



AARON INDUSTRIES LIMITED

Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2025

As on March 31, 2025, the Company has Employee Stock Option Plan called Aaron Industries Limited – Employee Stock Option Plan 2024 (“Aaron ESOP 2024”/ “ESOP 2024”/“Plan”).

Accordingly, the disclosures pertaining to stock options granted by the Company under the above plan and as required under the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (‘SBEB & SE Regulations’), are provided herein below.

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:

The requirement for disclosure under the accounting standards prescribed by the Central Government, including the 'Guidance Note on Accounting for Employee Share-Based Payments,' is not applicable for the Financial Year 2024-25, as the Company has not granted any stock options under the Aaron ESOP 2024 as of March 31, 2025.

B. Diluted EPS on issue of shares pursuant to Aaron ESOP 2024 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:

The requirement for disclosure of Diluted EPS related to the issuance of shares under Aaron ESOP 2024, in accordance with 'Accounting Standard 20 - Earnings Per Share', is not applicable for the Financial Year 2024-25, as the Company has not granted any stock options under the Aaron ESOP 2024 as of March 31, 2025.

C. Details related to Aaron ESOP 2024:

I. A description of Aaron ESOP 2024 including the general terms and conditions:

a.	Date of Shareholder’s Approval	September 24, 2024
b.	Total Number of options approved under Plan	Not exceeding 1,05,000 (One lakh Five Thousand) stock options
c.	Vesting Requirements	The Board/ Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1(one) year. The vesting dates in respect of the Options granted under the Scheme may vary from Employee to Employee or any class thereof and/or in respect of the number or percentage of Options granted to an Employee. Options shall vest essentially based on continuation of employment and

		apart from that the Board / Committee may prescribe other performance / other condition(s) for vesting. The vesting may occur in tranches or otherwise. Options granted under Aaron ESOP 2024 would vest subject to maximum period of 7 (Seven) years from the date of respective grant of such Options.
d.	Exercise Price or Pricing Formula	The Exercise Price shall be as may be decided by the Board/ Committee as is allowed under the Companies Act, and SEBI (SBEB and Sweat Equity) Regulations, which in any case will not be lower than the face value of the equity Shares of the Company on the date of such grant.
e.	Maximum term of option granted	The exercise period shall not be more than 5 (five) years from the date of respective vesting of options.
f.	Source of shares (Primary, secondary or combination)	The Scheme contemplates only new / fresh / primary issue of equity shares by the Company.
g.	Variation in terms of options	The Company shall not vary the terms of the Plan in any manner, which may be detrimental to the interests of the employees. Provided that the Company shall be entitled to vary the terms of the Plan to meet any regulatory requirements or for any adjustments for corporate action(s) announced by the Company.

II. Method used to account for the Plan (Intrinsic or fair value):

The Company shall adopt fair value method for valuation of options as prescribed under the Indian Accounting Standards or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

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 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 EPS of the Company shall also be disclosed:

Not applicable, as the Company is opting for the Fair Value Method for accounting of the stock options.

IV. Option movement during the year:

a.	Number of options outstanding at the beginning of year	Nil (The Company has not granted any stock options under Aaron ESOP 2024 as of March 31, 2025.)
b.	Number of options granted during the year	
c.	Number of options forfeited / lapsed / expired during the year	
d.	Number of options vested during the year	
e.	Number of options exercised during the year	
f.	Number of shares arising as a result of exercise of options	
g.	Money realized by exercise of options (₹)	
h.	Loan repaid by the trust during the year from exercise price received	
i.	Number of options outstanding at the end of the year	
j.	Number of options exercisable at the end of the year	



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:

Not applicable for the Financial Year 2024-25, as the Company has not granted any stock options under the Aaron ESOP 2024 as of March 31, 2025.

VI. Employee wise details of options granted during the year:

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;	Not Applicable (The Company has not granted any stock options under Aaron ESOP 2024 as of March 31, 2025.)
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;	
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.	

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;	Not Applicable (The Company has not granted any stock options under Aaron ESOP 2024 as of March 31, 2025.)
b.	the method used and the assumptions made to incorporate the effects of expected early exercise;	
c.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	
d.	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	

D. Disclosures in respect of grants made in three years prior to IPO under each ESOS:

Not Applicable
