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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, 2023 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, 2023.

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, 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 incentivise 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 Face Value of ₹2 representing 4% of the paid-up equity share capital as at March 31, 2021. Details of the options granted under the Scheme are as given below:

Grant date	No. of option granted *	Exercise price (range) per option (₹)
August 10, 2021	2,512,291	745-1,200
October 04, 2021	206,463	1,200
August 04, 2022	99,962	1,200

*The options granted represents the original grants as reduced by the lapsed due to resignations. It also includes an aggregate number of 123,650 options granted to the eligible employees of the subsidiary companies.

The above options include total of 1,545,483 performance based option. 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 and Sweat Equity) Regulations, 2021, 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.

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

Particulars	2022-23			2021-22		
	No. of options	Range of exercise price per option (₹)	Weighted-average exercise price per option (₹)	No. of options	Range of exercise price per option (₹)	Weighted-average exercise price per option (₹)
Outstanding at the beginning of the year	2,806,084	745 to 1,200	892	Not applicable		
Granted during the year	99,962		1,200	2,810,721	745 to 1,200	892
Forfeited/cancelled during the year	Nil			Nil		
Lapsed during the year	87,330		1,200	4,637		
Expired during the year	Nil			Nil		
Exercised during the year	95,487		888	Nil		
Outstanding at the end of the year	2,723,229		894	2,806,084	745 to 1,200	892
Exercisable at the end of the year	336,009		877.66	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:

Particulars	2022-23		2021-22	
Number of Options outstanding	1,831,102*	892,127**	1,896,502*	909,582**
Exercise price per share (₹)	745	1,200	745	1,200
Weighted-average remaining contractual life (in years)	8.36	8.74	9.36	9.44
Includes Performance based options	*1,137,901	**407,582	*1,137,901	**434,860

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- 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	2022-23	2021-22	
	Grant-3	Grant-1	Grant-2
Grant Date	August 04, 2022	August 10, 2021	October 04, 2021
Performance-based options granted (Nos.)	16,000	1,451,666	121,095
Weighted-average fair value at the measurement date (₹)	599	692	693
Time-based options granted (Nos.)	83,962	1,147,955	85,368
Weighted-average fair value at the measurement date (₹)	930	1,090	1,006

Option Pricing Model used for measurement of fair value wherein a combination of Monte-Carlo Simulation and Black-Scholes Merton model for performance-based options is used and Black-Scholes Merton model for time-based options is used.

Particulars	2022-23	
	Time-based options	Performance-based options
Option Pricing Model used for measurement of fair value	Black-Scholes Merton model	A combination of Monte-Carlo Simulation and Black-Scholes Merton model
Expected Volatility	32.5% to 33.7%	35%
Weighted-average share price Grant 3	₹ 1,794.20	₹ 1,794.20
Exercise Price per share	₹ 1,200	₹ 1,200
Option life [#]	5.5 years to 7 years*	2.5 years
Expected dividends	1.5%	1.5%
Risk free interest rate		
Grant 3	7% to 7.1%**	7.0%

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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 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.	
	2021-22	
Particulars	Time-based options	Performance-based options
Expected Volatility	33% to 36%*	36%
Weighted-average share price		
Grant 1	₹1,809	₹1,809
Grant 2	₹ 1,886.20	₹ 1,886.20
Exercise Price per share	₹ 745 and ₹ 1,200	₹ 745 and ₹ 1,200
Option life [#]	5.5 years to 7.5 years*	2 years
Expected dividends	1.5%	1.5%
Risk free interest rate		
Grant 1	5.5% to 6.5%**	7.80%
Grant 2	5.8% to 6.3%**	7.66%

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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 Geometric Brownian Motion (GBM) has been performed to model stock price behaviour. 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.

* The range has been expressed as expected volatility for time-based options is varying for each tranche over the vesting period

** The range has been expressed as risk free interest rate is varying for the period involved in each tranche over the vesting period.

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, on its financial position and earnings per share is presented below. No option was vested by the end of the year.

(₹ in lakhs)

Particulars	2022-23	2021-22
Profit after tax as reported	38,888.67	36,100.21
Employee compensation cost recognised during the period	6,690.16	6,092.91
Total carrying amount in Employee Stock Option Outstanding Reserve	12,159.40	6,092.91

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Earnings per share		
Basic(₹):	56.78	52.61
Diluted (₹):	56.10	52.56

B. Diluted EPS

Diluted EPS on issue of shares upon exercise of options, and on account of issue of potential ordinary shares, calculated in accordance with Indian Accounting Standard (Ind AS) 33 is presented below.

Particulars	31-3-2023	31-3-2022
Profit after tax (Rs, in lakhs)	38,888.67	36,100.21
EPS on issue of equity shares & issue of potential ordinary shares:		
Earnings per share (Rs.):Basic	56.78	52.61
Earnings per share (Rs.):Diluted	56.10	52.56

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. (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</p>

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		<p>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 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.</p>
(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 presently 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 than 12 months from the grant date) is determined by the Compensation Committee in respect of 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 (i.e. exercise period) 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								
(iv)	(i) Option movement during the year:									
	<table border="1"><thead><tr><th>Particulars</th><th>Details</th></tr></thead><tbody><tr><td>Number of options outstanding at the beginning of the period</td><td>28,06,084</td></tr><tr><td>Number of options granted during the year</td><td>99,962</td></tr><tr><td>Number of options forfeited / lapsed during the year</td><td>87,330</td></tr></tbody></table>	Particulars	Details	Number of options outstanding at the beginning of the period	28,06,084	Number of options granted during the year	99,962	Number of options forfeited / lapsed during the year	87,330	
Particulars	Details									
Number of options outstanding at the beginning of the period	28,06,084									
Number of options granted during the year	99,962									
Number of options forfeited / lapsed during the year	87,330									

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		Number of options vested during the year	4,31,496
		Number of options exercised during the year	95,487
		Number of shares arising as a result of exercise of options	95,487
		Money realized by exercise of options (INR)	8,48,27,400
		Loan repaid by the Trust during the year from exercise price received	NA
		Number of options outstanding at the end of the year	27,23,229
		Number of options exercisable at the end of the year	3,36,009
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. 894 Weighted average fair value: Rs. 858.60	
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 Disclosure Requirements) Regulations, 2015;	Mr. Anurag Agrawal, Vice President Regulatory Affairs Time based options granted: 14,400 Performance based options granted: 9,600 Exercise Price: Rs. 1,200 per share	
	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	Not Applicable	
	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.	Not Applicable	

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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> <ul style="list-style-type: none">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; andd) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	All these disclosures are given in A(e) above and the same are incorporated here by reference.
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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.

Place: Mumbai
Date: May 24, 2023

For J.B. Chemicals & Pharmaceuticals Limited

Sandeep Phadnis
Vice President- Secretarial & Company Secretary

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