ADITYA BIRLA

GRASIM

October 25, 2013

BSE Ltd.
Department of Corporate Services
1st Floor, New Trading Ring,
Rotunda Building, P J Towers, Dalal Street,
Fort, Mumbai - 400 001
Fax: 022-22723121/ 3719/ 2037/ 2039/ 2041/ 2061

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400 051
Fax: 022-26598237/8238

Dear Sir,

Sub.: Formulation of Grasim Industries Limited Employee Stock Option Scheme 2013 and Grant of Options and Restricted Stock Units thereunder

1. We wish to inform you that the ESOS Compensation Committee ("Committee") of the Board of Directors of the Company has, vide a circular resolution passed by its members, formulated an Employee Stock Option Scheme by the name of **"Grasim Industries Limited Employee Stock Option Scheme 2013"** (**"Scheme 2013"**) for grant of Employee Stock Options (**"Options"**) and Restricted Stock Units (**"RSUs"**) to the eligible Employees of the Company and its subsidiary companies. In terms of the Scheme 2013, the Company can issue Options and RSUs exercisable into not more than 2,30,000 (Two lakh thirty thousand) equity shares of the Company of the face value of ₹ 10 each, being 0.25% of the paid-up equity share capital of the Company on the terms and conditions of the Scheme 2013.

2. (a) The Committee has also approved Grant of 1,25,403 (One lakh twenty five thousand four hundred three) Options and 18,699 (Eighteen thousand six hundred ninety nine) RSUs, of the Company to the eligible Employees of the Company and its subsidiary companies under the Scheme 2013.

   (b) In terms of the said Grant,

   (i) each Option shall be convertible into one Equity Share of the Company upon Exercise thereof, at a price of ₹ 2,714 per share (inclusive of premium @ ₹ 2,704 per share);

   the Options shall vest in 4 equal annual instalments commencing one year from the date of the Grant and shall be exercisable within a period of 5 years from the date of each vesting;

   (ii) each RSU shall be convertible into one Equity Share of the Company upon Exercise thereof, at a price of ₹ 10 per RSU (i.e., at the face value of the Equity shares of the Company as on the date of Grant);

   the RSUs shall vest at the end of 3 years from the date of the Grant and shall be exercisable within a period of 5 years from the date of vesting.

3. The Grant is subject to the terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the terms of the Scheme 2013.

Thanking you,

Yours faithfully,

Ashok Malu
Company Secretary