



CIN: L24110GJ1984PLC007301

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**DISCLOSURES PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS 2021**

SEBI vide its notification dated August 13, 2021 had issued the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 ('SEBI Regulations').

**Aarti Industries Limited – Performance Stock Option Plan- 2022**

The Company had granted stock options during the financial year 2023-24. Disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Part-F of Schedule I to the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 are as under:

Sr. No.	Particulars	Details
1	<b>The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.</b>	Not applicable
2	<b>Further, the following details, inter alia, shall be disclosed on the Company's website and a web-link thereto shall be provided in the report of Board of Directors.</b>	
A	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Refer Note (n) (c) on Share based payment of the Material Accounting policies.
B	Details related to ESOS	
(i)	<b>A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including</b>	Aarti Industries Limited – Performance Stock Option Plan-2022
a)	Date of shareholders' approval	October 29, 2022
b)	Total number of options approved under ESOS	The maximum number of shares under the PSOP 2022 Plan shall not exceed 18,13,000 equity shares

c)	Vesting requirements	Type of Vesting : Staggered Vesting, wherein options granted during a year will be vested in 3 equal tranches (1/3rd options will be vested every year).
d)	Exercise price or pricing formula	INR 5
e)	Maximum term of options granted	-
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	Not applicable
(ii)	<b>Method used to account for ESOS - Intrinsic or fair value</b>	Fair Value using Black Scholes option pricing model
(iii)	<b>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</b>	Not applicable
(iv)	<b>Option movement during the year</b>	
a)	Number of options outstanding at the beginning of the period	Nil
b)	Number of options granted during the year	73,492
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	Nil
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.	NA

i)	Number of options outstanding at the end of the year	73,492
j)	Number of options exercisable at the end of the year	Nil
v)	<b>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.</b>	Exercise Price is lower than market price
vi)	<b>Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to</b>	
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;	Mr. Chetan Gandhi - Executive Vice President (Options Granted – 2,029) Mr. Raj Sarraf - Executive Vice President (Options Granted – 1,812) Mr. Manoj Sharma – President (Options Granted – 7,917) Mr. Harendrabhai Pandya – President (Options Granted – 7,917) Mr. Prashant Potnis – President (Options Granted – 7,911)
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	Mr. Subhat Jindal (Options Granted – 4,076)
c)	identified employees who were granted options, 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.	None
<b>vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b>		
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;	1. Risk Free Interest Rate -6.81% 2. Expected life- 3.51 3. Expected Volatility- 33.21% 4. Dividend Yield- 0.46% 5. Price of the underlying share in market at the time of the option grant (Rs.) - 544.5
b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable
c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The expected price volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information.
d)	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Not applicable