

Part F- Disclosures by the Board of Directors

[See regulation 14] _

A. Relevant disclosures in terms of the “Guidance Note on Accounting for Employee Share based Payments” issued by ICAI has been made in Note no. 42 of the Notes to Standalone Financial Statements and Consolidated Financial Statements forming part of the Annual Report for the Financial Year 2022-23.

B. Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with Indian Accounting Standards, Ind-AS 33, “Earnings Per Share” has been disclosed in the Standalone Financial Statements for the Financial Year 2022-23.

C. Summary

For the financial year ended March 31, 2023, the Company has the following Schemes as given below:

1. *Sula Vineyards Limited Employee Stock Option Scheme 2018(2) {“ESOS 2018(2)”}
2. *Sula Vineyards Limited Employee Stock Option Scheme for COO and CFO 2019 {“ESOS 2019”}
3. Sula Vineyards Limited Employee Stock Option Scheme 2020 {“ESOS 2020”}
4. Sula Vineyards Employee Stock Option Scheme 2021 {“ESOS 2021”}

**Note: Dissolved in the Board Meeting held on February 09, 2023*

Accordingly, the disclosures pertaining to stock options granted by the Company under the aforesaid Schemes and as required under the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2015.

D.Details related to ESOS

| Particulars | ESOS 2018(2) | ESOS 2019 | ESOS 2020 | ESOS 2021 |
|--|---|---|---|--|
| (i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including - | | | | |
| Date of shareholders' approval | June 07, 2018 Amended on September 29, 2020 March 07, 2022 | June 07, 2019 Amended on September 29, 2020, March 07, 2022 | September 29, 2020 Amended on March 07, 2022 | July 30, 2021 Amended on March 07, 2022 and March 25, 2023 |
| Total number of options approved under ESOS | 50,000 | 9,22,180 | 50,000 | 18,79,750 |
| Vesting requirements: | Expiry of 3 (three) years from the date of offer / grant i.e. on 6th June, 2021 or on the consummation of the IPO of the Company, | each such grants shall vest over a period of next 3 (three) years as per details given below or on the consummation of the IPO of the | each such grants shall vest over a period of next 3 (three) years as per details given below or on the consummation of the IPO of the | the Options shall vest with the Participant on the date of the consummation of the IPO and such Participant shall be entitled to exercise such |

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|---|--|--|--|--|
| | whichever is earlier, provided one year has passed from the date of grant of the Options. | Company, whichever is earlier, provided one year has passed from the date of grant of the Options | Company, whichever is earlier, provided one year has passed from the date of grant of the Options. | number of Options as determined in accordance with the provisions of scheme |
| Exercise price or pricing formula | Rs. 170/- | Rs. 170/- | Rs. 170/- | Rs. 170/- |
| Maximum term of options granted | Options Granted shall be exercisable as soon as they are vested and upon an Option becoming exercisable, such Option shall be capable of being exercised over a maximum period of 6 (six) months from the date of Vesting or from the date of the consummation of the IPO of the Company, whichever is later | Options Granted shall be exercisable as soon as they are vested and upon an Option becoming exercisable, such Option shall be capable of being exercised over a maximum period of 6 (six) months from the date of Vesting or from the date of the consummation of the IPO of the Company, whichever is later | Options Granted shall be exercisable as soon as they are vested and upon an Option becoming exercisable, such Option shall be capable of being exercised over a maximum period of 6 (six) months from the date of Vesting or from the date of the consummation of the IPO of the Company, whichever is later | Options Granted shall be exercisable as soon as they are vested and upon an Option becoming exercisable, such Option shall be capable of being exercised over a maximum period of 6 (six) months from the date of Vesting or from the date of the consummation of the IPO of the Company, whichever is later |
| Source of shares (primary, secondary or combination) | Primary | Primary | Primary | Primary |
| Variation in terms of options | Nil | | | |
| (ii) Method used to account for ESOS - Intrinsic or fair value | Fair Value | Fair Value | 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 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

| | | | | |
|--|-----------|--------------|-----------|--------------|
| 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. | | | | |
| (iv) Option movement during the year (For each ESOS): | | | | |
| Number of options outstanding at the beginning of the period | Nil | Nil | 16,670 | |
| Number of options granted during the year | Nil | Nil | 16,670 | 38,200 |
| Number of options forfeited / lapsed during the year | Nil | Nil | Nil | Nil |
| Number of options vested during the year | Nil | 3,07,390 | 16,665 | 17,59,500 |
| Number of options exercised during the year | 50,000 | 9,22,180 | 16,665 | 16,68,078 |
| Number of shares arising as a result of exercise of options | 50,000 | 9,22,180 | 16,665 | 16,68,078 |
| Money realized by exercise of options (INR), if scheme is implemented directly by the company | 85,00,000 | 15,67,70,600 | 28,33,050 | 28,35,73,260 |
| Loan repaid by the Trust during the year from exercise price received | NA | NA | NA | NA |
| Number of options outstanding at the end of the year | Nil | Nil | Nil | 86,000 |
| Number of options exercisable at the end of the year | Nil | Nil | 33,335 | 91,422 |

- (i) 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.

- (ii) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -
- senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; - Nil
 - 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
 - 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.- Nil
- (iii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Fair value of the options has been calculated using Binomial/Black Scholes Pricing Model. The following inputs were used to determine the fair value for options granted during the year:

| | ESOS 2018 (2) | ESOS 2019 | | ESOS 2019 | | ESOS 2019 | |
|--------------------------|----------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 3 years Vesting year | CFO - 24 months vesting year | COO - 15 months vesting year | CFO - 12 months vesting year | COO - 12 months vesting year | CFO - 12 months vesting year | COO - 12 months vesting year |
| Date of Grant | 07 June 2018 | 07 June 2019 | 07 June 2019 | 14 May 2020 | 14 May 2020 | 15 July 2021 | 15 July 2021 |
| Market Price (₹) | 76.25 | 76.25 | 76.25 | 76.25 | 76.25 | 122.8 | 122.8 |
| Expected life (in years) | 3 | 3 | 3 | 3 | 3 | 1.09 | 1.09 |
| Volatility | 46.00% | 46.00% | 46.00% | 46.00% | 46.00% | 42.76% | 42.76% |
| Risk Free rate (%) | 5.41% | 5.41% | 5.41% | 5.41% | 5.41% | 3.78% | 3.78% |
| Exercise Price | 170 | 170 | 170 | 170 | 170 | 170 | 170 |
| Dividend Yield (%) | 1.31% | 1.31% | 1.31% | 1.31% | 1.31% | 2.44% | 2.44% |
| Option Fair Value (₹) | 7.25 | 11.87 | 7.32 | 7.69 | 7.69 | 8.85 | 8.85 |
| Method | Binomial model | Binomial and Black-scholes | Binomial and Black-scholes | Binomial model | Binomial model | Black-Scholes model | Black-Scholes model |
| | | | | | | | |
| | | ESOS 2020 | ESOS 2020 | ESOS 2020 | ESOS 2021 | ESOS 2021 | ESOS 2021 |
| | | 1 Year Vesting year | 1 Year Vesting year | 1 Year Vesting year | 1 Year Vesting year | 1 Year Vesting year | 1 Year Vesting year |
| Date of Grant | | 29 Sep 2020 | 15 July 2021 | 19 May 2022 | 30 July 2021 | 19 May 2022 | 25 March 2023 |
| Market Price (₹) | | 76.25 | 122.8 | 155.10 | 122.8 | 155.10 | 359.25 |
| Expected life (in years) | | 3 | 1.17 | 1.25 | 1.61 | 1.25 | 1.26 |
| Volatility | | 46.00% | 43.03% | 46.91% | 43.07% | 46.91% | 44.48% |
| Risk Free rate (%) | | 5.41% | 3.78% | 5.43% | 4.15% | 5.43% | 7.03% |
| Exercise Price | | 170 | 170 | 170 | 170 | 170 | 170 |
| Dividend Yield (%) | | 1.31% | 2.44% | 3.16% | 2.44% | 3.16% | 1.36% |
| Option Fair Value (₹) | | 7.06 | 9.68 | 27.20 | 13.54 | 27.20 | 199.96 |
| Method | | Binomial model | Black-Scholes model | Black-Scholes model | Black-Scholes model | Black-Scholes model | Black-Scholes model |

Volatility has been calculated based on the daily closing market price of listed peer companies. Weighted average of these companies has been taken into account for the purpose of calculating fair values to reduce any company specific variations.

- (iv) Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market conditions etc- Not applicable
- (v) To calculate the expected life, the average of minimum & maximum life of the options is considered.

Minimum Life = Vesting date - Grant Date

Maximum Life = Exercise end date - Grant date.

For exercise end date, the early exercise date of the option is considered.

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.

| Particulars | ESOS 2020 | ESOS 2021 |
|-------------|-----------|-----------|
| 2022-23 | 16,670 | 35,200 |
| 2021-22 | 16,665 | 18,29,000 |
| 2020-21 | 16,665 | Nil |