

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, 2025

As on March 31, 2025, 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, 2025, page no. 254 of the Annual Report FY2024-25. (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, 2025, is disclosed in Note 29 (Earning per Share) of Standalone financial statements, page number 239 of the Annual Report FY2024-25.
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"> ➤ 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 <ul style="list-style-type: none"> • 30% of option granted shall become Eligible to Vest on First anniversary of grant date

		<ul style="list-style-type: none"> 30% of option granted shall become Eligible to Vest on Second anniversary of Grant Date 40% of Option granted shall become Eligible to Vest on Third anniversary of Grant Date <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 2024-25, 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	45,723																														
	b. Number of options granted during the year	43,169																														
	c. Number of options forfeited / lapsed during the year	8,018																														
	d. Number of options vested during the year	10,173																														
	e. Number of options exercised during the year	8,165																														
	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	72,709																														
	j. Number of options exercisable at the end of the year	2,008																														
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><tr><th>Sl. No.</th><th>Name</th><th>Designation</th><th>No. of options granted</th><th>Exercise Price (in ₹)</th></tr><tr><td>1.</td><td>Mr. Manoj Raghavan</td><td>Managing Director & CEO</td><td>1900</td><td>10</td></tr><tr><td>2.</td><td>Mr. Gaurav Bajaj</td><td>Chief Financial Officer</td><td>470</td><td>10</td></tr><tr><td>3.</td><td>Ms. Cauveri Sriram</td><td>Company Secretary</td><td>190</td><td>10</td></tr><tr><td>4.</td><td>Mr. Nitin Pai</td><td>Chief Marketing Officer and Chief Strategy Officer</td><td>1200</td><td></td></tr><tr><td>5.</td><td>Mr. Rajagopalan S</td><td>Head – Human Resource</td><td>400</td><td>10</td></tr></table>	Sl. No.	Name	Designation	No. of options granted	Exercise Price (in ₹)	1.	Mr. Manoj Raghavan	Managing Director & CEO	1900	10	2.	Mr. Gaurav Bajaj	Chief Financial Officer	470	10	3.	Ms. Cauveri Sriram	Company Secretary	190	10	4.	Mr. Nitin Pai	Chief Marketing Officer and Chief Strategy Officer	1200		5.	Mr. Rajagopalan S	Head – Human Resource	400	10	
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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: <u>Nil</u>	
	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: <u>Nil</u>	
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 6924.45 Exercise price: INR 10.00 Expected volatility: 38.84% Expected option life: 3 years Expected dividends: 0.99% Risk-free interest rate: 7.01%
	(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 6924.45
	(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