



Disclosure of details in respect of Company’s Employees Stock Option Scheme termed as “JBCPL Employee Stock Option Scheme 2021”, being the only scheme directly implemented, for the year ended on March 31, 2022 in terms of Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and forming part of the Directors’ Report on financial statement for the financial year ended on March 31, 2022.

A. Relevant disclosures in terms of Indian Accounting Standard (Ind AS) 102 on Share-based Payment.

(a) Pursuant to approval of the shareholders on July 31, 2021, the Company, during the year, has set up the Employee Stock Option Scheme titled “JBCPL Employee Stock Option Scheme 2021’ (“Scheme”) with the objects *inter alia* to create sense of ownership among the employees, attract and retain needed talent and to incentivize them to achieve growth objectives. The Scheme covers eligible employees/directors of the Company as well as eligible employees/directors of its subsidiary companies. The Scheme provides for settlement in Equity and number of equity shares presently reserved under the Scheme are 3,091,284 equity shares of FV 2 representing 4% of the paid-up equity share capital as at March 31, 2021. The Compensation Committee of the Board of directors has granted performance based options and/or Time based options keeping in view the role of concerned eligible employee/directors. The general terms and conditions in respect of such options granted and outstanding at the year-end are as under.

Category of employee of the Company Subsidiary company	Grant Date	Type of options granted	No. of options granted	Exercise price per equity share (Rs.)	Vesting period/ condition
Leadership Team	10-8-21	Performance based	1,137,901	745	Upon occurrence of specified event provided performance conditions are met.

Registered Office:

J.B. Chemicals & Pharmaceuticals Limited,
 CIN: L24390MH1976PLC019380
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Corporate Office:

J.B. Chemicals & Pharmaceuticals Limited,
 CIN: L24390MH1976PLC019380
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Presidents/Vice Presidents●	10-8-21	Performance based	313,765	1,200	Upon occurrence of specified event provided performance conditions are met.
Leadership Team	10-8-21	Time based	758,601	745	40% on expiry of 12 months from the grant date and 20% each on 1-4-23, 1-4-24 and 1-4-25.
Presidents/Vice Presidents●	10-8-21	Time based	339,271	1,200	20% each on the expiry of each year from the grant date.
Asst. Vice Presidents /General Managers/ DGMS	10-8-21	Time based	50,083	1,200	100% on the expiry of one year from the grant date.
Presidents/Vice Presidents●	4-10-21	Performance based	121,095	1,200	Upon occurrence of specified event provided performance conditions are met.
Presidents/Vice Presidents●	4-10-21	Time based	80,730	1,200	20% each on the expiry of each year from the grant date.

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General Manager/Dy. General Managers	4-10-21	Time based	4,638	1,200	100% on the expiry of one year from the grant date.
Total			2,806,084		

- Includes an aggregate number of 74,190 performance based options and 49,460 time based options granted to the eligible employees of the subsidiary companies.

Each vested option entitles the option grantee to apply for and be allotted one (1) equity share of Rs. 2 each in the Company and the exercise period in respect of all the options is a period of ten (10) years from the date of grant.

The Scheme is compliant with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Companies Act, 2013 and other applicable rules and regulations. The options granted, exercise price, vesting period and other terms and conditions applicable to the grants made are in compliance with the Scheme and applicable regulations.

(b) The movement of share options during the year and weighted average exercise prices thereof is as under:

Particulars	No. of options	Range of exercise price per option (Rs.)	Weighted average exercise price per option (Rs.)
Outstanding at the beginning of the year	Not applicable		
Granted during the year	2,810,721	745 to 1,200	892
Forfeited/cancelled during the year	Nil		
Lapsed during the year	4,637		
Expired during the year	Nil		

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Exercised during the year	Nil		
Outstanding at the end of the year	2,806,084	745 to 1,200	892
Exercisable at the end of the year	Nil		

(c) The exercise price and weighted average remaining contractual life in respect of the options outstanding at the end of the year are as under:

Number of Options outstanding	Exercise price per share (Rs.)	Weighted average remaining contractual life (in years)
*1,896,502	745	9.36
**909,582	1,200	9.44

*includes 1,137,901 performance based options ** includes 434,860 performance based options.

(d)The Company has measured the fair values of the services received/to be received as consideration for options granted indirectly, by reference to the fair value of such options. The weighted average fair values of the options granted during the year and relevant disclosures in relation to are as under:

Particulars	Grant-1	Grant-2
Grant Date	10/08/2021	04/10/2021
Performance based options granted	1,451,666	121,095
Weighted average fair value of performance based options at the measurement date	692	693
Time based options granted	1,147,955	85,368

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Weighted average fair value of time based options at the measurement date	1,090	1,006
Option Pricing Model used for measurement of fair value	A combination of Monte-Carlo Simulation and Black-Scholes Merton model for performance based options and Black-Scholes Merton model for time based options.	A combination of Monte-Carlo Simulation and Black-Scholes Merton model for performance based options and Black-Scholes Merton model for time based options.
Weighted average share price	Rs.1,809	Rs. 1,886.20
Exercise Price	Exercise prices are Rs. 745 and Rs. 1,200 per share.	Rs. 1,200 per share
Expected Volatility	Time based options: Expected volatility between 33% to 36%. Performance based options: Expected volatility at 36%. The range has been expressed as expected volatility for time based options is varying for each tranche over the vesting period.	
Expected Option life	Time based options: Expected life considered is between 5.5 years to 7.5 years. Performance based options: Expected life considered is 2 years. The range has been expressed as expected option life for time based option is varying for each tranche over the vesting period.	
Expected dividends	1.50%	

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Risk free interest rate	<p>Time based options: Risk free rate between 5.5% to 6.5%</p> <p>Performance based options: forward risk free rate at 7.8%.</p> <p>The range has been expressed as risk free interest rate is varying for the period involved in each tranche over the vesting period.</p>	<p>Time based options: Risk free rate between 5.8% to 6.3%</p> <p>Performance based options: forward risk free rate at 7.66%.</p> <p>The range has been expressed as risk free interest rate is varying for the period involved in each tranche over the vesting period.</p>
The method used and the assumptions made to incorporate the effects of expected early exercise	We have assumed that the option grantees can exercise their right to option any time after the expiry of vesting period and before the end of exercise period. Accordingly, mid-period convention has been used to incorporate the effects of expected early exercise of the options.	
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options.	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Performance based options include market and non-market conditions. The non-market related condition has not been taken into account in estimating fair-value of options, however, to include the impact of the market related performance conditions, the	

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	Geometric Brownian Motion (GBM) has been performed to model stock price behavior. The model was set up in a Monte Carlo fashion with each trial following a single path through the value matrix. The combination of Monte Carlo and Black Scholes Merton model is used to value the performance based options.
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Note: Option life for the performance based options has been computed based on assumed vesting at the end of FY 27.

(e) The effect of share-based payment transactions on the Company's profit for the period and on its financial position is presented below. No option was vested by the end of the period.

(Rs. in lakhs)

Particulars	31-3-2022
Employee compensation cost recognized during the period	6,092.91
Total carrying amount in Employee Stock Option Outstanding Reserve	6,092.91

B. Diluted EPS

The Company has not yet issued equity shares against the options granted as vesting of options is yet to take place. However, diluted EPS calculated in accordance with Indian Accounting Standard (Ind AS) 33 on account of issue of potential ordinary shares, is presented below.

Particulars	31-3-2022
Profit after tax (Rs, in lakhs)	36,100.21
Earnings per share (Rs.):Basic	52.61
Earnings per share (Rs.):Diluted	52.56

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C. Details related to the JBCPL Employee Stock Option Scheme 2021 (“Scheme”)

Sr. No.	Requirement	Disclosure
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –	<p>During the year, the Company had only one employee stock option scheme termed as “JBCPL Employee Stock Option Scheme 2021”. This scheme is being directly implemented by the Company and not through a trust.</p> <p>General terms and conditions under the Scheme include, (1) the exercise price, vesting period (not earlier than twelve months from the grant date) and vesting conditions shall be such as determined by the Compensation Committee of the Board. The range of exercise price and vesting period/conditions applicable in respect of the grants made during the year are set out in disclosures made under A (a) above. (2) Exercise period is uniform at ten (10) years from the Grant date. (3) each vested option entitles holder thereof to apply for and receive one equity share of Rs. 2 each in the Company. Thus, the settlement is only in the form of equity. (4) Employees/directors eligible to participate in the Scheme shall be such as identified by the Compensation Committee following the specified criteria.(5) For a period of five (5) years from the grant date, time-based option grantee is entitled to transfer</p>

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		not more than 40% of the cumulatively vested time based options (if exercised or having been already exercised in part or full) (6) Vested options if not exercised during the exercise period including period provided in case of separations, shall lapse.
(a)	Date of shareholders' approval	31-7-2021
(b)	Total number of options approved under ESOS	Total number of equity shares of Rs. 2 each that can be issued pursuant to exercise of options granted under the Scheme is presented limited to 30,91,284 being 4% of the paid-up equity share capital of the Company as at March 31, 2021.
(c)	Vesting requirements	<p>Continuous employment with the Company (i.e. service condition) during the vesting period is the only vesting requirement in case of time based options, the vesting period (not earlier from the grant date) in respect of which is determined by the Compensation Committee for each grant.</p> <p>Achievement of specified market and non-market performance conditions along with implicit service condition are vesting requirement for performance based options. Such fulfilment will be assessed on vesting date, which is date of occurrence of a specified event. The vesting is cliff in case of these options.</p>

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	(d) Exercise price or pricing formula	The exercise price of the Vested Options shall be as stated in the Grant Letter, and shall either be as set out in the employment agreement with the relevant participant or shall be at a discount (at such rate as determined by the Board/Compensation Committee) to the market price (as on such date as determined by the Board/Compensation Committee).
	(e) Maximum term of options granted	Maximum term of options granted is ten (10) years from the grant date.
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of options	Not applicable
(ii)	Method used to account for ESOS - 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.	Not applicable

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(iv)	(i) Option movement during the year:	
	Particulars	Details
	Number of options outstanding at the beginning of the period	Not applicable
	Number of options granted during the year	2,810,721
	Number of options forfeited / lapsed during the year	4,637
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Not applicable
	Loan repaid by the Trust during the year from exercise price received	Not applicable
	Number of options outstanding at the end of the year	2,806,084
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.	Exercise price of all options outstanding at the end of the year is less than the market price (as defined in the SEBI Regulations) Weighted average exercise price: Rs. 892 Weighted average fair value: Rs. 864
(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 as defined under Regulation 16(d) of the SEBI (Listing Obligations and	See Schedule 1(a)

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	Disclosure Requirements) Regulations, 2015;	
	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	See Schedule 1(b)
	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.	See Schedule 1(c)
(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>	All these disclosures are given in A(d) above and the same are incorporated here by reference.

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	<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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Details in respect of grants made in three years prior to IPO under each ESOS: Not applicable

All other Sections of Part F of Schedule-I of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 viz. Section D to G, are not applicable.

Schedule 1(a)- Employee wise details of options granted to Senior Management Personnel

Sr. No.	Name	Designation	Number of options granted during the year		Exercise price for the Options (Rs.)
			Time based	Performance based	
1.	Mr. Kunal Khanna	President – Operations	70,172	105,258	745
2.	Mr. Dilip Singh Rathod	President - India Business	70,172	105,258	745
3.	Mr. Lakshay Kataria	Chief Financial Officer	56,000	84,000	1,200

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4.	Mr. P.K. Singh	President - Global Business	46,369	69,544	1,200
5.	Dr. Milind Joshi	President - Regulatory Affairs	18,548	27,822	1,200
6.	Mr. Sujay Rajhans	President - R&D	24,730	37,095	1,200
7.	Mr. Bharat Dhanani	Vice President	27,822	18,548	1,200
8.	Mr. Parmeshwar Bang	Vice President (Works) - Daman	27,822	18,548	1,200
9.	Mr. Sandeep Phadnis	Vice President - Secretarial	11,592	--	1,200
10.	Mr. Sandeep Rathod	Vice President - Legal	23,185	15,456	1,200
11.	Mr. Sridhar Bharadwaj	Vice President - HR	23,185	15,456	1,200
12.	Mr. Suresh Bhise	Vice President-IT	13,911	9,274	1,200
13.	Mr. Jason D'Souza	Vice President - Investor Relations	23,185	15,456	1,200
14.	Mr. Manoj Chitnis	Vice President - CQA	18,548	12,365	1,200
15.	Mr. Bhushan Sachdev	Vice President - Supply Chain	27,822	18,548	1,200

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Schedule 1(b)- Details of employees who received grant in 2021-22 amounting to 5% or more of options granted during that year

Sr. No.	Name	Designation	Number of options granted during the year		Exercise price for the Options (Rs.)
			Time based	Performance based	
1.	Mr. Nikhil Chopra	CEO and Whole Time Director	618,257	927,385	745
2.	Mr. Kunal Khanna	President – Operations	70.172	105,258	745
3.	Mr. Dilip Singh Rathod	President - India Business	70.172	105,258	745

Schedule 1(c)- Details of the identified employee who was granted options in 2021-22 equal to or exceeding 1% of the issued capital of the Company at the time of grant

Sr. No.	Name	Designation	Number of options granted during the year		Exercise price for the Options (Rs.)
			Time based	Performance based	
1)	Mr. Nikhil Chopra	CEO and Whole Time Director	618,257	927,385	745

Place: Mumbai
Date: May 26, 2022

For J.B. Chemicals & Pharmaceuticals Limited

Sandeep Phadnis
Vice President- Secretarial & Company Secretary

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