

CG Power and Industrial Solutions Limited

Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended 31st March 2022:

- 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 relevant disclosures have been made in Notes to the Standalone Financial Statements of the Company for the financial year 2021-22. Please refer to Note No. 42.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed 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.**

Not applicable.

C. Details related to ESOS

- (i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –

(a)	Date of shareholders' approval	23 rd September 2021
(b)	Total number of options approved under ESOS	2,70,00,000
(c)	Vesting requirements	Option granted under ESOP 2021 shall vest not earlier than minimum period of 1 (One) year and not later than maximum period of 4 (Four) years from the date of Grant. The Committee may at its discretion change the Vesting schedule provided that such change is not detrimental in the interest of the Employees.
(d)	Exercise price or pricing formula	The Exercise Price shall be equal to Market Price of the Shares on the date of Grant or any other price as decided by the Committee.
(e)	Maximum term of options granted	The Vested Options may be exercised by the Option Grantee at any time within the period determined by the Committee from time to time, subject to a maximum period of 5 (Five) years from the date of Vesting of Options.
(f)	Source of shares (primary, secondary or combination)	Primary

(g)	Variation in terms of options	For the purpose of efficient implementation and administration of the Plan and with the prior approval of the shareholders of the Company by passing a special resolution, the Committee may at its sole discretion revise any of the terms and conditions in respect of existing or any new grant of Options provided that such variation shall not be prejudicial to the interest of the Option Grantees.
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- (ii) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –

Method used to account for ESOS - Intrinsic or fair value. – **Fair Value**

- (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 (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	Nil
Number of options granted during the year	18,34,100
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	Not applicable
Number of options outstanding at the end of the year	18,34,100
Number of options exercisable at the end of the year	Nil

- (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.

Vesting Date	Weighted Avg. Exercise Price	Weighted Average Fair Value
18-Nov-2022	156.20	31.98
18-Nov-2023	156.20	52.97
18-Nov-2024	156.20	65.54
18-Nov-2025	156.20	73.22

- (vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

(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;

(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

(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. – **Not applicable**

Employee wise details of options granted during the year 2021-22 are given below:

Name of employee	Designation	Number of options granted during the year	Exercise price (Rs)	% of total options granted
Natarajan Srinivasan	Managing Director	4,53,140	156.20	24.71%
Ramesh Kumar	President – Industrial Division	1,81,600	156.20	9.90%
Mukul Srivastava	President – Power Division	4,54,000	156.20	24.75%
Susheel Todi	Chief Financial Officer	3,38,800	156.20	18.47%
Aniruddha Khekale	Executive Vice – President – HR	3,38,800	156.20	18.47%
Ranjan Singh	Executive Vice – President – Railways	67,760	156.20	3.69%
	Total	18,34,100		100.00%

(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;

Details are mentioned in the table given below:

Variables	Vesting date			
	18-Nov-22	18-Nov-23	18-Nov-24	18-Nov-25
Market Price (Rs.)	156.2	156.2	156.2	156.2
Expected Life (In Years)	1	2	3	4
Volatility (%)	47.82	55.99	56.02	53.1
Risk-free Rate (%)	3.81	4.46	4.96	5.36
Exercise Price (Rs.)	156.2	156.2	156.2	156.2
Dividend yield (%)	0	0	0	0
Fair Value per vest (Rs.)	31.98	52.97	65.54	73.22

- (b) the method used and the assumptions made to incorporate the effects of expected early exercise; - **The Black-Scholes model**

- (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 determined based on historical volatility for period corresponding to expected lives of different vests**

- (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**

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

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**