

## 5. Disclosures under Companies Act 2013 and/or disclosures in notes to accounts

The following disclosure needs to be made in the Annexure to the Directors Report as per SEBI Regulations -

Sr.No.	Particulars	Ramkrishna Forgings Limited -Employee Stock Option Plan 2015 (RKFL ESOP Scheme 2015)
<b>I. Details of the ESOS</b>		
1	Date of Shareholder's Approval	12th September 2015
2	Total Number of Options approved	Upto 700,000
3	Vesting Requirements	Stock options granted under RKFL ESOP Scheme 2015 shall vest after 3 years from the grant date in the following proportion 3rd Year- 30% 4th Year- 30% 5rd Year- 40% The above vesting will be dependent upon achievement of certain performance criteria as laid down by Nomination & Remuneration Committee
4	Exercise Price or Pricing formula (₹)	Rs.80 for Rs.2 each
5	Maximum term of Options granted (years)	9 years from the date of grant
6	Source of shares	Primary/Secondary/Combination
7	Variation in terms of ESOP	Exercise price has been reduced from 90% of the market price prevailing at the date of the grant of options to Rs. 400/- (Rupees Four Hundred only). By shareholders resolution dated 24th September 2016. Due to subdivision of shares the exercise price has been adjusted to Rs.80 per share of rs.2 each
8	Method used to account for ESOP	The Company has recognised compensation cost using fair value method of accounting. The Company has recognized stock option compensation cost of Rs. 30.62 Lakhs in the statement of profit and loss for the financial year 2022-23.
9	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.	The Company accounted for employee compensation cost on the basis of fair value of the options

II. Option Movement during the year		No. Of options*	Wt. Avg Exercise Price
1	No. of Options Outstanding at the beginning of the year	484,825	80
2	Options Granted during the year	0	80
3	Options Forfeited / lapsed during the year	14,375	80
4	Options Vested during the year	25,715	80
5	Options Exercised during the year	90,155	80
6	Total number of shares arising as a result of exercise of options	90,155	80
7	Money realised by exercise of options (Rs.)	7,212,400	
8	Number of options Outstanding at the end of the year	380,295	80
9	Number of Options exercisable at the end of the year	341,851	80

\*options adjusted for stock split- The Face value of equity shares has been sub divided in Rs.2 each w.e.f March, 15, 2022

III. Weighted average exercise price of Options granted during the year whose		
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	NA
Weighted average fair value of options granted during the year whose		
(a)	Exercise price equals market price	NA
(b)	Exercise price is greater than market price	NA
(c)	Exercise price is less than market price	NA

Weighted average contractual life of options outstanding as on 31st March 2023	2.82
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IV Employee-wise details of options granted during the financial year 2022-23 to:		
(i)	Senior managerial personnel :	
	<b>Name</b>	<b>No. of options granted</b>
	NIL	
(ii)	Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year	
	<b>Name</b>	<b>No. of options granted</b>
	NIL	
(iii)	Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
	<b>Name</b>	<b>No. of options granted</b>
	NIL	

V Method and Assumptions used to estimate the fair value of options granted during the year:		
The fair value has been calculated using the Black Scholes Option Pricing model		
The Assumptions used in the model are as follows:		
	<b>Date of grant</b>	<b>Particulars</b>
	1. Risk Free Interest Rate (%)	NA
	2. Expected Life	NA
	3. Expected Volatility (%)	NA
	4. Dividend Yield (%)	NA
	5. Price of the underlying share in market at the time of the option grant (Rs.)	NA

**Assumptions:**

Stock Price: Closing price on National Stock Exchange on the date of grant has been considered

Volatility: The historical volatility over the expected life has been considered to calculate the fair value.

Risk-free rate of return: The risk-free interest rate being 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

Exercise Price: Exercise Price of each specific grant has been considered.

Time to Maturity: Time to Maturity / Expected Life of options is the period for which the Company expects the options to be live.

Expected dividend yield: Expected dividend yield has been calculated as last dividend declared before the date of grant

<b>VI</b>	Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	To be filled by the Company
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