Disclosures by the Board of Directors

Pursuant to Regulation 14 read with Part F of Schedule I of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

The Board of Directors hereby confirm that there is no any material change in the scheme(s) and the SWELECT Employees Stock Option Scheme, 2025 is in compliance with the regulations.

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.

- SWELECT Energy Systems Limited (the "Company") has implemented SWELECT Employees Stock Option Scheme, 2025 ('SWELECT ESOP Scheme 2025'or 'the Scheme') with a view to reward and motivate employees and to attract and retain the best talent by providing them with an additional incentive in the form of Stock Options to enable them to acquire a certain number of equity shares of the Company at a future date. In accordance with the scheme, each option on exercise would be eligible for one Equity Share on payment of exercise price.

- The Company, pursuant to resolutions passed by the Nomination & Remuneration Committee and Board of Directors on 30 June 2025 and by the Shareholders at the 30th Annual General Meeting held on 25 July 2025 adopted the Scheme for a total of 3,03,175 Equity Shares for the eligible employees of the Company and its subsidiaries.

- The Scheme has been aligned with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable and relevant. The Scheme has been framed and implemented in accordance with the guidance notes issued by ICAI and the relevant accounting standards.

- The total number of options granted as at 31 March 2026 under the Scheme by the Company is 2,84,700 and all the options are yet to be vested and exercised.

- The vested options are required to be exercised by the employees within three years from the date of vesting subject to the norms prescribed by the Compensation Committee.

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 Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" for year ended 31 March 2026 is Rs.12.89 per equity share (Standalone) and Rs.36.36 per equity share (Consolidated).

C. Details related to ESOS

(i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –

(a) Date of shareholders' approval – 25 July 2025

(b) Total number of options approved under ESOS - 3,03,175

(c) Vesting requirements - The options have a graded vesting schedule over a period of five years from the date of grant. The vesting schedule is 20%-20%-20%-20%-20% subject to vesting conditions.

(d) Exercise price or pricing formula – Rs.600/- per option

(e) Maximum term of options granted - Nine years from the date of grant (options would vest one year from the date of grant having a vesting schedule over a period of five years with options exercisable within three years from each vesting)

(f) Source of shares (primary, secondary or combination) - Primary

(g) Variation in terms of options - None

(ii) Method used to account for ESOS - Intrinsic or fair value -

The Company follows the fair value method of accounting for stock options granted to the employees.

(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:

Particulars	Details
Number of options outstanding at the beginning of the period	Nil
Number of options granted during the year	2,84,700
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options, if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	2,84,700
Number of options exercisable at the end of the year	Nil

(v) Disclosure on weighted average exercise price and fair value of options:

Weighted-average exercise price for options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs.600.00
Weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the company's shares	Rs.277.23

Note: The Company has approved only one ESOP Scheme i.e., SWELECT ESOP Scheme 2025

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

S. No.	Particulars	Name of employee	Designation	Number of options	Exercise price per option (in Rs.)
1.	Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Mr. S. Nataraj	Vice President - Renewable Energy Projects	7000	600
		Mr. Prakash Das	Vice President - SPV Projects	10000	600
		Mr. V. Srinivasan	Senior Assistant Vice President – Product Development / Validation	9000	600
		Mr. V. Venkatesh	Vice President - Operations & Special Projects	10000	600
		Ms. R. Nikhila	Chief Financial Officer – Finance & Accounts	9000	600
		Ms. J Bhuvaneswari	Company Secretary – Corporate Secretarial	2000	600
		Mr. Vikash Kumar Upadhyay	Vice President – Sales	4000	600
		Mr. Srinivasu Mullapudi	Vice President – SCM	6000	600
2.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	Dr. Arulkumar Pudur Shanmugasundaram	CEO & Managing Director	1,50,000	600
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	Nil

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

(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;

S. No.	Particulars	2025-26
1	weighted-average values of share price	Rs.637.85
2	Weighted average exercise price	Rs.600
3	expected volatility	58.52%
4	expected option life	5 years
5	expected dividends	0.53%
6	Risk-free interest rate	5.95%

(b) the method used and the assumptions made to incorporate the effects of expected early exercise;
Not Applicable in the Black-Scholes Options Pricing Model - The assumptions are stated in the above table.

(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility ?; ~~and~~
The expected volatility has been calculated based on historic Company's 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 ?
The features that were incorporated for the measurement of fair value as per the Black-Scholes Options Pricing Model are stated in the above table.

Disclosures in respect of grants made in three years prior to IPO under each ESOS

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

For and on behalf of the Board of Directors

	Sd/-	Sd/-
	ARULKUMAR PUDUR SHANMUGASUNDARAM	R.CHELLAPPAN
Place: Chennai	CEO and Managing Director	Vice Chairman and Whole-time Director
Date: 21 May 2026	DIN: 08371976	DIN: 00016958