

PIRAMAL PHARMA LIMITED

Statutory Disclosure pertaining to ESOP in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI ESOP Regulations') for FY 2023-24

PIRAMAL PHARMA LIMITED - EMPLOYEE STOCK OPTION AND INCENTIVE PLAN – 2022

- I. Piramal Pharma Limited - Employee Stock Option and Incentive Plan – 2022 ('ESOP Scheme') was approved by the Board of Directors of the Company on 24th May, 2022 and by the shareholders of the Company at its Annual General Meeting by way of a special resolution on 28th July, 2022. Thereafter, upon listing of the equity shares of the Company on the stock exchanges, the said approval was ratified by the shareholders on 20th March, 2023 by way of a postal ballot. The total number of Options approved under the ESOP Scheme was 59,295,675. Below Options were granted during the period under review.

| Sr. No. | Details | Disclosures |
|---------|---|---|
| 1. | Options/SARs approved for Grant for FY 2023-24 | 1,13,21,966 |
| 2. | Option & SARs movement during the year: | |
| | a) Options & Number of SAR outstanding at the beginning of the year | 0 |
| | b) Options & Number of SAR granted during the year | 1,13,21,966 |
| | c) Options & Number of SAR forfeited / lapsed during the year | 40,37,797 |
| | d) Options & Number of SAR vested during the year | 0 |
| | e) Options & Number of SAR exercised/ settled during the year | 0 |
| | f) Number of shares arising as a result of exercise of options | No Options were exercised during FY 2023-24. |
| | g) Money realized by exercise of options | Not Applicable since no Options were exercised during FY 2023-24 |
| | h) Loans repaid during the year by the Trust from the money realized by the exercise of options | Nil |
| | i) Variation in terms of options | None |
| | j) Options & Number of SARs outstanding at the end of the year | 72,84,169 |
| | k) Options & Number of SARs exercisable at the end of the year | Nil |
| 3. | Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share' | Disclosed in Note 44 to Standalone financial statements and Note 42 to Consolidated financial statements of the Annual Report FY 2023-24. |

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| 4. | 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. | Disclosed in Note 68 to Standalone financial statements and Note 72 to Consolidated financial statements of the Annual Report FY 2023-24. |
| 5. | 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; | Disclosed in Note 68 to Standalone financial statements and Note 72 to Consolidated financial statements of the Annual Report FY 2023-24. |
| | 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; and | |
| | d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition. | |
| 6. | Employees wise break up of options & SARs so granted: | |
| | a) Senior Management Personnel | Stock Options have been granted by the Company to Senior Managerial Personnel. |
| | b) 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 |
| 7. | 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 | Disclosed in Note 68 to Standalone financial statements and Note 72 to Consolidated financial statements of the Annual Report FY 2023-24. |

Note: Disclosures in respect of grants made in three years prior to IPO are not applicable to the Company.

II. Details related to the Trust administering the PPL ESOP Scheme and General Information on Scheme:

| Sr. No | Particulars | Details |
|-----------|---|---|
| 1. | Name of the Trust | Piramal Pharma Limited Employees Welfare Trust |
| 2. | Details of Trustees | Mr. Paresh Parasnis Mr. Rajesh Laddha |
| 3. | Amount of loan disbursed by company / any company in the group, during the year | Rs. 2,80,00,000/- |
| 4. | Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year | Rs. 2,80,00,000/- |
| 5. | Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee | Nil |
| 6. | Any other contribution made to the Trust during the year | Initial contribution of Rs. 10,000/- from the settlor of the ESOP Trust i.e. the Company |
| 7. | Transactions of shares by the Trust | |
| i. | No. of shares held by the Trust at the beginning of the year | 0 |
| ii. | No. of shares acquired during the year – Secondary acquisition under the Rights Issue of the Company | 0 |
| iii. | No. of shares transferred to the employees during the year | 0 |
| iv. | No. of shares held by the Trust at the end of the year | 0 |
| 8. | Total number of shares approved under the SARs scheme | 29,647,838 SAR units, corresponding to 29,647,838 equity shares of the Company, being 2.5% of the paid-up share capital of the Company as on the date of the adoption of the Plan 2022. |
| 9. | Vesting requirements | The Options/ SARs, as and when granted, will be vested after a period of at least one year from date of Grant of Options/ SARs based on fulfilment of time based and performance-based parameters, as determined by the Compensation Committee. |

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| 10. | Exercise Price or Pricing Formula & SAR price or pricing formula | <p>The Exercise Price which shall be such price, as determined by the Compensation Committee, which can be the face value of the Shares of the Company or an amount higher than the face value but not exceeding the higher of:</p> <p>(i) Market Price on the Grant Date; or (ii) average of the price prevailing for the Share or Other Security in respect of which the Option/SAR is Granted during the 3 (three) months immediately preceding the date on which the Option/SAR is offered to the Eligible Employee; or (iii) the issue price of any such Shares or securities if the same have been issued within 3 (three) months prior to the Grant of Option/SAR.</p> <p>Further, this shall be subject to conforming to the accounting policies as specified by SEBI SBEB Regulations, including any ‘Guidance Note on Accounting for employee share-based Payments’ issued in that regard from time to time, and, for US employees, compliance with the applicable provisions of the US Tax Code.</p> |
| 11. | Maximum term of options granted & SAR granted | <p>The exercise period per option is five years from the date the option becomes exercisable.</p> <p>In case of SAR, there shall be no exercise period, and the SARs would be deemed to be exercised automatically on Vesting.</p> |
| 12. | Method of settlement (whether in cash or equity) & Choice of settlement (with the company or the employee or combination) | <p>Method of settlement for SARs: in Cash Method of settlement for ESOPs: in Equity Choice of settlement: Not applicable</p> |
| 13. | Source of Shares | Combination |
| 14. | Method used to account for Options & SAR - Intrinsic or fair value. | <p>If required, the Company shall use change on intrinsic / BS method for valuation of the ESOPs/ SARs or any other method required by Indian accounting standard. The Company may choose to adopt a different methodology, as may be required, as per the applicable Indian accounting standards.</p> |