

## ESOP 2015

### DISCLOSURE UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY), REGULATIONS, 2021

Sr. No	Particulars	Sansera Engineering Limited – Employee Stock Option Plan 2015 (“ESOP - 2015”/ “the Scheme”)
1.	Any material changes in the Plan and whether the Plan is in compliance with the regulations	<p>The Shareholders had approved the Plan in their meeting held on April 13, 2015.</p> <p>Subsequently, the Plan was amended pursuant to (i) a resolution passed by the Board of Directors at its meeting held on July 31, 2018 and by the Shareholders by way of a special resolution at the Extraordinary General Meeting held on August 3, 2018; and (ii) a resolution passed by the Board of Directors at its meeting held on August 22, 2021 and by the Shareholders by way of a special resolution at the Extraordinary General Meeting held on August 31, 2021.</p> <p>The Company vide shareholder’s resolution in EOGM dated August 03, 2018 has made adjustments in the options due to the sub-division of Equity Shares and issue of bonus shares (after adjusting for sub-division).</p> <p>Further in its EOGM dated August 31, 2021, the Company has adopted the amended ESOP 2015 in lines with SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021.</p> <p>Further, the Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.</p>
2.	Following disclosures are made on the website of the Company: <a href="https://sansera.in/annual-reports">https://sansera.in/annual-reports</a>	
A.	Relevant 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. Members may refer to the audited financial statement prepared as per Indian Accounting Standards (Ind AS) for the financial year 2021-22, available on <a href="https://sansera.in/annual-reports">https://sansera.in/annual-reports</a>	
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. Basic and Diluted EPS for the year ended March 31, 2022 is Rs. 24.82 and Rs. 23.93 respectively	
C.	Details related to the Plan:	
(i)	A description of the Plan that existed at any time during the year, including the general terms and conditions of the Plan, including -	
	(a) Date of shareholders’ approval	The Plan has been approved by a resolution passed in the meeting of the Board of Directors of the Company held on August 14, 2021 and shareholders in their meeting held on dated September 30, 2021. Subsequently, the Plan was amended pursuant to (i) a resolution passed by the Board of Directors at its meeting held on July 31, 2018 and by the Shareholders by way of a special resolution at the Extraordinary General Meeting held on August 3, 2018;

			and (ii) a resolution passed by the Board of Directors at its meeting held on August 22, 2021 and by the Shareholders by way of a special resolution at the Extraordinary General Meeting held on August 31, 2021.
	(b)	Total number of stock options approved under the Plan	<p>The maximum number of Options approved pursuant to the Plan are 25,10,675 (Twenty Five Lacs Ten Thousand Six Hundred and Seventy Five) which shall be convertible into equal number of Equity Shares of the Company.</p> <p>As per the ESOP 2015 the aggregate number of options may not exceed 3,463. Options under ESOP 2015 were granted to two groups viz. key management group at an exercise price of ₹100 per option (“Program 1”) and certain identified employees at an exercise price of ₹98,017 per option (“Program 2”). The number of options granted under Program 1 and Program 2 are 1,619 options, and 1,844 options, respectively. Further, pursuant to the Board and Shareholders resolution dated July 27, 2018 and July 28, 2018, respectively, every one equity share of face value ₹100 each was sub-divided into 50 Equity Shares of ₹2 each, and the Company has issued bonus shares of ₹2 each credited as fully paid-up shares to the holders of the existing Equity Shares of the Company in the proportion of 27 Equity Shares for every two existing Equity Shares held by the members.</p>
	(c)	Vesting requirements	<p>There shall be a minimum period of one year between the grant of options and vesting of options or as may be prescribed by SEBI and the Act.</p> <p>Provided that in the event of death or permanent incapacity /disability of an employee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest in terms of sub-regulation (4) &amp; (5) of Regulation 9 of SEBI Regulations, on the date of the death or permanent incapacity.</p> <p>The maximum vesting period shall be such period and in such manner as prescribed by the Nomination and Remuneration Committee subject to a maximum period of four years from the grant of Options.</p>
	(d)	Exercise price or pricing formula	The Nomination and Remuneration Committee will determine the Exercise Price which the Optionee should pay to Exercise the Options. The Nomination and Remuneration Committee may determine the Exercise Price which may be at a discount of upto 99.5% of the Market Price.
	(e)	Maximum term of stock options granted	<p>Vesting period – Minimum 1 year and maximum 4 years</p> <p>Exercise Period - The overall exercise period shall be 3 years from the date of listing of Shares of the Company pursuant to the IPO or the date of vesting of options, whichever is later.</p>
	(f)	Source of shares (primary, secondary or combination)	Primary

	(g)	Variation in terms of stock options	Not Applicable
(ii)		Method used to account for the Plan - Intrinsic or fair value	Fair value
(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.	The Company had opted for using the fair value method for expensing of the options. Hence, same is not be applicable.

iv. Option Movement During the year

Sl no.	Particulars	Details
1	Number of options outstanding at the beginning of the period	25,10,675
2	Number of options granted during the year	1,48,625* *During the Fiscal Year 2021 - 1,48,625 options were surrendered and reinstated in the ESOP 2015 pool. These options were subsequently granted on April 01, 2021, which will be 100% vested after one year from the date of grant.
3	Number of options forfeited / lapsed during the year	1,48,625
4	Number of options vested during the year	23,62,050
5	Number of options exercised during the year 2021-22	7,77,965
6	Number of shares arising as a result of exercise of options	7,77,965
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company (including premium)	8,15,45,368.00
8	Loan repaid by the Trust during the year from exercise price received	Not applicable, Scheme is implemented directly
9	Number of options outstanding at the end of the year	17,32,710
10	Number of options exercisable at the end of the year	17,32,710

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.	<p>(i) Weighted average exercise price of Options outstanding at the end of the year whose:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Programme 1</th> <th>Programme 2</th> </tr> </thead> <tbody> <tr> <td>Exercise price equals market price</td> <td>-</td> <td>-</td> </tr> <tr> <td>Exercise price is greater than market price</td> <td>-</td> <td>-</td> </tr> <tr> <td>Exercise price is less than market price</td> <td>0.14</td> <td>135.20</td> </tr> </tbody> </table> <p>(ii) Weighted average fair value of Options outstanding at the end of the year whose:</p>	Particulars	Programme 1	Programme 2	Exercise price equals market price	-	-	Exercise price is greater than market price	-	-	Exercise price is less than market price	0.14	135.20
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vi.	<p>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –</p> <p>(a) senior managerial personnel;</p> <p>(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; and</p> <p>(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.</p>																											
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vii.	<p>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</p> <p>(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;</p> <p>(b) the method used and the assumptions made to incorporate the effects of expected early exercise;</p> <p>(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and</p> <p>(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</p>																											
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Expected volatility	49.20%	49.20%																										
Expected term	6.50 years	6.50 years																										
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## ESOP 2018

### DISCLOSURE UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY), REGULATIONS, 2021

Sr. No	Particulars	Sansera Engineering Limited – Employee Stock Option Plan 2018 (“ESOP - 2018”/ “the Scheme”)
1.	Any material change in the Plan and whether the Plan is in compliance with the regulations	<p>The Shareholders had approved the Plan in their meeting held on August 08, 2018 and amended vide resolution passed by the Board of Directors at its meeting held on August 22, 2021 and by the Shareholders by way of a special resolution at the Extraordinary General Meeting held on August 31, 2021.</p> <p>Further, the Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.</p>
2.	Following disclosures are made on the website of the Company - <a href="https://sansera.in/annual-reports">https://sansera.in/annual-reports</a>	
A.	<p>Relevant 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.</p> <p>Members may refer to the audited financial statement prepared as per Indian Accounting Standards (Ind AS) for the financial year 2021-22, available on <a href="https://sansera.in/annual-reports">https://sansera.in/annual-reports</a></p>	
B.	<p>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.</p> <p>Basic and Diluted EPS for the year ended March 31, 2022 is Rs. 24.82 and Rs. 23.93 respectively</p>	
C.	Details related to the Plan:	
(i)	A description of the Plan that existed at any time during the year, including the general terms and conditions of the Plan, including -	
	(a)	Date of shareholders' approval
		The Plan has been approved by a resolution passed in the meeting of the Board of Directors of the Company held on August 07, 2018 and became effective on the approval from the shareholders of Sansera Engineering Limited (the “Company”) by way of a special resolution at the Extraordinary General Meeting held on August 8, 2018 and the ESOP 2018 has been amended pursuant to resolutions passed by our Board on April 19, 2021 and August 22, 2021 and Shareholders on June 2, 2021 and August 31, 2021, respectively.
	(b)	Total number of stock options approved under the Plan
		The aggregate number of options, which may be issued under ESOP 2018, shall be decided by the Nomination and Remuneration Committee and shall not exceed such number of options which represents 2.50% shareholding in our Company on a fully diluted basis (considering vesting of existing employee stock options as of the date of the ESOP 2018) as on the date of the ESOP 2018. The Nomination and Remuneration Committee may grant upto 60% of the aforesaid options (representing 1.50% of the shareholding in our Company) post filing of the Prospectus with the RoC and prior to listing of the Equity Shares on the Stock Exchanges, pursuant to the Offer. The balance options shall be reserved for future and shall be granted from time to time, post completion of the Offer.

	(c)	Vesting requirements	<p>There shall be a minimum period of one year between the grant of options and vesting of options or as may be prescribed by SEBI and the Act.</p> <p>Provided that in the event of death or permanent incapacity /disability of an employee, the minimum vesting period of one year shall not be applicable and in such instances, the options shall vest in terms of sub-regulation (4) &amp; (5) of Regulation 9 of SEBI Regulations, on the date of the death or permanent incapacity.</p> <p>All Options granted on any date shall Vest as follows;</p> <ul style="list-style-type: none"> <li>○ 25% at the end of Year 1, post grant of Options</li> <li>○ 25% at the end of Year 2, post grant of Options (cumulatively 50%)</li> <li>○ 25% at the end of Year 3, post grant of Options (cumulatively 75%)</li> <li>○ 25% at the end of Year 4, post grant of Options (cumulatively 100%)</li> </ul> <p>The maximum vesting period shall be such period and in such manner as prescribed by the Nomination and Remuneration Committee subject to a maximum period of four years from the grant of Options.</p>
	(d)	Exercise price or pricing formula	Nomination and Remuneration Committee shall determine the Exercise Price which may be at a discount of upto 10% of the Fair Market Value of the shares.
	(e)	Maximum term of stock options granted	<p>Vesting period – Minimum 1 year and maximum 4 years</p> <p>Exercise Period - The overall exercise period shall be 3 years from the date of respective vesting of options.</p>
	(f)	Source of shares (primary, secondary or combination)	Primary
	(g)	Variation in terms of stock options	Not Applicable
(ii)		Method used to account for the Plan - Intrinsic or fair value	Fair value
(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.	The Company had opted for using the fair value method for expensing of the options. Hence, same is not be applicable.

iv. Option Movement During the year

Sl no.	Particulars	Details
1	Number of options outstanding at the beginning of the period	11,73,413
2	Number of options granted during the year	8,08,327
3	Number of options forfeited / lapsed during the year	0
4	Number of options vested during the year	0

5	Number of options exercised during the year	0
6	Number of shares arising as a result of exercise of options	0
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	0
8	Loan repaid by the Trust during the year from exercise price received	Not applicable, Scheme is implemented directly
9	Number of options outstanding at the end of the year	3,65,086
10	Number of options exercisable at the end of the year	Nil

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.	None of the options have been granted till date.
vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to – (a) senior managerial personnel;  (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; and  (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.	None of the options have been granted till date.
vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:  (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	None of the options have been granted till date.