under Special Purpose Employee Stock Options Scheme – 2025**	**No. of Options granted during the year under Employee Stock Option Scheme – 2025**	**Exercise price**
a	Pankaj Malik	Whole Time Director and CEO	12,733	1,48,236	2
b	Gopal Rastogi	Chief Financial Officer	16,637	1,08,563	2
c	Chandrasekhara Rao Battula	Head-System Integration	19,660	1,08,563	2
d	Navneet Kaushik	Chief Human Resources	18,962	1,08,563	2

		Officer			
e	Kuhu Rastogi	Head - Marketing & Communication	6,926	77,683	2
f	Manish Ranjan till March 17, 2026	Head-Legal	9,200	0	2
g	Srinivasulu A N	Head Govt/Public - Sales	9,333	98,123	2
h	Srinivasan Devarajan till February 13, 2026	Project Director	0	15,000	2
i	Arun Goyal	Fiber BU Head	12,040	93,123	2
j	Meenal Bansal	Company Secretary and Compliance Officer	0	35,880	2
k	B Lakshmiraman	Interim - Head Technology	0	61,760	2
l	Gopal Sharma	Head - Supply Chain	7,828	77,683	2
m	Prerna Wadhwa	Head-Legal	3,950	20,440	2

(ii)	**Any Other Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year:**			
S.No.	**Name**	**Designation**	**No. of options granted**	**Percentage of Options Granted during the year**
No options were granted to employees amounting to 5% or more of the options during the year:				

(iii)	**Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.**	
S.No.	**Name**	**No. of options granted**
No options were granted during the year equal to or exceeding 1% of the issued capital		

VII	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Special Purpose Employee Stock Option Scheme – 2025

Variables	Vest 1	Vest 2	Vest 3	Vest 4
Share price at Grant Date	22.27	22.27	22.27	22.27
Volatility	46.46%	46.60%	46.60%	46.60%
Risk Free rate	6.23%	6.23%	6.23%	6.23%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00
Life of the Option (years)	5.80	5.80	5.80	5.80
Dividend Yield	0.20%	0.20%	0.20%	0.20%
Outputs				
Option Fair value	20.9	20.89	20.89	20.89
Vesting Percentage	25.00%	25.00%	25.00%	25.00%
Fair Value of the option (Black Scholes Model)				**20.89**

Assumptions

1. Risk free interest rate refers to Government of India Bond Yield for 5 years. Source- https://in.investing.com/rates-bonds/india-5-year-bond-yield-historical-data
2. For the purpose of this ESOP valuation, the annualized standard deviation of Equity Shares of STLNL over past five years historical period approximately equal to the time until option expiration has been used.
3. Dividend yield has been considered as 0.2% based on average for FY23, FY24 and FY25 of parent company.
4. For determining the time to maturity, the weighted period from the vesting date to the ESOP exercise date has been taken into account.
5. Interest rates remain constant.
6. No commissions are charged for the transaction.
7. Market direction cannot be predicted.
8. To calculate the time until option expiration for the Black-Scholes model, each vesting date was considered along with its corresponding vesting percentage. Then a weighted average of the time remaining until expiration of option from the valuation date

till each maximum exercising date and their corresponding vesting percentage was computed, reflecting the staggered vesting schedule in a single value.

Employee Stock Option Scheme – 2025

The Company has granted 2,467,918 options under its ESOP Scheme 2025 to the eligible employees of the Company and its subsidiary company based on following criteria and related assumptions

1. Vesting criteria - Assured Vesting of 70% Of Options in three years, provided that employees are in service as on the date of vesting.
   Fair Valuation Method- Black Scholes options Pricing Model

Variables	**Vest 1**	**Vest 2**	**Vest 3**
	January 17, 2027	**January 17, 2028**	**January 17, 2029**
Share price at Grant Date	22.26	22.26	22.26
Volatility	46.91%	46.91%	46.91%
Risk Free rate	6.34%	6.34%	6.34%
Exercise Price (Rs per Option)	2.00	2.00	2.00
Life of the Option (years)	4.6	4.6	4.6
Dividend Yield	-	-	-
Outputs			
Option Fair value	20.77	20.77	20.77
Vesting Percentage	30.00%	30.00%	40.00%
Fair Value of the option (Black Scholes Model)			**20.77**

2. Vesting criteria - Assured Vesting of 30% Of Options upon meeting of revenue and profit before tax targets as per agreed business plan for FY26

Fair Valuation Method- Monte Carlo Simulation Model

Variables	Vest 1	Vest 2	Vest 3
	January 17, 2027	January 17, 2028	January 17, 2029
Share price at Grant Date	22.26	22.26	22.26
Volatility	14.00%	14.00%	14.00%
Risk Free rate	6.16%	6.16%	6.16%
Exercise Price (Rs per Option)	2.00	2.00	2.00
Life of the Option (years)	2.67	2.67	2.67
Dividend Yield	-	-	-
Outputs			
Option Fair value	11.78	11.78	11.78
Vesting Percentage	30.00%	30.00%	40.00%
Fair Value of the option (Monte Carlo Simulation)			**11.78**

Assumptions

1. **Fair Valuation Method- Black Scholes options Pricing Model**

The fair value of time-based ESOPs has been determined using the Black-Scholes option pricing model, with all input parameters derived from observable market data, contractual terms, or reasonable management explaination, as detailed below:

1. The number of options (17,27,543), exercise price (₹2) and vesting conditions have been considered based on the approved ESOP scheme and management representations.
2. The underlying share price of ₹22.26 has been considered as the NSE closing price as on 7 January 2026, selected due to higher trading volumes.
3. Dividend yield has been assumed at 0% for the purpose of this valuation.
4. The expected life of options has been considered at 4.6 years, computed as the weighted average period from grant date to maximum contractual exercise date, in line with Ind AS 102 requirements. The Calculation of value of Time (t) for Time based ESOPs is as tabulated below:

Vesting Term	Vesting Date	Exercise Period	Maximum exercise date	No of Years	No of Options (%)	Expected Term (Years)
1	07 January 2027	5	07 January 2032	6.00	30%	3.5
2	07 January 2028	5	07 January 2033	7.00	30%	4.5
3	07 January 2029	5	07 January 2034	8.00	40%	5.5
					100%	**4.6**

5. The risk-free rate of 6.34% has been derived from Government of India bond yields corresponding to a tenure closest to the expected life, sourced from publicly available market data.
6. Given the limited trading history of STL Networks Limited post listing, volatility has been estimated using a proxy approach based on historical volatility of Sterlite Technologies Limited, being a closely related entity prior to demerger.

2. Fair Valuation Method- Monte Carlo Simulation Model

The fair value of performance-based ESOPs has been determined using a Monte Carlo simulation approach, incorporating explicit modelling of performance conditions and valuation parameters. The key inputs and methodology are as follows:

1. A total of 7,40,375 options have been granted, equally attributable to Revenue-based and PBT-based performance conditions, as per management inputs.
2. The grant date (7 January 2026) and vesting date (7 May 2026) have been considered based on management representation.

3. Vesting conditions are linked to achievement of defined performance thresholds, with full vesting at 100% achievement, proportionate vesting between 50%-100%, and no vesting below 50%.
4. The expected life of options has been considered at 2.67 years, based on the average life approach from vesting to contractual exercise period.
5. The performance targets for FY 2025-26 are ₹1,500 crores (Revenue) and ₹20 crores (PBT), as provided by management.
6. Historical financial performance (Q1-Q3) and management estimates for Q4 have been used as the basis for modelling future outcomes.
7. Revenue has been modelled using a lognormal distribution, with mean based on management estimates and volatility derived from observed variability in quarterly performance.
8. EBITDA margins have been simulated using a triangular distribution, calibrated using historical minimum, most likely and maximum margins observed in Q1-Q3.
9. Depreciation (₹1.7 crores) and finance cost (₹27.6 crores) have been treated as fixed costs based on historical averages and management inputs.
10. In view of the company's loss-making position, an EV/Revenue multiple approach has been adopted. The base multiple of 2.2x has been derived from market-implied enterprise value, computed using observable inputs including share price, number of shares, debt and cash balances.
11. Enterprise value under each simulation has been computed by applying the EV/Revenue multiple to simulated annualised revenue. Equity value has been derived after adjusting for net debt, and the corresponding share price has been computed for each simulation scenario.
12. A Monte Carlo simulation comprising 10,000 iterations has been performed to capture variability in key inputs and assess the probability of achieving performance conditions.
13. The fair value of options has been determined based on the expected payoff across simulated scenarios, taking into account the likelihood of meeting performance thresholds. Where the probability of achieving the performance condition is remote, the fair value has been considered as nil, in accordance with Ind AS 102.

Disclosures in respect of grants made in three years prior to IPO under each ESOS: **Not applicable.**

D. Details related to ESPS - **Nil / Not applicable**

E. Details related to SAR- **Nil / Not applicable**

F. Details related to GEBS / RBS - **Nil / Not applicable**

G. Details related to Trust- **Nil / Not applicable**