



GRASIM INDUSTRIES LIMITED
Birlagram, Nagda 456 331 (M.P.)

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on 31st March, 2017:

A.Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time

The disclosures are provided in the Note No. 4.4.8 to the financial statement of the Company for the year ended 31st March, 2017.

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 ICAI or any other relevant accounting standards as prescribed from time to time.

₹ 33.38

C. Details related to Employee Stock Option Schemes (ESOS) of the Company:

Sr. No.	Particulars	ESOS – 2006					ESOS-2013										
		Tranche 1 Stock Option (23rd August 2007)	Tranche 2 Stock Option (25th January,2008)	Tranche 3 Stock Option (30th August 2010)	Tranche 4 Stock Option (2nd June 2011)	Tranche 5 Stock Option (18th October 2013)	Tranche 1 Stock Option (18th October 2013)	Tranche 2 Stock Option (29th January 2014)	Tranche 3 Stock Option (15th January 2016)	Tranche 4 Stock Option (2nd April 2016)	Tranche 5 Stock Option (24th May 2016)	Tranche 1 Restricted Stock Unit (RSU)(18th October 2013)	Tranche 2 Restricted Stock Unit (RSU)(21st November 2013)	Tranche 3 Restricted Stock Unit (RSU)(29th January 2014)	Tranche 4 Restricted Stock Unit (RSU) (15th January 2016)	Tranche 5 Restricted Stock Unit (RSU) (2nd April 2016)	Tranche 6 Restricted Stock Unit (RSU) (24th May 2016)
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 shareholder's approval	20th January 2007					17th August , 2013										
b.	Total number of options approved under ESOS	2,75,000(Post Sub-division:13,75,000)					2,30,000(Post Sub-division:11,50,000)										
c.	Vesting requirements	Not earlier than one year and not more than five years from the date of grant of options.					Not earlier than one year from the date of Grant and not later than such Vesting Period as set forth in ESOS-2013										
d.	Exercise price or pricing formula	Pursuant to the Scheme of Amalgamation of Samruddhi Cement Limited with the Company.		Exercise price was determined by averaging the daily closing price of the Company's equity shares during the 7 days immediately preceding the date of grant and discounting it by 30%.		Exercise price was determined by averaging the daily closing price of the Company's equity shares during the 7 days immediately preceding the date of grant.		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				The exercise price is at the face value of ₹ 10/- each of the equity shares of the Company .					
		Exercise price : ₹ 1,523	Exercise price : ₹ 2,279	Exercise price : ₹ 1,440	Exercise price : ₹ 1,594	Exercise price : ₹ 2,728	Exercise price : ₹ 2,714	Exercise price : ₹ 2,593	Exercise price : ₹ 3,500	Exercise price : ₹ 3,853	Exercise price : ₹ 4,212	Exercise price : ₹ 10	Exercise price : ₹ 10	Exercise price : ₹ 10	Exercise price : ₹ 10	Exercise price : ₹ 10	Exercise price : ₹ 10
e.	Maximum term of options granted	Five years from the date of vesting of Options					Five years from the date of vesting of options and restricted stock units										
f.	Source of shares	Primary															
g.	Variation in terms of options	The Shareholder Approval is accorded on 23.09.2016 for Sub-Division of 1 Equity Share of Rs. 10 into 5 Equity Shares of Rs. 2 each.This has taken effect from 08.10.2016. Accordingly, the Exercise Price of Options issued by the Company stands revised as under:															
		₹304.6	₹455.8	₹288	₹318.83	₹545.6	₹542.78	₹518.6	₹700	₹770.6	₹842	₹2	₹2	₹2	₹2	₹2	₹2
ii.	Method used to account for ESOS – Intrinsic or fair value	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the ESOS.															
iii.	Where the company opts for expensing of the options using the intrinsic value of the options	Not Applicable															
	- 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 *Net Profit *EPS																

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iv	Option movement during the year (For each ESOS):																
	Particulars																Amount
	Number of options outstanding at the beginning of the year																241,426
	Number of options granted during the year																53,985
	Number of options forfeited / lapsed during the year																215,772
	Number of options vested during the year																352,050
	Number of options exercised during the year																106,580
	Number of shares arising as a result of exercise of options																106,580
	Money realised by exercise of options (INR), if Scheme is implemented directly by the Company																26,421,016
	Loan repaid by the Trust during the year from exercise price received																-
Number of options outstanding at the end of the year																1,152,595	
Number of options exercisable at the end of the year																813,045	
v	a) Weighted-average exercise prices and weighted-average fair values of options whose exercise price equals the market price of the stock	Not Applicable					Weighted average exercise price: ₹ 542.80	Weighted average exercise price: ₹518.60	Weighted average exercise price: ₹700.00	Weighted average exercise price: ₹770.60	Weighted average exercise price: ₹842.40	Not Applicable					
	b) Weighted-average exercise prices and weighted-average fair values of options whose exercise price is less than the market price of the stock	Revised Weighted average exercise price: ₹ 304.60	Revised Weighted average exercise price: ₹ 455.80	Weighted average exercise price: ₹ 288.00	Weighted average exercise Price: ₹ 318.832	Not Applicable						Weighted average exercise price: ₹ 2.00	Weighted average exercise price: ₹ 2.00	Weighted average exercise price: ₹ 2.00	Weighted average exercise price: ₹ 2.00	Weighted average exercise price: ₹ 2.00	Weighted average exercise price: ₹ 2.00
		Revised Weighted average fair value: ₹ 207.762	Revised Weighted average fair value: ₹ 174.426	Weighted average fair value: ₹ 226.00	Weighted average fair value: ₹ 251.878							Weighted average fair value: ₹ 519.718	Weighted average fair value: ₹ 498.48	Weighted average fair value: ₹ 495.162	Weighted average fair value: ₹ 686.764	Weighted average fair value: ₹ 695.606	Weighted average fair value: ₹ 821.168
c) Weighted-average exercise prices and weighted-average fair values of options whose exercise price exceeds the market price of the stock	Not Applicable					Weighted average exercise Price : ₹ 545.60	Not Applicable										Weighted average fair value : ₹197.316

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Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to																	
a.	Senior Managerial Personnel	No Options were granted during the year					30,440 Options, having exercise price ₹770.60, were granted during the year to Mr. Dilip Gaur, Managing Director under Tranche 4 on 07.05.2016	17,045 Options, having exercise price ₹842.40, were granted during the year to Mr. Ramesh Aggarwal, President under Tranche 5 on 28.10.2016	No Options were granted during the year					4,165 RSU, having exercise price ₹2, were granted during the year to Mr. Dilip Gaur, Managing Director under Tranche 5 on 07.05.2016	2,335 RSUs, having exercise price ₹2, were granted during the year to Mr. Ramesh Aggarwal, President under Tranche 6 on 28.10.16		
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	No Options were granted during the year															
c.	Identified employee 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	No Options were granted during the year															
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 weight average values of share price:	₹ 1,038.81 (revised)	₹ 872.13 (revised)	₹ 1,130.00	₹ 1,259.39	₹ 986.58	₹ 992.75	₹ 952.52	₹ 273.944	₹ 340.636	₹ 368.908	₹ 519.718	₹ 498.48	₹ 495.162	₹ 686.764	₹ 749.606	₹ 821.168
	Exercise Price	304.6	455.8	288	318.832	545.6	542.8	518.6	700	770.6	842.4	2	2	2	2	2	2
	Expected Volatility	33.00%	36.00%	45.64%	31.73%	24.01%	24.01%	23.47%	28.26%	27.46%	27.43%	24.01%	23.76%	23.47%	28.52%	28.41%	28.01%
	Expected Option Life	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	3.50 years	3.50 years	5.5 years	5.5 years	5.5 years	5.5 years	5.5 years	5.5 years
	Expected Dividend	1.84%	1.80%	1.58%	0.61%	1.03%	1.03%	1.10%	0.36%	0.52%	0.48%	1.34%	1.40%	1.43%	0.34%	0.51%	0.47%
	The risk free interest rate	7.78%	7.78%	7.78%	8.09%	8.58%	8.58%	8.87%	7.87%	7.60%	7.49%	8.66%	8.90%	9.00%	7.96%	7.78%	7.75%
	And any other inputs to the model	Not Applicable															
b	Method used and assumptions made to incorporate the effects of expected early exercise	Black-Scholes method															

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c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	<p>Following factors have been considered:-</p> <ul style="list-style-type: none"> i. The closing price of the Company's share on National Stock Exchange of India Limited (NSE) on the date previous to the grant date. ii. Adjustment of the aforesaid closing price for the expected dividend yield over the expected life of the Options/RSUs. iii. Yield of Subsidiary General Ledger ("SGL") transactions in government dated securities for various maturities representing the risk-free interest rate. iv. The expected life of the Options/RSUs, i.e., the period upto the vesting date plus the average of the exercise period corresponding to each vesting. v. Implied volatility of the Company's stock price on NSE based on the price data of last three years upto the date of grant. vi. Exercise price has been adopted as given by the Company. 															
d)	Whether and how any other features of the option/RSU grant were incorporated into the measurement of fair value, such as a market condition																