Disclosures with regard to 'Wabag Centenary Stock Option Scheme 2023',

forming part of the Board's Report for the FY 2025-26

(pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021)

S.No.	Contents	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.	Disclosed in Notes to Accounts – Note 14 to Standalone financial statements for the year ended March 31, 2026
B	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.	Diluted EPS for the year ended March 31, 2026 is disclosed in Note 32 to Standalone financial statements for the year ended March 31, 2026
C	**Details related to ESOS 2023**	
i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –	Wabag Centenary Stock Option Scheme 2023 ("Scheme" or "ESOS 2023")
a)	Date of Shareholders' approval	January 30, 2024
b)	Total number of options approved under ESOS 2023	25,00,000 Options
c)	Vesting requirements	Option granted under the Scheme shall vest not earlier than minimum period of 1 (one) year and not later than maximum period of 4 (four) years from the date of Grant. Vesting of Option would be subject to continued employment with the Company, including its Subsidiary Company, Associate Company or Group Company. In addition to this, the Committee may also specify certain corporate performance conditions for each employee, such as revenue, earnings before interest, tax, depreciation and amortization ("EBITDA"), free cash flow, order book, etc. subject to satisfaction of which the

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		Options would vest. As a prerequisite for a valid vesting, an Option Grantee is required to be in employment or service of the Company, its Subsidiary Company, Associate Company or Group Company on the date of Vesting and must neither be serving his / her notice for termination of employment / service, nor be subject to any disciplinary proceedings pending against him / her on such date of Vesting. In case of termination from employment / service, the provisions of serial number 2 in the table given in Sub-clause 8.2 of the Scheme shall apply. The specific Vesting schedule and Vesting Conditions subject to which Vesting would take place shall be specified in the letter issued to the Option Grantee at the time of Grant.
d)	Exercise price or pricing formula	The Exercise Price per Option shall be determined by the Committee as on the date of Grant which shall be upto 25% discount to Market Price. However, the Exercise Price shall not be lesser than the face value of Shares. The Exercise Price shall be specified in the letter issued to the Option Grantees at the time of the Grant. The Exercise price is INR 513/- per option per share upon exercise of stock option for the first grant of 15,00,000 Stock Options, duly determined by the Nomination and Remuneration Committee (NRC) at their meeting held on March 21, 2024.
e)	Maximum term of options granted	All the Options granted on any date shall vest not later than the maximum period of 4 (four) years from the date of grant.
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of options	For the purpose of efficient implementation and administration of the Scheme but subject to the Applicable Laws and approval of the shareholders of the Company by way of a special resolution, the Committee may revise any of the terms and conditions in respect of existing or any new grant of Options provided that the variation is not prejudicial to the interest of the Employees.

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		Provided that the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.
ii)	Method used to account for ESOS - Intrinsic or fair value	Uses the fair value-based method of accounting for stock options granted
iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not applicable
iv)	Option movement during the year (For each ESOS)	
	ESOS 2023	
	Particulars	**Details**
	Number of options outstanding at the beginning of the period	15,00,000 options
	Number of options granted during the year	NIL
	Number of options forfeited / lapsed during the year	60,000 options (1,70,060 options on a cumulative basis)
	Number of options vested during the year	3,75,000 options (6,00,000 options on a cumulative basis)
	Number of options exercised during the year	1,19,167 options
	Number of shares arising as a result of exercise of options	1,19,167 Equity Shares
	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	INR 6,11,32,671/-
	Loan repaid by the Trust during the year from exercise price received	NA

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	Number of options outstanding at the end of the year	12,10,773 options
	Number of options exercisable at the end of the year	12,10,773 options
v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price shall be as determined by the Nomination and Remuneration Committee as on the date of Grant, which shall be up to 25% discount to Market Price. However, the exercise price shall not be lesser than the face value of shares. The Exercise price is INR 513/- per option per share upon exercise of stock option for the first grant of 15,00,000 stock options, duly determined by the Nomination and Remuneration Committee (NRC) at their meeting held on March 21, 2024.
vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	
a)	Senior Managerial Personnel (as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015);	Senior Management of the Company: 1. Deputy Managing Director 2. Group CEO 3. Group Chief Financial Officer 4. Company Secretary & Compliance Officer 5. CEO of all the Clusters 6. CFO of all the Clusters 7. Head - Strategy & Business Growth – GCC Region 8. Head - Corporate Assurance 9. Head - Global Treasury
b)	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	NIL
c)	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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vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Black-Scholes Options Pricing Model
a)	the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	• Weighted-average values of share price: INR 682.80/- • Exercise price: INR 513/- per option • Expected volatility: 37.1802% • Expected option life: a) Vesting: Option granted under the Scheme shall vest not earlier than minimum period of 1 (one) year b) Exercise: Exercise Period in respect of an option shall be subject to a maximum period of 3 (three) years from the date of Vesting of options. • Expected dividends: 0.37% • Risk free interest rate: 6.97 % • Dividend yield: 0.01%
b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	Black-Scholes model
c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The expected price volatility is based on the historic volatility of the share price.
d)	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Not applicable

<u>Disclosures in respect of grants made in three (3) years prior to IPO under each ESOS</u>

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made:

– Not applicable since all the Options granted ~~three (3) years~~ prior to IPO and post IPO have been exercised.

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