

## ORIENT ELECTRIC LIMITED

CIN: L31100OR2016PLC025892

Registered Office: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012

Tel: 0674-2396930

Corporate Office: 240, Okhla Industrial Estate, Phase – III, Okhla, New Delhi -110020

E-mail – [investor@orientelectric.com](mailto:investor@orientelectric.com), Website: [www.orientelectric.com](http://www.orientelectric.com)

### Disclosures with respect to Orient Electric - Employees Stock Option Scheme - 2019 (ESOP Scheme – 2019) as per Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

**A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time.**

Refer to notes to audited financial statements for the financial year 2020-21, prepared as per Indian Accounting Standards (Ind-AS), available on the website of the Company, [www.orientelectric.com](http://www.orientelectric.com).

**B. Diluted EPS on issue of shares calculated in accordance with Ind AS 33 - Earnings Per Share.**

Diluted EPS for the financial year 2020-21 is Rs. 5.63 calculated as per Ind AS 33.

**C. Details related to ESOP Scheme – 2019.**

i. The description including terms and conditions of ESOP Scheme - 2019 is summarized as under:

1	Date of shareholders' approval	March 13, 2019
2	Total number of options approved under ESOP Scheme – 2019	30,00,000
3	Vesting requirements	<p>The Nomination and Remuneration Committee (NRC) may in its absolute discretion determine the vesting criteria, which could either be time-based or performance-based or both, provided, that:</p> <p>There shall be minimum period of 1 (one) year between the date of grant and date of vesting.</p> <p>The options granted would vest over a maximum period of 5 (five) years or such other period as may be prescribed by applicable laws and decided by NRC, from time to time.</p>

4	Exercise price or pricing formula	<p>Exercise Price shall be equivalent to the prevailing Market Price of the shares of the Company provided that the NRC may, in its sole discretion, discount the Exercise Price by upto 20% of the Market Price, as it may deem appropriate in conformity with the applicable accounting policies, if any.</p> <p>'Market Price' means the latest available closing price on an Indian Recognized Stock Exchange having higher trading volume on which the shares of the Company are listed on the date immediately prior to the Grant Date.</p> <p>Exercise Price for 16,92,433 Stock Options, granted in financial year 2018-19 and outstanding as on March 31, 2021 is Rs. 144.10 per Stock Option and for 24,141 Stock Options is Rs. 155 per Stock Option and 1,66,302 is Rs. 184.10 per Stock Option, granted in financial year 2019-20 and outstanding as on March 31, 2021.</p> <p>During the financial year 2020-21 no new stock option was granted.</p> <p>Above prices are exclusive of applicable taxes, if any.</p>
5	Maximum term of options granted	Stock Options can be exercised within 4 years from the date of vesting.
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	None

ii. Method of accounting and impact on profit of the Company:

1	Method used to account for ESOP Scheme - Intrinsic or fair value.	Fair Value
2(a)	Difference between the employee compensation cost calculated using the intrinsic value of Stock Options and the employee compensation cost calculated using fair value of Stock Options.	Not Applicable
2(b)	Impact on the profits of the Company and the earnings per share ("EPS") arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of Stock Options over the intrinsic value of the Stock Options).	Not Applicable

iii. Option movement during the year:

Particulars	Details
Number of options outstanding at the beginning of the period	20,43,270
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	1,60,394

Number of options vested during the year	None
Number of options exercised during the year	None
Number of shares arising as a result of exercise of options	Not Applicable
Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Not Applicable
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	18,82,876
Number of options exercisable at the end of the year	None

iv. Accounting method and assumptions: Black Scholes method of valuation

Particulars	Grant 1		Grant 2		Grant 3	
	Vesting Period-1	Vesting Period-2	Vesting Period-1	Vesting Period-2	Vesting Period-1	Vesting Period-2
Date of Grant	March27, 2019	March27, 2019	July 30, 2019	July 30, 2019	December 11, 20219	December 11, 20219
Stock price on the grant Date	144.10	144.10	155.00	155.00	184.10	184.10
Exercise price	144.10	144.10	155.00	155.00	184.10	184.10
Expected term (years)	5	6	5	6	5	6
Weighted average fair value as on grant date	63.37	68.67	61.89	67.89	73.57	81.80
Expected price volatility	40.60%	39.80%	35.75%	35.54%	34.35%	35.15%
Risk free interest rate	7.03%	7.13%	6.35%	6.45%	6.66%	6.66%
Expected dividend yield (per share)	0.69%	0.69%	0.69%	0.69%	0.69%	0.69%

v. Employee wise details of the Stock Options granted during the year:

Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP)	Nil
Employees who received grant in any one year equal to or more than 5% of options granted during the year	Not Applicable
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

For more details on valuation and accounting of stock options granted under ESOP Scheme – 2019, refer to notes to audited financial statements for the financial year 2020-21, prepared as per Indian Accounting Standards (Ind-AS), available on the website of the Company, [www.orientelectric.com](http://www.orientelectric.com)