

Orient Cement Employees Stock Option Scheme 2015

1. General Disclosures

- a. Disclosure under Guidance note on accounting for employee share based payments or any other applicable AS.

For details please refer to notes to Financial Statements mentioned in the Annual Report 2016-17 which can be accessed through web link <http://www.orientcement.com/investors/>.

2. Scheme specific disclosures

Orient Cement Employees Stock Option Scheme 2015

i. General Disclosures

S.No.	Particulars	Disclosures
1.	Date of Shareholder's approval	July 25, 2015
2.	Total number of options approved under Orient Cement Employees Stock Option Scheme 2015	30,00,000 (three million)
3.	Vesting requirements	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. The date of grant is August 4, 2015, being the date of grant by Nomination & Remuneration cum Compensation Committee
4.	Exercise price or pricing formula	Rupees 135/-
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.
6.	Sources of shares (Primary, Secondary or Combination)	Primary

7.	Variation in terms of Option	N.A.
8.	Method used for accounting of ESOS (Intrinsic or 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.
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.
10.	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.	Exercise price Rs. 135 Weighted average fair value Rs.105.64

ii. Option movement during the FY 2016-17

S.No.	Particulars	Disclosures
1.	Number of options outstanding at the beginning of the period	16,48,900
2.	Number of options granted during the year	Nil
3.	Number of options forfeited/ lapsed during the year	Nil
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	Nil

	exercise of options	
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	16,48,900
10.	Number of options exercisable at the end of the year	Nil

iii. Employees details who were granted options during the year

S.No.	Particulars	Name of Employee	Designation	Number of options granted during the year	Exercise Price (Rupees)
1.	Senior Managerial Personnel				135/- (Vesting of first tranche shall commence on August 4, 2018 and second tranche on August 4, 2019)
		Mr. Desh Deepak Khetrpal	Managing Director & CEO	Nil	
		Mr. Shyam B Asawa	President (Projects)	Nil	
		Mr. Rahul R Deshmukh	COO	Nil	
		Mr. Sushil Gupta	CFO	Nil	
		Mr. Shiv Kumar Pandey	President(Works)	Nil	
		Mr. N. Sesha Srinivas	VP-HR	Nil	
2.	Employee who received grant in any one year equal to or more than 5% of options granted during the year	Nil			

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
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iv. Accounting Method and assumptions

Method used	“Black Scholes Option Pricing Method”	
	Tranche I	Tranche II
Risk free interest rate	8%	8%
Expected Life (Avg. Period)	5.6 years	6 years
Expected Volatility (based on last year trend)	44.90%	44.90%
Expected Dividends	Rs. 0.96 Per share	Rs. 0.96 Per share
Price of underlying shares in market at the time of option grant	183.50	183.50