

**Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the financial year ended March 31, 2024**

As on March 31, 2024, the Company has implemented the “**Tata Elxsi Limited Performance Stock Option Plan 2023**” (hereinafter referred to as “PSOP 2023” or “the Plan”)

Accordingly, the disclosures pertaining to stock options granted by the Company under the aforesaid Schemes and as required under the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are provided herein below:

Sl. No.	Particulars	Details
1.	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 38 to the financial statements for the year ended March 31, 2024, page no. 232 of the Annual Report. (Disclosures are provided in accordance with Ind AS 102, Share-based payment)
2.	Diluted EPS on issue of shares pursuant to the Schemes disclosed in accordance with 'Accounting Standard 20- Earning Per Share' issued by Central Government or any other relevant accounting standards as prescribed from time to time.	Diluted EPS for the year ended March 31, 2024, is disclosed in Note 29 (Earning per Share) of Standalone financial statements, page number 320 of the Annual Report.
3.	Details related to “PSOP 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 :	Tata Elxsi Limited Performance Stock Option Plan 2023 ('Plan')
	a. Date of shareholders' approval	March 04, 2023
	b. Total number of Options/Performance Share Units (PSUs) approved under the Scheme	To issue and allot not exceeding 3,11,000 fully paid-up equity shares of Rs.10/- (Rupee Ten Only) each
	c. Vesting requirements	<ul style="list-style-type: none"> <li>➤ The minimum vesting period shall be one year from the date of grant.</li> <li>➤ Unless otherwise specified in Letter of Grant, the total options granted shall become eligible to vest as per following schedule <ul style="list-style-type: none"> <li>• 30% of option granted shall become Eligible to Vest on First anniversary of grant date</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>• 30% of option granted shall become Eligible to Vest on Second anniversary of Grant Date</li> <li>• 40% of Option granted shall become Eligible to Vest on Third anniversary of Grant Date</li> </ul> <p>➤ Further, subject to continued employment and achievement of performance conditions as per the Plan , the eligible Options shall vest in accordance with the conditions mentioned in the Scheme.</p>
	d. Exercise price or pricing formula	The exercise price shall equal to the face value of the equity Shares i.e. Rs. 10/- (Rupees Ten only). The Exercise Price may be adjusted for any corporate action(s), as may be decided by the Board
	e. Maximum term of options granted	3 years, with graded vesting
	f. Source of shares (primary, secondary or combination)	Primary
	g. Variation in terms of options	<p>The Board/ NRC shall not vary the terms of the Scheme in any manner, which may be detrimental to the interests of the Grantee and shall be entitled to vary any of the terms of the Scheme so as to meet any regulatory requirements or for any adjustments for Corporate Actions announced by the Company prior to the Exercise Period pertaining to the relevant Options.</p> <p><i>During FY 2023-24, there was no amendment/ modification/ variation in the PSOP 2023 Plan.</i></p>
ii.	Method used to account for the Schemes (Intrinsic or fair value):	The Company recognizes compensation expense relating to share based payments in accordance with Ind AS 102 Share based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight-line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.
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	Not applicable

	and 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 EPS of the Company shall also be disclosed.																															
iv.	Option movement during the year (for each of the Schemes)																															
	a. Number of options outstanding at the beginning of the period	3,11,000 stock options																														
	b. Number of options granted during the year	48,261																														
	c. Number of options forfeited / lapsed during the year	2,538																														
	d. Number of options vested during the year	Nil																														
	e. Number of options exercised during the year	Nil																														
	f. Number of shares arising as a result of exercise of options	Nil																														
	g. Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil																														
	h. Loan repaid by the Trust during the year from exercise price received	NA																														
	i. Number of options outstanding at the end of the year	45,723																														
	j. Number of options exercisable at the end of the year	Nil																														
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.	NA																														
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 (including Key Managerial Personnel) as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015																															
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name</th> <th>Designation</th> <th>No. of options granted</th> <th>Exercise Price (in ₹)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Mr. Manoj Raghavan</td> <td>Managing Director &amp; CEO</td> <td>750</td> <td>10</td> </tr> <tr> <td>2.</td> <td>Mr. Gaurav Bajaj</td> <td>Chief Financial Officer</td> <td>140</td> <td>10</td> </tr> <tr> <td>3.</td> <td>Ms. Cauveri Sriram</td> <td>Company Secretary</td> <td>41</td> <td>10</td> </tr> <tr> <td>4.</td> <td>Mr. Nitin Pai</td> <td>Chief Marketing Officer and Chief Strategy Officer</td> <td>640</td> <td>10</td> </tr> <tr> <td>5.</td> <td>Mr. Rajagopalan S</td> <td>Head – Human Resource</td> <td>190</td> <td>10</td> </tr> </tbody> </table>	Sl. No.	Name	Designation	No. of options granted	Exercise Price (in ₹)	1.	Mr. Manoj Raghavan	Managing Director & CEO	750	10	2.	Mr. Gaurav Bajaj	Chief Financial Officer	140	10	3.	Ms. Cauveri Sriram	Company Secretary	41	10	4.	Mr. Nitin Pai	Chief Marketing Officer and Chief Strategy Officer	640	10	5.	Mr. Rajagopalan S	Head – Human Resource	190	10	
Sl. No.	Name	Designation	No. of options granted	Exercise Price (in ₹)																												
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	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: <b>Nil</b>	
	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: <b>Nil</b>	
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;	Weighted-average values of share price: INR 7556.65 Exercise price: INR 10.00 Expected volatility: 40.15% Expected option life: 1.5 years Expected dividends: 0.80% Risk-free interest rate: 6.98%
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	The Company has estimated fair value of options using Black Scholes Merton method and valuation of option was INR 7457.30
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	Considering that Tata Elxsi is a listed company in India, we have used 5 years daily closing share prices of Tata Elxsi to arrive at the volatility (standard deviation of the natural logarithm of returns over the period).
	(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	
(viii)	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.	NA

**JAYASHREE PARTHASARATHY & Co.**  
**Company Secretaries**  
**#217, 6<sup>th</sup> Cross, S.B.M. Colony,**  
**Bangalore 560 050**  
**Phone: 99866 49498**  
**Email parthajaya@gmail.com**

**COMPLIANCE CERTIFICATE**

**[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]**

**To,**  
The Members,  
Tata Elxsi Limited,  
ITPB Road, Whitefield,  
Bangalore 560048

We Jayashree Parthasarathy & Co Company Secretaries in practice have been appointed as the Secretarial Auditor vide resolution passed by the Board of Directors of **Tata Elxsi Limited** (Hereinafter referred to as Company) at their meeting held on October 17, 2023, having CIN L85110KA1989PLC009968 and having its registered office at ITPB Road, Whitefield, Bangalore 560048. This Certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "**the Regulations**"), for the year ended March 31, 2024.

**Management Responsibility:**

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Verification:**

The Company has implemented '**Tata Elxsi Limited – Performance Stock Option Plan- 2023**' viz Employee Stock Option Scheme in accordance with The Securities and Exchange Board of India (Share based employee Benefits) Regulations 2014 {"SEBI (SBEB Regulations 2014"} and SEBI (SBEB &SE) Regulations 2021 (both of these Regulations hereby collectively referred to as "SEBI ESOP Regulations") and the Special Resolution(s) passed by the members of the Company through Postal Ballot by means of remote e voting on March 04, 2023.

For the purpose of verifying the compliance of the Regulations, we have examined the following:

1. Schemes received from/furnished by the Company.



2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Shareholders resolutions passed through Postal Ballot;
5. Minutes of the meetings of the Nomination and Remuneration Committee;
6. Detailed terms and conditions of the scheme as approved by Nomination and Remuneration Committee
7. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;
8. Other relevant document/ filing/ records/ information

**Certification:**

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to us by the Company and its Officers, we certify that the Company has implemented the '**Tata Elxsi Limited – Performance Stock Option Plan- 2023**' ("Plan" or "PSOP- 2023") Employee Stock Option Scheme/ in accordance with the applicable provisions of the Regulations and Resolution(s) of the Company passed through Postal ballot.

**Assumption & Limitation of Scope and Review:**

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

Date: 23/04/2024

Place. Bangalore

For Jayashree Parthasarathy & Co  
Company Secretaries



Jayashree Parthasarathy  
FCS No 4610; CP NO. 1988  
PR 2603/2022  
UDIN F004610F000213533