

## ORIENT ELECTRIC LIMITED

CIN: L31100OR2016PLC025892

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### 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.

Please refer to notes to audited financial statements prepared as per Indian Accounting Standards (Ind-AS) for the financial year 2018-19, 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 2018-19 is Rs. 3.27 calculated as per Ind AS 33.

#### C. Details related to Orient Electric - Employees Stock Option 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 Remuneration Committee may in its absolute discretion determine the vesting criteria, which could either be time-based or performance-based or both, provided, that in no case shall the Vesting Period be (i) more than 5 (five) years from the Grant Date; and (ii) less than 1 (one) year from the Grant Date or such other minimum or maximum time period as may be prescribed by applicable laws, from time to time.</p> <p>Vesting period for 19,98,309 Stock Option: 40% Stock Options to vest after 3 years and 60% Stock Options to vest after 4 years from grant date of March 27, 2019.</p>

4	Exercise price or pricing formula	Exercise Price shall be equivalent to the prevailing Market Price of the Shares provided that the Nomination and Remuneration Committee may, in its sole discretion, discount the Exercise Price by up to 20% of the Market Price, as it may deem appropriate in conformity with the applicable accounting policies, if any. 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.  Exercise Price for 19,98,309 Stock Option granted on March 27, 2019 is Rs. 144.10 per Stock Option.
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	Nil
Number of options granted during the year	19,98,309
Number of options forfeited / lapsed during the year	Nil
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	19,98,309
Number of options exercisable at the end of the year	19,98,309

iv. Accounting method and assumptions:

<b>Particulars</b>	<b>Tranche 1 Vesting</b>	<b>Tranche 2 Vesting</b>
Exercise Price (Rs.)	144.10	144.10
Expected Term (years)	3	4
Weighted average fair value as on the grant date (Rs.)	63.37	68.67
Expected price volatility (%)	40.60	39.80
Risk free interest rate (%)	7.03	7.13
Expected dividend yield (%)	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)	KMP: 6,78,546 SMP: 8,24,511
Employees who received grant in any one year equal to or more than 5% of options granted during the year	Mr. Rakesh Khanna (Managing Director & CEO); Mr. Saibal Sengupta, CFO; Mr. Atul Jain, BU Head (Fan and International Business); Mr. Srihari Madhav Rao (CIO); Mr. Puneet Dhawan (BU Head- Lighting and Switchgear), Mr. Pushp Saurabh Baisakhia (BU Head- Appliances); Mr. Ashok Kumar Singh (Head - Lighting); Mr. Arvind Kumar Singh (Plant Head); Mr. Ravi Chopra (Head – HR);
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