

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on 31st March, 2019

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 40 of the Notes forming part of the Financial Statements of the Company for the year ended 31st March, 2019.

Sl. No.	Description	ABCL Incentive Scheme			ABCL Employee Stock Option Schemes (ESOP) of the Company:		
		Options	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	10th April, 2017			19th 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	75% of the consolidated Profit Before Tax achievement against annual P&B Target. 25% p.a. (4 years)	Continuous Employment . Bullet Vesting	75% of the consolidated Profit Before Tax achievement against annual P&B Target. 25% p.a. (5 years)
d)	Exercise price or pricing formula	At 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 date 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 date 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			Five years from the date of Vesting of Options / RSUs		
g)	Variation in terms of Options/RSUs	Primary				Primary	
(ii)	Method used to account for ESOS-intrinsic or fair value	There has been no variation in terms of the Options / RSUs granted under the ABCL Incentive Scheme			There has been no variation in terms of the Options / RSUs granted under the ABCL Incentive Scheme		
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options	Intrinsic			Intrinsic		
(iv)	Particulars	Not Applicable			Not Applicable		
	Number of Options / RSUs outstanding at the beginning of the period	Options	RSUs	RSU	Options	PRSU	Options
	Number of Options / RSUs granted during the year	13,54,590	2,18,389	4,004,750	11,445,739	1,398,886	12,504,992
	Number of Options / RSUs forfeited / lapsed during the year	-	-	-	-	300,000	1,623,834
	Number of Options / RSUs vested during the year	6,820	-	555,250	892,454	-	-
	Number of Options / RSUs exercised during the year	67,826	26,298	-	2,711,343	-	2,500,998
	Number of shares arising as a result of exercise of Options / RSUs	313,381	22,434	-	29,200	-	-
	Money realised by exercise of Options / RSUs (INR), if scheme is implemented directly by the company	313,381	22,434	-	29,200	-	-
	Loan repaid by the Trust during the year from exercise price received	3,133,810	224,340	-	3,358,000	-	-
		-	-	-	-	-	-

(iv)	Particulars	Options	RSUs	RSU	Options	PRSU	Options
	Number of Options / RSUs outstanding at the end of the year	10,34,389	1,95,955	3,449,500	10,524,085	1,698,886	14,128,826
	Number of Options / RSUs exercisable at the end of the year	940,602	162,483	-	2,682,143	-	2,500,998
(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		
	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		131.60	70.40	131.60	73.10
	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		
(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	-			-		
	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	-			-		
	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)		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	On the date of Grant – Rs. 10.00		131.60	70.40	131.60	73.10
	Exercise price	₹ 10/-		10	115	10	115
	Expected volatility			-	-	-	-
	Historic Volatility			38.50%	37.0% to 38.5%	38.50%	37.0% to 38.5%
	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 (%)			-	-	-	-
	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					
	Method used and assumptions made to incorporate the effects of expected early exercise	NA					
	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	The following parameters have been considered 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						