

## Disclosures pursuant to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021

### **Titan Company Limited Performance Based Stock Unit Scheme, 2023 (Scheme 2023) 2021(SEBI ESOP Regulations):**

Pursuant to the approval of shareholders of the Company through Postal Ballot obtained on 21<sup>st</sup> March 2023, the Board of Directors of Titan Company Limited (the Company) has been authorised to adopt and implement Titan Company Limited Performance Based Stock Unit Scheme, 2023 (Scheme 2023) to the Eligible Employees of the Company and/or its Subsidiary Companies.

A maximum of 10,00,000 (Ten Lakh only) PSUs may be granted under the Scheme 2023, which on exercise would entitle not more than 10,00,000 (Ten Lakh only) equity shares of ₹ 1 each (approximately 0.11% (zero point one-one Percent) of the paid-up equity share capital as on 31<sup>st</sup> December 2022), with each such PSU conferring a right upon the grantee to apply for one equity share of the Company, which may be adjusted for any corporate action(s) in terms of the Scheme 2023.

The maximum number of PSUs to be granted to an eligible employee under the Scheme 2023 shall not exceed 50,000 (Fifty thousand only) PSUs, which on exercise would entitle not more than 50,000 (Fifty thousand only) equity shares of ₹ 1 (Rupee One only) each of the Company.

The Board Nomination and Remuneration Committee shall be responsible for the administration and superintendence of the Scheme 2023 and it shall delegate the administration/implementation of the Scheme 2023 to the Titan Employee Stock Option Trust in accordance with the requirements of applicable laws.

The Scheme 2023 involves only secondary acquisitions of shares of the Company from the recognised stock exchange for cash consideration by Titan Employee Stock Option Trust. No fresh shares shall be issued by the Company either to the Titan Employee Stock Option Trust or to the grantee under the Scheme. Titan Employee Stock Option Trust may acquire for the purpose of implementation of the Scheme, in one or more tranches, such number of shares of the Company from the secondary market, not exceeding 0.11 % (zero point one-one Percent) of the paid-up equity share capital of the Company as at 31<sup>st</sup> December 2022.

A certificate from the Secretarial Auditors of the Company that the Scheme 2023 has been implemented in accordance with the SEBI ESOP Regulations and in accordance with the resolutions of the Company in the general meeting, will be made available at the Annual General Meeting (AGM), electronically.

The disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021 for Scheme 2023 are as follows:

### **1. The Board of Directors in its report shall disclose any material change in the scheme(s) and whether the scheme(s) is/are in compliance with the SEBI ESOP Regulations**

There is no material change to the Scheme 2023 which was approved by the shareholders and the Scheme 2023 is in compliance with the SEBI ESOP Regulations.

#### **a. The following details, inter alia, shall be disclosed on the Company's website and a web-link thereto shall be provided in the report of Board of Directors**

- 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.

Not Applicable. During the Financial Year 2022-23, the Company has not granted any PSUs to the eligible employees under the Scheme 2023

- B.** Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ' Indian Accounting Standard (IND AS) 33- Earning per share' (Erstwhile 'Accounting Standard 20 - Earnings Per Share') issued by Central Government or any other relevant accounting standards as issued from time to time.

Not Applicable. During the Financial year 2022-23, the Company has not granted any PSUs to the eligible employees under the Scheme 2023

## 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 brief description of the RSU Plan existed in the Company is provided above. Further, the general terms and conditions of such RSU Plan are provided below:

Sl No.	Particulars	Details of the Scheme 2023
(a)	Date of shareholders' approval	21 <sup>st</sup> March 2023
(b)	Total number of options approved under ESOS	A maximum of 10,00,000 (Ten Lakh only) PSUs may be offered and granted under the Scheme 2023, which on exercise would entitle not more than 10,00,000 (Ten Lakh only) equity shares of ₹ 1 (Rupee One only) each of the Company (approximately 0.11% (zero point one-one Percent) of the paid-up equity share capital as on 31 <sup>st</sup> December 2022), which may be adjusted for any corporate action(s) in terms of the Scheme 2023.
(c)	Vesting requirements	The PSUs granted under the Scheme 2023 shall vest after completion of the Performance Period i.e. period of 3 (three) Financial years or such other time period as BNRC may decide from time to time, subject to meeting performance parameters (which inter alia, includes time and/or performance based conditions for vesting), as determined by the BNRC.
(d)	Exercise price or pricing formula	The exercise price for PSUs shall be ₹ 1 (Rupee One only) per PSU, i.e. at the face value of the underlying share of the Company. The exercise price shall be in compliance with the accounting standards specified under the SBEB & SE Regulations, including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time.
(e)	Maximum term of options granted	This Scheme 2023 is established with effect from 21 <sup>st</sup> March 2023 and shall continue to be in force until (i) for a period of 10 (ten years); or (ii) its termination by the Board; or (iii) the date on which all of the Units available for Grant under the Scheme 2023 have been Granted and Exercised (as defined hereinafter) or have lapsed or have been cancelled by the Board Nomination and Remuneration Committee and the Board Nomination and Remuneration Committee does not intend to re-grant the said lapsed or cancelled Units.
(f)	Source of shares (primary, secondary or combination)	The Scheme 2023 involves only secondary acquisitions of shares of the Company from the recognised stock exchange for cash consideration by Titan Employee Stock Option Trust. No fresh shares shall be issued by the Company either to the Titan Employee Stock Option Trust or to the grantee under the Scheme.
(g)	Variation in terms of options	Not Applicable. During the Financial year 2022-23, the Company has not granted any PSUs to the eligible employees under the Scheme 2023

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

The Company shall use the Fair Value Method for valuation of the RSUs granted, in accordance with the accounting standard on share-based payments including any changes that may be prescribed 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 recognised 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 (For each ESOS)**

Particulars	Details
• Number of options outstanding at the beginning of the period	
• Number of options granted during the year	
• Number of options forfeited/ lapsed during the year	
• Number of options vested during the year	
• Number of options exercised during the year	
• Number of shares arising as a result of exercise of options	Nil
• Money realised by exercise of options (‘), if scheme is implemented directly by the Company	
• Loan repaid by the Trust during the year from exercise price received	
• Number of options outstanding at the end of the year	
• Number of options exercisable at the end of the year	

**(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**

Not Applicable. The Company has not granted any PSU's during the Financial year 2022-23

**(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –**

Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to	
(a) senior managerial personnel;	
(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; and	Not applicable. The Company has not granted any PSU's during the Financial year 2022-23.
(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.	

**(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;	
(b) The method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable. The Company has not granted any PSU's during the Financial year 2022-23
(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	
(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	

**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

**(D) Details related to Trust for Scheme 2023**

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed

(i) General information on schemes

Sl. No.	Particulars	Details
1	Name of the Trust	Titan Employee Stock Option Trust
2	Details of the Trustee(s)	Mr. Swadesh Behera Mr. Gurkirandeep Singh Ms. Priya Mathilakath Pillai
3	Amount of loan disbursed by company/any company in the group, during the year	Not Applicable
4	Amount of loan outstanding (repayable to company/any company in the group) as at the end of the year	Not Applicable
5	Amount of loan, if any, taken from any other source for which company/any company in the group has provided any security or guarantee	Not Applicable
6	Any other contribution made to the Trust during the year	Not Applicable

(ii) Brief details of transactions in shares by the Trust

Particulars	Number of shares
(a) Number of shares held at the beginning of the year	Not Applicable as no shares had been purchased by the Trust since its inception.
(b) Number of shares transferred to the employees/ sold along with the purpose thereof – (these shares were transferred on exercise of RSUs)	Not Applicable
(c) Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Not Applicable
(d) Number of shares held at the end of the year – (a-b+c)	Not Applicable as no shares had been purchased by the Trust since its inception.

(iii) In case of secondary acquisition of shares by the Trust

Number of Shares	As a percentage of paid-up equity share capital at the end of the year (i.e. 31 <sup>st</sup> March 2023) immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	Nil
Acquired during the year	
Sold during the year	
Transferred to the employees during the year	
Held at the end of the year	