

**DISCLOSURES PURSUANT TO REGULATION 14 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 READ WITH SEBI CIRCULAR DATED JUNE 16, 2015 ON ESOP DISCLOSURES AS ON MARCH 31, 2022**

The Employees' Stock Option Scheme of the Company - AACL Employees Stock Option Plan 2018 (ESOP – 2018) is in compliance with the Regulations.

**(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**

Disclosure is provided in Notes to Audited Financial Statements for the year ended March 31, 2022.

**(B) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20**

Rs.43.95.

**(C) Details related to Employees' Stock Option Scheme ("ESOS") (ESOP 2018)**

**i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of ESOS i.e. ESOP, 2018 is summarized as under:**

**Particulars**

<b>a) Date of shareholders' approval</b>	ESOP 2018 was approved by the shareholders by Special Resolution passed by Postal Ballot on January 14, 2019.
<b>(b) Total number of options approved under ESOS</b>	5,10,000 (Five Lakhs and Ten Thousand) {pre-split 2,04,000 (Two Lakhs Four Thousand)}
<b>(c) Vesting requirements</b>	Options granted will vest over a period of five years subject to a minimum period of one year from the date of grant of options
<b>(d) Exercise price or pricing formula</b>	Rs.60 and Rs.280 (Pre-split Rs.150 and Rs.700) Rs.1040 and Rs.680 (Pre-split Rs.2600 and Rs.1700) Rs.2000 and Rs.1680 (Pre-split Rs.5000 and Rs.4200) Rs.2600 and Rs.1900. (Post-Split) The Exercise Price is decided by the Nomination and Remuneration Committee in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any amendments thereto.
<b>(e) Maximum term of options granted</b>	Five years from the date of vesting.

(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.

**ii. Method used to account for ESOS - intrinsic or fair value.**

The calculation is based on 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	ESOP 2018
Number of options outstanding at the beginning of the period (pre-split 51,159)	1,27,897.5
Less options rounded down	45.5
	<b>1,27,852</b>
Number of options granted during the year 26.03.2022	8,200
	<b>1,36,052</b>
Number of options forfeited / lapsed during the year	-
	<b>1,36,052</b>
Number of options vested during the year (April 1, 2021 to March 31, 2022)	
Granted on 25.03.2019 (Pre-split 8000)	20,000
Granted on 20.08.2020 (Pre-split 3600)	9,000
Granted on 25.03.2021 (Pre-split 1402)	3,505
	<b>32,505</b>
Number of options exercised during the year (20,237+7,675+3,125)	31,037
Number of shares arising as a result of exercise of options	31,037
Money realized by exercise of options (INR), if scheme is implemented directly by the company	69,71,220
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	<b>1,05,015</b>
Number of options exercisable at the end of the year	<b>32,505</b>

**V. Weighted average exercise prices and weighted average fair values of Options outstanding at the end of the year whose:**

**Exercise price equals market price** Not applicable

**Exercise price is greater than market price:** Not applicable

**Exercise price is less than market price:**

**Weighted average exercise Price –**

1. Rs. 60 for 70552 Options and Rs. 280 for 66000 Options  
(pre-split Rs. 150 for 28221 Options and Rs 700 for 26400 Options)
2. Rs. 1040 for 19025 Options, Rs 680 for 7750 Options and Rs. 280 for 10000 Options  
(pre-split Rs. 2600 for 7610 Options, Rs 1700 for 3100 Options and Rs. 700 for 4000 Options)
3. Rs 2000 for 12600 Options and Rs. 1680 for 1500 Options  
(pre-split Rs 5000 for 5040 Options and Rs. 4200 for 600 Options)
4. Rs 2600 for 7200 Options and Rs. 1900 for 1000 Options (Post-split)

**Weighted average fair value of options:**

1. Rs.143.97 for 22000 Options and Rs.159.92 for 44000 options. Rs.275.11 for 59512 options, Rs.273.22 for 11040 options  
(pre-split Rs.359.93 for 8800 Options and Rs.399.81 for 17600 options. Rs.687.78 for 23805 options, Rs 683.05 for 4416 options)
2. Rs.564.05 for 19025 options, Rs.617.08 for 7750 options and Rs.908.06 for 10000 options  
(pre-split Rs.1410.14 for 7610 options, Rs.1542.72 for 3100 options and Rs.2270.15 for 4000 options)
3. Rs.956.27 for 12600 Options and Rs.1094.23 for 1500 Options  
(pre-split Rs 2390.68 for 5040 Options and Rs 2735.59 for 600 Options)
4. Rs.1376.89 for 5400 Options, Rs.1210.63 for 1800 Options and Rs.1390.98 for 1000 Options

**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 including Key Managerial Personnel:**

As per Annexure - 1

**(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: 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: NIL**

**vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:**

	1	2	3	4
<b>a). the weighted-average values of share price</b>	Rs.324.88 (pre-split Rs.812.20)	Rs.564.05 / Rs.617.08 / Rs.908.06  (pre-split Rs.1410.14 / Rs.1542.72 / Rs.2270.15)	Rs.956.27 / Rs.1094.23  (pre-split Rs.2390.68 / Rs.2735.59)	Rs.1376.89 / Rs.1210.63 / Rs.1390.98
Exercise price	Rs. 60 / Rs 280 (pre-split Rs.150 / Rs.700)	Rs. 280 / Rs.680 / Rs. 1040  (pre-split Rs.700 / Rs.1700 / Rs.2600)	Rs. 1680 / Rs. 2000  (pre-splitRs.4200 / Rs.5000)	Rs.2600 / Rs. 1900
Expected volatility	40%	48.18%	44.81%	44.49%
Expected Option life	2 to 3/3 to 6 years	3 to 6 years	3 to 6 years	2/3 to 3/5/6 years
Expected Dividend	Not separately included, factored in volatility			
the risk-free interest rate	7.474	5.223	5.630	5.01% / 5.68% / 6.03% / 6.08% / 6.55%
Any other inputs to the model	-	-	-	-

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

## Annexure – 1

Name of Employee	Designation	No. of options granted during the year (Granted on 26.03.2022)	Exercise Price
Sameer Katdare	Vice President (Technical)	600	Rs.2600 per option
Ramchandra Iyer	Vice President (Manufacturing)	600	Rs.2600 per option
Rakesh Goyal	Chief Operating Officer	600	Rs.2600 per option
Girish Naik	General Manager – Marketing	400	Rs.2600 per option
S Saimani	General Manager (Process Engineering)	400	Rs.2600 per option
Vinay Desai	General Manager (Technology Development)	400	Rs.2600 per option
Uday Ghag	General Manager (Human Resources)	400	Rs.2600 per option
Chintamani Thatte	General Manager – Legal & Company Secretary	400	Rs.2600 per option
Amarendra Panchwadkar	General Manager - Projects	400	Rs.2600 per option
Rajesh Kawle	General Manager – Works	400	Rs.2600 per option
Nitin Patel	General Manager – Works	400	Rs.2600 per option
Prassana Somalwar	General Manager – Research & Development	400	Rs.2600 per option
Vishwas J. Kad	Senior Manager - Electrical	200	Rs.2600 per option
Ashish R. Parikh	Senior Manager - Projects	200	Rs.2600 per option
Atul V. Bhosale	Senior Manager - Production	200	Rs.2600 per option
Sanjay Muralidhar Patil	Senior Manager - Mechanical Maintenance	200	Rs.2600 per option
Santosh Hegde	Senior Manager - Materials	200	Rs.2600 per option
SIDDHARTHA JHAVERI	Senior Manager - Marketing	200	Rs.2600 per option
Shabbir B Ahmed	Senior Manager - Marketing	200	Rs.2600 per option
Ajay Kanaskar	Senior Manager (P&A)	200	Rs.2600 per option
Manoj Jain	Senior Manager - Marketing	200	Rs.2600 per option
Ramesh Shah	General Manager – (Projects)	1000	Rs.1900 per option
<b>Total</b>		<b>8200</b>	