



Date: August 25, 2022

To,

National Stock Exchange of India Limited Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Symbol: SAPPHIRE	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 40001 Scrip Code: 543397
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Dear Sir/Madam,

Ref: Company intimation letter dated March 29, 2022 to the Stock Exchanges

Subject: Additional Information/Clarification with respect to the Notice of 13th Annual General Meeting (“AGM”) dated July 25, 2022 of Sapphire Foods India Limited (“Company”)

This has a reference to our letter dated March 29, 2022 filed by the Company with BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) on March 29, 2022 (enclosed herewith for ready reference).

In connection with special resolutions at Item No. 4 and Item No. 5 of the Notice of 13th Annual General Meeting (“AGM”) dated July 25, 2022 read with Explanatory Statement, the Company is furnishing following additional information/clarification for the kind attention of the members of the Company.

- It is hereby recalled that the shareholders of the Company, on April 8, 2022, has passed following special resolutions relating to employees stock options, inter-alia, by way of postal ballot through remote e-voting only, for the benefit of the Eligible Employees of Sapphire Foods India Limited (“Company”):
 - Ratification of the ‘Sapphire Foods Employee Stock Option Scheme 2019 – Scheme III – Management other than CEO (“Scheme III”) and ‘Sapphire Foods Employee Stock Option Scheme 2019 – Scheme IV – CEO’ (“Scheme IV”) read with ‘Sapphire Foods Employee Stock Option Plan 2017 (“ESOP 2017”)
 - Approval of ‘Sapphire Foods Employee Stock Option Scheme 2022 – Scheme IIIA – Management other than CEO’ read with ‘Sapphire Foods Employee Stock Option Plan 2017’ (“ESOP 2017”)
- In accordance with the Regulation 6(3), Regulation 12 and such other applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB SE Regulations”), the Company has to take approval of shareholders by way of a **separate resolution** in the general meeting for granting the benefit of stock options to the eligible employees of the subsidiary companies in terms of ESOP Plan/Schemes.



- In view of the aforesaid, despite passing the special resolutions vide postal ballot dated April 8, 2022, for extending the benefits of the stock options to the eligible employees of the Company, it is hereby proposed to pass the separate special resolutions in relation to the matters at Item No. 4 and Item No. 5 of the Notice of 13th Annual General Meeting (“AGM”) dated July 25, 2022 read with Explanatory Statement, for the approval of shareholders of the Company, in order to extend the benefits of the stock options to the eligible employees of the subsidiary companies, in accordance and compliance with the relevant provisions of SEBI SBEB SE Regulations, as mentioned hereinabove.
- It is hereby further clarified and confirmed that the information / clarification as provided in the Letter dated March 29, 2022 stands applicable for these special resolutions at Item No. 4 and Item No. 5 as well to the extent applicable. Further, the terms relating to the ESOP pool, exercise price, dilution, etc. remains unchanged and shall be read in conjunction with the letter dated March 29, 2022.

Request you to kindly take the same on record and disseminate the same on the websites of the exchanges.

Thanking you,

For Sapphire Foods India Limited

Sachin Dudam

Company Secretary and Compliance Officer





Date: March 29, 2022

To,

National Stock Exchange of India Limited Exchange Plaza, Block G, C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Symbol: SAPPHIRE	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 40001 Scrip Code: 543397
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Dear Sir/Madam,

Subject: Additional Information with respect to the Notice of Postal Ballot dated 8th March, 2022 of Sapphire Foods India Limited (“Company”)

With reference to the captioned matter, the Company is furnishing following additional information in relation to Items Nos. 1, 4, 5, 6, 7 and 8 as set out in the Notice of Postal Ballot dated 8th March, 2022 read with Explanatory Statement, for the kind attention of the members of the Company:

Item #1: APPROVAL & RATIFICATION OF CERTAIN ARTICLES AND ALTERATION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

In accordance with the terms of new Licensee SHA, QSR Management Trust (“QMT”) and Sapphire Foods Mauritius Ltd (“SFML”), together, have, *inter-alia*, an obligation to maintain a minimum shareholding and voting rights of up to 25.1% of the entire issued share capital of Sapphire Foods India Limited (“Company”), which shall be locked-in at all times (“*Minimum Shareholding*”) with Yum Restaurants (India) Private Limited (“Yum India”). QMT and SFML are required to notify and obtain the prior consent of “Yum India” prior to transferring the *Minimum Shareholding*. Further, QMT and SFML shall always jointly have the right to control the management and policy decisions of the Company, and shall jointly have the right to nominate at least 50% of the Directors on the Board such that four Directors shall be nominated by SFML, one Director shall be nominated by QMT, up to four Directors shall be Independent Directors, appointed in compliance with applicable law, and one Director shall be the group chief executive officer.

The aforesaid was appropriately disclosed in the red herring prospectus dated October 27, 2021 and prospectus dated November 12, 2021, filed by the Company with the Registrar of Companies, Mumbai, Maharashtra (“ROC Mumbai”), the Securities and Exchange Board of India (“SEBI”), BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”), where the equity shares of the Company are listed.

Item #4: Ratification of the ‘Sapphire Foods Employee Stock Option Scheme 2019 – Scheme III – Management other than CEO’ (“Scheme III”) and “Sapphire Foods Employee Stock Option Scheme 2019 – Scheme IV – CEO” (“Scheme IV”) read with Sapphire Foods Employee Stock Option Plan 2017’ (“ESOP 2017”)

Scheme III and Scheme IV read with ESOP 2017 were in place before the initial public offer of the Company ("IPO"). All details in relation thereto were fully disclosed in the red herring prospectus dated October 27, 2021 and prospectus dated November 12, 2021, filed by the Company with the Registrar of Companies, Maharashtra at Mumbai, the Securities and Exchange Board of India and the stock exchanges where the equity shares of the Company are listed (NSE and BSE).

28,39,033 stock options were reserved under ESOP 2017 Plan prior to IPO of the Company. Out of these stock options –

- Majority of stock options (15,59,172 stock options) granted to management team under Scheme III and Scheme IV read with ESOP 2017 Plan, prior to IPO, were already vested and exercised by the management team prior to IPO of the Company and its impact is already considered in P&L.
- 2,44,218 unvested stock options, granted to management team under Scheme III and Scheme IV read with ESOP 2017 Plan, prior to IPO, shall vest on 31st March, 2023.
- 7,90,178 stock options were granted to eligible employees including Restaurant Managers, Regional Team and Corporate Employees, in September 2021 under Scheme III, the exercise price for which was at a slight premium (~2.7%) to the then Fair Market Value (FMV) of the equity shares, basis valuation report by independent valuation expert.
- Balance ESOPs i.e. 2,45,465 stock options (excluding stock options lapsed from time to time), under ESOP 2017 Plan may be granted to eligible employees, both existing and those joining in future, under relevant schemes, at an exercise price as determined by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee) which shall not be lesser than the offer price as set during the IPO of the Company i.e. Rs. 1,180/-
- The Company intends to grant majority of balance stock options, as mentioned above, under relevant schemes, probably in the month of April 2022, immediately after receiving the shareholder's approval and subject to receipt of requisite approvals from the stock exchanges, where the equity shares of the Company are listed.

Item #5: TO APPROVE AMENDMENT IN THE 'SAPPHIRE FOODS EMPLOYEE STOCK OPTION PLAN 2017'

Item #6: TO APPROVE 'SAPPHIRE FOODS EMPLOYEE STOCK OPTION SCHEME 2022 – SCHEME III A – MANAGEMENT OTHER THAN CEO' READ WITH 'SAPPHIRE FOODS EMPLOYEE STOCK OPTION PLAN 2017' ("ESOP 2017")

Item #7: TO APPROVE 'SAPPHIRE FOODS EMPLOYEE STOCK OPTION SCHEME 2022 – SCHEME IV A - CEO' READ WITH 'SAPPHIRE FOODS EMPLOYEE STOCK OPTION PLAN 2017' ("ESOP 2017")

As the business of the Company is growing and with a view to attract, retain and motivate critical resources and growth drivers, both existing and those joining in future, for ensuring better and sustained corporate growth and profitability, it has been proposed to increase the quantum of stock options under ESOP 2017 Plan by creating additional 14,94,856 stock options.

In continuation to the explanation provided under Explanatory Statement annexed to the Notice of Postal Ballot dated 8th March, 2022, we hereby reiterate/clarify as follows:

- The Company intends to grant majority of additional stock options, as mentioned above, under Scheme IIIA and Scheme IVA, as prescribed at Item #6 and Item #7, probably in the month of April 2022, immediately after receiving the shareholder's approval and subject to receipt of requisite approvals from the stock exchanges, where the equity shares of the Company are listed.
- As a result, the exercise price of the stock options shall be determined by the Board, which shall not be lesser than the offer price as set during the IPO of the Company i.e. Rs. 1,180/-
- Further, 1/3rd of the stock options proposed to be granted to eligible employees, shall be vested based on loyalty i.e. continuation of employment/service of the eligible employee with the Company till 31st March, 2026 or as decided by the Board. The balance 2/3rd of the stock options proposed to be granted to eligible employees, shall be vested based on achievement of such performance conditions relating to certain operating business performance and overall wealth creation for the shareholders of the Company, as set by the Board, at the time of grant.

Item #8: APPROVAL OF GRANT OF EMPLOYEE STOCK OPTION EQUAL OR MORE THAN 1% OF ISSUED CAPITAL TO THE IDENTIFIED EMPLOYEE(S)

Sanjay Purohit is the Whole Time Director and Group CEO, of Sapphire Foods India Limited ("Company"). Mr. Purohit was initially appointed as Whole-time Director of the Company with effect from August 31, 2016. The tenure of Mr. Purohit was extended for a further term of five years, effective from July 23, 2021.

Mr. Purohit had pursued mechanical engineering from Mangalore University and is an alumnus of The Indian Institute of Management Bangalore. Before joining the Company, he was the Managing Director for Levi Strauss & Co India, and was also associated with Cadbury India Limited, Mobil Peevees Company Limited, Asian Paints (India) Limited, Aristocrat Marketing Limited, International Medical Company, and Goodlass Nerolac Paints Limited. Mr. Purohit has over 30 years of work experience across consumer product categories including food and apparel retail, packaged food, and paints.

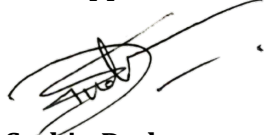
Further, in continuation to the explanation provided under Explanatory Statement annexed to the Notice of Postal Ballot dated 8th March, 2022, we hereby reiterate/clarify as follows:

- the proposed grant of stock options to Mr. Sanjay Purohit shall not exceed 2% of the issued capital of the Company.
- the exercise price shall be determined by the Board at the time of grant, which shall not be lesser than the offer price as set during the IPO of the Company i.e. Rs. 1,180/-.
- 1/3rd of the stock options proposed to be granted, shall be vested based on loyalty i.e. continuation of employment/service with the Company till 31st March, 2026 or as decided by the Board. The balance 2/3rd of the stock options proposed to be granted, shall be

vested based on achievement of such performance conditions relating to certain operating business performance and overall wealth creation for the shareholders of the Company, as set by the Board at the time of grant.

Request you to kindly take the same on record.

Thanking you,
For Sapphire Foods India Limited



Sachin Dudam
Company Secretary and Compliance Officer