

# The Patna Electric Supply Co. Ltd

33A, Jawaharlal Nehru Road, Chatterjee International, Unit A-9, 8<sup>th</sup> Floor Russel Street, Kolkata-700071

CIN: L40109WB1956PLC023307

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Ph No: +91-9163468547

Website: [www.patnaelectricssupplycompany.com](http://www.patnaelectricssupplycompany.com)

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## EMPLOYEE BENEFIT SCHEME (EBS)

### 1. PREAMBLE

The Patna Electric Supply Co. Ltd. (“Company”) is committed to rewarding and retaining employees who contribute to its success. The Company recognizes that employee compensation must align with long-term shareholder value. This **Employee Benefit Scheme (EBS)** is designed to motivate employees by offering equity-linked incentives.

This Scheme is formulated under **SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021** and **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, and incorporates good governance practices.

### 2. OBJECTIVES OF THE SCHEME

The objective of the Scheme is to:

- Attract, retain, and motivate talented employees.
- Align the interests of employees with those of the Company and shareholders.
- Provide long-term wealth creation opportunities to eligible employees.
- Encourage performance culture and accountability.

### 3. DEFINITIONS

Unless the context otherwise requires:

- **Act:** The Companies Act, 2013, including any amendments.
- **SEBI Regulations:** SEBI (SBEB & SE) Regulations, 2021 and SEBI (LODR) Regulations, 2015.
- **Eligible Employees:** Permanent employees, including Directors (excluding Independent Directors), whether working in India or abroad, of the Company or its subsidiaries.
- **Grant:** Issue of options/benefits to eligible employees under the Scheme.
- **Option:** The right but not obligation granted to employees to apply for shares at a future date and at a predetermined price.
- **Vesting:** Process by which the employee becomes entitled to exercise the option.
- **Exercise:** Act of applying for the Company’s shares against the vested options.
- **Exercise Price:** Price payable by the employee to convert options into equity shares.

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## 4. TYPE OF SCHEMES COVERED

The Company may introduce any one or a combination of the following under this policy framework:

1. **Employee Stock Option Scheme (ESOS)**
2. **Employee Stock Purchase Scheme (ESPS)**
3. **Stock Appreciation Rights (SARs)**
4. **Restricted Stock Units (RSUs)**
5. **Phantom Stock Scheme**
6. **Other share-based benefits permitted under SEBI regulations**

The Board may adopt one or more schemes, from time to time, with separate operational guidelines and approvals.

## 5. ADMINISTRATION OF THE SCHEME

- The Scheme shall be administered by the **Nomination and Remuneration Committee (NRC)** of the Board, comprising a majority of Independent Directors.
- NRC shall have full powers to supervise the Scheme, including decisions on grant, vesting, exercise, eligibility, pricing, modifications, etc.

## 6. ELIGIBILITY CRITERIA

Employees eligible under the scheme shall include:

- Permanent employees of the Company.
- Permanent employees of subsidiaries.
- Directors (other than Independent Directors).
- Such other category of employees as may be permitted under SEBI regulations.

### **Exclusions:**

- Promoters or persons belonging to the promoter group.
- Independent Directors (for share-based schemes).
- Employees who are not in continuous employment during the vesting period (except in special cases approved by NRC).

## 7. TERMS OF GRANT AND VESTING

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- **Grant Criteria:** Performance, designation, seniority, loyalty, criticality, and future potential.
- **Vesting Schedule:** Options shall vest not earlier than **1 year** from the date of grant.
- **Performance Vesting:** May be linked to financial and individual KPIs.
- **Accelerated Vesting:** May be allowed in case of retirement, merger, death, or disability, as per NRC discretion.

## 8. EXERCISE PERIOD AND PRICE

- **Exercise Price:** Determined by NRC (may be face value, market-linked, or discounted).
- **Exercise Period:** May range from **1 to 5 years** post-vesting, subject to NRC's decision.
- Unexercised vested options shall lapse after the expiry of the exercise period unless extended by NRC.

## 9. MAXIMUM LIMITS

- **Per Employee Limit:** NRC shall determine the ceiling on the number of options per employee.
- **Aggregate Limit:** Shall be subject to shareholder approval and within the limits specified under SEBI SBEB & SE Regulations.

## 10. FUNDING AND IMPLEMENTATION

- The Scheme may be implemented either directly by the Company or through a **Trust**, as per SEBI regulations.
- Shares may be **freshly issued** or acquired from the secondary market.

## 11. LOCK-IN AND TRANSFERABILITY

- Options or shares arising from this Scheme shall be **non-transferable and non-pledgeable**.
- Employees shall not transfer, assign, or encumber their rights under the Scheme except through legal succession.
- Shares allotted may be subject to a lock-in as prescribed by NRC or SEBI.

## 12. ACCOUNTING AND DISCLOSURE

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- The Company shall follow **Ind AS 102** for accounting the cost of employee share-based payments.
- Proper disclosures shall be made in the **Board Report, Financial Statements, and Annual Report** as required under SEBI and Companies Act regulations.
- Website disclosure shall also be ensured as per Regulation 46 of SEBI LODR.

## 13. AMENDMENTS / TERMINATION

- The Board or NRC may amend, modify, suspend, or terminate the Scheme at any time, provided such action is not detrimental to the interests of employees.
- Any amendment that is not in conformity with the SEBI Regulations shall require shareholder approval.

## 14. COMPLIANCE AND GOVERNANCE

- The Scheme shall be operated in accordance with the provisions of:
  - Companies Act, 2013 and rules made thereunder
  - SEBI SBEB & SE Regulations, 2021
  - SEBI LODR Regulations, 2015
  - Income Tax Act, 1961
  - Applicable accounting standards (Ind AS)
  - Any other applicable laws or guidelines

## 15. EFFECTIVE DATE

This scheme shall be effective from the date of approval by the Board of Directors and shall remain in force until amended or rescinded.

## 16. DISCLOSURE AND WEB POSTING

This Scheme shall be made available on the official website of the Company and appropriate disclosures shall be made in the **Board's Report, Annual Report, and Corporate Governance section**, as required.

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