

SUDARSHAN

Disclosure under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations') read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 and Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital & Debentures), Rules, 2014

Sl. No.	Particulars	Sudarshan Chemical Industries Limited Employee Stock Option Plan 2018 (ESOP 2018)
1.	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including:	
a.	Date of shareholders' approval for the options granted under the scheme	Approval by way of Special Resolution on 9 th August, 2018
b.	Total number of options approved under the scheme	Not exceeding 2% of the paid-up share capital of the Company as on 9 th August, 2018
c.	Vesting requirements	Out of the total options granted, 40% options vest after 4th year, 20% options vest after 5th year, 20% options vest after 6th year and 20% options vest after 7th year from the date of respective grant.
d.	Exercise price or pricing formula	The exercise price per Option shall be at the Fair Market Value as on the date of grant (as per Companies Act, 2013 exercise price should be at least the face value) to the employees.
e.	Maximum term of options granted	5 years from each vesting date
f.	Source of shares	Primary
g.	Variation of terms of options	There was no variation in terms of options.
2.	Method used to account for ESOP-Intrinsic or fairvalue	Fair Value Method
a.	The difference between the employee compensation cost so computed using Intrinsic Value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	Not Applicable
b.	The impact of this difference on profits and on EPS of the Company.	Not Applicable
3.	Option movement during the year:	
a.	Number of options outstanding at the beginning of the period	Nil
b.	Number of options granted during the year	3,94,220
c.	Number of options forfeited/ lapsed during the year	Nil
d.	Number of options vested during the year	Nil
e.	Number of options exercised during the year	Nil
f.	Number of shares arising as a result of exercise of options	3,94,220 (not exercised during the year)
g.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil
h.	Loan repaid by the Trust during the year from exercise price received	Not Applicable

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Registered Office & Global Head Office: 162 Wellesley Road, Pune – 411 001, Tel No.: 020-68281200

Fax No.: 020-26058222, Website: www.sudarshan.com Email: contact@sudarshan.com

CIN: L24119PN1951PLC008409

SUDARSHAN

i.	Number of options outstanding at the end of the year	3,94,220
j.	Number of options exercisable at the end of the year	Nil
4.	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.	The weighted average fair value of the share option granted during the financial year 2020-21 is ₹169.21/-. Options were priced using a Black Scholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 6 – 10 years.
5.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price)of options granted to:	
a.	Senior managerial personnel;	Managing Director being part of the Promoter Group has not been granted options.
b.	Any other employee who receives a grant in anyone 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 anyone 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
6.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Black Scholes Merton Formula
a.	the weighted-average values of option	The weighted average fair value of the share option granted during the financial year 2020-21 is ₹169.21/-. Options were priced using a Black Scholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 6 – 10 years.
b.	the weighted-average values of exercise price	Weighted average share price at the date of the exercise of share options exercised in 2020-21 is not disclosed as no shares were exercised during this year and previous year.
c.	the weighted-average values of expected volatility	45.64% – 47.51%
d.	the weighted-average values of expected option life	6.5 to 9.5 years
e.	the weighted-average values of expected dividends	1.90% - 2.20%
f.	The weighted-average values of the risk-free interest rate	6.45% to 6.68%
g.	The method used and the assumptions made to incorporate the effects of expected early exercise	As per the scheme, early exercise of option is not allowed.
h.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Based on historical volatility of the share price of Sudarshan on NSE over a period corresponding to the remaining expected option life

SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Registered Office & Global Head Office: 162 Wellesley Road, Pune – 411 001, Tel No.: 020-68281200

Fax No.: 020-26058222, Website: www.sudarshan.com Email: contact@sudarshan.com

CIN: L24119PN1951PLC008409

SUDARSHAN

i.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Black Scholes Merton Formula considered
7.	Disclosures in respect of grants made in three years prior to IPO under each ESOS until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	Not Applicable

For and on behalf of the Board of Directors
SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Sd/-
P. R. RATHI
CHAIRMAN

Place : Pune
Date : 28th May, 2021