Disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2026

The Company has two employee stock option schemes:

- ESDS Employees Stock Ownership Plan – 2021 ("ESOP 2021"), implemented through the ESDS Employee Benefit Trust; and
- ESDS Employee Stock Option Plan 2024 ("ESOP 2024"), implemented directly by the Company.

Both schemes were formulated before the Initial Public Offering. The Company's equity shares were listed on BSE Limited and National Stock Exchange of India Limited on September 04, 2026. In terms of Regulation 12(1), both schemes are being placed before the Members for ratification at the 21st Annual General Meeting.

Statement for the Board's Report

There has been no material change in ESOP 2021 or ESOP 2024 during the financial year 2025-26. Both schemes are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The disclosures required under Regulation 14 read with Part F of Schedule I of the said Regulations are available on the website of the Company at www.esds.co.in .

A. Disclosures in terms of the accounting standards

The relevant disclosures in terms of Ind AS 102 – Share-based Payment are given in Note No. 35 to the Standalone Financial Statements and Note No. 36 to the Consolidated Financial Statements for FY 2025-26, forming part of the Annual Report.

B. Diluted EPS

Diluted EPS on issue of shares pursuant to all the schemes, calculated in accordance with Ind AS 33 – Earnings per Share, is ₹11.81 (consolidated) and ₹6.08 (standalone) for FY 2025-26. Refer Note No. 29 and 30 to the Standalone Financial Statements and Consolidated Financial Statements respectively.

C. Details related to ESOS

(i) Description of each ESOS during the year, including its general terms and conditions

Particulars	ESOP 2021	ESOP 2024
(a) Date of shareholders' approval	Approved on August 09, 2021; amended on August 27, 2021 and January 25, 2025	January 25, 2025 (Board approval December 06, 2024)
(b) Total number of options approved	25,00,000 options, convertible into 25,00,000 equity shares of ₹1 each	30,00,000 options, convertible into 30,00,000 equity shares of ₹1 each
(c) Vesting requirements	Minimum 1 year and maximum 4 years from grant, subject to continued employment: 50% after year 1, 20% after year 2, 20% after year 3, 10% after year 4	Minimum 1 year and maximum completion of 4 years from grant: 10% / 30% / 40% / 20% after years 1 to 4. Subject to continued employment and the individual performance score for the preceding year: 100% of the tranche vests for a score of 8–10, 70% for 4–7, nil for 0–3
(d) Exercise	As determined by the NRC; all options	As determined by the NRC, not below face

Particulars	ESOP 2021	ESOP 2024
price or pricing formula	granted so far at ₹65 per option	value; all options granted so far at ₹225 per option
(e) Maximum term of options granted	8 years from grant (vesting up to 4 years plus exercise period of 4 years from each vesting)	7 years from grant (vesting up to 4 years plus exercise period of 3 years from each vesting, post listing)
(f) Source of shares	Shares held by the ESDS Employee Benefit Trust: 22,00,000 equity shares received by way of gift from a member of the Promoter Group, and 1,82,094 equity shares allotted by the Company to the Trust on rights basis on December 12, 2021 (primary)	Primary: fresh issue of equity shares by the Company
(g) Variation in terms of options	None during the year	None during the year

(ii) Method used to account for ESOS

Fair value method. The fair value of options is determined using the Black-Scholes option pricing model.

(iii) Difference between intrinsic value and fair value

Not applicable, as the Company uses the fair value method.

(iv) Option movement during the year

Particulars	ESOP 2021	ESOP 2024
Options outstanding at the beginning of the year (April 01, 2025)	9,97,140	20,50,000
Options granted during the year	78,500	40,000
Options forfeited / lapsed during the year	21,000	2,35,000
Options vested during the year	1,25,800	1,83,300
Options exercised during the year	8,50,340	Nil
Number of shares arising as a result of exercise of options	8,50,340 (transferred by the Trust; no fresh issue)	Nil
Exercise price	₹65	₹225
Money realised by exercise of options, if the scheme is implemented directly by the Company (₹)	Not applicable (trust route). Amount realised by the Trust: ₹5,52,72,100	Nil
Loan repaid by the Trust during the year from exercise price received	Not applicable (no loan)	Not applicable
Options outstanding at the end of the year (March 31, 2026)	2,04,300	18,55,000
Options exercisable at the end of the year	1,25,800	1,83,300

(v) Weighted-average exercise prices and weighted-average fair values of options

Particulars	ESOP 2021	ESOP 2024
Weighted-average exercise price of options granted during the year (₹)	65	225
Weighted-average fair value of options granted during the year (₹)	13.03	66.68
Exercise price in relation to the market price of the stock on the grant date (equal to / above / below)	Below	Below

The ESOP 2024 figure is the average of the tranche-wise fair values (₹44.83, ₹58.56, ₹69.71 and ₹83.73), weighted by the 10% / 30% / 40% / 20% vesting schedule. Before listing, "market price" means the fair value per share determined by the registered valuer on the grant date.

(vi) Employee-wise details of options granted during the year

(a) Senior Managerial Personnel as defined under Regulation 16(1)(d) of the SEBI Listing Regulations

Name	Designation	ESOP 2021: granted during FY 2025-26	ESOP 2024: granted during FY 2025-26
Nadukuru Sita Ramaiah	Chief Financial Officer	10,000	40,000
Sajiv Gangadharan Nair	Chief Technology Officer and Chief Information Officer	10,000	Nil
Prasad Deochand Deokar	Company Secretary and Compliance Officer	Nil	Nil
Gaurav Sanjay Godse	Chief Artificial Intelligence Officer	Nil	Nil
Ashok Pomnar	Senior Vice President	Nil	Nil
Jitendra Pathak	Chief Operations Officer	Nil	Nil

Exercise price: ₹65 per option (ESOP 2021) and ₹225 per option (ESOP 2024).

Mr. Sameer Suresh Redij, Whole-time Director, was granted 3,500 options under ESOP 2021 during FY 2025-26. As a Director, he is not Senior Managerial Personnel. His grant is disclosed here for transparency.

(b) Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during that year: None.

(c) Identified employees who were granted options, 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: None. The maximum per-employee entitlement is 3,00,000 options under ESOP 2021 and 5,00,000 options under ESOP 2024. Both are below 1% of the issued capital.

(vii) Method and significant assumptions used to estimate the fair value of options granted during the year

ESOP 2024: options granted during FY 2025-26

Vesting period from grant date	Exercise price (₹)	Expected volatility	Expected life	Risk-free rate	Fair value on grant date (₹)
12 months	225	18.45%	2.5 years	6.56%	44.83
24 months	225	20.03%	3.5 years	6.59%	58.56
36 months	225	20.09%	4.5 years	6.64%	69.71
48 months	225	22.93%	5.5 years	6.69%	83.73

Expected dividend yield: NA. Share price on grant date:NA.

ESOP 2021: options granted during FY 2025-26

Assumption	Value
Exercise price (₹)	65
Expected volatility (%)	20.33%
Expected option life (years)	1 Year
Risk-free interest rate (%)	5.65%
Expected dividend yield (%)	NA
Share price on grant date (₹)	NA
Fair value on grant date (₹)	18.35

- **(a) Model:** Black-Scholes option pricing model.
- **(b) Expected early exercise:** The expected option life is taken as the average of the vesting period and the exercise period for each tranche. This reflects the expected timing of exercise.
- **(c) Expected volatility:** The Company's shares were not listed on the grant dates. Volatility is therefore based on the historical share prices of comparable listed companies over a period matching the expected option life.
- **(d) Other features of the option grant:** The ESOP 2024 performance condition is a non-market condition. Under Ind AS 102, it is not reflected in the fair value. It is reflected in the estimate of the number of options expected to vest.

Disclosure for options granted in the three years before the IPO

The options were granted before the IPO, so these disclosures will continue each year until all such options are exercised or lapse. Cumulative position as on March 31, 2026:

Particulars	ESOP 2021	ESOP 2024
Total options granted (including re-grants of lapsed options)	21,23,500	21,00,000
Options forfeited / lapsed	9,23,000	2,45,000
Options exercised	9,96,200	Nil
Options outstanding	2,04,300	18,55,000

D. Details related to ESPS

Not applicable.

E. Details related to SAR

Not applicable.

F. Details related to GEBS / RBS

Not applicable.

G. Details related to Trust

(i) General information on the scheme

Particulars	Details
Name of the Trust	ESDS Employee Benefit Trust
Details of the Trustee(s)	Mr. Gajendra Medhi and Ms. Megha Gupta
Amount of loan disbursed by the Company / any company in the group during the year	Nil
Amount of loan outstanding (repayable to the Company / any company in the group) as at the end of the year	Nil
Amount of loan, if any, taken from any other source for which the Company / any company in the group has provided any security or guarantee	Nil
Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in shares by the Trust

Particulars	Details
Number of shares held at the beginning of the year (April 01, 2025)	22,36,234
Number of shares acquired during the year through (i) primary issuance or (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with the weighted average cost of acquisition per share	Nil
Number of shares transferred to the employees / sold during the year, along with the purpose thereof	8,50,340, transferred to employees on exercise of options under ESOP 2021
Number of shares held at the end of the year (March 31, 2026)	13,85,894

(iii) Secondary acquisition by the Trust

Nil. The Trust has not made any secondary acquisition of equity shares of the Company. Approval of the Members under Regulation 6(3)(a) will be sought separately before any such acquisition.