

Orient Cement Employees Stock Option Scheme 2015

1. General Disclosures

- 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.

For details, please refer to notes to Financial Statements mentioned in the Annual Report 2022-23 which can be accessed through web link <http://www.orientcement.com/investor/>.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with IND AS 33 - 'Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.

Please refer Note no. 34 of the notes to the financial statements forming part of the Annual Report for the financial year 2022-23.

2. Scheme Specific Disclosures (Details related to ESOS): Orient Cement Employees Stock Option Scheme 2015

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

S. No.	Particulars	Disclosures	
1.	Date of Shareholder's approval	July 25, 2015	
2.	Total number of options approved	30,00,000 (three million)	
3.	Vesting requirements	Grant I dated August 4, 2015	Grant II dated November 9, 2022
		Ist tranche: -40% of the options shall be vested after 3 years from the date of grant and IInd tranche: - remaining 60% after 4 years from the date of grant.	100% of the options shall be vested after 2 years from the date of grant.
4.	Exercise price or pricing formula	Rupees 135/-	Rupees 136.75/-
5.	Maximum term of Options granted	Option can be exercised within 4 years from the date of vesting. However, this period can be extended by Nomination & Remuneration cum Compensation Committee.	Option can be exercised up to July 24, 2025 from the date of vesting. However, this period can be extended by Nomination & Remuneration cum Compensation Committee, subject to necessary approvals and sanctions obtained in this regard.

6.	Sources of shares (Primary, Secondary or Combination)	Primary	Primary
7.	Variation in terms of Option	N.A.	N.A.
8.	Method used for accounting of ESOS (Intrinsic or fair value)	Fair Value	Fair Value
9.(a)	Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	N.A.	N.A.
9.(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)	N.A.	N.A.

ii. Option movement during the FY 2022-23

S. No.	Particulars	Disclosures
1.	Number of options outstanding at the beginning of the period	11,06,000
2.	Number of options granted during the year	3,10,099 (Award letter issued for 2,41,137 stock options)
3.	Number of options forfeited/ lapsed during the year	4,42,400
4.	Number of options vested during the year	Nil
5.	Number of options exercised during the year	Nil
6.	Number of shares arising as a result of exercise of options	Nil
7.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Nil
8.	Loan repaid by the Trust during the year from exercise price received	N.A.
9.	Number of options outstanding at the end of the year	9,04,737
10.	Number of options exercisable at the end of the year	6,63,600

iii. **Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock.**

	Grant I dated August 4, 2015	Grant II dated November 9, 2022
Exercise price (Rs.)	Rs. 135	136.75
Weighted average fair value (Rs.)	105.64	38.14

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

S.No.	Particulars	Name of Employee	Designation	Number of options granted during the year	Exercise Price (Rupees)
1.	Senior Managerial Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Mr. Satyabrata Sharma	President- Manufacturing	49,318	136.75
		Mr. Manish Dua	President- Sales & Marketing	83,988	136.75
		Mr. N. Sesha Srinivas	Senior Vice President- Human Resource	49,259	136.75
		Mr. Deepak Gupta	President- Projects	37,134	136.75
2.	Employee who received grant in any one year equal to or more than 5% of options granted during the year	<ol style="list-style-type: none"> 1. Mr. Satyabrata Sharma 2. Mr. Manish Dua 3. Mr. N. Sesha Srinivas 4. Mr. Deepak Gupta 5. Mr. Bala Girdhar 			
3.	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	Nil			

- v. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(a)

Particulars	Grant I dated August 4, 2015		Grant II dated November 9, 2022
	Tranche I	Tranche II	
The weighted - average values of share price	Rs.105.64	Rs.105.64	Rs. 38.14/-
Exercise price	Rs. 135	Rs. 135	Rs. 136.75/-
Expected volatility	44.90%	44.90%	40.33%
Expected option life (Avg. Period)	5.6 years	6 years	2.36 years
Expected dividend rate	0.96%	0.96%	1.83%
The risk-free interest rate	8%	8%	7%
Any other inputs to the model (Price of underlying shares in market at the time of option grant)	Rs. 183.50	Rs. 183.50	Rs. 136.75

(b)

Particulars	Grant I dated August 4, 2015		Grant II dated November 9, 2022
	Tranche I	Tranche II	
The method used to incorporate the effects of expected early exercise	"Black Scholes Option Pricing Method"		"Black Scholes Option Pricing Method"
The assumptions made to incorporate the effects of expected early exercise	NA		NA

- (c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.

The expected volatility was determined based on last year trend.

- (d) Whether and how any other features of the options granted were incorporated into measurement of fair value, such as market condition.

As detailed in point A above, all the specific feature of the options granted were incorporated into measurement of fair value in compliance with applicable accounting standards/ laws.