

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2022

The shareholders of the Company had approved CFCL Employees Stock Option Scheme, 2010 on August 27, 2010 which was amended by the shareholders on September 13, 2013 and the revised CFCL Employees Stock Option Scheme 2010 (“**ESOS 2010**”) was approved by the shareholders on September 15, 2015. The disclosures in pursuance of Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are as under:

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 disclosures are provided in Note 35 of the Notes to Standalone Financial Statements of the Company for the financial year ended March 31, 2022.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations 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.

Rs. 37.62 (As per IND AS-33)

C. Details related to Employees Stock Option Scheme (ESOS):

| | | |
|----|--|---|
| i. | A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS: The description including terms and conditions of ESOS 2010 is as under: | |
| a) | Date of shareholders' approval | August 27, 2010, amended on September 13, 2013 and revised ESOS 2010 was approved on September 15, 2015 |
| b) | Total number of options approved under ESOS | 41,62,000 |
| c) | Vesting requirements | Not earlier than 1 (one) year and not later than 5 (five) years from the date of grant of options. Vesting of options is a function of continued employment with the Company (passage of time) and achievement of performance criteria as specified by the Nomination and Remuneration Committee. |
| d) | Exercise price or pricing formula | The options are / will be granted at the market price i.e. the latest available closing price on the stock exchanges where the shares of the Company are listed, prior to |

| | | |
|-------------|---|--|
| | | the date of the meeting of the Nomination and Remuneration Committee in which the options are granted or to be granted. As the shares of the Company are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited, the stock exchange where there is highest trading volume on the said date is considered. |
| e) | Maximum term of options granted | 8 (eight) years from the date of vesting of options. In case of death, permanent incapacity or retirement of an employee, the vested options can be exercised within 3 years from the date of death, permanent incapacity or retirement, as the case may be or before the expiry of the exercise period, whichever is earlier. |
| f) | Source of shares (primary, secondary or combination) | Combination |
| g) | Variation in terms of options | No variation was made in the terms of ESOS 2010 during the Financial Year 2021-22 |
| ii. | Method used to account for ESOS - Intrinsic or fair value | |
| | The Company has calculated the employee compensation cost using the fair value method of accounting to account for the options granted under ESOS 2010. | |
| iii. | Where the company opts for expensing of the options using the intrinsic value of the options - | |
| a) | 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 | Not Applicable as the Company has used fair value method of accounting. |
| b) | Impact of this difference on profits and on EPS of the Company | Not Applicable as the Company has used fair value method of accounting. |
| iv. | Option movement during the year (For each ESOS): | |
| | Particulars | Details (ESOS 2010) |
| | Number of options outstanding at the beginning of the period | 5,81,000 |
| | Number of options granted during the year | NIL |
| | Number of options forfeited / lapsed during the year | NIL |
| | Number of options vested during the year | NIL |

| | | | | | |
|-------------|--|--|--------------------|--|-----------------------|
| | Number of options exercised during the Year | 2,54,000 | | | |
| | Number of shares arising as a result of exercise of options | 2,54,000 | | | |
| | Money realized by exercise of options (INR), if scheme is implemented directly by the Company | Not Applicable as the ESOS 2010 is implemented through trust. | | | |
| | Loan repaid by the Trust during the year from exercise price received | Total Loan repaid by the Trust during the year was Rs. 2.19 Crore (including Rs. 1.90 Crore repaid from exercise price received during the year) | | | |
| | Number of options outstanding at the end of the year | 3,27,000 | | | |
| | Number of options exercisable at the end of the year | 3,27,000 | | | |
| v. | Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals or exceeds or is less than the market price of the stock | | | | |
| | Not applicable as no stock options were 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 – | | | | |
| | Particulars | Name of Employee | Designation | Number of options granted during the year | Exercise Price |
| 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 | No options were granted during the Financial Year 2021-22 | | | |
| 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: | | | | |
| | The Black Scholes valuation model is an option pricing model widely used for valuation of options and the Company has used this model for computing the weighted average fair value of options under ESOS 2010 considering the following inputs: | | | | |

| | Particulars | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|-------|---|--|------------------|------------------|------------------|------------------|
| a) | the weighted average values: | | | | | |
| | Share Price (Rs.) | 73.50 | 76.85 | 82.90 | 101.10 | 69.40 |
| | Exercise Price (Rs.) | 73.50 | 76.85 | 82.90 | 101.10 | 69.40 |
| | Expected volatility | 37.12% | 37.30% | 37.46% | 38.09% | 37.94% |
| | Expected option life | 0.50 | 0.66 | 0.82 | 1.13 | 1.54 |
| | Expected dividend yield | 3.45% | 3.45% | 3.45% | 3.45% | 3.45% |
| | Risk-free interest rate | 7.71% | 7.72% | 7.73% | 7.76% | 7.79% |
| | Any other inputs to the model | - | - | - | - | - |
| b) | the method used and the assumptions made to incorporate the effects of expected early exercise | Black Scholes Method | | | | |
| c) | how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility | The expected volatility was determined based on historical volatility data. The volatility has been considered for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. Daily volatility of the Company's stock price on NSE over these years has been considered. | | | | |
| 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 | | | | |
| viii. | Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made. | Not Applicable | | | | |

D. Details related to Trust

i. General information

| Sl. No. | Particulars | Details |
|----------------|--|--|
| 1. | Name of the Trust | CFCL Employees Welfare Trust |
| 2. | Details of the Trustee(s) | Mr. Arun Mahajan Mr. Kapil Mittal |
| 3. | Amount of loan disbursed by company/ any company in the group, during the year | NIL |
| 4. | Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year | The Company had outstanding loan of Rs. 0.71 Crore from the Trust as on March 31, 2022 |

| | | |
|----|---|-----|
| 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 | NIL |

ii. Brief details of transactions in shares by the Trust

| | | |
|----|--|--|
| a) | Number of shares held at the beginning of the year | 5,81,000 |
| b) | Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share | NIL |
| c) | Number of shares transferred to the employees / sold along with the purpose thereof | 2,54,000 equity shares were transferred against exercise of options. |
| d) | Number of shares held at the end of the year | 3,27,000 |

iii. In case of secondary acquisition of shares by the Trust

| Number of shares | As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained |
|--|--|
| Held at the beginning of the year | 0.14% (5,81,000 equity shares) |
| Acquired during the year | NIL |
| Sold during the year | NIL |
| Transferred to the employees during the year | 0.06% (2,54,000 equity shares) |
| Held at the end of the year | 0.08% (3,27,000 equity shares) |