

**Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on 31<sup>st</sup> March 2021**

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 provided in Note 33 and Note 34 of the Notes forming part of the Standalone Financial Statements of the Company for the year ended 31<sup>st</sup> March 2021

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	RSUs	RSU	Options	PRSU	Options
(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)	Date of Shareholders' approval		10 <sup>th</sup> April 2017			19 <sup>th</sup> July 2017		
b)	Total number of Options/RSUs approved under ABCL Incentive Scheme	17,18,237	(comprising of Options and/or RSUs)			3,22,86,062	(comprising of Options and/or RSUs)	
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 Bullet Vesting	Employees of ABCL: 75% of the consolidated PBT achievement against Annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets. 25% p.a. (4 years)	Continuous Employment Bullet Vesting	Employees of ABCL: 75% of the consolidated PBT achievement against Annual P&B targets and Employees of Subsidiaries: 75% of the PBT achievement of the respective business units against Annual P&B targets. 20% p.a. (5 years)
d)	Exercise price or pricing formula	At par (face value)			At par (face value)	Exercise price was determined on the basis of the closing price of the Company's equity shares on the day immediately preceding the date of grant	At par (face value)	Exercise price was determined on the basis of the closing price of the Company's equity shares on the day immediately preceding the date of grant
e)	Maximum term of Options/RSUs granted	Exercise Price ₹10.00 per Option / RSU			Exercise Price ₹10.00 per RSU	Exercise Price ₹115.00 per Option	Exercise Price ₹10.00 per PRSU	Exercise Price ₹115.00 per Option
f)	Source of shares (primary, secondary or combination)	Five years from the date of Vesting of Options / RSUs	Primary			Five years from the date of Vesting of Options / RSUs		
g)	Variation in terms of Options/RSUs	There has been no variation in terms of the Options / RSUs granted under the ABCL Incentive Scheme	Intrinsic			There has been no variation in terms of the Options / RSUs granted under the ABCL Scheme 2017		
(ii)	Method used to account for ESOS- Intrinsic or fair value							

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(iii)	Where the company opts for expensing of the options using the intrinsic value of the options	Not Applicable					
(iv)	<b>Particulars</b>	Options	RSUs	Options	RSUs	Options	RSUs
	Number of Options / RSUs outstanding at the beginning of the period	7,61,865	1,69,056	1,14,75,079	14,39,450	1,32,25,030	
	Number of Options / RSUs granted during the year	25,585	-	1,10,424		1,40,439	
	Number of Options / RSUs forfeited / lapsed during the year	25,585	-	7,24,890		1,40,439	
	Number of Options / RSUs vested during the year* (Refer Note 2)	-	-				
	Number of Options / RSUs exercised during the year	3,76,144	55,610	1,46,372	5,66,544		
	Number of shares arising as a result of exercise of Options / RSUs	3,76,144	55,610	1,46,372	5,66,544		
	Money realized by exercise of Options / RSUs (INR), if scheme is implemented directly by the company	37,61,440	5,56,100				
	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	3,60,136	1,13,446	1,07,14,241	8,72,906	1,32,25,030	
	Number of Options / RSUs exercisable at the end of the year	3,60,136	1,69,056	74,23,158	3,41,410	78,11,357	
(v)		Weighted-average exercise prices and weighted-average fair values of Options / RSUs					
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	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 (₹)	10.00		70.4 to 90.4	131.6	73.1 to 90.4	
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	NA	NA

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(vi)	Employee wise details (name of employee, designation, number of Options/RSUs granted during the year, exercise price) of Options/RSUs granted to		
a)	Senior Managerial personnel	Mrs. Pinky Mehta, Chief Financial Officer - 10,261 Stock options	
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	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	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 SEBI Guidelines and applicable provisions, the fair value of the stock options has to be estimated using BlackScholes 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 (₹)	On the date of Grant – 10.00	131.6      70.4 to 90.4      131.6      73.1 to 90.4
	Exercise price	₹10/-	₹10      ₹115      ₹10      ₹115
	Expected volatility	-	-      46.50%      -      46.50%
	Expected Option/RSU life	On the date of Grant 5 years	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%      6.2% to 6.8%      6.5% to 7.2%      6.5% to 7.6%
	Any other inputs to the model	NA	

Sr. No	Description	ABCL Incentive Scheme for Stock Options and Restricted Stock Units – 2017	Aditya Birla Capital Limited Employee Stock Option Scheme 2017
<p>Method used and assumptions made to incorporate the effects of expected early exercise</p> <p>How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility</p> <p>Whether and how any other features of the option/RSU grant were incorporated into the measurement of fair value, such as a market condition</p>	<p>NA</p>	<p>Black-Scholes method</p> <p>The following parameters have been considered</p> <ol style="list-style-type: none"> <li>1. Exercise price – It is the price at which, the right is exercisable by the holder of the option.</li> <li>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.</li> <li>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.</li> <li>4. Volatility of the underlying asset – Volatility is a measure of the movement in the prices of the underlying asset.</li> <li>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.</li> <li>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.</li> </ol>	