

## The Tata Power Company Limited

### Disclosure 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 employee stock option plan called 'The Tata Power Company Limited – Employee Stock Option Plan 2023'.

Accordingly, the disclosures pertaining to stock options granted by the Company under the above plan 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 ('SBEB & SE Regulations'), are provided herein below.

Sr. No.	Particulars	Details
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.	Disclosed in Notes to Accounts – Note 33 to Standalone and Note 35 to Consolidated financial statements for the year ended March 31, 2024.
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 EPS is disclosed in Note 41 to Standalone and Note 42 to Consolidated financial statements the year ended March 31, 2024.
C	Details related to The Tata Power Company Limited – Employee Stock Option Plan 2023 ("ESOP 2023"/"Plan")	
(i)	Description of the Plan	
	(a) Date of shareholders' approval	September 25, 2023
	(b) Total Number of options approved under the Plan	Not exceeding 3,57,36,560 [Three crore fifty-seven lakh thirty-six thousand five hundred sixty] Options
	(c) Vesting Requirements	<ul style="list-style-type: none"> <li>All the Options granted on any date shall vest not earlier than the minimum vesting period of 1 (one) year and not later than 3 (three) years from the grant date.</li> <li>The vesting dates and relative percentages shall be determined by the NRC and may vary from employee to employee or any class thereof.</li> <li>The vesting will be in accordance with the Plan and SBEB &amp; SE Regulations, as amended.</li> </ul>
	(d) Exercise Price or Pricing Formula	The exercise price per Option shall be the latest available closing market price of the equity share of the Company prior to the date of grant. However, the exercise price per Option shall not be less than the face value of the equity share of the Company.
	(e) Maximum term of options granted	The exercise period in respect of the vested Options shall be subject to a maximum period of 2 (two) years from the date of vesting.
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of Options	During FY24, there was no amendment/ modification/ variation in the Plan.
(ii)	Method used to account for the Plan	The Company shall adopt 'fair value method' for valuation of Options as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

(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 be disclosed.	Not Applicable
(iv)	Option movement during the FY24:	
a.	Number of options outstanding at the beginning of the period	Nil
b.	Number of options granted during the year	64,82,940
c.	Number of options forfeited/ lapsed/ expired during the year	(3,68,360)
d.	Number of options vested during the year	-
e.	Number of options exercised during the year	-
f.	Number of shares arising as a result of exercise of options	-
g.	Money realized by exercise of options (₹), if scheme is implemented directly by the Company	
h.	Loan repaid by the trust during the year from exercise price received	Not Applicable
i.	Number of options outstanding at the end of the year	61,14,580
j.	Number of options exercisable at the end of the year	-
(v)	Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Please refer Note 33 to the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024.
(vi)	Employee-wise details of options granted during the FY24	
a.	Senior Managerial Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	
Name	Designation	No. of Options Granted
Mr. Sanjeev Churiwala	Chief Financial Officer	1,02,310
Mr. Vispi S. Patel	Company Secretary	40,930
Mr. Deepesh Nanda	President - Renewables	-
Mr. Sanjay Banga	President - Transmission & Distribution	1,02,310
Mr. Ashish Khanna	President - Generation	1,02,310
Mr. Himat Tewari	Chief Human Resource Officer, Chief - Sustainability & CSR	1,02,310
Mr. Ajay Kapoor	Chief - Legal, Regulatory & Advocacy	-
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	None
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	None

(vii)	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	<p>The Company has estimated fair value of options using Black Scholes Model. The following inputs/ were used for calculation of fair value of options granted in FY24 –</p> <p>Share price = ₹ 249.80</p> <p>Exercise price = ₹ 249.80</p> <p>Expected volatility = 39.81%</p> <p>Expected option life = 4 years</p> <p>Expected dividends = 0.70%</p> <p>Risk-free interest rate = 7.21%</p> <p>Basis the inputs, the fair value of option granted in FY24 = ₹ 97.75</p>
(b)	the method used and the assumptions made to incorporate the effects of expected early exercise	Not applicable
(c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options.
(d)	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	
D	Disclosures in respect of grants made in three years prior to IPO under each ESOS.	Not Applicable