

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

SEBI vide its notification dated August 13, 2021 had issued the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 ('SEBI Regulations').

Aarti Pharma Performance Stock Option Plan 2023 ("PSOP 2023")

The Company had granted stock options during the financial year 2024-25. Disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021:

Sr No	Particulars	Details
1	The Board of Directors in their report shall disclose any material change in the scheme(s) and whether the scheme(s) is / are in compliance with the regulations.	Not Applicable
2	Further, the following details, inter alia, shall be disclosed on the Company's website and a web-link thereto shall be provided in the report of Board of Directors.	
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.	Share-based Payment' are given in the note no. 34 of the 'Notes forming part of the Financial Statements' for the year ended 31 st March,2025.
B	Details related to ESOP	
(i)	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP, including	Aarti Pharma Performance Stock Option Plan 2023 ("PSOP 2023")
a)	Date of shareholders' approval	September 14 th , 2023
b)	Total number of options approved under ESOS	The maximum number of shares under the PSOP 2023 Plan shall not exceed 7,00,000 equity shares
c)	Vesting requirements	Type of Vesting : Staggered Vesting, wherein options granted during a year will be vested in 3 equal tranches (1/3 rd options will be vested every year).
d)	Exercise price or pricing formula	₹ 5 /-(Rupees Five Only) each
e)	Maximum term of options granted	Three years from the date of vesting.
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	N.A
(ii)	Method used to account for ESOS -Intrinsic or fair value	Fair value using Black Scholes options pricing model
(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	
a)	Number of options outstanding at the beginning of the period	31,700
b)	Number of options granted during the year	40,000

Sr No	Particulars	Details
c)	Number of options forfeited / lapsed during the year	1,600
d)	Number of options vested during the year	8,616
e)	Number of options exercised during the year	8,616
f)	Number of shares arising as a result of exercise of options	8,616
g)	Money realized by exercise of options (₹), if scheme is implemented directly by the company.	43,080
h)	Loan repaid by the Trust during the year from exercise price received.	NA
i)	Number of options outstanding at the end of the year	61,484
j)	Number of options exercisable at the end of the year	NA
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.	Weighted average exercise price is Rs. 5.00 and weighted average fair value is Rs.496.84 of options granted during the year.
vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to	Shri Narendra Salvi - Executive Director, Managing Director (Options Granted – 15,000) at Exercise price - ₹ 5, Dr. Bharat Patravale –R&D/ President (Options Granted – 2,500) at Exercise price - ₹ 5, Shri Jasmin Mehta-Business/ Head Business Development and Direct Procurement (Options Granted – 2,000) at Exercise price - ₹ 5, Shri Piyush Lakhani-Chief Financial Officer (Options Granted – 2,000) at Exercise price - ₹ 5, Shri Sudhakar Shetty - HR & Admin/ Sr. General Manager (Options Granted – 1,000) at Exercise price - ₹ 5, Shri Jiteshkumar Patel- Sr. General Manager (Options Granted -2000) at Exercise price - ₹ 5; Shri Harsh Shroff - Deputy General Manager (Options Granted -2000) at Exercise price - ₹ 5; Shri Shyam Sundar Desai – Quality Assurance/Sr.General Manger (Options Granted -1000) at Exercise price - ₹ 5 Dr. S.Subramanian- Regulatory Affairs/Sr. General Manger(Options Granted -1000) at Exercise price - ₹ 5 Shri Harshul Patel-Business/Senior Manager(Options Granted -1000) at Exercise price - ₹ 5
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	

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		<p>Shri Dinesh Thokade- Deputy General Manager (Options Granted -600) at Exercise price - ₹ 5;</p> <p>Shri Ravindra Gurav – General Manager(Options Granted -600) at Exercise price - ₹ 5</p> <p>Mr. Nikhil Natu – Company Secretary(Options Granted -600) at Exercise price - ₹ 5(Resigned w.e.f October 30, 2024 and accordingly his options are lapsed)</p>
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; and	Shri Narendra Salvi (Options Granted – 15000) and Dr Bharat Patravale (Options Granted -2500).
c)	identified employees who were granted options, 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;	<ol style="list-style-type: none"> 1. Risk Free Interest Rate -7.18% 2. Expected life- 2.5 3. Expected Volatility- 54.96% 4. Dividend Yield- 0.40% 5. Price of the underlying share in market at the time of the option grant (Rs.) - 506
b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable
c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Expected volatility is based on the historical volatility of the Company's share price applicable to the total expected life of each option.
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