

**Disclosure pursuant to Section 62 of the Companies Act, 2013 read with rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 regarding stock options**

**DESCRIPTION OF ESOP SCHEME:**

As at March 31, 2024, the Company has following Employee Stock Option Schemes for eligible employees. In terms of the said plan, options to the employees shall vest as given in the below table.

- 1) CMS CEO Stock Option Plan, 2016;
- 2) CMS Management Stock Option Plan 2016;
- 3) CMS Employees Stock Option Plan 2016; and
- 4) CMS Employees Stock Option Plan 2023

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

The disclosures are provided in the Note to account no. 38 to the Standalone Financial Statements of the Company for the year ended March 31, 2024.

**B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations, in accordance with ‘Indian Accounting Standard 20 – Earnings Per Share’ issued by ICAI or any other relevant accounting standards as prescribed from time to time:**

₹ 21.82 per share

**C. Details related to ESOP:**

Sr. No.	Description	CMS CEO Stock Option Plan 2016	CMS Management Stock Option Plan 2016	CMS Employees Stock Option Plan 2016	CMS Employees Stock Option Plan 2023
(i)	<b>Description of each ESOP that existed during the year, including the general terms &amp; conditions:</b>				
1.	Date of Shareholders Approval	October 20, 2016, September 10, 2021, October 28, 2021, December 28, 2022	October 20, 2016, August 13, 2021, September 10, 2021, October 28, 2021, December 28, 2022	October 20, 2016, August 13, 2021, September 10, 2021, October 28, 2021, December 28, 2022	May 20, 2023
2.	Total number of options approved as per scheme	98,66,667	25,19,366	4,604,444	10,075,000
3.	Vesting Requirements	As per ESOP Scheme	As per ESOP Scheme	As per ESOP Scheme	As per ESOP Scheme

4.	The pricing formula/Exercise Price	Fair Market Value as approved by the Nomination and Remuneration Committee ('NRC') in concurrence with our Board as on the date of the grant of options.	The Exercise Price shall be such price as determined by the Compensation Committee ('NRC') and be set out in each Grant Letter in accordance with applicable regulations of the SEBI.  The pricing formula/Exercise Price will be as per Clause 8.1 of the CMS Employees Stock Option Plan 2023.
5.	Maximum Term of Options Granted	3.7 years.	
6.	Sources of Shares	New shares to be issued	
7.	Method used for Accounting of ESOP	Options have been valued based on fair value method as prescribed under Ind AS 102, Share based payments, using Black Scholes valuation option pricing model by using the fair value of the Company's shares on the grant date and assumptions.	
8.	Variations of terms of options	Changes in exercise period	No amendment/ variations are done.
<b>(ii) Method used to account for ESOS - Intrinsic or fair value: Fair value</b>			
1	Difference between the employee compensation cost so Computed and the employee compensation cost that shall have been recognised if it had used the fair value	Not applicable as the company has accounted for the stock options at fair value using the black scholes merton model based on assumptions detailed in note no. 38 to standalone financial statements	
2.	The impact of this difference on profits and on EPS of	NA	

	the Company				
<b>(iii)</b>	The movement of options during the year are as follows:				
1.	No. of options outstanding at the beginning of the year	5,866,667	2,519,366	2,203,429	10,075,000
2.	No. of options granted during the year	0	0	0	8,000,000
3.	No. of options forfeited/ lapsed during the year	0	0	1,12,500	1,20,000
4.	No. of options vested during the year	0	0	3,38,000	0
5.	No. of options exercised during the year	4,766,667	2,519,366	1,076,180	NA
6.	No. of shares arising as a result of exercise of options	4,766,667	2,519,366	1,076,180	NA
7.	Money realised by exercise of options (in Rs.) If scheme is implemented directly by the Company	586,300,041	415,695,390	152,067,140	NA
8.	No. of options outstanding at the end of the year	1,100,000	Nil	10,14,749	78,80,000
9.	No. of options exercisable at the end of the year	1,100,000	Nil	2,59,999	Nil
<b>(iv)</b>	<b>Weighted-average exercise prices (“WAEP”) and weighted-average fair values (“WAFV”) of Options:</b> The trading on equity shares of the Company commenced w.e.f. December 31, 2021 on BSE Ltd and National Stock Exchange of India Limited and hence the market value of stocks was not available at the time of pricing of ESOP. The pricing of ESOPs have been done on the basis of Valuation report using the Fair Value method.				

1.	Where the exercise price is less than the market price of the stock	NA	NA	NA	Options granted at discounted market price with discount not exceeding 10% of the market price of the Shares of the Company immediately prior to the Grant Date
2.	Where the exercise price Equals the market price of the stock	NA	NA	NA	NA
3.	Where the exercise price is more than the market price of the stock	NA	NA	NA	NA
<b>(v)</b>	<b>Employee wise details (name of employee, designation, number of Options granted during the year, exercise price) of Options:</b>				
1.	Senior Managerial Personnel	NIL	NIL	NIL	Mr. Rajiv Kaul – 60,50,000 stock options at an exercise price of Rs. 296.85 per share  Mr. Pankaj Khandelwal - 5,50,000 stock options at an exercise price of Rs. 327.65 per share  Mr. Anush Raghavan - 5,50,000 stock options at an exercise price of Rs. 327.65 per share
2.	Any other employee who receives a grant in any one year of option	NIL	NIL	NIL	NIL

	amounting to 5% or more of Option granted during that year				
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	NIL	NIL	Mr. Rajiv Kaul – 60,50,000 stock options at an exercise price of Rs. 296.85 per share
(vi)	<b>A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:</b>				
1.	Weighted-average	Refer note 38 to the notes to standalone financials statement for FY 2023- 24 for discription of method and significant assumptions used to estimate fair value of options granted during FY 2023-24			
2.	Values of share price				
3.	Exercise price				
4.	Expected volatility				
5.	Expected option life				
6.	Expected dividends				
7.	The risk-free interest rate				
8.	Any other inputs to the model				
9.	The method used and the assumptions made to incorporate the effects of expected early exercise;				
10.	How expected volatility was				

	determined, including an explanation of the extent to which expected volatility was based on historical volatility;
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