

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

- A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 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. 37 of the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the FY 24-25.

- 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.**

Consolidated diluted EPS for the FY 24-25 is 4.95 calculated in accordance with Ind AS 33.

- C. Details related to PPAP Automotive Limited Employee Stock Option Plan 2022 (ESOP Scheme)**

S.no	Particulars	Details
1. a.	Date of shareholders’ approval	16 th September, 2022
b.	Total number of options approved under ESOS	The maximum number of options to be granted shall not exceed 7,00,000 (Seven Lakhs) employee stock options. As per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 in case of any corporate action(s) such as sub division, consolidation of shares, rights issues, bonus issues, reorganisation of capital structure of the Company and others, the Nomination and Remuneration Committee (“Committee”) shall adjust the number of shares available for offer and purchase price payable by the eligible employees in such a manner that the total value of shares available for offer remain the same after any such corporate action(s).
c.	Vesting requirements	a. The period of vesting will be determined by the Committee at the time of grant of options and will be detailed in the letter of grant and the maximum vesting period shall be 5 years. The vesting could be accelerated by the Committee at its sole discretion in compliance with applicable law. Options granted under ESOP 2022 shall vest at the end of 18

		<p>(Eighteen) months from the date of Grant.</p> <p>Hence the Committee had decided to vest shares under the ESOP over a period of 5 years in tranches hence the maximum vesting period is 5 years, however, after the grant of first tranche of options under the ESOP the maximum vesting period per tranche is 18 months.</p> <p>Provided that in case where Options are granted by the Company under the Plan in lieu of options held by a person under a similar Plan in another company ("Transferor Company") which has merged or amalgamated with the Company, the period during which the options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this Sub-clause.</p> <p>b. Vesting of Option would be subject to continued employment with the Company and its Subsidiary Company, Associate Company, Joint Venture Company as the case may be.</p> <p>c. As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company/ its Subsidiary Company/Associate Company, Joint Venture Company, Group Company (ies) on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on the such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the Committee can keep the relevant Vesting in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.</p> <p>d. The period of leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.</p>
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d.	Exercise price or pricing formula	The Exercise Price per Option shall be the face value of Rs 10/- per share or any subsequent amendments later on in the face value of the Company.
e.	Maximum term of options granted	The Committee had decided to vest shares under the ESOP over a period of 5 years in tranches hence the maximum vesting period is 5 years, however, after the grant of first tranche of options under the ESOP the maximum vesting period per tranche is 18 months.
f.	Source of shares (primary, secondary or combination)	Primary
g.	Variation in terms of options	NA
2.	Method used to account for ESOS - Intrinsic or fair value	Fair value
3.	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
4.	Option movement during the year	
a.	Number of options outstanding at the beginning of the year	117824
b.	Number of options granted during the year	42250
c.	Number of options forfeited/lapsed during the year	840
d.	Number of options vested during the year	88176
e.	Number of options exercised during the year	86513

f.	Number of shares arising as a result of exercise of options	86513
g.	Money realized by exercise of options (INR), if scheme is implemented directly by the company	865130
h.	Loan repaid by the Trust during the year from exercise price received	Not applicable
i.	Number of options outstanding at the end of the year	72721
j.	Number of options exercisable at the end of the year	72721
5.	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	Weighted-average exercise price: Rs. 10/- Weighted-average fair values of options: Tranche-1- 196.60 Tranche-2-234.45
6.	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	Annexure-A
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	Not applicable
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	Not applicable

	company at the time of grant	
7.	A description of the method and significant assumptions used during the year to estimate the fair value of options:	
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 mode	<p>Share Price: Tranche-1- 205.50 Tranche-2- 245.85</p> <p>Exercise Price: Tranche-1- 10 Tranche-2- 10</p> <p>Expected Volatility (Standard Deviation): Tranche-1- 42.05% Tranche-2- 52.77%</p> <p>Expected Options Life (in Years): Tranche-1- 1.75 Tranche-2- 1.75</p> <p>Expected Dividend: Tranche-1- 0.73% Tranche-2- 0.66%</p> <p>Risk Free Rate: Tranche-1- 7.51% Tranche-2- 7.13%</p> <p>Any other inputs: Nil</p>
b.	the method used and the assumptions made to incorporate the effects of expected early exercise	<p>Black-Scholes-Merton option pricing model</p> <p>Min. life of Options: 1.5 Years</p> <p>Max. life of Options: 2.0 Years</p> <p>Avg. life of Options: 1.75 Years</p>
c.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The measure of volatility used in the Black Scholes options Pricing models is the annualised standard deviation of the continuously compounded rates of return on the company's share over life of the options
d.	Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Nil

Annexure-A**Details of Options granted during the year to Senior Managerial Personnel**

S. No.	Name of Employee	Designation	Options granted during the year	Exercise Price per option in INR
1	Ramesh Chander Khanna	President and Chief Operating Officer	2573	10
2	Sachin Jain	Chief Financial Officer	1474	10
3	Deepak Singh	Vice President	2076	10