Proxy Advisory Report | Addendum

Aditya Birla Lifestyle Brands Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Proxy Advisory and Corporate Governance Research Company. SES assists investors to analyze compliance and governance practices including matters relating to sustainability, prevalent at listed entities and empower investors to undertake meaningful engagement with Investee entities.

COMPANY INFORMATION

BSE CODE: 544403

NSE SYMBOL: ABLBL

ISIN: INE14LE01019

Industry: Speciality Retail

Email: cs@ablbl.adityabirla.com

Phone: +91-8652905000

Registered Office: Piramal Agastya Corporate Park, Building 'A', 4th and 5th Floor, Unit No. 401, 403, 501, 502, L.B.S. Road, Kurla, Mumbai - 400 070, Maharashtra, India

Website: www.ablbl.in

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 2nd November, 2026

Notice Date: 1st August, 2026

Notice: Click here

Annual Report: FY 2025-26

SES PA Report (Last AGM): Report

E-VOTING DETAILS

e-Voting Platform: LINKINTIME

Cut-off Date: 30th September, 2026

Remote E-voting:

- **Start**: 4th October, 2026
- **Ends**: 2nd November, 2026

ADDENDUM REPORT RELEASE DATE: 24th October, 2026

Research Analyst: Pooja Patra

Conflict Disclosure: SES - No | Analyst - No

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ADDENDUM

There is a change in the SES recommendation on resolutions nos. 1 and 2 from AGAINST to FOR based on the Company's clarification and additional disclosures.

EXISTING RECOMMENDATIONS					
SN.	**Resolution**	**Type**	**SES Observation#**	**SES Rec.**	**Rationale**
1	To approve adoption of the Aditya Birla Lifestyle Brands Limited Employee Stock Option and Performance Stock Unit Scheme 2026 (ABLBL ESOP Scheme 2026).	S	~~LC~~ | ~~GC~~ | ~~TC~~	~~AGAINST~~	~~*Distinct types of equity linked benefits with materially different pricing terms are proposed under the same scheme; the Company should provide clear rationale behind the framework, specify the overall allocation for each instrument and an indicative criteria on the basis of which the grants will be made at the employee level; Committee discretion on exercise period.*~~
2	To approve extending the benefits of the Aditya Birla Lifestyle Brands Limited Employee Stock Option and Performance Stock Unit Scheme 2026 (ABLBL ESOP Scheme 2026) to employees of the subsidiary company(ies) of the Company.	S	~~LC~~ | ~~GC~~ | ~~TC~~	~~AGAINST~~	~~*Interlinked with Resolution #1.*~~
REVISED RECOMMENDATIONS					
1	To approve adoption of the Aditya Birla Lifestyle Brands Limited Employee Stock Option and Performance Stock Unit Scheme 2026 (ABLBL ESOP Scheme 2026).	S	LC	FOR	*Adequate disclosures made and justification given; the proposal meets the legal and governance requirements.*
2	To approve extending the benefits of the Aditya Birla Lifestyle Brands Limited Employee Stock Option and Performance Stock Unit Scheme 2026 (ABLBL ESOP Scheme 2026) to employees of the subsidiary company(ies) of the Company.	S	LC	FOR	

O - Ordinary Resolution; S - Special Resolution; Rec. – Recommendation
 # LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

BACKGROUND			
Original PA report Link	Click Here	**PA Report Release Date**	21st October, 2026
Date of Email received from the Company	23rd October, 2026	**Company Email forwarded as SEBI Circular**	No

***Guide to read addendum:** Company's Views: (in Blue colour) & SES Reply: (in Black colour)*

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SES COMMENTS TO COMPANY'S RESPONSE (RELEVANT EXCERPTS)

Background: The Company is seeking shareholders' approval for the adoption of the Aditya Birla Lifestyle Brands Limited Employee Stock Option and Performance Stock Unit Scheme 2026 ("ABLBL Scheme 2026") and extension of the Scheme to the employees of its subsidiary companies.

SES had raised governance and transparency concern as distinct types of equity linked benefits with materially different pricing terms are proposed under the same scheme; clarity was required on the rationale behind the framework, the overall allocation for each instrument and an indicative criteria on the basis of which the grants will be made at the employee level. Further, concern was also identified as the NRC has been given the discretion to decide the exercise period (maximum being 5 years) which may vary from employee-to-employee.

Company's Clarification:

The intent behind the scheme is to have a mix of both ESOPs and PSUs for all eligible employees and the proportion of ESOPS and PSUs will be broadly similar across the grants, taking on board the criticality and performance of employees.

Grant Split (ESOP/PSUs)

-	ESOP %	PSU %
Year 1	25%	75%
Year 2	65%	35%
Year 3	85%	15%
Overall	40%	60%

Note: *The above computations are based on prevailing market price. These are indicative ranges for the coming years and subject to small variations.*

SES Comment:

The Company has now provided a year-wise and overall break-up of the total pool into ESOPs and PSUs. The same is stated to have been estimated considering the expected company performance in the further period. It has also been clarified that the Scheme is not intended to provide select employees exclusively with PSUs or ESOPs. Rather, all eligible employees will receive a mix of both, with the proportion of ESOPs and PSUs being broadly similar across grants. Accordingly, the concern regarding the allocation between ESOPs and PSUs stands addressed.

Company's Clarification:

Individual grant ceiling

The maximum grant contemplated for any employee is expected to be approximately 0.5% of the company's share capital for the entire scheme period of three years, aggregately and is below the maximum legal enabling limit.

SES Reply: The Company has given additional clarification on the limit of maximum options per employee under the Scheme. The Company has stated that the given limit of 0.5% of the company's share capital is for the entire scheme period of three years aggregately, and not merely an annual limit. While the amount appeared on the higher side, SES did not raise concern as the potential amount did not appear excessive when considering the past share-based payment expense, past distribution of stock based units, overall executive remuneration and the scale of operations of the Company. Now, since the limit is stated to cap grants, not just annually but in aggregate, the concern further subdues. Shareholders may take a note in this regard.

Company's Clarification:

The exercise period will be applied uniformly to all eligible employees and is going to be a period of 5 years.

SES Comment: With regard to the exercise period, the Company has clarified that the exercise period will remain uniform for all eligible employees receiving units under the Scheme and the same shall be five years.

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Hence, the concerns raised by SES stand addressed. In view of the same, the recommendations on resolution nos. 1 and 2 are being changed from "**AGAINST**" to "**FOR**"

COMPANY RESPONSE (FULL VERBATIM)

Hi SES Team

Please see our responses to voting recommendations on the proposals in the Postal Ballot notice dated August 1, 2026 of Aditya Birla Lifestyle Brands Limited.

In view of the above, please do the needful.

Regards,
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PDF Link: Click Here

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Disclaimer

Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its website. The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: *The Company has not met statutory compliance requirements*
FC – Fairness Concern: *The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders*
GC – Governance Concern: *SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.*
TC - Disclosures & Transparency Concern: *The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.*

Company Information

Stakeholders Empowerment Services

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Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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