

Diamines and Chemicals Limited

Disclosures with respect to Compliance to section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the SEBI (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 (ESOP Disclosures) as on March 31, 2023

During the year there was no material change in the ESOS schemes of the Company. The ESOS Schemes are in Compliance with the regulations. During the previous year, the DACL – Employee Stock Option Plan – 2021 (ESOP Scheme) was approved by the Shareholder under SEBI (Share Based Employee Benefits) Regulations, 2014 by Special Resolution on July 20, 2021. Further, ESOP Scheme is getting amended by making regulatory amendments only under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SBEBSE Regulations”). Grant of shares were made by Nomination and Remuneration committee at their meeting held on May 11, 2022, August 10, 2022 and February 06, 2023 during the year ended March 31, 2023

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.

Members may refer to the Note no. 42 of audited financial statement (Standalone & Consolidated) prepared as per Ind AS for the year 2022- 23.

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 Central Government or any other relevant accounting standards as issued from time to time.

Rs. 43.15 as per standalone Audited Financial Statement for the period ended March 31, 2023

C. Details related to ESOS

(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -

	Particulars	DACL- Employee Stock Option Plan -2021
(a)	Date of shareholders' approval	July 20, 2021
(b)	Total number of options approved under ESOS	2,00,000
(c)	Vesting requirements	Vesting of the Stock Options may commence after the expiry of a minimum period of 1 (one) year from the date on which the options were granted, and may extend up to such time as may be decided at the discretion of the Committee from the date of grant provided that the vesting period shall not exceed 5 (five) years. The vesting may occur in tranches, and may be subject to such terms and conditions of vesting, as may be stipulated by the Committee, in its sole and exclusive discretion.

(d)	Exercise price or pricing formula	The Exercise Price shall be as may be decided by the Nomination and Remuneration Committee as is allowed under the SBEB Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for options granted on same / different dates. [Please refer Point No 7.1(a)]
(e)	Maximum term of options granted	The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	There has not been any variation in the terms of Options. However, scheme was amended to align with SBEBSE Regulations to meet the regulatory amendments.

- (ii) Method used to account for ESOS - Intrinsic or fair value. – Fair Value method
- (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. – Not applicable

The impact of this difference on profits and on EPS of the company shall also be disclosed.-
Not applicable

- (iv) Option movement during the year (For each ESOS):

Particulars	Details (ESOP-2021)
Number of options outstanding at the beginning of the period	0
Number of options granted during the year	9060
1 st Grant of 3,310 options made on May 11,2022	
2 nd Grant – 3,250 options made on August 10,2022	
3 rd Grant – 2,500 options made on February 06, 2023	
Number of options forfeited / lapsed during the year	NIL
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	NIL
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	9060
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 equals to Market Price	Not Applicable					
Exercise Price is greater than Market Price	Not Applicable					
Exercise Price is less than Market Price	Tranche	Grant No.	No. of Options granted	Stock Price (Rs.) (market price)	Strike/ Exercise Price (Rs.)	Fair value per Option at year end (Rs.)
	Tranche 1	1	2500	283.80	10	276.27
		2	810	283.80	10	275.12
	Tranche 2	3	1500	356.80	10	348.70
		4	1000	356.80	178.00	221.16
		5	750	356.80	10	349.24
	Tranche 3	6	1500	420.90	10	413.41
		7	1000	420.90	210.45	285.53

- (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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Tranche	Grant No.	Name of Employee	Designation	No. of Options granted	Exercise Price (₹)
1	1	Mr. Nipun Soni	VP- Manufacturing	2500	10
	2	Mr. G S Venkatachalam	Executive Director	545	10
	2	Mr. Tanmay Godiawala	GM - New Product Development	140	10
	2	Mr. Nimish Gandhi	DGM - Production	60	10
	2	Mr. Ashok Tahiliani	Manager - Maintenance & Utility	35	10
	2	Mr. Saurabh Pandya	Manger- Purchase	30	10
2	3	Mr. Nipun Soni	VP- Manufacturing	1500	10
	4	Mr. Nipun Soni	VP- Manufacturing	1000	178
	6	Mr. Shrinavas Nituri	GM- Projects	750	10
3	6	Mr. Nipun Soni	VP- Manufacturing	1500	10
	7	Mr. Nipun Soni	VP- Manufacturing	1000	210.45

- (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 - NIL

- (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
- (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;

Tranche	Grant No.	No. of Options granted	Stock Price (Rs.) (market price)	Strike/ Exercise Price (Rs.)	Expected Life of options (no. of years)	Expected Dividend	Risk free rate of interest (%)	Implied Volatility factor (%)	Fair value per Option at year end (Rs.)
Tranche 1	1	2500	283.80	10.00	4	Not separately included, factored in volatility	7.10%	44.99%	276.27
	2	810	283.80	10.00	2		7.10%	44.99%	275.12
Tranche 2	3	1500	356.80	10.00	3		7.01%	42.80%	348.70
	4	1000	356.80	178.00	3		7.01%	42.80%	221.16
	5	750	356.80	10.00	4		7.01%	42.80%	349.24
Tranche 3	6	1500	420.9	10.00	4		7.21%	51.58%	413.41
	7	1000	420.9	210.45	4		7.21%	51.58%	285.53

- (b) the method used and the assumptions made to incorporate the effects of expected early exercise; - Black Scholes. Markets are efficient, Interest rates remain constant and known, Returns are normally distributed, constant volatility and Liquidity.
- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and- – Volatility is worked out on the basis of movement of stock price on BSE based on the price data for last 52 weeks up to the date of grant.
- (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

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