

EMPLOYEES STOCK OPTIONS (ESOPs)

The Members of the Company had passed resolutions at the 34th Annual General Meeting held on 10th August 2022 and approved the TCPL Packaging Employee Stock Option Plan 2022 ("TCPL-ESOP 2022"/ "Plan") and also approved the resolution to acquire equity shares by way of secondary acquisition through Trust, to or for the benefit of Eligible Employees under TCPL-ESOP 2022, not exceeding, at any time, 3% of the paid-up equity share capital of the Company, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Committee.

Pursuant to the applicable provisions of the Act and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Company has set up a 'TCPL ESOP Trust ("Trust") for implementation of the said Scheme.

The Trust acquires shares and holds it for the benefit of the employees and issues them to the eligible employees as per the recommendations of the Compensation Committee.

During the year under review, the Nomination and Remuneration Committee has granted 13,306 Stock Options to the eligible employees.

The Options granted under TCPL ESOP 2022 vests in 4 instalments on the expiry of 12 months, 24 months, 36 months and 48 months from the date of grant. The options may be exercised on any day over a period of four years from the date of vesting.

Please refer note no. 48 of Notes forming part of Standalone Financial Statements for further disclosures on ESOPs. Your Company has received the certificate from the Secretarial Auditor of the Company certifying that the ESOP scheme is implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and is in accordance with the resolution passed by the members of the Company. The certificate would be placed at the Annual General Meeting for inspection by members.

The applicable disclosures as stipulated under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on 31st March 2023 with regard to the TCPL-ESOP 2022 are provided as Annexure to this Report and is also available on the Company's website viz., URL: www.tcpl.in.

Annexure

Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended March 31, 2023.

- 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 by ICAI or any other relevant accounting standards in that regard from time to time are disclosed in Notes forming part of the Standalone Financial Statements.
- 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. This has been disclosed in Notes forming part of the Standalone Financial Statements.

C) Description of TCPL ESOP 2022

(i)	Description of each ESOP that existed at any time during the year	
	Date of Shareholders' approval	August 10, 2022.
	Total number of options approved under TCPL ESOP - 2022	2,73,000 Equity Shares of face value of Rs. 10 each or 3% of the paid-up equity share capital of the Company, whichever is higher
	Vesting requirements	The Options granted to any Employee shall vest within the Vesting Period in the manner as set forth in the Grant letter subject to maximum period of 4 years from the date of grant. There shall be a minimum period of one year between the Grant of Options and Vesting of Options subject to terms TCPL ESOP - 2022.
	Exercise price or pricing formula	Exercise price for Options granted during the year was Rs. 1623.80
	Maximum term of options granted	4 years from the respective date of option granted
	Source of shares (primary, secondary or combination)	Secondary Market
	Variation in terms of options	None
(ii)	Method used to account for ESOS	Fair Value Method for valuation of the Options as prescribed under Ind AS 102.
(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 also be disclosed.	Not applicable, as the fair value method has been adopted for accounting ESOP expenses.
(iv)	Option movement during the year:	
	Number of options outstanding at the beginning of the period	N.A.
	Number of options granted during the year	2661 shares granted during the year, being 20% of 13306 shares exercisable over the period of four years
	Number of options forfeited / lapsed during the year	Nil
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil

	Number of shares arising as a result of exercise of options	N.A.
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
	Loan repaid by the Trust during the year from exercise price received	N.A.
	Number of options outstanding at the end of the year	N.A.
	Number of options exercisable at the end of the year	N.A.
(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.	Weighted average exercise price: Rs 1,623.80 The exercise price equals the fair value of the share on the grant date. The fair values of option are as below, with the vesting date shown in brackets: Rs 454.2 (December 6, 2023) Rs 612.9 (December 6, 2024) Rs 733.0 (December 6, 2025) Rs 829.3 (December 6, 2026)

(vi). Employee-wise details of options granted during the year ended on March 31, 2023

1	Senior Managerial Personnel	
	Name of Employee	No of Options
i	Mr. S G Nanavati Executive Director (Key Managerial Personnel)	175
ii	Mr. Jitendra Jain Chief Financial Officer (Key Managerial Personnel)	154
2	Employees who were granted, during any one year, Options amounting to 5% or more of the Options granted during the year	
	Name of Employee	No of Options
i	Mr. Manoj Kumar	183
ii	Mr. S G Nanavati Executive Director (Key Managerial Personnel)	175
iii	Mr. Jitendra Jain Chief Financial Officer (Key Managerial Personnel)	154
iv	Mr. Veeral Dalal	154
v	Mr. D Loganathan	145
3	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 grants:- None	

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

<p>The Securities Exchange Board of India (SEBI) has prescribed two methods to account for employee stock options viz.</p> <ol style="list-style-type: none"> 1. the intrinsic value method, and 2. the fair value method. <p>The company adopts the fair value method to account for the stock options it grants to the employees. Intrinsic value is the amount, by which the quoted closing market price of the underlying shares as on the date of grant exceeds the exercise price of the option. The fair value of the option is estimated on the date of grant using Black Scholes options pricing model with assumptions as below:</p>		
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;	Rs 1,623.80 Rs 1,623.80 58% p.a. 2.40 years 0.6% p.a. 6.4% p.a. – 6.9% p.a.
b)	the method used and the assumptions made to incorporate the effects of expected early exercise;	The fair value method is used to evaluate the cost. Early exercise is not allowed.
c)	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The expected volatility is based on historical movement of the company's share prices for 3 years before the grant date.
d)	whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	The market condition has been incorporated using the Black-Scholes option pricing formula.

The impact of the fair value method on the net profit and on basic and diluted EPS is tabulated below:

	Rs in '000
Net Profit / (Loss)	11044.01
Add / (Less): Stock based employee compensation (intrinsic value)	-
Add / (Less): Stock based compensation expenses determined under fair value method for the grants issued	(1,032.00)
Net Profit / (Loss) (proforma)	10012.01
Basic earnings per share (as reported)	121.36
Basic earnings per share (proforma)	110.02
Diluted earnings per share (as reported)	121.36
Diluted earnings per share (proforma)	110.02

Details related to ESPS Not applicable

Details related to SAR Not applicable

Details related to GEBS/ RBS Not applicable

Details of the Company's Employees' Welfare Trust:

The details *inter-alia*, in connection with transactions made by the Trust meant for the purpose of administering the TCPL ESOP 2022 are as under:

i. General Information of the Trust

Name of the Trust	TCPL ESOP Trust
Details of the Trustee(s)	Mr. Manoj Kumar Mr. Vivek Dave Mr. Vivek Poddar
Amount of loan/advance disbursed by Company / any Company in the group, during the year	2.63 Cr
Amount of loan outstanding (repayable to Company / any Company in the group) as at the end of the year	2.63 Cr.
Amount of loan, if any, taken from any other source for which Company / any Company in the group has provided any security or guarantee	NIL
Any other contribution made to the Trust during the year	NIL

ii. Brief details of transactions in shares by the Trust :

Number of shares held at the beginning of the year	NIL
Number of shares acquired during the year through 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	22400 Equity Shares (0.25% of paid up equity capital) at the average price of Rs. 1172.95 per share
Number of shares transferred to the employees / sold along with the purpose thereof	NIL
Number of shares held at the end of the year	22400 Equity Shares

iii. In case of secondary acquisition of shares by the Trust :

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	NIL
Acquired during the year	22400
Sold during the year	NIL
Transferred to the employees during the year	NIL
Held at the end of the year	22400