



Registered & Corporate Office: Tata Elxsi Limited, ITPB Road, Whitefield, Bengaluru 560048  
Website: [www.tataelxsi.com](http://www.tataelxsi.com) | email: [investors@tataelxsi.com](mailto:investors@tataelxsi.com)  
Tel.: +91 80 2297 9123  
CIN: L85110KA1989PLC009968

---

## POSTAL BALLOT NOTICE

### TO THE MEMBERS,

Notice is hereby given pursuant to Section 108 and Section 110 of the Companies Act, 2013 (“the Act”), read with Rule 20 and Rule 22 of Companies (Management and Administration) Rules, 2014 (“the Rules”) and other applicable provisions of the Act and the Rules (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time) read with the General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 10/2021 dated June 23, 2021, 03/2022 dated May 05, 2022, 11/2022 dated December 28, 2022 and other relevant circulars and notifications issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as “the MCA Circulars”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with all other applicable provisions under the said regulations and the circulars, notifications and rules issued thereunder by the Securities and Exchange Board of India (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time), that the resolution as set out in this Notice pertaining to approval of ‘**Tata Elxsi Limited - Performance Stock Option Plan- 2023**’ (“Plan” or “PSOP- 2023”) is proposed to be passed as a **special resolution** by the Members of **Tata Elxsi Limited** by the means of Postal Ballot through **remote e-voting** (voting electronically only).

In compliance with the MCA Circulars and pursuant to other applicable laws and regulations, this Postal Ballot Notice is being sent only in electronic form to those Members whose e-mail addresses are registered with the Company/Depositories to enable them to cast their votes electronically. The instructions for remote e-voting are appended to this Postal Ballot Notice.

Pursuant to Sections 102 and 110 of the Act, the Explanatory Statement pertaining to the said resolution setting out the material facts and the reasons thereof is annexed to this Postal Ballot Notice.

The Board of Directors has appointed Mr. V Madan, Practicing Company Secretary (CP 21778) or failing him Mrs. Jayashree Parthasarathy (CP 1988) as the Scrutinizer for conducting the Postal Ballot only through the remote e-voting process and for scrutinizing the votes casted therein, in a fair and transparent manner.

In accordance with the provisions of the MCA Circulars, Members can vote only through the remote e-voting process. Members are requested to read the instructions in the Notes forming part of this Notice to cast their vote electronically through the remote e-voting process which commences from **Friday, February 03, 2023 at 9.00 a.m. (IST)** and concludes on **Saturday, March 04, 2023 at 5:00 p.m. (IST)**.

## RESOLUTION

### 1. ADOPTION OF THE 'TATA ELXSI LIMITED PERFORMANCE STOCK OPTION PLAN 2023':

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** based on the recommendation of the Nomination & Remuneration Committee and pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Rules thereunder, including any statutory modification(s) or re-enactment(s) of the Act, applicable regulations of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any statutory modification(s) or re-enactment(s) thereof (hereinafter referred to as “SEBI Regulations”), the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), any rules, guidelines and regulations issued by the Reserve Bank of India, including any amendments(s), statutory modifications(s) or re-enactment(s) thereof, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, , for the time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Members of the Company be and is hereby granted to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has duly constituted to exercise its powers, including the powers, conferred by this resolution) to adopt and implement the '**Tata Elxsi Limited Performance Stock Option Plan 2023**' ('PSOP 2023'/ 'Plan'), the salient features of which are furnished in the Explanatory Statement to the Notice.

**RESOLVED FURTHER THAT** consent be and is hereby granted to the Board to create, offer, grant and issue from time to time, in one or more tranches under PSOP 2023, up to 3,11,000 (Three Lakh Eleven Thousand Only) stock options to or for the benefit of the employees whether working in India or outside India, who are in the employment of the Company including any Director, whether whole-time or otherwise, but does not include an employee who is a Promoter or person belonging to the Promoter Group, Independent Directors of the Company and Director who either by himself or through his relative or through any body-corporate holds directly or indirectly more than 10% of the outstanding equity shares of the Company ('Eligible Employees'), exercisable into equity shares of the Company in the ratio of one (1) equity share for every one (1) stock option of the face value of Rs. 10/- (Rs. Ten only) each fully paid-up, on such terms and conditions as may be determined by the Board in accordance with the SEBI Regulations and other applicable laws and regulations in force.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division or other re-organisation, split, change in capital structure of the Company, as applicable from time to time, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under law, so as to ensure fair and reasonable adjustment to the stock options granted earlier. Further, if any additional stock options of the Company are to be issued to the Employees for the purpose of making a fair and reasonable adjustment to the stock options issued to them, the above ceiling in terms of number of equity shares shall be deemed to be increased in proportion to the additional equity shares issued in the aforesaid corporate action(s).

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued by the Company and the price of acquisition payable by the option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten only) per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted stock options under the PSOP 2023 and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PSOP 2023.

**RESOLVED FURTHER THAT** subject to the extent allowed under the applicable laws, the Board be and is hereby authorized to delegate such powers to the Nomination and Remuneration Committee of the Board to plan formulate, vary, modify, alter, revise or amend the necessary terms and conditions of the PSOP 2023 or to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient and proper to administer, implement and superintend the PSOP 2023, to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company, with a power to further delegate to any executives/officers of the Company, to do required acts, deeds, matters and things as may be deemed necessary or expedient in the regard.”

By Order of the Board of Directors  
**For Tata Elxsi Limited,**

Sd/-  
**Cauveri Sriram**  
**Company Secretary**

**Date: January 25, 2023**  
**Place: Bangalore**

**NOTES:**

1. The statement pursuant to Section 102 read with Section 110 of the Act read with Rules made thereunder listing out the material facts and necessary disclosures pertaining to the resolution set out in the Postal Ballot Notice is annexed herewith and forms part of the Notice. The disclosures pursuant to Section 62 of the Companies Act, 2013 read with rules made thereunder and Regulation 6 of Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 forms part of the Explanatory Statement.
2. In compliance with the MCA Circulars, this Postal Ballot Notice is being sent electronically only to the Members whose names appear in the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) and whose e-mail addresses are registered and are available with Tata Elxsi Limited (“the Company”) / the Company’s Registrar and Transfer Agents viz. TSR Consultants Private Limited (“RTA”) and Depositories / as at **05:00 p.m. (I.S.T.) on Friday, January 20, 2023** (“Cut-Off date”). The voting rights shall be reckoned on the paid-up value of shares registered in the name(s) of the Member(s) as on the Cut-Off date. A person who is not a Member as on the Cut-Off date should treat this Postal Ballot Notice for information purposes only.
3. A copy of this Postal Ballot Notice is also available on the website of the Company at [www.tataelxsi.com](http://www.tataelxsi.com), the relevant section of the websites of the stock exchanges viz. BSE: [www.bseindia.com](http://www.bseindia.com) and NSE: [www.nseindia.com](http://www.nseindia.com) where the equity shares of the Company are listed and on the website of NSDL: [www.evoting.nsd.com](http://www.evoting.nsd.com).
4. **Manner of registration of e-mail address:**

Members who have not registered their e-mail addresses are requested to follow the procedure listed down herein below for registering their e-mail address:

Category of holding	Process to be followed for registration of e-mail address and mobile number
Physical	Members may submit the following documents with relevant supporting documents in hard copy to the RTA of the Company, at the correspondence address stated below: <ul style="list-style-type: none"> <li>- Request letter duly signed.</li> <li>- Form ISR-1 for updation of KYC details including e-mail address.</li> </ul>

	<ul style="list-style-type: none"> <li>- Forms ISR-2, ISR-3 /SH-13, SH-14 in case specimen signature, bank account and nomination details are not registered / updated.</li> <li>- Self-attested copy of PAN and any address proof viz. Aadhar, passport, driving license etc.</li> <li>- Copy of share certificate duly self-attested.</li> </ul> <p>After sending the hard copy of the above documents, for ease of processing, the Members may also send the scanned copy of above documents through e-mail addressed to <a href="mailto:csg-unit@tcplindia.co.in">csg-unit@tcplindia.co.in</a> and <a href="mailto:investors@tataelxsi.com">investors@tataelxsi.com</a></p>
<b>Demat</b>	Members may contact their Depository Participants (DP) and register or update their respective e-mail addresses in the demat account, as per the process recommended by the DP.

**Correspondence address of RTA:** TSR Consultants Private Limited, Unit: Tata Elxsi Limited, C 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083

Alternatively, Members may follow the below steps to register e-mail address for receiving the Postal Ballot Notice:

- a. Click on the URL: [https://tcpl.linkintime.co.in/EmailReg/email\\_register.html](https://tcpl.linkintime.co.in/EmailReg/email_register.html)
- b. Select the Name of the Company from dropdown: Tata Elxsi Limited
- c. Enter DP and Client ID (if shares held in electronic form)/Folio number (if shares held in physical form) and Permanent Account Number (“PAN”).  
In the event PAN details are not registered for physical folio, Member to enter the Share Certificate number.
- d. Enter Mobile number & e-mail ID.
- e. System generated One Time Password (“OTP”) to be sent on mobile number and e-mail ID.
- f. Enter OTP received on mobile number and e-mail ID.
- g. Click on Submit button.

5. Members are requested to register / update their e-mail address latest by **Friday, February 10, 2023**, in order to receive this Postal Ballot Notice. Members who update their e-mail address after the Cut-Off date are requested to communicate the same to the RTA / the Company by sending an e-mail to [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) and [investors@tataelxsi.com](mailto:investors@tataelxsi.com)
6. Those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated with their Depository Participants/ Company to enable servicing of notices/documents/Annual Reports and other communications electronically to their email address in future.
7. In compliance with the MCA Circulars and the provisions of Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”), other applicable provisions of the Act and the Rules and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time), the Members can cast their votes on the resolution listed out in the Notice through electronic voting i.e. remote e-voting only. The detailed procedure for remote e-voting is listed down in the e-voting section. The Company has engaged the services of NSDL for facilitating remote e-voting to enable the Members to cast their votes electronically.
8. The remote e-voting shall commence on **Friday, February 03, 2023, at 9.00 a.m. (IST) and conclude on Saturday, March 04, 2023, at 5:00 p.m. (IST)**. The remote e-voting module shall be disabled by NSDL thereafter and voting shall not be allowed beyond 05:00 p.m. (IST) on Saturday, March 04, 2023. Members are requested to cast their votes on or before the said date and time in order to consider the votes as valid. During this period, Members of the Company holding shares either in physical or electronic form, as on the Cut-Off date, i.e. **January 20, 2023**, shall be eligible to cast their vote electronically.
9. Once the vote on the resolution is cast by the Members, the Members shall not be allowed to change it

subsequently.

10. The resolution as stated in the Notice, if approved by the Members with requisite majority shall be deemed to have been passed as on the last date for remote e-voting i.e. **Saturday, March 04, 2023**.
11. The Board of Directors has appointed Mr. V Madan, Practicing Company Secretary (CP 21778) or failing him Mrs. Jayashree Parthasarathy, Practicing Company Secretary (CP 1988), who are not in the employment of the Company, as the Scrutinizer for conducting the Postal Ballot only through the remote e-voting process and scrutinizing the votes casted therein, in a fair and transparent manner. The Scrutinizer has given his willingness/consent for engagement in the Postal Ballot exercise.
12. The Scrutinizer shall, consequent to the completion of the voting period, scrutinize the votes casted and shall submit his report to the Chairman of the Company and results in connection with the voting shall be declared by the Chairman or any other person authorised by the Board of Directors not later than **Tuesday, March 07, 2023**.
13. The results shall be also made available on the website of the Company at [www.tataelxsi.com](http://www.tataelxsi.com). The results shall also be communicated to the stock exchanges viz. Bombay Stock Exchange (“BSE”) and National Stock Exchange (“NSE”) and the RTA and the same shall be available on their respective websites.
14. All documents referred to in the accompanying Notice and the statement under Section 102 of the Act, shall be open for inspection during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days until the last working day specified for casting votes through remote e-voting.

#### 15. MANDATORY UPDATION OF KYC:

The Securities and Exchange Board of India (“SEBI”) vide circular dated November 3, 2021 has mandated that investors holding shares in physical mode shall mandatorily furnish PAN, KYC details including contact details & bank account details, Nomination and specimen signature with the RTA / the Company in specified forms. Effective January 1, 2022, Grievance Redressal / Service Requests can be availed with the RTA only after the required documents / complete data as mandated above are furnished and updated in the physical folios.

Further, even if any ONE of the cited documents / details as enunciated in the said circular are NOT registered with Company / RTA, within March 31, 2023, then such the folios shall be frozen by the Company / RTA.

Please note that it is also mandatory to link PAN with Aadhar number. As directed by the CBDT, PAN shall be linked with Aadhar by March 31, 2023 or any such date as may further specified by CBDT. Investors who are yet to link the PAN with Aadhar number are requested to complete the same before March 31, 2023. Securities held in physical folios which have no PAN registered / have invalid PAN registered / no PAN linked with their Aadhar numbers in the records of the RTA/Company, as on the notified cut-off date of March, 31, 2023 or any other date as may be specified by the CBDT, shall also be frozen.

The formats for nomination and updation of KYC details in accordance with the SEBI circular are available on the Company's website at <https://tataelxsi.com/faqs-and-forms> or <https://www.tcplindia.co.in> > Investor Services > Downloads > KYC.

#### PROCEDURE FOR E-VOTING:


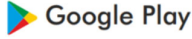


The procedure to login to e-voting website consists of two steps as detailed hereunder.

##### A) Login method for e-voting for individual shareholders holding securities in demat mode

Pursuant to SEBI circular no. SEBI/HO/ CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 captioned “e-voting facility provided by listed companies”, e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (‘ESP’), thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<p><b><u>If the user is registered for NSDL IDeAS facility:</u></b></p> <ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nSDL.com/">https://eservices.nSDL.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> <li>3. A new screen will open. You will have to enter your User ID and Password.</li> <li>4. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page.</li> <li>5. Click on options available against company name or e-voting service provider - NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period.</li> </ol>
	<p><b><u>If the user is not registered for NSDL IDeAS facility:</u></b></p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a>.</p>
	<p><b><u>Voting directly through the NSDL portal:</u></b></p> <ol style="list-style-type: none"> <li>1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>3. A new screen will open.</li> <li>4. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.</li> <li>5. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period.</li> <li>6. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p>  App Store          Google Play     </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
	<p><b><u>If the user is registered for CDSL’s Easi / Easiest facility:</u></b></p>

<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-voting page without any further authentication.</li> <li>The users are requested to use the link <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi with existing user id and password.</li> <li>After successful login of Easi/Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> </ol>
	<p><b><u>If the user is not registered for CDSL’s Easi / Easiest facility:</u></b></p> <p>If user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasinew/home/login">https://web.cdslindia.com/myeasinew/home/login</a></p>
	<p><b><u>Voting directly through the CDSL portal:</u></b></p> <p>Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress.</p>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility.</li> <li>Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</li> <li>Click on options available against company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period.</li> </ol>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-voting website?**

**Step 1:**

- Visit the e-voting website of NSDL. Open web browser by typing the following URL:

<https://www.evoting.nsdl.com/> either in a personal computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
<b>For Members who hold shares in demat account with NSDL.</b>	Character DP ID followed by 8 Digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
<b>For Members who hold shares in demat account with CDSL.</b>	16 Digit Beneficiary ID  For example, if your Beneficiary ID is 12***** then your user ID is 12*****
<b>For Members holding shares in Physical Form.</b>	EVEN Number followed by Folio Number registered with the Company  For example if folio number is 001*** and EVEN is 101456 then your user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - a) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - b) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- e) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- f) Now, you will have to click on “Login” button.
- g) After you click on the “Login” button, Home page of e-Voting will open.

**Step 2:**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of Company, which is 123321 for which you wish to cast your vote during the remote e-voting period.
3. Now you are ready for e-voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify or modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutinizer.tel@gmail.com](mailto:scrutinizer.tel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. Members are requested to take note of the contact details for reaching out to the RTA are as below:

<b>Contact Number</b>	+91 8108118484
<b>E-mail</b>	<a href="mailto:csg-unit@tcplindia.co.in">csg-unit@tcplindia.co.in</a>
<b>Correspondence address</b>	TSR Consultants Private Limited C 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

Pursuant to Section 102 of the Act, the following explanatory statement sets out all material facts relating to the business mentioned under Resolution 1 of the accompanying Notice along with the disclosure as required under Regulation 6(2) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

### **Item No. 1**

Your Company believes that equity based compensation plans are an effective instrument to align employee compensation to long term performance of the Company and also enhances overall shareholders' value creation. With a view to drive long term performance, retain key talent, attract new talent, and to provide an opportunity for the employees to participate in the growth of the Company, it is proposed to implement a stock option plan namely '**Tata Elxsi Limited Performance Stock Option Plan 2023**' ("PSOP 2023"/ "Plan") to cover eligible employees of the Company.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee" or "NRC") formulated the detailed terms and conditions of the Plan, which was duly approved by the Board of Directors at their Meeting held on January 25, 2023. The Plan shall be adopted and implemented, subject to further approval of the Members of the Company.

Under the Plan, the Company would grant upto 3,11,000 stock options in one or more tranches to eligible employees that would entitle the grantees (in aggregate) to acquire, not exceeding 3,11,000 fully paid-up equity shares of Rs. 10/- (Rupee Ten Only) each, representing 0.50% of the issued share capital of the Company (as on date). The number of options to be granted or awarded to eligible employees will be determined based on the 90 days average Closing Market Price of the equity shares traded on the National Stock Exchange of India Limited ("NSE"), one day prior to the date of the NRC Meeting for approval of grants.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI Regulations"), the Company seeks approval of the Members for adoption and implementation of the Plan and grant of stock options thereunder to the employees of the Company, as the Committee may decide under the Plan in accordance with the SEBI Regulations and other applicable laws.

### **Disclosure/main features of PSOP 2023 pursuant to the SEBI Regulations:**

#### **a) Brief description of the Tata Elxsi Limited Performance Stock Option Plan 2023**

In view of the aforesaid background, the **Tata Elxsi Limited Performance Stock Option Plan 2023** ("PSOP 2023"/ "Plan") contemplates grant of options to eligible employees of the Company.

The eligible employees shall be granted stock options as determined by the NRC, which will vest on particular dates and shall be exercisable into fully paid-up equity shares of the Company, on the terms and conditions as provided under the Plan and in accordance with the provisions of the applicable laws and regulations for the time being in force.

After vesting of options, the eligible employees earn a right, but not an obligation, to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon and other terms and condition of the Plan.

The Nomination and Remuneration Committee ("Committee") of the Company shall act as the Compensation Committee for the supervision of Plan and shall administer the Plan. All questions of interpretation of the Plan shall be determined by the Committee as per terms of the Plan.

Under the overall authority of the Committee, the Plan Administrator (which shall include the CHRO of the Company and/or Company Secretary of the Company or any other roleholder(s) authorized by the Committee from time to time to take necessary administrative steps in order to implement, supervise and administer the Plan) shall be authorised and responsible to take necessary administrative steps in order to implement, supervise and administer

the plan, including:-

- i. Determine employee-wise number of grants for Committee's approval.
- ii. Issue, amend, modify the grant letters to grantees.
- iii. Compute vesting of options as per the Plan basis level of performance achievement.
- iv. Accept nomination forms/exercise notices from grantees.
- v. Execute, sign and deliver all letters, correspondence, certificates, undertaking and other deeds and documents on behalf of the Company for any purpose incidental or ancillary to the Plan.
- vi. Appoint any consultant, lawyer, professional etc. for any legal opinion, advice, views or to represent the Company before any statutory or non-statutory authority. Also, appoint valuer / Merchant Banker / Chartered Accountant as may be required.
- vii. Do all such acts, deeds and things as may be required to be done to implement and administer the Plan or any other matter connected thereto under the authority of the Committee.

The objectives of the Plan are:

- Support attraction & retention of key talent in the Company.
- Incentivize long term performance and value creation.

#### **b) Total number of options to be granted**

The total number of stock options to be granted in one or more tranches under the Plan shall not exceed 3,11,000 (Three Lakh Eleven Thousand Only), representing 0.50% of the issued share capital of the Company. Each option when exercised, would be converted in to one equity share of Rs. 10/- (Rupees Ten Only) each fully paid-up.

Further, SEBI Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the stock options granted. In this regard, the Committee shall adjust the number and price of the stock options granted in such a manner that the total value of the options granted under the Plan remain the same after any such corporate action. Accordingly, if any additional stock options are issued by the Company for making such fair and reasonable adjustment, the aforesaid ceiling, shall be deemed to be increased to the extent of such additional options issued.

#### **c) Identification of classes of Employees entitled to participate in the Plan**

The following classes of employees are eligible to participate in the Plan:

- (i) an employee as designated by the company, who is exclusively working in India or outside India; or
- (ii) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, but does not include -
  - a) an employee who is a promoter or a person belonging to the promoter group; or
  - b) a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the company;

The specific employees to whom the options would be granted, and their eligibility criteria would be determined by the NRC.

Further, the Managing Director shall be eligible to participate in the Plan and shall be entitled to receive incentive remuneration by way of stock options under the Plan, as may be considered by the NRC and/or the Board which shall vest based on the performance parameters as indicated in clause (d) below.

Further, such incentive remuneration payable to the Managing Director shall not exceed the maximum cap of 20,000 options during the tenure of the Plan.

#### d) Requirements of vesting and period of vesting

The Company intends to drive an incentivized superior operating performance through this Plan.

The broad criteria for vesting of options will include parameters based on the achievement of performance against targets set for the employees of the Company on metrics like Revenue Plan Target in INR and Profit Before Tax Margin (%). The Committee will define the parameters, weightages of the parameters, and targets under each parameter to be achieved by the Company for each financial year.

The Committee may add or replace the above with any other Company performance financial parameter aligned to long term shareholder value creation from time to time.

Options shall vest based on the Company's overall performance of the parameters (as defined by the NRC) calculated for each metric separately and shall be subject to below performance-vesting relationship:

Type of performance	Actual performance (% of target)	Vesting of Options (% of Eligible to Vest Options)
Below Threshold	<90%	0%
Threshold	90%	75%
Target or above	100% or more	100%
Between Threshold and Target	Straight line interpolation between 90% to 100% performance. For example, at 96% performance, vesting to be 90% of eligible options will vest	

#### Period of vesting:

The minimum vesting period shall be one year from the date of grant.

Unless otherwise specified in letter of grant, the total options granted shall become eligible to vest as per following schedule:

- 30% of Options granted shall become eligible to vest on First anniversary of Grant Date.
- 30% of Options granted shall become eligible to vest on Second anniversary of Grant Date.
- 40% of Options granted shall become eligible to vest on Third anniversary of Grant Date.

Further, subject to continued employment and achievement of performance conditions, the above eligible options shall vest in accordance with the performance criteria mentioned above.

#### e) Maximum period (subject to Regulation 18(1) of SEBI Regulations) within which the stock options shall be vested

The maximum vesting period under the Plan should not exceed 5 (five) years from the date of grant.

#### f) Exercise price

The exercise price of grant shall be determined by the Committee which shall be equal to the face value of the equity shares.

#### g) Exercise period and the process of exercise

The exercise period would commence from the date of vesting and will expire at the end of twelve months from the date of vesting, except for the events specified in below table.

The options will be exercised by the employees by a written application to the designated officer of the Company in such manner, and on execution of such documents, as may be prescribed by the Committee from time to time.

The options will lapse if not exercised within the specified exercise period. The options may also lapse under certain circumstances as determined by the Committee even before expiry of the specified exercise period.

**Exercise Period in case of separations:** Options can be exercised as per provisions outlined below:

Sr. No.	Separations	Vested Options	Unvested Options
1	<b>Resignation [Other than due to cause like fraud/ misconduct]</b>	Subject to the terms and conditions formulated by the Plan Administrator, all Vested Options as on date of submission of resignation may be exercised by the option grantee within 3 (Three) months from the date of submission of resignation or last working day, whichever is earlier.	All Unvested Options on the date of submission of resignation shall lapse with effect from the date of submission of resignation.
2	<b>Termination (With cause like fraud, misconduct etc.)</b>	All Vested Options which are unexercised as on the date of termination shall lapse.	All Unvested Options as on the date of termination shall lapse.
3	<b>Retirement or early Retirement approved by Company</b>	All Vested Options as on date of retirement may be Exercised by the option grantee within 3 months from the date of retirement unless Committee decides otherwise.	All Unvested Options shall continue to vest as per the Vesting Schedule and Conditions specified under Clause 7 and can be exercised within the exercise period.
4	<b>Death</b>	All vested options may be Exercised by the option grantee's Nominee or legal heir within the exercise Period.	All unvested options as on the date of death shall vest immediately and may be exercised by the option grantee's Nominee or legal heir/s within the Exercise Period.
5	<b>Permanent Disability</b>	All vested options may be Exercised by the option grantee within the exercise Period.	All unvested options as on the date of such permanent disability shall vest immediately and can be exercised by the option grantee within the exercise period.
6	<b>Abandonment*</b>	All the vested options shall lapse.	All the unvested options shall lapse.
7	<b>Any other reason not specified above</b>	The Committee at its discretion shall decide whether the vested options as on the date of termination of employment can be exercised by the option grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall lapse with effect from that date unless the Committee decides otherwise.

*\*The Committee, at its sole discretion shall decide the date on which Options shall lapse and such decision shall be binding on all concerned.*

**h) The appraisal process for determining the eligibility of the employees for the Plan**

The appraisal process for determining the eligibility of the employee will be determined by the Committee from time to time and will be based on criteria such as the grade of employee, length of service, performance record, merit of the employee, future potential contribution by the employee and/or by any such criteria that may be determined by the Committee from time to time.

**i) Maximum number of stock options to be issued per employee and in aggregate under the Plan**

Maximum number of stock options that can be granted per employee during the tenure of the Plan shall not exceed 20,000 options. Further, the maximum number of options, in aggregate, that may be granted pursuant to this Plan shall not exceed 3,11,000 stock options.

**j) Maximum quantum of benefits to be provided per employee**

The maximum quantum of benefits underlying the stock options issued to an eligible employee shall depend upon the number of stock options held by the employee and the market price of the equity shares as on the date of sale.

**k) Whether the Plan is to be implemented and administered directly by the Company or through a trust**

The Plan is proposed to be implemented and administered directly by the Company.

**l) Whether the Plan involves new issue of shares by the Company or secondary acquisition or both**

The Plan involves new issue of equity shares by the Company.

**m) Amount of loan to be provided for implementation of the Plan(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.**

Not Applicable as the Plan is not implemented through Trust.

**n) Maximum percentage of secondary acquisition that can be made by the Trust for the purpose of the Plan**

Not Applicable

**o) Disclosure and Accounting Policies**

The Company shall comply with the disclosure and accounting policies prescribed in Regulation 15 of SEBI Regulations and as applicable, from time to time.

**p) Method of valuation of stock option by the Company**

The Company shall use the fair value method for valuation of options as prescribed under IND AS 102 'Employee Share-based Payments' by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, and/or any relevant Accounting Standards/Guidance Note, as may be prescribed by the Institute of Chartered Accountants of India, from time to time or any other regulations.

**q) Period of lock-in**

The equity shares allotted upon exercise of stock options under the Plan are not subject to any lock in period.

**r) Terms & conditions for buyback, if any, of specified securities covered under these regulations**

Not Applicable

Pursuant to Regulation 6(1) of the SEBI Regulations and Section 62(1)(b) of the Act, approval of the Members is being sought, by way of a special resolution, for approval of the Plan and issue of shares to the eligible employees of the Company under the said Plan, as detailed in the resolution stated in the accompanying Postal Ballot Notice.

The issue of the said equity shares would be well within the Authorised Share Capital of the Company.

The Board is of the opinion that the resolution stated in the accompanying Notice is in the best interest of the Company and its Members and, hence, recommends the special resolution set out in the Notice for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, in the resolution given in the Postal Ballot Notice, except to the extent of the stock options that may be granted to them under the Plan and the resultant equity shares issued, as applicable.

Accordingly, your Directors recommend the passing of the special resolution as specified in Item no. 1 of this Postal Ballot Notice.

By Order of the Board of Directors  
**For Tata Elxsi Limited,**

**Sd/-**  
**Cauveri Sriram**  
**Company Secretary**

**Date: January 25, 2023**

**Place: Bangalore**