



Proxy Advisory Report | Addendum

ESDS Software Solution Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Proxy Advisory and Corporate Governance Research Company. SES assists investors to analyze compliance and governance practices including matters relating to sustainability, prevalent at listed entities and empower investors to undertake meaningful engagement with Investee entities.

COMPANY INFORMATION

BSE CODE: 544898

NSE SYMBOL: ESDS

ISIN: INE0DRI01029

Industry: IT Enabled Services

Email: secretarial@esds.co.in

Phone: +91 22 711 2244

Registered Office: Plot No. B - 24 & 25, NICE Area, M.I.D.C.
Satpur, Nashik, Maharashtra – 422007.

Website: www.esds.co.in

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 12th October, 2026

Notice Date: 12th September, 2026

Notice: [Click here](#)

Annual Report / Financials: [FY 2025-26](#)

E-VOTING DETAILS

e-Voting Platform: [LINKINTIME](#)

Cut-off Date: 10th September, 2026

Remote E-voting:

- **Start:** 13th September, 2026
- **Ends:** 12th October, 2026

ADDENDUM REPORT RELEASE DATE: 7th October, 2026

Research Analyst: Suleman Picturewala

Conflict Disclosure: SES - No | Analyst - No

ADDENDUM

There is no change in any of the SES Recommendations. However, shareholders may take note of the Company's clarification and SES' comments thereon.

BACKGROUND			
Original PA report Link	Click Here	PA Report Release Date	30 th Sep, 2026
Date of Email received from the Company	2 nd October, 2026	Company Email forwarded as SEBI Circular	Yes

Guide to read addendum: *Company's Views: (in Blue colour) & SES Reply: (in Black colour)*

SES COMMENTS TO COMPANY'S RESPONSE (RELEVANT EXCERPTS)

Company's Views:

1. ESOPs are capped by shareholder-approved schemes.

Mr. Sameer Suresh Redij is a professional Director not related to Promoter and Promoter group of the Company. The Company is having ESOP Scheme-2021 and ESOP Plan-2024. Both are governed by the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Each scheme has a fixed overall pool approved by shareholders by special resolution. Maximum number of options that can be granted to an employee under the scheme are as follows:

- 3,00,000 options (about 0.26% of paid-up capital) under ESOP Scheme-2021
- 5,00,000 options (about 0.43% of paid-up capital) under ESOP Plan-2024

No ESOP grant can exceed the above limits without obtaining the fresh shareholder approval. Under Regulation 6(3)(d), any grant to him equal to or above 1% of issued capital in a year would also need a separate special resolution.

The ESOPs schemes are available on Company's website and can be accessed through below link for your reference;

<https://www.esds.co.in/assets/images/investor-relations/ESOP-Schemes/ESOP-Scheme-2021.pdf>

<https://www.esds.co.in/assets/images/investor-relations/ESOP-Schemes/ESOP-Scheme-2024.pdf>

2. Mr. Sameer Suresh Redij currently holds 28,500 options which is modest holding;

Scheme	Options granted	Vested	Unvested
ESOP Scheme-2021	3,500	Nil	3,500
ESOP Plan-2024	25,000	2,500	22,500
Total	28,500	2,500	26,000

The options were granted to him as an employee, under the schemes and with NRC approval, before his proposed appointment as Whole-time Director. The total ESOPs granted to him till date represent 0.025% of the total paid-up capital of the Company.

The Company undertakes that his total options (including existing) will not exceed 28,500.

3. Future grants will be governed and disclosed.

The Company is a newly listed and is committed to disclosing of ESOP details such as grant, exercise price, their fair value, and the perquisite value realised in the Board's Report, Corporate Governance Report for enabling the shareholders to track the remuneration of the ESOPs Grantees.

4. Why the appointment benefits shareholders

Mr. Sameer Suresh Redij has been with ESDS for over 5 years as Chief Business Officer, leading key function / contribution, e.g. operations, delivery or business growth. His elevation to the Board strengthens executive leadership and succession

planning. ESOPs constitute minimal portion of his compensation and are meant to align his interests with those of long-term shareholders.

SES Reply: SES in its PA Report has raised transparency concern for appointment of Mr. Sameer Redij on the accounts of no disclosure about the future ESOPs grant / no cap on the potential economic benefits to ascertain fairness of remuneration.

In response, the Company has stated that it currently has **ESOP Scheme-2021** and **ESOP Plan-2024**, under which the maximum number of options that can be granted to an employee is as follows:

- **3,00,000 options (about 0.26% of paid-up capital) under ESOP Scheme-2021**
- **5,00,000 options (about 0.43% of paid-up capital) under ESOP Plan-2024**

Exercise Price for ESOP Scheme 2021 is “.... any other price as may be determined by the Committee but at least equal to the face value of the Shares;” ([link](#))

Exercise Price for ESOP Scheme 2024 is “means the price determined by the Compensation Committee from time to time, as ...” ([link](#))

Considering both schemes, the maximum number of options that can be granted to a single employee is **8,00,000 options**, as disclosed above.

The Company has not disclosed a specific exercise price of the options under the proposed ESOP Schemes. However, the exercise price cannot be lower of the face value of the shares of the Company. Hence, SES has computed the maximum potential benefit to a single employee considering the face value of shares as the exercise price.

Based on these limits, SES has estimated the potential maximum economic benefit to a single employee as follows:

Details	Particulars
Maximum aggregate Options [A]	8,00,000
Market Price (5 th October, 2026) [B]	₹ 1,292.15
Exercise Price (face value) [C]	₹ 1
Benefit per Option [D] = B - C	₹ 1,291.15
Potential Benefit	~₹ 103.29 Crores

Taking into consideration the size, operations and employee benefit expense of the Company, SES is of the view that the potential maximum benefit appears to be unreasonable and excessive.

SES is of the view that as a good transparency practice, the Company should support ESOP proposals with adequate details that enables an investor to ascertain the fairness of ESOPs such as a cap on the potential grants or details regarding estimated costs of the Employee Stock Option Plan (ESOP) attributable to Mr. Sameer Redij.

While SES does not identify any concern on the past options granted to Mr. Sameer Redij, however, the Company recently got listed, hence, past practice cannot be considered to judge the fairness of future grants, due to significant change post listing.

Further, the Company has not provided any adequate information on future grants to Mr. Sameer Redij, except for cap under individual ESOP Schemes, which appears excessive.

Therefore, in view of the above discussions, there is no change in SES's recommendation. However, shareholders may take a note of the Company's clarification, SES's comments thereon and take an informed voting decision.

COMPANY RESPONSE (FULL VERBATIM)

Dear Sir / Madam,

Thank you for your detailed analysis of the resolutions in our Postal Ballot Notice dated 12th September, 2026.

We appreciate SES's observation and clarify as follows:

1. ESOPs are capped by shareholder-approved schemes.

Mr. Sameer Suresh Redij is a professional Director not related to Promoter and Promoter group of the Company. The Company is having ESOP Scheme-2021 and ESOP Plan-2024. Both are governed by the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Each scheme has a fixed overall pool approved by shareholders by special resolution. Maximum number of options that can be granted to an employee under the scheme are as follows:

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No ESOP grant can exceed the above limits without obtaining the fresh shareholder approval. Under Regulation 6(3)(d), any grant to him equal to or above 1% of issued capital in a year would also need a separate special resolution.

The ESOPs schemes are available on Company's website and can be accessed through below link for your reference;

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The Company undertakes that his total options (including existing) will not exceed 28,500.

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The Company is a newly listed and is committed to disclosing of ESOP details such as grant, exercise price, their fair value, and the perquisite value realised in the Board's Report, Corporate Governance Report for enabling the shareholders to track the remuneration of the ESOPs Grantees.

4. Why the appointment benefits shareholders

Mr. Sameer Suresh Redij has been with ESDS for over 5 years as Chief Business Officer, leading key function / contribution, e.g. operations, delivery or business growth. His elevation to the Board strengthens executive leadership and succession planning. ESOPs constitute minimal portion of his compensation and are meant to align his interests with those of long-term shareholders.

With the explicit cap, the full disclosure of his existing ESOPs and the transparency commitments above, we believe the concern has been fully addressed. We respectfully request SES to review its recommendation on this resolution.

We would be happy to clarify any further points.

Thanks

Regards,

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Disclaimer

Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information



Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

CIN No. -

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Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.