

DISCLOSURE PURSUANT TO REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 FOR FY 2022-23

- 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.**

Refer Note No. 37 of the Standalone Financial Statements and Note No. 38 of the Consolidated Financial Statements for the financial year 2022-23. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 102 – Share Based Payment.

- 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.**

Refer Note No. 43 of the Standalone and Consolidated Financial Statements for the financial year 2022-23. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 33 – Earnings per share.

- C. Details related to the GMM Pfaudler Employee Stock Option Plan 2021 (“ESOP Plan 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**

Sr. No.	Particulars	Details of the ESOP Plan 2021
1	General terms and conditions of 2021 Plan:	
	(a) Date of shareholders' approval	December 2, 2021
	(b) Total number of options approved under ESOP Plan 2021	<p>The Shareholders' of the Company through postal ballot approved on December 02, 2021, issue of such number of Options not exceeding 51,161 (Fifty One Thousand One Hundred Sixty One Only), convertible into not more than 51,161 (Fifty One Thousand One Hundred Sixty One Only) shares of face value of INR 2/- each.</p> <p>Further, there is an adjustment on account of corporate action (Bonus issue) in the ratio of 2:1 vide Shareholders'/Allotment Committee of Board resolution dated June 26, 2022 and July 14, 2022 respectively. (i.e. Two Equity Shares having face value of INR 2/- each for every 1 (One) equity share having face value of INR 2/- each held) by 1,02,322 and accordingly Scheme size stands increased</p>

		<p>to 1,53,483 (One Lakh Fifty Three Thousand Four Hundred and Eighty Three Only).</p> <p>Hence, the total number of options approved under ESOP Plan 2021 are 1,53,483.</p>
	(c) Vesting requirements	<p>All the Options granted on any date shall vest on expiry of the minimum period of 1 (one) year from the date of grant of Options and not later than maximum period of 3 (three) years from the date of Grant.</p> <p>The vesting dates in respect of the Options granted under the ESOP Plan shall be determined by the NRC and may vary from an employee to employee or any class thereof and/or in respect of the number or percentage of Options to be vested.</p> <p>Options shall vest essentially based on continuation of employment/ service as per requirement of SEBI SBEB & SE Regulations. Apart from that the NRC may prescribe achievement of any performance condition(s) for vesting.</p>
	(d) Exercise price or pricing formula	<p>The Exercise Price shall be decided by the NRC which shall in no case be lesser than the 90% of the average of the last six months of the closing share price of the Company on the date of grant of Options. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter issued at the time of Grant.</p> <p><i>Explanation: In case the Shares are listed on more than one Recognized Stock Exchange, then the Stock Exchange where there is highest trading volume on the said date shall be considered for the purpose of determining the Exercise Price.</i></p> <p>The exercise price for the 41,700 Options granted under the ESOP Plan 2021 is INR 4,177 which is 90% of the average of the last six months of the closing share price of the Company on NSE, on the date of Grant of Options i.e. February 1, 2022.</p> <p>Further, in view of the Bonus issue, the exercise price for the Options granted under the ESOP Plan was adjusted to INR 1,392.33.</p>
	(e) Maximum term of options granted	<p>All the Options granted on any date shall vest not later than the maximum period of 3 (three) years from the date of grant.</p>

	(f) Source of shares (primary, secondary or combination)	The ESOP Plan 2021 envisages issue of fresh/ primary shares by the Company.
	(g) Variation in terms of options	Other than the adjustment to the number of options and the exercise price due to the bonus issue, no variation/modification/amendment was made in the terms of options during the financial year 2022-23.

ii. Method used to account for ESOS

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 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.**

Not Applicable

iv. Option movement during the year, i.e. FY 2022-23 (For each ESOS):

Sr. No.	Particulars	Details
1	Number of options outstanding at the beginning of the period	41,700
2	Number of options granted during the year	Nil
3	Number of options forfeited / lapsed during the year	7,200
4	Number of options vested during the year	Nil
5	Number of options exercised during the year	Nil
6	Number of shares arising as a result of exercise of options	N.A.
7	Money realized by exercise of options (INR), if scheme is implemented directly by the company	N.A.
8	Loan repaid by the Trust during the year from exercise price received	Nil
9	Number of options outstanding at the end of the year	1,17,900*
10	Number of options exercisable at the end of the year	N.A.

Note(s): *includes adjustment by way of increase in the number of options granted from 41,700 to 1,25,100 in view of the bonus issue.

- 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.**

Refer Annexure – 1.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: Refer Annexure - 2
- 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: None
- 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: None

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; - Refer Annexure 1
- (b) the method used and the assumptions made to incorporate the effects of expected early exercise; - The fair value of options has been calculated by using Black Scholes Model
- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; - Refer Annexure 1
- (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

D. Disclosures in respect of grants made in three years prior to IPO under each ESOS: Not Applicable

E. Details related to Trust: Not Applicable

Note: There was no change in the ESOP Plan 2021 since its implementation and the ESOP Plan 2021 is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Annexure 1

Details of Fair Value of Options granted dated February 1, 2022:

Vesting	Vest dated February 1, 2024 (Vesting 1)	Vest dated February 1, 2025 (Vesting 2)
Stock Price (INR)	4,993.80	4,993.80
Exercise Price (INR)	4,177.00	4,177.00
Expected Life of options (no. of years)	3.00	3.50
Risk free rate of interest (%)	5.71	6.00
Implied Volatility factor (%)	29.79	29.79
Fair value per Option at year end (INR)	440.80*	523.98 [#]

Note(s): *Adjusted from INR 1,801.58 due to bonus issue.

[#]Adjusted from INR 1,920.99 due to bonus issue.



Annexure 2

Employee wise details as on March 31, 2023 of Senior managerial personnel of the Company to whom options have been granted

Sr. No.	Name	Designation	No. of options granted
1	Mr. Aseem Joshi	Chief Executive Officer	6,750
2	Mr. Manish Poddar	Chief Financial Officer	6,750
3	Ms. Mittal Mehta	Company Secretary	1,800

Note(s):

(1) Date of grant – February 1, 2022

(2) Exercise price – INR 1392.33