

Disclosures with respect to Employees' Stock Option Scheme, 2011 (ESOS - 2011) and Ajanta Pharma Share Based Incentive Plan 2019 (SBIP 2019) as on 31 March 2024:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time.

Members may refer to note no. 48 to the audited financial statement prepared as per Indian Accounting Standard (Ind-AS) for the FY 2024.

B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Ind-AS 33.

Diluted EPS for the year ended 31st March 2024 is ₹ 64.11 calculated in accordance with Ind-AS 33 (Earnings per Share).

C. Details related to Employees' Stock Option Scheme

i. Description including terms and conditions of SBIP 2019 are summarized as under:

#	Particulars	SBIP 2019
a)	Date of shareholders' approval	18 July 2019
b)	Total number of options approved under ESOS	5,00,000
c)	Vesting requirements	Vesting period shall be not earlier than one year and not later than five years from the date of grant.
d)	Exercise price or pricing formula	Exercise price shall not be less than face value and not more than the market value of the equity share of the Company at the time of grant
e)	Maximum term of option granted	Five years
f)	Source of shares (Primary, secondary or combination)	Primary
g)	Variation in terms of options	None
h)	Method used to account for ESOS	Fair value
i)	Where your 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 recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of your Company shall also be disclosed.	Not applicable

Note: During the year, the Nomination & Remuneration Committee at its meeting held on 31 January 2024, approved withdrawal of Employee Stock Options Scheme 2011 with immediate effect. Hence no details of ESOS 2011 are provided.

ii. Option movement during the year (For each ESOS):

Particulars	SBIP - 2019
Number of options outstanding at the beginning of the period	4,91,500
Number of options granted during the year	91,350
Number of options forfeited / lapsed/cancelled during the year	3,750
Number of options vested during the year	1,000
Number of options exercised during the year	1,000
Number of shares arising as a result of exercise of options	1,000
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 2,000
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	4,03,900
Number of options exercisable at the end of the year	90,600

iii. Weighted average fair value and exercise price of options granted whose

#	Particulars	SBIP - 2019	
		Fair Value	Exercise price
1.	Exercise price equals market price	N.A.	N.A.
2.	Exercise price is greater than market price	N.A.	N.A.
3.	Exercise price is less than the market price	₹ 1,312.60	₹ 2

iv. Employee wise details (name of employee, designation, number of options granted during the year, exercise price)

#	Particulars	SBIP - 2019	
1.	Senior managerial personnel		
	Name of employee	Designation	No. of options granted during the year
			Exercise Price (per share)
	Pourus Vakil	Sr. VP – India Business	1,000
	Arvind Agrawal	CFO	3,000
	Satish H. Agrawal	President – T&O	3,000
	S P Singh	Sr. VP – West Asia	3,000
	A V Jayakumar	EVP QA	3,000
	Ramkumar Subramanian	VP – International Business	3,000
	Dr. Shailesh Singh	EVP R&D	3,000
	Thampy Jacob	Sr. VP - HR	2,500
	Gaurang Shah	VP Legal & CS	1,500
2.	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		Nil
3.	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

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

Fair value calculated by using Black-Scholes option pricing formula

Grant Date	05 May 2023	27 July 2023
Options	11,600	79,750
Risk free rate (%)	7.05	7.14
Expected Life (years)	1 to 3	1 to 4
Expected Volatility (%)	13.12	13.12
Expected dividend yield (%)	0.86	0.86
Price of the underlying share in the market at the time of option grant	₹ 1,298	₹ 1,553

- ❑ **Share Price:** The closing price on NSE as on the date of grant has been considered for valuing the options granted.
- ❑ **Exercise Price:** Exercise price is the price to be paid by the employee for the exercising the options granted to him, as determined by the NRC.
- ❑ **Expected Volatility:** The historical volatility of the stock till the date of grant has been considered to calculate the fair value of the options.
- ❑ **Expected Option Life:** Expected Life of option is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.
- ❑ **Risk Free Rate of return:** The risk-free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities.
- ❑ **Expected Dividends:** Expected dividend yield has been calculated as an average of dividend yields for four years preceding the date of the grant.