

## DIRECTORS' REPORT (CONTD.)

### ANNEXURE - F

#### DETAILS OF S.J.S. ENTERPRISES – EMPLOYEE STOCK OPTION PLAN – 2021

[Pursuant to the provisions of Section 62 of the Companies Act, 2013, read with Rule 12 of The Companies (Share Capital and Debentures) Rules, 2014 and Part F of Schedule I of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

The Company, pursuant to resolution passed by the Board on 12<sup>th</sup> July 2021 and the resolution passed by the members on 14<sup>th</sup> July 2021, adopted S.J.S. Enterprises – Employee Stock Option Plan – 2021 (“ESOP 2021”) to create, offer, issue and allot in one or more tranches, stock options which are convertible into Equity Shares. ESOP 2021 was further amended pursuant to a resolution passed by the Board on 24<sup>th</sup> September 2021 and the resolution passed by the members on 27<sup>th</sup> September 2021.

Subsequently, pursuant to an IPO, the equity shares of the Company were listed on the BSE and NSE with effect from 15<sup>th</sup> November 2021. Accordingly, in terms of the Regulation 12(1) of the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, the Company obtained approval from its shareholders through postal ballot on 29<sup>th</sup> March 2022 for ratification of the ESOP 2021.

Note: All the above approvals were based on the recommendations of Nomination and Remuneration Committee (“NRC Committee”).

The purpose of ESOP 2021 is to reward the employees of the Company for their association, retention, dedication and contribution to the goals of the Company. The aggregate number of Equity Shares issued under ESOP 2021, upon exercise, shall not exceed 2,435,000 Equity Shares at such price and on such terms and conditions as may be fixed or determined by the NRC Committee.

1,389,000 Employee stock options have been granted to a total of 276 employees of the Company under ESOP 2021 across various levels, of which 1,89,500 options of 36 employees have been forfeited due to resignation.

Details of ESOP	ESOP 2021
<b>1 Description of each ESOP that existed at any time during the year:</b>	
Date of Shareholders approval	Refer para 1 & 2 above.
Total number of options approved under ESOP 2021	2,435,000
Vesting requirement	<ul style="list-style-type: none"> <li>Options granted under ESOP 2021 shall vest not earlier than One year and not later than maximum Vesting Period of Five years from the date of Grant.</li> <li>Vesting of Options would be subject to compliance with Vesting Condition(s) specified in the Grant Letter as well as continued employment with the Company including Subsidiary(ies), as relevant (please refer below “Variation in terms of options”).</li> </ul>
Exercise price/Pricing Formula (In ₹)	263.86
Minimum term of options granted (years)	<ul style="list-style-type: none"> <li>Options granted under ESOP 2021 shall vest not earlier than One year and not later than maximum Vesting Period of Five years from the date of Grant.</li> <li>Vesting of Options would be subject to compliance with Vesting Condition(s) specified in the Grant Letter as well as continued employment with the Company including Subsidiary(ies), as relevant (please refer below “Variation in terms of options”).</li> </ul>
Source of shares	<ul style="list-style-type: none"> <li>NRC Committee shall, in accordance with this ESOP 2021 and applicable laws determine the source of shares during the time of exercise of options</li> </ul>
Variation in terms of options	Variations pertain only to the Vesting Period as follows: <ul style="list-style-type: none"> <li>All employees: after completion of 3<sup>rd</sup> year - 50%, after completion of 4<sup>th</sup> year - 25%, after completion of 5<sup>th</sup> year - 25%,</li> <li>Mr. Sanjay Thapar: all after completion of 3<sup>rd</sup> year</li> </ul>
<b>2 Method used to account for ESOP:</b>	The Company has calculated the employee compensation cost using the Fair value method of accounting for the Options granted.
<b>3 Option Movement during the year:</b>	
Number of options outstanding at the beginning of the year	Nil
Number of options granted during the year	1,389,000
Number of options forfeited/lapsed during the year	1,89,500

Details of ESOP	ESOP 2021
No. of options vested during the year	Nil
Number of options exercised during the year	Nil
Total number of shares arising as a result of exercise of options	Nil
Money realised by exercise of options	Nil
Number of options outstanding at the end of the year	1,199,500
Number of options exercisable at the end of the year	Nil
<b>4 Weighted-average exercise price of options granted during the year whose:</b>	
Weighted average price equals market price	
Exercise price is greater than market price	Please refer to the Note No. 39 of the Standalone Financial Statements and note no. 39 of the Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2022.
Exercise price is less than market price	
Exercise price equals market price	
Exercise price is greater than market price	
Exercise price is less than market price	
<b>5 Employee-wise details of options granted during FY 2021-22 to:</b>	
Senior Managerial personnel	Mr. Sanjay Thapar: 450,000
	Mr. Sadashiva Baligar: 300,000
	Mr. Raju R.: 25,000
	Mr. Thabraz Hushain: 3,000
	Mr. Mandeep Singh: 4,000
Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Nil
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	Mr. Sanjay Thapar: 450,000

#### Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing Model. The Assumptions used in the model are as follows:

Particulars	ESOP 2021
Grant date	
Weighted average fair value of options	
Granted Exercise price	Please refer to the Note No. 39 of the Standalone Financial Statements and note no. 39 of the Consolidated Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2022.
Share price at the grant date	
Expected volatility	
Risk free interest rate	
Expected dividend yield	

#### For and on behalf of the Board of Directors

**K.A. Joseph**  
Managing Director  
DIN: 00784084

**Sanjay Thapar**  
CEO & Executive Director  
DIN: 01029851

Place: Bengaluru  
Dated: 26<sup>th</sup> May 2022