



CHAMBAL FERTILISERS AND CHEMICALS LIMITED

Details of Employees Stock Option Scheme of Chambal Fertilisers and Chemicals Limited

1. **Name of the Issuer:** Chambal Fertilisers and Chemicals Limited (Company)
2. **Name of the Scheme:** CFCL Employees Stock Option Scheme 2010 (ESOS 2010)
3. **Date of implementation:** 16.09.2010
4. **Mode of Implementation (Trust/Direct):** Trust
5. **Brief particulars about the Scheme (modus operandi):**

The scheme envisages allotment/ transfer of shares of the Company to the concerned employees either directly from the Company or by way of transfer through Trust or under any other mechanism as permissible under applicable laws. In case of allotment/ transfer of shares of the Company to the employees through Trust, the Trust shall acquire, purchase or subscribe to the shares of the Company and thereby, inter-alia, utilize such shares for the purpose of providing them to the concerned employees upon exercise of the stock options under ESOS 2010. Currently, the scheme is being administered through Trust. The other details are as under:

- a) **Name of Trust** : CFCL Employees Welfare Trust (Trust)
- b) **Date of Formation of Trust** : September 6, 2010
- c) **Details of the Trustee:** Name : Mr. Arun Mahajan (Trustee)
Father's Name : Mr. Chaman Lal Mahajan
Address : B-1 / 18, 2nd Floor, Safdarjung Enclave,
New Delhi – 110 029
- d) The Trustee is not a promoter or director of the Company and is not a relative of the promoters or any of the directors of the Company. He is a Managing / Whole Time Director / Director in certain group companies.

6. **Whether promoters/persons belonging to the promoter group/directors, are also beneficiaries in the scheme. If so, the details thereof and their entitlements:-**

None of the promoters or persons belonging to the promoter group or directors of the Company are beneficiaries under ESOS 2010 except Mr. Anil Kapoor, the Managing Director of the Company (who is a professional and not a relative of the promoters / promoter group). Mr. Anil Kapoor has been granted 1,50,000 stock options under ESOS 2010 (each option will entitle him, upon its exercise, to one equity share of the Company).

7. **No. of shares held by Trust/any other agency managing the scheme as on the date of the circular:**

As on the date of circular, 22,53,402 equity shares of the Company were held by the Trust in the name of Trustee which constituted 0.54% of the issued and paid-up share capital of the Company. There is no change in the shareholding of the Trust since the date of issue of circular by SEBI.



8. How the Trust/agency is proposing to deal with the existing holding (whether to be transferred to the employees, or to be sold in the market for transferring the benefits to the employees, if so, details regarding proposed date of such transfer or sale shall be given). Such date shall not be later than June 30, 2013.

As on January 31, 2013, a total of 31,04,200 stock options granted under ESOS 2010 (exercisable into 31,04,200 equity shares of the Company) were outstanding. The shares currently held by the Trust are proposed to be transferred to the option grantees (i.e. eligible employees under ESOS 2010) from time to time upon the exercise of their stock options.

We would like to bring to the kind notice of the stock exchange that the number of shares currently held by the Trust is lesser than the total number of outstanding stock options. Further, the equity shares of the Company that are currently held by the Trust (in the name of the Trustee) are held solely for the purpose of transfer to the employees of the Company as per the terms of ESOS 2010. Since it is possible to transfer the shares of the Company to the employees only upon vesting and exercise of stock options by them, such transfer may not be feasible by June 30, 2013 considering the terms of ESOS 2010. In view of the above, the forced disposal of the shares held by the Trust in secondary market by June 30, 2013 will be detrimental to the interest of the Company, its shareholders and the Trust. Such disposal will also be contrary to the objective for which these shares were acquired by the Trust as the Trust never envisaged selling nor sold these shares in the open/ secondary market or to any other person other than the option holders under ESOS 2010. Please note that we have also submitted a representation to the Securities and Exchange Board of India in this regard vide our letter dated February 13, 2013 (Copy enclosed) seeking dispensation from the requirement of disposing off the existing corpus of the Trust by June 30, 2013.

9. Details of persons who are entitled to shares or benefits accruing out of the shares, which form part of more than 1 percent of the paid up share capital, as on the date of the circular in the following format:

Name of the employee	Whether falling under Promoter/ promoter group/ directors	No. of entitled shares	% of such entitlement over the paid-up share capital	No. of shares transferred/ allotted to them/benefits of which is passed on to them out of (3)
(1)	(2)	(3)	(4)	(5)
NIL				

10. Details of secondary market purchases/sales by the company/Trust/ any other agency managing the scheme if any, since April 01, 2012:

Sl	Date/time	Type of Transaction (Purchase/ Sale)	No. of Securities	Price at which Purchased/ sold
1.	May 14, 2012	Purchase by Trust	2,00,000	Rs. 70.30 per share (including brokerage, STT, etc.)

M. K. Srinivasan