

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on March 31, 2024

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A. Summary

As on March 31, 2024, the Company has the following Schemes as given below:

1. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2017 ("Scheme 2017") and
2. Aditya Birla Fashion and Retail Limited Employee Stock Option Scheme 2019 ("Scheme 2019").

Accordingly, the disclosures pertaining to stock options granted by the Company under the aforesaid Schemes and as required under the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, along with similar disclosures pertaining to SARs granted as aforesaid are provided herein below.

B. Relevant 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 the note 43 to the Standalone financial statements of the Company for the year ended March 31, 2024.

C. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations, in accordance with 'Indian Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

₹ 6.51 loss per share.

D. (i) Details related to Scheme 2017 of the Company

Sr. No.	Particulars	Scheme 2017							
		Options				RSUs			
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
(i)	Description of the Scheme, Plan that existed at any time during the year, including the general terms and conditions								
	(a) Date of shareholder's approval				August 23, 2017				
	(b) Total number of options / RSUs approved				1,15,73,960				
	(c) Date of grant	September 8, 2017	October 27, 2017	February 2, 2018	April 18, 2018	September 8, 2017	October 27, 2017	February 2, 2018	April 18, 2018
	(d) Vesting requirements	(i) Options granted, will vest not earlier than one year, within a period of 5 (five) years from the grant date, at the rate of 25% of the options getting vested each year.							
		(ii) RSUs granted shall vest at the end of 3 (three) years from the grant date.							

Sr. No.	Particulars	Scheme 2017							
		Options				RSUs			
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
		Further, vesting is subject to meeting of the performance conditions fixed by the NRC, from time to time.							
(e) i.	Exercise price	₹ 178.30	₹ 148.10	₹ 163.60	₹ 150.80	₹ 10	₹ 10	₹ 10	₹ 10
	ii. Pricing formula	<p>Options:</p> <p><u>Tranche 1</u> - The closing price of the equity shares of the Company on NSE on September 7, 2017 (a day prior to the grant date) was fixed as the exercise price for each option.</p> <p><u>Tranche 2</u> - The closing price of the equity shares of the Company on NSE on October 26, 2017 (a day prior to the grant date) was fixed as the exercise price for each option.</p> <p><u>Tranche 3</u> - The closing price of the equity shares of the Company on NSE on February 1, 2018 (a day prior to the grant date) was fixed as the exercise price for each option.</p> <p><u>Tranche 4</u> - The closing price of the equity shares of the Company on NSE on April 17, 2018 (a day prior to the grant date) was fixed as the exercise price for each option.</p> <p>RSUs:</p> <p>The face value of the equity shares of the Company was fixed as the exercise price for each RSU.</p>							
(f)	Maximum term	5 (five) years from the date of vesting.							
(g)	Source of shares	Primary							
(h)	Variation in terms	Nil							
(ii)	Method used to account - Intrinsic or fair value	Fair Value Method							
(iii)	As the company has opted for expensing of the options using the fair value of the options and RSUs								
	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							N.A.	
	The impact of this difference on profits and on EPS of the Company								
(iv)	Movement during the year								

Sr. No.	Particulars	Scheme 2017							
		Options				RSUs			
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
	Number of options and RSUs outstanding at the beginning of the period	12,48,314	-	27,011	45,019	2,61,001	-	12,140	30,349
	Number of options and RSUs granted during the year	-	-	-	-	-	-	-	-
	Number of options and RSUs forfeited/lapsed during the year	47,426	-	-	-	-	-	-	-
	Number of options and RSUs vested during the year	-	-	-	-	-	-	-	-
	Number of options and RSUs exercised during the year	3,44,017	-	9004	-	27,275	-	-	30,349
	Number of shares arising as a result of exercise of options and RSUs	3,44,017	-	9004	-	27,275	-	-	30,349
	Money realized by exercise of options and RSUs (INR), if Scheme is implemented directly by the Company	6,13,38,231.4	-	14,73,054.4	-	2,72,750	-	-	3,03,490.0
	Loan repaid by the Trust during the year from exercise price received					N.A.			
	Number of options and RSUs outstanding at the end of the year	8,56,871	-	18,007	45,019	2,33,726	-	12,410	-
	Number of options and RSUs exercisable at the end of the year	8,56,871	-	18,007	45,019	2,33,726	-	12,410	-
(v)	Weighted-average exercise prices ("WAEP") and weighted-average fair values ("WAFV") of options and RSUs								
	Where exercise price is less than the market price of the stock			N.A.		WAEP = ₹ 10	WAEP = ₹ 10	WAEP = ₹ 10	WAEP = ₹ 10
						WAFV = ₹ 171.41	WAFV = ₹ 141.29	WAFV = ₹ 156.99	WAFV = ₹ 144.20
	Where exercise price equals the market price of the stock	WAEP = ₹ 178.30	WAEP = ₹ 148.10	WAEP = ₹ 163.60	WAEP = ₹ 150.80			N.A.	
		WAFV =	WAFV =	WAFV =	WAFV =				

Sr. No.	Particulars	Scheme 2017							
		Options				RSUs			
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
		₹ 77.04	₹ 63.85	₹ 71.56	₹ 65.93				
	Where exercise price is more than the market price of the stock	N.A.							
(vi)	Employee wise details (name of employee, designation, number of options and RSU granted during the year, exercise price) of options and RSUs granted to								
	(a) Senior Managerial Personnel	Nil							
	(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 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	Nil							
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options and RSUs including the following information	Method: Black Scholes Significant assumptions used to estimate the fair value are as follows: i) Expected Dividend Yield; ii) Expected Volatility and iii) Risk-free Interest Rate. Note: 1. The fair value of options and RSUs needs to be considered as on grant date. 2. Expected volatility of the Company's stock price is based on the Company's comparable peer group's stock on NSE based on the price data of the last three years upto the date of grant as the Company was listed for a few months prior to the date of grant.							
	(a) The weighted-average values of Share price	₹ 77.04	₹ 63.85	₹ 71.56	₹ 65.93	₹ 171.41	₹ 141.29	₹ 156.99	₹ 144.20
	Exercise price	₹ 178.30	₹ 148.10	₹ 163.60	₹ 150.80	₹ 10	₹ 10	₹ 10	₹ 10
	Expected volatility	36.57%	36.28%	35.32%	35.28%	36.57%	36.28%	35.32%	35.28%

Sr. No.	Particulars	Scheme 2017							
		Options				RSUs			
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 1	Tranche 2	Tranche 3	Tranche 4
	Expected life	Period upto the vesting date + Average of the exercise period corresponding to each vesting							
	Expected dividends	Nil							
	Risk-free interest rate	6.70%	6.75%	7.43%	7.43%	6.77%	6.98%	7.54%	7.54%
	Any other inputs to the model	N.A.							
(b)	The Method used and assumptions made to incorporate the effects of expected early exercise	Not applicable, as the Scheme does not provide for early exercise.							
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility and	<p>Expected volatility of the Company's stock price is based on the Company's comparable peer group's stock price on NSE based on the price data of the last 3 (three) years upto the date of grant as the Company was listed only for a few months prior to the date of grant.</p> <p>The expected volatility reflects the assumptions that the historical volatility over a period similar to the life of the options and RSUs is indicative of future trends, which may not necessarily be the actual outcome.</p>							
(d)	Whether and how any other features of the Options and RSUs grant were incorporated into the measurement of fair value, such as a market condition	<p>Following factors have been considered:-</p> <ol style="list-style-type: none"> The closing price of the Company's share on NSE on the date previous to the grant date. In view of accumulated losses of previous years, the Company has not declared any dividend. Accordingly, no adjustment is made to the aforesaid closing price for the expected dividend yield over the expected life of the options and RSUs. Yield of Subsidiary General Ledger ("SGL") transactions in government dated securities (i.e. Government securities issued by RBI on behalf of Government of India in dematerialized form) for maturity with a term equal to the average expected life of the options and RSUs has been taken as the risk free interest rate. The average expected remaining life of the options and RSUs as on the valuation date, i.e. the period upto the vesting date plus the average of the exercise period correspondence to each vesting. Implied volatility of the Company's stock price on NSE is based on the price data of previous years up to the date of valuation to commensurate with the expected term of the options/RSUs. Options and RSUs exercise price has been adopted as represented by the Management of the Company. 							

D. (ii) Details related to Scheme 2019 of the Company

Sr. No.	Particulars	Scheme 2019									
		Options					RSUs				
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 1	Tranche 2	Tranche 4	Tranche 5	
(i)	Description of the Scheme, Plan that existed at any time during the year, including the general terms and conditions										
	(a) Date of shareholder's approval					August 21, 2019					
	(b) Total number of options/RSUs approved					60,53,000					
	(c) Date of grant	December 2, 2019	December 28, 2020	January 21, 2021	August 5, 2022	September 20, 2022	December 2, 2019	December 28, 2020	August 5, 2022	September 20, 2022	
	(d) Vesting requirements	Options granted, will vest not earlier than one year, within a period of 5 (five) years from the grant date, at the rate of 25% of the options getting vested each. year.					Options granted, will vest not earlier than one year, within a period of 4 (four) years from the grant date, at the rate of 33 % of the options getting vested each year.				
		Further, vesting is subject to meeting of the performance conditions fixed by the NRC, from time to time.									
(ii)	(e) i.Exercise price	₹ 225.25	₹ 164.10	₹ 173.55	₹ 275.10	₹ 330.75	₹ 10	₹ 10	₹ 10	₹ 10	
	(f) ii.Pricing formula	Options: <u>Tranche 1</u> - The closing price of the equity shares of the Company on NSE on December 1, 2019 (a day prior to the grant date) was fixed as the exercise price for each option. <u>Tranche 2</u> - The closing price of the equity shares of the Company on NSE on December 24, 2020 (a day prior to the grant date) was fixed as the exercise price for each option. <u>Tranche 3</u> - The closing price of the equity shares of the Company on NSE on January 20, 2021 (a day prior to the grant date) was fixed as the exercise price for each option. <u>Tranche 4</u> - The closing price of the equity shares of the Company on NSE on August 4, 2022 (a day prior to the grant date) was fixed as the exercise price for each option. <u>Tranche 5</u> - The closing price of the equity shares of the Company on NSE on September 19, 2022 (a day prior to the grant date) was fixed as the exercise price for each option. RSUs: The face value of the equity shares of the Company was fixed as the exercise price for each RSU..									
	(g) Maximum term	5 (five) years from the date of vesting.									
	(h) Source of shares	Secondary acquisition									
	(i) Variation in terms	Nil									
(iii)	Method used to account for Intrinsic or fair value	Fair Value Method									
(iv)	As the company has opted for expensing of the options using the fair value of the options and RSUs	N.A.									
	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										
	The impact of this difference on profits and on EPS of the Company										
(v)	Movement during the year										
	Number of options and RSUs outstanding at the beginning of the period	20,29,929	79,998	10,31,111	5,99,997	2,05,224	6,65,756	28,141	1,78,574	54,563	
	Number of options and RSUs granted during the year	-	-	-	-	-	-	-	-	-	
	Number of options and RSUs forfeited/ lapsed during the year	98,634	14,544	8,121	29,851	-	-	4,020	16,667	-	
	Number of options and RSUs vested during the year	6,41,359	21,818	-	1,99,999	68,408	-	-	-	-	
	Number of options and RSUs exercised during the year	-	-	51,248	-	-	1,12,394	24,121	-	-	
	Number of shares arising as a result of exercise of options and RSUs	-	-	51,248	-	-	1,12,394	24,121	-	-	
	Money realized by exercise of options and RSUs (INR), if Scheme is implemented directly by the Company	-	-	-	-	-	-	-	-	-	
	Loan repaid by the Trust during the year from exercise price received	-	-	88,94,090	-	-	11,23,940	2,41,210	-	-	
	Number of options and RSUs outstanding at the end of the year	19,31,295	65,454	9,71,742	5,70,146	2,05,224	5,53,362	-	1,61,907	54,563	
	Number of options and RSUs exercisable at the end of the year	19,31,295	43,636	9,71,742	1,99,999	68,408	5,53,362	-	-	-	
(vi)	Weighted-average exercise prices ("WAEP") and weighted-average fair values ("WAFV") of options and RSUs										
	Where exercise price is less than the market price of the stock	N.A.					WAEP = ₹ 10	WAEP = ₹ 10	WAEP = ₹ 10	WAEP = ₹ 10	
	Where exercise price equals the market price of the stock	-	-	-	-	-	WAFV = ₹ 216.18	WAFV = ₹ 158.01	WAFV = ₹ 269.49	WAFV = ₹ 325.16	
	Where exercise price is more than the market price of the stock	WAEP = ₹ 225.25	WAEP = ₹ 164.10	WAEP = ₹ 173.55	WAEP = ₹ 275.10	WAEP = ₹ 330.75	-	-	-	-	
		WAFV = ₹ 112.00	WAFV = ₹ 84.39	WAFV = ₹ 76.78	WAFV = ₹ 147.78	WAFV = ₹ 178.42					
(vii)	Employee wise details (name of employee, designation, number of options and RSU granted during the year, exercise price) of options and RSUs granted to										
	(a) Senior Managerial Personnel	Nil									
	(b) Any other employee who receives a grant in any one year of option	Nil									

Sr. No.	Particulars	Scheme 2019																		
		Options					RSUs													
		Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 1	Tranche 2	Tranche 4	Tranche 5										
	amounting to 5% or more of option granted during that 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					Nil														
(viii)	A description of the method and significant assumptions used during the year to estimate the fair value of options and RSUs including the following information	<p>Method: Binomial</p> <p>Significant assumptions used to estimate the fair value are as follows:</p> <p>i) Expected Dividend Yield;</p> <p>ii) Expected Volatility and</p> <p>iii) Risk-free Interest Rate.</p> <p>Note:</p> <p>1. The fair value of options and RSUs needs to be considered as on grant date.</p> <p>Expected volatility of the Company's stock price is based on the Company's comparable peer group's stock on NSE based on the price data of the last three years upto the date of grant as the Company was listed for a few months prior to the date of grant.</p>																		
(a)	The weighted-average values of Share price	₹ 112	₹84.39	₹ 76.78	147.78	178.42	₹ 216.18	₹ 158.01	269.49	325.16										
	Exercise price	₹ 225.25	₹ 164.10	₹ 173.55	₹ 275.10	₹ 330.75	₹ 10	₹ 10	₹ 10	₹ 10										
	Expected volatility	32.88%	36.16%	36.02%	38.63%	38.73%	32.88%	36.16%	39.38%	39.62%										
	Expected life	Period upto the vesting date + Average of the exercise period corresponding to each vesting																		
	Expected dividends	Nil																		
	Risk-free interest rate	6.66%	5.62%	5.62%	7.17%	7.26%	6.76%	6.19%	7.23%	7.27%										
	Any other inputs to the model	N.A.																		
(b)	The Method used and assumptions made to incorporate the effects of expected early exercise	Not applicable, as the Scheme does not provide for early exercise.																		
(c)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility and	<p>Expected volatility of the Company's stock price is based on the Company's comparable peer group's stock price on NSE based on the price data of the last 3 (three) years upto the date of grant as the Company was listed only for a few months prior to the date of grant.</p> <p>The expected volatility reflects the assumptions that the historical volatility over a period similar to the life of the options and RSUs is indicative of future trends, which may not necessarily be the actual outcome.</p>																		
(d)	Whether and how any other features of the options and RSUs grant were incorporated into the measurement of fair value, such as a market condition	<p>Following factors have been considered:-</p> <p>i. The closing price of the Company's share on NSE on the date previous to the grant date.</p> <p>ii. In view of accumulated losses of previous years, the Company has not declared any dividend. Accordingly, no adjustment is made to the aforesaid closing price for the expected dividend yield over the expected life of the Options and RSUs.</p> <p>iii. Yield of Subsidiary General Ledger ("SGL") transactions in government dated securities (i.e. Government securities issued by RBI on behalf of Government of India in dematerialized form) for maturity with a term equal to the average expected life of the options and RSUs has been taken as the risk free interest rate.</p> <p>iv. The average expected remaining life of the options and RSUs as on the valuation date, i.e. the period upto the vesting date plus the average of the exercise period correspondence to each vesting.</p> <p>v. Implied volatility of the Company's stock price on NSE is based on the price data of previous years up to the date of valuation to commensurate with the expected term of the options/RSUs.</p> <p>Option and RSU exercise price has been adopted as represented by the Management of the Company.</p>																		

E. Details related to Employee Stock Purchase Scheme: Not applicable

F. Details related to SAR : Not Applicable. The Company has granted SARs to certain eligible employees. However, all the SARs are cash settled.

F. Details related to General Employee Benefit Scheme / Retirement Benefit Scheme: Not applicable

G. Details related to Trust

Sr. no.	Particulars	Details
(i)	General information on all schemes	
1.	Name of the Trust	ABFRL Employee Welfare Trust
2.	Details of the Trustee(s)	Mr. Hemant Kadel, Mr. Anil Rustogi, Mr. Ramesh Mitragotri and Mr. Sanjeeb Chatterjee
3.	Amount of loan disbursed by company / any company in the group, during the year	₹ 58,84,559
4.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Company: ₹ 1,12,54,13,769.75
5.	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
6.	Any other contribution made to the Trust during the year	Nil
(ii)	Brief details of transactions in shares by the Trust	
(a)	Number of shares held at the beginning of the year	48,84,139
(b)	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paidup equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	-
(c)	Number of shares transferred to the employees / sold along with the purpose thereof	Transferred: 1,66,122
(d)	Number of shares held at the end of the year	47,18,017

Sr. no.	Particulars	Details	Number of Shares	As a percentage of paid-up equity capital as at March 31, 2024
(iii)	In case of secondary acquisition of shares by the Trust			
	Held at the beginning of the year		48,84,139	0.48
	Acquired during the year		Nil	N.A.
	Sold during the year		Nil	N.A.
	Transferred to the employees during the year		1,66,122	0.02
	Held at the end of the year		47,18,017	0.46