

Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited)						
Disclosure pursuant to Regulation 1.4 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on 31 st March, 2018						
A. Disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India ("ICAI") or any other relevant accounting standards as prescribed from time to time. The disclosures are forming part of the Financial Statements of the Company for the financial year ended 31 st March 2018.						
Sr. No	Description	ABCL Incentive Scheme for Stock Options and Restricted Stock Units - 2017	Aditya Birla Capital Limited Employee Stock Option Scheme 2017			
(i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including-	Options	RSUs	RSU	Options	PRSU
(ii)	Method used to account for ESOS-Intrinsic or fair value	Intrinsic	Intrinsic			
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options	Not Applicable	Not Applicable			
a)	Date of Shareholders' approval	10 th April 2017			19 th July, 2017	
b)	Total number of Options/RSUs approved	17,18,237	(comprising of Options and/or RSUs)		3,22,86,062	(comprising of Options, RSUs and PRSUs)
c)	Vesting requirements	The Stock Options and RSUs granted shall vest as per the vesting conditions stated by Grasim Industries Limited and as per the original grant plan		Continuous Employment till 11 th August, 2019. Bullet Vesting	75% of the consolidated Profit Before Tax achievement against annual P&B Target. 25% p.a. (4 years)	Continuous Employment till 11 th August, 2019. Bullet Vesting
d)	Exercise price or pricing formula	At par (face value) of ₹ 10		At par (face value) of ₹ 10	Determined as per valuation report dated 11 th August, 2017	Determined as per valuation report dated 11 th August, 2017
e)	Maximum term of Options/RSUs granted	Five years from the date of original grant of Options / RSUs		Exercise Price ₹ 10.00 per RSU	Exercise Price ₹ 115.00 per Option	Exercise Price ₹ 10.00 per PRSU
f)	Source of shares (primary, secondary or combination)	Primary		Five years from the date of grant of Options / RSUs / PRSUs		
g)	Variation in terms of Options/RSUs	There has been no variation in terms of the Options / RSUs granted under the ABCL Incentive Scheme		Primary		
(ii)	Method used to account for ESOS-Intrinsic or fair value	Intrinsic		There has been no variation in terms of the Options / RSUs/PRSUs granted under the Aditya Birla Capital Limited Employee Stock Option Scheme 2017		
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options	Not Applicable		Intrinsic		
				Not Applicable		

Sr. No	Description	ABCL Incentive Scheme for Stock Options and Restricted Stock Units - 2017		Aditya Birla Capital Limited Employee Stock Option Scheme 2017			
		Options	RSUs	RSU	Options	Options	
(iv)		Options/RSUs/PRSUs movement during the year					
	Number of Options / RSUs outstanding at the beginning of the period	-	-	-	-	-	
	Number of Options / RSUs granted during the year	14,65,927	2,52,310	43,43,750	1,15,57,872	13,98,886	
	Number of Options / RSUs forfeited / lapsed during the year	12,861	-	3,39,000	1,12,133	-	
	Number of Options / RSUs vested during the year	12,84,633	1,92,539	-	-	-	
	Number of Options / RSUs exercised during the year	98,476	33,921	-	-	-	
	Number of shares arising as a result of exercise of Options / RSUs	98,476	33,921	-	-	-	
	Money realized by exercise of Options / RSUs (INR), if scheme is implemented directly by the company	9,84,760	3,39,210	-	-	-	
	Loan repaid by the Trust during the year from exercise price received	NA	NA	-	-	-	
	Number of Options / RSUs outstanding at the end of the year	13,54,590	2,18,388	40,04,750	1,14,45,739	13,98,886	
	Number of Options / RSUs exercisable at the end of the year	11,86,157	1,58,618	-	-	-	
(v)		Weighted-average exercise prices and weighted-average fair values of Options / RSUs/PRSUs					
	a) Weighted-average exercise prices and weighted-average fair values of Options / RSUs whose exercise price equals the market price of the stock	NA	NA	NA	NA	NA	
	b) Weighted-average exercise prices and weighted-average fair values of Options/RSUs whose exercise price is less than the market price of the stock	₹ 10		₹ 131.55	₹ 70.36	₹ 131.58	
	c) Weighted-average exercise prices and weighted-average fair values of Options/RSUs whose exercise price exceeds the market price of the stock	NA	NA	NA	NA	₹ 73.16	

Aditya Birla Capital Limited Employee Stock Option Scheme 2017							
Sr. No	Description	ABCL Incentive Scheme for Stock Options and Restricted Stock Units - 2017		Options and Restricted Stock Units - 2017			
Particulars	Options	RSUs	Options	RSU	Options	PRSU	
Particulars	Employee wise details (name of employee, designation, number of Options/RSUs/PRSUs granted during the year, exercise price) of Options/RSUs/PRSUs granted to						
(vi)	a) Senior Managerial personnel	Mr. Sushil Agarwal, Non-Executive Director - 1,95,040	Mr. Sushil Agarwal, Non-Executive Director - 45,650	Mr. Ajay Srinivasan, Chief Executive Officer - 2,500	Mr. Ajay Srinivasan, Chief Executive Officer - 10,73,264	Mr. Ajay Srinivasan, Chief Executive Officer - 3,99,682	Mr. Ajay Srinivasan, Chief Executive Officer - 37,84,161
		Mrs. Pinky Mehta, Chief Financial Officer - 30,785	Mrs. Pinky Mehta, Chief Financial Officer - 16,158		Mrs. Pinky Mehta, Chief Financial Officer - 3,30,236		
	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	NIL					
	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	NIL					
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information	NA		As per Chapter III to the SEBI Guidelines and applicable provisions, the fair value of the stock options has to be estimated using Black - Scholes model, which considers as on the date of the grant, the parameters such as strike/exercise price, risk free rate of return, expected life of the option and implied volatility of the underlying stock.			
	Weighted-average values of share price	-		131.55	70.36	131.58	73.16
	Exercise price	₹ 10		₹ 10	₹ 115	₹ 10	₹ 115
	Expected volatility	-		-	-	-	-
	Expected Option/RSU life	5		4.5	3.5 to 6.5	4.5	3.5 to 7.5
	Expected dividends (%)			0.00%	0.00%	0.00%	0.00%
	Risk-free interest rate			6.50%	6.5% to 6.8%	6.50%	6.5% to 7.0%
	Any other inputs to the model	NA					

Description		ABCL Incentive Scheme for Stock Options and Restricted Stock Units - 2017			Aditya Birla Capital Limited Employee Stock Option Scheme 2017		
Sr. No	Particulars	Options	RSUs	RSU	Options	PRSU	Options
	Method used and assumptions made to incorporate the effects of expected early exercise		NA		Black-Scholes method		
	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility				<p>The following parameters have been considered</p> <ol style="list-style-type: none"> 1. Exercise price – It is the price at which, the right is exercisable by the holder of the option. 2. Current market price of the underlying asset – The payoff from the option is related to the difference between the exercise price and the current price of an underlying asset. 3. Time to expiration – The value of an option is related to the duration of the option contract. The value of an option increases with the increase in its term. Generally, it is optimal to exercise an option at the end of the option term. 4. Volatility of the underlying asset – Volatility is a measure of the movement in the prices of the underlying asset. 5. Risk-free interest rate – This impacts the return expectation of equity. An increase in the risk-free rate increases the value of a call option and reduces the value of a put option. 6. Dividends expected during the life of the option – Dividend outflow reduces the value of the underlying asset. Thus, the dividend rate reduces the value of a call option and increases the value of a put option. 		
	Whether and how any other features of the option/RSU grant were incorporated into the measurement of fair value, such as a market condition						