



NOTICE - EQUITY SHAREHOLDERS

ADITYA BIRLA FINANCIAL SERVICES LIMITED

Registered Office : Indian Rayon Compound, Veraval, Gujarat - 362 266, India
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Website : www.adityabirlanuvo.com

**MEETING OF THE EQUITY SHAREHOLDERS
OF**

ADITYA BIRLA FINANCIAL SERVICES LIMITED

(convened pursuant to final order dated 6th day of February 2017 as rectified vide order dated 14th day of February 2017 passed by the National Company Law Tribunal, Bench at Ahmedabad)

MEETING:

Day	:	Monday
Date	:	10 th day of April 2017
Time	:	10.00 a.m. (1000 hours)
Venue	:	Auditorium, Indian Rayon Compound, Veraval, Gujarat - 362 266, India

POSTAL BALLOT AND E-VOTING:

Start Date and Time	:	10 th day of March, 2017 at 9.00 a.m. (0900 hours)
End Date and Time	:	9 th day of April, 2017 at 5.00 p.m.(1700 hours)

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT AHMEDABAD
CA (CAA) NO. 3/230-232/NCLT/AHM/2017**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Aditya Birla Financial Services Limited;

And

In the matter of Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors;

Aditya Birla Financial Services Limited, }
a Company incorporated under the provisions of the }
Companies Act, 1956 and having its registered office }
at Indian Rayon Compound, Veraval, Gujarat-362 266. }

...Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

To,

All the equity shareholders of Aditya Birla Financial Services Limited (the "Applicant Company"):

NOTICE is hereby given that by a final Order dated 6th day of February 2017 as rectified vide order dated 14th day of February 2017 (the "**Order**"), the Hon'ble National Company Law Tribunal, Bench at Ahmedabad ("**NCLT**") has directed a meeting to be held of the equity shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors ("**Scheme**").

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of the equity shareholders of the Applicant Company will be held at the registered office of the Applicant Company at Auditorium, Indian Rayon Compound, Veraval, Gujarat – 362 266, India on Monday, the 10th day of April 2017 at 10.00 a.m. (1000 hours) at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015, the observation letters issued by each of the BSE Limited and the National Stock Exchange of India Limited, both dated November 16, 2016 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Ahmedabad ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors ("**Scheme**") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or

difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Indian Rayon Compound, Veraval, Gujarat – 362 266, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

TAKE FURTHER NOTICE that in compliance with the Order passed by NCLT, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders to consider and approve the Scheme by way of the aforesaid resolution. The Applicant Company has provided the facility of ballot or polling paper at the venue of the meeting. Accordingly, you may cast your vote either through postal ballot or through e-voting or voting at the venue of the meeting.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Indian Rayon Compound, Veraval, Gujarat – 362 266, India, or at the office of its advocates, M/s. Singhi & Co., Singhi House, 1, Magnet Corporate Park, Near Sola Bridge, S. G. Highway, Ahmedabad – 380 059, Gujarat, India.

NCLT has appointed Mr. S.C. Bhargava, a Director of the Applicant Company and in his absence, Mrs. Pinky Mehta, a Director of the Applicant Company to be the Chairman / Chairperson of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.



S C Bhargava

Chairman appointed for the meeting

Dated this 15th day of February 2017.

Registered office: Indian Rayon Compound,
Veraval
Gujarat – 362 266, India

Notes:

1. Only registered equity shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate, by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Applicant Company. The authorised representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate authorising such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate, is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company.
2. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
3. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.
4. All alterations made in the form of proxy should be initialed.
5. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.

6. NCLT by its Order has directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at the registered office of the Applicant Company on Monday, the 10th day of April 2017 at 10.00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
7. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 1 (One) equity shareholder of the Applicant Company, present in person.
8. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
9. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
11. Equity shareholders holding equity shares either directly or through one or more nominees as on 4th day of March, 2017 being the cut-off date, will be entitled to exercise their right to vote on the above resolution.
12. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or speed post/airmail or by courier service or electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Applicant Company/registrar and share transfer agents/NSDL, whose names appear in the register of members/list of beneficial owners as received from NSDL as on 4th day of March 2017. The Notice will be displayed on the website of the Applicant Company www.adityabirlanuvo.com and on the website of Karvy www.evoting.karvy.com
13. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL as on the cut off date i.e. 4th day of March 2017 shall not be entitled to avail the facility of e-voting or voting through postal ballot or voting at the meeting to be held on 10th day of April 2017. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of equity shareholders as on Saturday, the 4th day of March 2017.
14. The voting by the equity shareholders through the postal ballot or e-voting shall commence at 9.00 a.m. on 10th day of March 2017 and shall close at 5:00 p.m. on 9th day of April 2017.
15. The notice convening the meeting will be published through advertisement in (i) Indian Express (All Editions) in the English language; and (ii) translation thereof in Sandesh (Rajkot Edition) in Gujarati language.
16. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.
17. The Applicant Company has engaged the services of Karvy Computershare Private Limited (“**Karvy**”) for facilitating e-voting for the said meeting to be held on 10th day of April 2017. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 29 below.
18. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Equity shareholders’ voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. Equity shareholders who have received the postal ballot form by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Applicant Company’s website www.adityabirlanuvo.com or seek duplicate postal ballot form from the Applicant Company.
19. Equity shareholders shall fill in the requisite details and send the duly completed and signed postal ballot form in the enclosed self-addressed postage pre-paid envelope to the scrutinizer so as to reach the scrutinizer before 5.00 p.m. on or before 9th day of April 2017. Postal ballot form, if sent by courier or by registered post/speed post at the expense of an equity shareholder will also be accepted. Any postal ballot form received after the said date and time period shall be treated as if the reply from the equity shareholders has not been received.
20. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the scrutinizer.
21. The vote on postal ballot cannot be exercised through proxy.
22. The postal ballot form should be completed and signed by the equity shareholders (as per specimen signature registered with the Applicant Company and/or furnished by the Depositories).
23. Mr. Ashish Garg, Practicing Company Secretary (Membership No. FCS 5181/CP 4423) has been appointed as the scrutinizer to conduct the postal ballot and e-voting process and voting at the venue of the meeting in a fair and transparent manner.
24. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders of the Applicant Company through (i) e-voting process or postal ballot and (ii) electronic voting system or ballot or polling paper at the venue of the meeting. The scrutinizer’s decision on the validity of the vote

(including e-votes) shall be final. The results of votes cast through (i) e-voting process or postal ballot and (ii) electronic voting system or ballot or polling paper at the venue of the meeting will be announced on or before 12th day of April 2017 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, www.adityabirlanuvo.com and on the website of Karvy, www.evoting.karvy.com.

25. The equity shareholders of the Applicant Company can opt only one mode for voting i.e. by postal ballot or e-voting or voting at the venue of the meeting. If an equity shareholder has opted for e-voting, then he/she should not vote by postal ballot form also and vice versa. However, in case equity shareholder(s) cast their vote both via postal ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
26. The equity shareholders of the Applicant Company attending the meeting who have not cast their vote either through postal ballot or e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through postal ballot or e-voting may also attend the meeting but shall not be entitled to cast their vote again.
27. The voting through postal ballot and e-voting period will commence at 9.00 a.m. (0900 hours) on Friday, the 10th day of March 2017 and will end at 5.00 p.m. (1700 hours) on Sunday, the 9th day of April 2017. During this period, the equity shareholders of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut off date, i.e. 4th day of March 2017 may cast their vote electronically or by postal ballot. The e-voting module shall be disabled by Karvy for voting on 9th day of April 2017 at 5.00 p.m. (1700 hours). Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.
28. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Sailesh Daga, Company Secretary of the Applicant Company at A-4, Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai – 400 030, or through email to nuvo.cfd@adityabirla.com. Mr. Sailesh Daga, Company Secretary of the Applicant Company can also be contacted at +91 22 66525000. Any query/grievance related to the e-voting may be addressed to Mr. Ravindra Phulpagar, Karvy Comptershare Private Limited, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. E-mail : ravindra.phulpagar@karvy.com Phone 040-6716 1627.

29. Voting through Electronic Means

In compliance with provisions of Section 108 of the Companies Act, 2013, rule 20 of the Companies (Management and Administration) Rules 2014, the Applicant Company has provided to its equity shareholders facility to exercise their right to vote on the resolution proposed to be considered at the meeting by electronic means and the business may be transacted through e-voting services provided by Karvy. The procedure and instructions for equity shareholders for voting electronically are as under:

- A. Equity shareholder whose email ids are registered with the Applicant Company/DPs will receive an email from Karvy informing them of their User-ID and Password. Once an equity shareholder receives the email, he or she will need to go through the following steps to complete the e-voting process:**
- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - (ii) Enter the login credentials (i.e. User ID and Password). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (iii) After entering these details appropriately, Click on "LOGIN".
 - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the "EVENT" i.e. 'Company Name' i.e. Aditya Birla Financial Services Limited.
 - (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as of the cut off date. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- (viii) Equity shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- (ix) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, equity shareholders can login any number of times till they have voted on the Resolution.
- (xi) Corporate/Institutional equity shareholders (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: scrutinizer.abfsl@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO ____."

B. In case an equity shareholder receives physical copy of the Notice

- (i) Initial Password is provided, at the bottom of the Postal Ballot Form sent alongwith Notice of the Meeting.
- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above in A., to cast your vote.

C. Other Instructions:

- (i) A person, whose name is recorded in the Register of Members of the Applicant Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the Meeting.
- (ii) The voting rights of the equity shareholders shall be in proportion to their shares of the paid up equity share capital of the Applicant Company as on the cut-off date i.e 4th day of March 2017.

Encl.: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT AHMEDABAD
CA (CAA) NO. 3/230-232/NCLT/AHM/2017**

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Aditya Birla Financial Services Limited;

And

In the matter of Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors;

Aditya Birla Financial Services Limited, }
a Company incorporated under the provisions of the }
Companies Act, 1956 and having its registered office }
at Indian Rayon Compound, Veraval, Gujarat-362 266. }

...Applicant Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013
READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to the final order dated 6th day of February 2017 as rectified vide order dated 14th day of February 2017, passed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad (the "**NCLT**"), in CA (CAA) NO. 3/230-232/NCLT/AHM/2017 ("**Order**"), a meeting of the equity shareholders of Aditya Birla Financial Services Limited (hereinafter referred to as the "**Applicant Company**" or "**Resulting Company**" or "**ABFSL**" as the context may admit) is being convened at the registered office of the Applicant Company at Auditorium, Indian Rayon Compound, Veraval, Gujarat – 362 266, India on Monday, the 10th day of April 2017 at 10.00 a.m. (1000 hours), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited (hereinafter referred to as the "**Transferor Company**" or "**ABNL**" as the context may admit) and Grasim Industries Limited (hereinafter referred to as the "**Transferee Company**" or "**Demerged Company**" or "**Grasim**" as the context may admit) and ABFSL and their respective shareholders and creditors under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**"). ABNL, Grasim and ABFSL are together referred to as the "**Companies**". A copy of the Scheme, which has been, inter alios, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 11th day of August 2016, is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. In terms of the said Order, the quorum for the said meeting shall be 1 (one) equity shareholder present in person. Further in terms of the said Order, NCLT, has appointed Mr. S.C. Bhargava, a Director of the Applicant Company and in his absence, Mrs. Pinky Mehta, a Director of the Applicant Company to be the Chairman/Chairperson of the meeting of the Applicant Company including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "**Rules**").
4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at the registered office of the Applicant Company on Monday, the 10th day of April 2017 at 10.00 a.m. (1000 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through postal ballot or e-voting.
5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or by postal ballot or e-voting, agree to the Scheme.

6. In terms of the Order dated 6th day of February 2017, passed by the NCLT, in CA (CAA) NO. 3/230-232/NCLT/AHM/2017, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the equity shares are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting.

Particulars of ABNL

7. ABNL is a public company, limited by shares. ABNL was incorporated on 26th September 1956 under the provisions of the Companies Act, 1956 (the “**Act of 1956**”) in the State of Maharashtra in the name of The Indian Rayon Corporation Limited. The place of the registered office of ABNL was shifted from the State of Maharashtra to the State of Gujarat with effect from 13th December 1961. Thereafter the name was changed to Indian Rayon And Industries Limited with effect from 23rd January 1987 and further changed to Aditya Birla Nuvo Limited with effect from 27th October 2005. There has been no further change in the name of ABNL in the last five (5) years. The Corporate Identification Number of ABNL is L17199GJ1956PLC001107. The Permanent Account Number of ABNL is AAAC11747H. The equity shares of ABNL are listed on BSE Limited (‘BSE’) and National Stock Exchange of India Limited (‘NSE’). The Non-Convertible Debentures issued by ABNL are listed on the Wholesale Debt Market segment of BSE.
8. The Registered Office of ABNL is situated at Indian Rayon Compound, Veraval, Gujarat- 362 266. There has been no change in the registered office address of ABNL in last five (5) years. The e-mail address of ABNL is abnlsecretarial@adityabirla.com.
9. The objects for which ABNL has been established are set out in its Memorandum of Association. Some of the relevant objects of ABNL are, inter alia, as follows:

“III.

- (1) *To carry on the business of manufacturing, buying, selling, importing, exporting, distributing, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in cellulose, viscose rayon yarns and fibres, synthetic fibres and yarns, staple fibre yarns and such other fibres or fibrous materials, transparent paper and auxiliary chemical products, allied products, by-products or substances or substitutes for all or any of them or yarn or yarns for textile or other use as the Company may deem necessary expedient or practicable.*
- (2) *To convert, treat or turn to account by any process or method of manufacture, chemical, synthetic or otherwise, or in any other manner, timber, wood, cotton, linters, droppings, fly, cotton waste, cotton seeds, bamboo, grass straw, jute, jute sticks, seisal fibre, flax hemp, hessian gunnies, sugarcane, bagasse, leather, asbestos, rags, waste paper, water hyacinth or any kind of pulp or other substances prepared from these or from other vegetables, minerals, chemicals or any other substances and prepare, manufacture, cut, spin, weave or knit, fibre, fibres or fibrous materials, filament, yarn, cords, cloth whether grey, bleached, unbleached, dyed, printed, knitted, knotted, looped, creeped, crinkled or felt and such other fabrics and things as may be practicable or deemed expedient.*
- (4) *To gin, card, comb, scour, mix, cut, spin, process, twist, throw, reel, weave, knit, print, bleach dye or finish, rayon, staple fibre, staple fibre yarn, raw silk, silk yarns, waste silks, cotton, flax, jute, hemp, wool, hessian, linen or other textile and textile fibres and carry on any other operations of whatever kind and nature, in relation thereto.*
- (6) *To carry on the business of manufacturers of and dealers in chemicals of any nature and kind whatsoever and as wholesale or retail chemists, druggists, analytical or pharmaceutical chemists, dry salters, oil and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies, acids, drugs, tannins, essences, pharmaceutical, sizing, medicinal, chemical, industrials and other preparations and articles of any nature and kind whatsoever, mineral and other water soaps, cements, oils, fats, paints, varnishes, compounds drugs, dyestuffs – organic or mineral – intermediates, paints and colour grinders, makers of and dealers in proprietary articles of all kinds and of electrical chemical, photographic surgical and scientific apparatus and materials and to manufacture, refine, manipulate import and deal in salts and marine minerals and their derivatives, by-products and compounds of any nature and kind whatsoever.*
- (30E) *To carry on trade or business in India or elsewhere of manufacturing, producing, preparing, fertilizers, of all types, heavy chemicals and their by-products and derivatives and mixtures thereof.*
- (30F) *To carry on in India or in any part of the world, the business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packaging, selling, transporting, distributing, importing, exporting and disposing all types of fertilizers, chemicals, heavy chemicals, bio-chemicals, acids, alkalis, agro-chemicals and their by-products, derivatives and mixtures thereof, applications in bio-technology, maintaining and rendering assistance and services of all and every kind of any description for selling, exchanging, altering, improving and dealing in artificial and other fertilizers, heavy chemicals, agro-chemicals and their by-products of every description.*

- (30G) *To carry business as an Investment Company and to underwrite and sub-underwrite, to invest in with or without interest or security and acquire by gift or otherwise and hold, sell, buy or otherwise deal in shares, debentures, debenture stocks, bonds, units obligations and securities issued or guaranteed by Indian or Foreign Governments, States, Dominions, Sovereigns, Municipalities or Public Authorities or bodies and shares, stocks, debentures, debenture stock, bonds, obligations and securities issued and guaranteed by any company, corporation, firm or person whether incorporated or established in India or elsewhere and to manage shares, stocks, securities, finance subject to necessary Government approval and to deal with and turn to account the same, however the Company shall not carry or ay Chit fund activities or business of banking or insurance within the Banking Regulation Act, 1949 or the Insurance Act.*
- (30H) *To finance the Industrial Enterprises and to provide venture capital, seed capital, loan capital and to participate in equity / preference share capital or to give guarantees on behalf of the company in the matter and to promote companies engaged in industrial and Trading Business and to act as Financial consultants, brokers, underwrites, promoters dealers, agents and to carry on the business of share broking and general brokers for shares, debentures, debenture-stocks bond, Units, obligations, securities, commodities, bullion currencies and to manage the funds of any person or company by investment in various avenues like Growth Fund, income Fund, Risk Fund, Tax Exempt Fund, Pension / Superannuation Funds and to pass on the benefits of portfolio investments to the investors as dividends, bonus, interest, etc and to provide a complete range of personal financial services like investment planning, estate planning, tax planning, portfolio management, consultancy / counseling service in various fields, general administrative, commercial financial, legal, economic, labour, industrial public relations, scientific technical direct and indirect taxation and other levies, statistical, accountant, quality control, data processing by acquiring/purchasing sophisticated office machineries such as computers, tabulators, addressing machines etc.*

Clause (63) of Object Clause III of the Memorandum of Association of ABNL, which contains provision for amalgamation is reproduced herein below:

- (63) *To amalgamate with any other company having objects altogether or in part similar to those of this Company.*
There has been no change in the object clause of ABNL in the last 5 years.

10. ABNL, is a part of Aditya Birla conglomerate with various business interests. The brief description of the major activities being carried out by ABNL along with its subsidiaries and joint venture are as under:
- 10.1. ABNL has various manufacturing divisions, viz. Jaya Shree Textiles division, the largest integrated linen manufacturer and manufacturer of wool tops and worsted yarn in India; Indian Rayon division, the largest Indian manufacturer and exporter of viscose filament yarn; Indo-Gulf Fertilizers division, which offers a full range of agricultural inputs such as fertilizers, seeds, agro chemicals, etc.; and Aditya Birla Insulators division, the largest manufacturer of high-performance insulators in India.
 - 10.2. ABNL, as on date, holds 100% paid-up equity share capital of ABFSL. ABFSL has various businesses (being carried out or in the process of being carried out) through its subsidiaries, namely, NBFC, Housing Finance, Asset Management, General Insurance Advisory, Investment Management and Advisory Service (Private Equity), Broking, Wealth Management, Online Personal Finance Management, Health Insurance and Wellness.
 - 10.3. ABNL holds 51% of the paid-up equity share capital of Birla Sun Life Insurance Company Limited ("BSLI"). BSLI is the 4th largest private life insurance company in India.
 - 10.4. ABNL is engaged in financial services business including fund based lending, making, holding and nurturing investments in financial services sector, investments in mutual funds, investment in shares, inter-corporate deposits, etc. One of such businesses is to commence the operations of payments bank. In this regard, ABNL has incorporated Aditya Birla Idea Payments Bank Limited as a promoter in a 51:49 joint venture with Idea Cellular Limited. ABNL has received an in-principle approval from Reserve Bank of India to set up a payments bank.
 - 10.5. ABNL, presently holds 23.25% of the paid-up equity share capital of Idea Cellular Limited. Idea Cellular Limited is the third largest cellular operator in terms of revenue market share with pan-India GSM operations.
 - 10.6. ABNL, presently holds 50.32% of the paid-up equity share capital of Aditya Birla Solar Limited. Aditya Birla Solar Limited is in the process of setting up 60 MW solar power project in the State of Karnataka. Further, Aditya Birla Renewables Limited, a subsidiary of ABNL, has entered into a 51:49 joint venture with Abraaj Group, UAE, to build solar power generation platform in India.
 - 10.7. In addition to the aforesaid, ABNL, presently holds 9.08% of the paid-up equity share capital of Aditya Birla Fashion and Retail Limited (formerly Pantaloons Fashion & Retail Limited); 1.62% of the paid-up equity share capital of Hindalco Industries Limited; 12% of the paid-up equity share capital of Aditya Birla Science & Technology Private Limited; and 10.38% of the paid-up equity share capital of Aditya Birla Finance Limited.

11. The Authorised, Issued, Subscribed and Paid up Share Capital of ABNL as on 31st day of January 2017 was as follows:

Authorised Share Capital	Amount (Rupees)
17,50,00,000 Equity shares of Rs. 10/- each	175,00,00,000
5,00,000 Redeemable Preference Shares of Rs. 100/- each	5,00,00,000
Total	180,00,00,000
Issued Share Capital	
13,02,85,311 Equity Shares of Rs. 10/- each	130,28,53,110
Total	130,28,53,110
Subscribed and Paid-up Share Capital	
13,02,43,988 Equity Shares of Rs. 10/- each	130,24,39,880
Total	130,24,39,880

12. ABNL has outstanding employee stock options and restricted stock units, the exercise of which, before the Effective Date 1, would result in an increase in the issued and paid-up equity share capital of ABNL.
Grasim holds 33,45,816 equity shares in ABNL. On amalgamation of ABNL with Grasim, these equity shares will stand cancelled as provided in the Scheme.
13. Subsequent to 31st day of January 2017, there has been no change in the share capital of ABNL.

Particulars of Grasim

14. Grasim, a public company, limited by shares, was incorporated as The Gwalior Rayon Silk Manufacturing (Weaving) Company Limited on 25th August 1947 in the then Gwalior State, pursuant to the provisions of the Gwalior Companies Act (1 of Samvat 1963). The name of The Gwalior Rayon Silk Manufacturing (Weaving) Company Limited was subsequently changed to the current name i.e. Grasim Industries Limited with effect from 22nd July 1986. There has been no further change in the name of Grasim in the last five (5) years. The Corporate Identification Number of Grasim is L17124MP1947PLC000410. The Permanent Account Number of Grasim is AAACG4464B. The shares of Grasim are listed on BSE and NSE. The Global Depository Receipts ("GDRs") issued by Grasim are listed on the Luxembourg Stock Exchange.
15. The Registered Office of Grasim is situated at Birlagram, Nagda - 456 331, District Ujjain, Madhya Pradesh. There has been no change in the registered office address of Grasim in the last five (5) years. The e-mail address of Grasim is grasim.secretarial@adityabirla.com.
16. The objects for which Grasim has been established are set out in its Memorandum of Association. Some of the relevant objects of Grasim are as follows:
- "3.
- 3.(a) *To carry on all or any of the following business, namely: manufactures of artificial silk fibres, yarns and fabrics, other varieties of synthetic fibres and yarns fabrics such as, nylon etc., cotton spinning and doublers, flax, hemp, jute spinners linen and cloth manufacturers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers and makers of citriol, bleaching, dyeing materials and raw materials and chemicals required in the production of synthetic fibres and yarns*
- (b) *To purchase, comb, prepare, spin, dye and deal in artificial silk and other synthetic fibres and yarns, cotton, flax, hemp, jute, wool, silk and any fibrous substances.*
- (c) *To weave, knit and otherwise manufacture, buy and sell and deal in artificial silk and other synthetic fibres and yarns, linen, cloth and other goods and fabrics, whether textile, felted, netted or looped.*
4. E. *To manufacture, buy, sell, exchange, alter improve, manipulate, prepare for market, and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials and thing necessary or convenient for carrying on any of the above specified businesses or proceedings, or usually dealt in by persons engaged in the like.*
4. G *To carry on business of manufacturers, importers, exporters of and dealers in Rayon Machinery, ancillary plants, accessories, tools, appliances and apparatus thereto and also to carry on business of manufacturers, importers, exporters of and dealers in machinery together with accessories, tolls, appliances, apparatus and spare parts thereto, used in producing Rayon and other fibres and in particular Continuous Filament, Staple Fibre and Acetate.*
4. H *To carry on business of manufacturers, importers, exporters of dealers in machinery together with accessories, equipment's, tools, appliances, apparatus and spare parts used for manufacturer of chemicals and in particular chemicals required in Rayon Industry including Caustic Soda, Sulphuric Acid and Carbon Bisulphide.*

4. L *To manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise acquire, buy, sell, exchange, distributes, trade, deal in, import and export any and all kinds of chemicals, including heavy chemicals of all grades and organic and inorganic chemicals, fertilisers, linden, pesticides, manures their mixtures and formulation and any and all Classes and kinds of chemicals, sources, chemical auxiliaries and analytical chemicals, mixtures, natural and synthetic and other derivatives and compounds and by-products thereof and any and all kinds of products of which any of the foregoing constitutes any ingredient or in the production of which any of the foregoing is used, including acid, alkalies, fertilisers and agricultural and industrial chemicals of all kinds and industrial and other preparation of, or products arising from or required in the manufacturing, refining of any kind of fertiliser, their mixture and formulation.*
31. *And generally to do and perform all such other acts and things as may in the opinion of the Directors or the Managing Agents of the Company for the time being be incidental or conducive to the attainment of the above objects or any of them.*
- 31.C *To carry on the business of manufactures of and dealers in chemicals of any nature and kind whatsoever and as wholesale and retail chemists, druggists, analytical and pharmaceutical chemists, dry salters, oil and colour men, importers, exporters, and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tannins, essences, pharmaceutical, sizing, medicinal, chemicals, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, soaps, cements, oils, fats, paints, varnishes, drugs, dyestuffs, chemicals, paints and colour grinders, makers of any proprietary articles of all kind and of electrical, chemical, photographic, surgical and scientific apparatus and materials and to manufacturer, refine, manipulate, import and deal in salts and marine materials and other derivatives, by-products and compounds, of any nature and kind whatsoever.*
- 31.D *To carry on the business of manufactures of and dealers in all kind and classes of pulp including sulphite and sulphate wood pulp, mechanical pulp and soda pulp and papers including transparent, vellum, writing, printing, glazed, absorbent, news printing, wrapping, tissue, cover, blotting, filter, bank or bond, badami, brown, buff or coloured cloth-lined, azurelaid, cream laid, grease or water proof hand-make parchment drawing craft, carbon, envelope and boxes and straw duplicates and triplicates boards and all kinds of articles in the manufacture of which in any form pulp paper or board is used and also to deal in any manufacture of artificial leather and plastics of all varieties, grades and colour and any other articles, and things of a character similar or analogous to the foregoing or any of them or connected therewith."*

Clause (22.A.) of Object Clause 3 of the Memorandum of Association of Grasim, which contains provision for amalgamation is reproduced herein below:

"(22.A.)To amalgamate with any company or companies having objects altogether or in part similar to those of this Company."

There has been no change in the object clause of Grasim in the last 5 years.

17. Grasim is a part of Aditya Birla conglomerate. The brief description of some of the major businesses being carried out by Grasim along with its subsidiaries, joint ventures and associates are as under:
- 17.1. Grasim is engaged in the business of manufacture of viscose staple fibre (VSF), chlor-alkali and allied chemicals, epoxy resins and textiles. It is a leading global player in VSF. It is also the largest manufacturer of caustic soda in India.
- 17.2. Grasim, holds 60.23% of the paid-up equity share capital of UltraTech Cement Limited. Thus, UltraTech Cement Limited is a subsidiary of Grasim. UltraTech Cement Limited is engaged in the business of manufacture and sale of cement (both grey and white cement), ready-to-mix concrete, building solutions and building products. It is the largest manufacturer of both grey and white cement in India. It is also a market leader in putty and ready mix concrete.
- 17.3. Grasim holds 100% paid-up equity share capital of Grasim Bhiwani Textiles Limited, which is engaged in the business of textile manufacturing;
- 17.4. Grasim holds 100% of the paid-up equity share capital of Samruddhi Swastik Trading and Investments Limited, which is registered as Non-Banking Financial Company ("NBFC");
- 17.5. Grasim holds 4.75% of the paid-up equity share capital of Idea Cellular Limited, which is a cellular operator with pan-India GSM operations;
- 17.6. Grasim holds 39% of the paid-up equity share capital of Aditya Birla Science & Technology Company Private Limited, which is engaged in the research and development activities;
- 17.7. Grasim through the following major joint ventures is, inter alia, engaged in the activities mentioned hereunder:
- (a) Grasim holds 45% of the paid-up equity share capital of AV Group NB Inc., Canada, which is engaged in the business of manufacture of pulp;
- (b) Grasim holds 26.63% of the paid-up equity share capital of Birla Jingwei Fibres Co. Limited, China, which is engaged in the business of manufacture of viscose staple fibre;

- (c) Grasim holds 40% of the paid-up equity share capital of Birla Lao Pulp & Plantations Company Limited, Lao, which is engaged in the plantation activities;
- (d) Grasim holds 26% of the paid-up equity share capital of Bhubaneswari Coal Mining Limited, Odisha, which is engaged in coal mining;
- (e) Grasim holds 33.33% of the paid-up equity share capital of Aditya Group AB, Sweden, which is engaged in the business of manufacture of pulp; and
- (f) Grasim holds 40% of the paid-up equity share capital in AV Terrace Bay Inc., Canada, which is engaged in the business of manufacture of pulp.

17.8. Grasim also holds investments in various companies including 2.57% of the paid-up equity share capital of ABNL; 2.26% of the paid-up equity share capital of Aditya Birla Fashion and Retail Limited (formerly Pantaloons Fashion & Retail Limited); and 2.64% of the paid-up equity share capital of Hindalco Industries Limited.

18. The Authorised, Issued, Subscribed and Paid up Share Capital of Grasim as on 31st January 2017 was as follows:

Authorised Share Capital	Amount (Rupees)
59,75,00,000 Equity shares of Rs. 2/- each	119,50,00,000
1,50,000 15% "A" Series Redeemable Cumulative Preference Shares of Rs. 100/- each	1,50,00,000
1,00,000 8.57% "B" Series Redeemable Cumulative Preference Shares of Rs. 100/- each	1,00,00,000
3,00,000 9.30% "C" Series Redeemable Cumulative Preference Shares of Rs. 100/- each	3,00,00,000
50,000 11% Redeemable Cumulative Preference Shares of Rs. 100/- each	50,00,000
Total	125,50,00,000
Issued, Subscribed and Paid-up Share Capital	
46,68,01,520 Equity Shares of Rs. 2/- each*	93,36,03,040
Share Capital suspense	1,48,790
74,395 Equity Shares of Rs. 2/- each to be issued as fully paid up pursuant to acquiring of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash	

* The issued and paid-up share capital includes 4,86,31,494 equity shares represented by 4,86,31,494 GDRs as on 31st January 2017, of which promoter and promoter group holds 2,40,11,520 GDRs.

19. Grasim has outstanding employee stock options and restricted stock units, the exercise of which, before the Effective Date 1 and 2, would result in an increase in the issued and paid-up equity share capital of Grasim.

The Board of Directors of Grasim at its meeting held on 11th day of August 2016, inter alia, had considered and approved sub-division (split) of the equity shares of Grasim having a face value of Rs.10/- each (fully paid-up) into 5 equity shares of Rs. 2/- each (fully paid-up). Further, the equity shareholders at the Annual General Meeting of Grasim, held on 23rd day of September 2016, approved the sub-division of equity shares. Grasim had vide letter dated 28th day of September 2016, inter alia, informed BSE and NSE that 8th day of October 2016 was fixed as the record date for giving effect to the sub-division of its equity shares. Subsequently, ABNL and Grasim had vide their letters, both dated 27th day of October, 2016, informed BSE and NSE, inter alia, the said sub-division of equity shares of Grasim.

20. Subsequent to 31st day of January 2017, Grasim has allotted 7,685 equity shares of Rs. 2/- each fully paid-up against exercise of the employee stock options / restricted stock units under its existing stock option schemes.

Particulars of ABFSL

- 21. ABFSL is a public company, limited by shares, incorporated on 15th October 2007 under the provisions of the Companies Act, 1956 in the State of Maharashtra in the name of Aditya Birla Financial Services Private Limited. The place of the registered office of ABFSL was shifted from the State of Maharashtra to the State of Gujarat with effect from 15th December 2009. Thereafter, the name of Aditya Birla Financial Services Private Limited was changed to Aditya Birla Financial Services Limited with effect from 4th day of December 2014. There has been no further change in the name of ABFSL in last five (5) years, except as stated above. ABFSL is a wholly owned subsidiary of ABNL. The Corporate Identification Number of ABFSL is U67120GJ2007PLC058890. The Permanent Account Number of ABFSL is AAGCA5936J. As of now, equity shares of ABFSL are not listed on any Stock Exchange.
- 22. The Registered Office of ABFSL is situated at Indian Rayon Compound, Veraval, Gujarat- 362 266. There has been no change in the registered office address of ABFSL in the last five (5) years. The e-mail address of ABFSL is nuvo.cfd@adityabirla.com.
- 23. ABFSL is a non-deposit taking Systematically Important Core Investment Company registered with the Reserve Bank of India. ABFSL is a holding company for certain businesses in financial services sector. The brief description and market positioning of the major businesses being carried out by the subsidiaries and joint ventures of ABFSL are as under:

- (a) NBFC business (conducted through Aditya Birla Finance Limited, wherein ABFSL holds 89.62% of the paid-up equity share capital) is among the top 7 private NBFC in India, excluding housing finance;
- (b) Housing Finance business (conducted through Aditya Birla Housing Finance Limited, wherein ABFSL holds 100% of the paid-up equity share capital);
- (c) Asset Management business (conducted through Birla Sun Life Asset Management Company Limited, wherein ABFSL holds 51% of the paid-up equity share capital) is the 4th largest in India;
- (d) General Insurance Advisory business (conducted through Aditya Birla Insurance Brokers Limited, wherein ABFSL holds 50.002% of the paid-up equity share capital) is amongst the top 5 players in India;
- (e) Investment Management and Advisory Services (Private Equity) (conducted through Aditya Birla Capital Advisors Private Limited, wherein ABFSL holds 100% of the paid-up equity share capital);
- (f) Broking business (conducted through Aditya Birla Money Limited, wherein ABFSL holds 75% of the paid-up equity share capital);
- (g) Online Personal Finance Management Platform (conducted through Aditya Birla Customer Services Limited, wherein ABFSL holds 93.70% of the paid-up equity share capital) is the largest in India; and
- (h) Health Insurance business (conducted through Aditya Birla Health Insurance Co. Limited, wherein ABFSL holds 51% of the paid-up equity share capital).

24. The objects for which ABFSL has been established are set out in its Memorandum of Association. The main objects of ABFSL are as follows:

"III. A.

1. *To carry on business of an investment Company and to buy, underwrite, sub-underwrite, to invest in with or without interest or security, acquire and hold, sell, buy or otherwise deal in shares, debentures, debenture-stock, bonds, units, other financial instruments or obligations and securities issued by or guaranteed by any company constituted or carrying on any business in India or elsewhere or issued or guaranteed by any Government Central or State, Public Body or authority, Supreme, Municipal, Local or otherwise, firm/or persons, whether in India or elsewhere by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same, and to guarantee the subscription and to exercise and enforce all rights and powers conferred by incidental to ownership thereof and to deal with or turn to account the same, however the Company shall not carry on the banking business or insurance business within the purview of the Banking Regulations Act, 1949 or the Insurance Act.*
2. *To finance the Industrial Enterprises and to provide venture capital, seed capital, loan capital and to participate in equity/preference share capital or to give guarantees on behalf of the company in the matter and to promote companies engaged in Industrial, Infrastructure and Trading business."*

Clause (11) of Object Clause III B of the Memorandum of Association of ABFSL which contains provision for amalgamation is reproduced herein below:

11. *To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture or reciprocal concession, or for limiting competition with any individual, person or Company carrying on or engaged in, or about to carry on or engage in, any business or transaction, which the Company is authorised to carry on or engage in or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.*

There has been no change in the object clause of ABFSL in the last 5 years.

25. The Authorised, Issued, Subscribed and Paid up Share Capital of ABFSL as on 31st day of January 2017 was as follows:

Authorised Share Capital	Amount (Rupees)
1,00,00,00,000 Equity shares of Rs. 10/- each	10,00,00,00,000
3,00,00,00,000 Preference Shares of Rs. 10/- each	30,00,00,00,000
Total	40,00,00,00,000
Issued, Subscribed and Paid-up Share Capital	
79,89,67,535 Equity Shares of Rs. 10/- each fully paid-up	798,96,75,350
1,99,92,465 Equity Shares of Rs. 10/- each partly paid-up (Paid-up amount Rs. 7.75 per share)	15,49,41,604
30,70,00,000 - 0.01% non-cumulative compulsorily convertible preference shares of Rs. 10/- each fully paid-up	307,00,00,000
1,47,11,10,000 - 6% non-convertible non-cumulative redeemable preference shares of Rs. 10/- each fully paid-up	1471,11,00,000
Total	2592,57,16,954

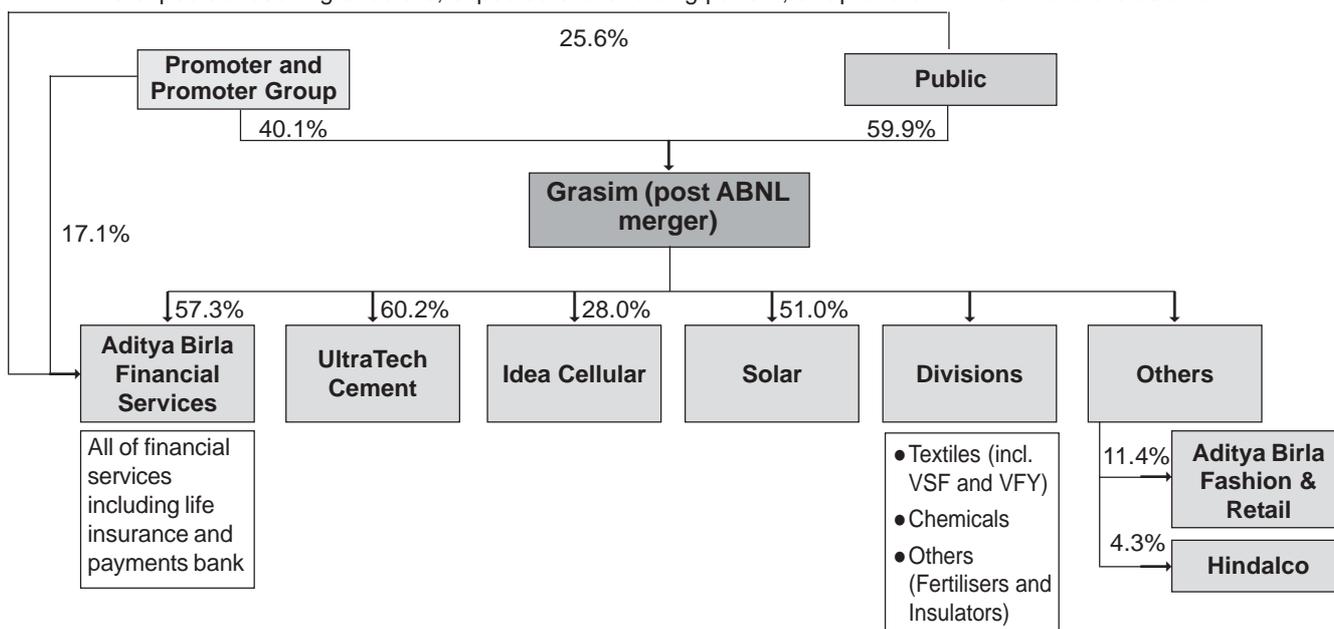
- ABFSL proposes to issue additional equity shares/convertible instruments as contemplated under Clause 20.13 of the Scheme and issuance of such equity shares/convertible instruments may result in an increase in the issued, subscribed and paid-up share capital of ABFSL. Further, before the Effective Date 1 (as defined in the Scheme) it is contemplated by ABFSL that the non-cumulative compulsory convertible preference shares issued by it shall be converted into equity shares; the partly paid equity shares of ABFSL shall become fully paid-up; and that the non-convertible non-cumulative redeemable preference shares of ABFSL shall be fully redeemed.
- Subsequent to 31st day of January 2017, 1,99,92,465 partly paid-up equity shares have become fully paid-up.

Description and Rationale for the Scheme

26. The Scheme provides for, inter alia,
- the amalgamation of ABNL with Grasim;
 - cancellation of the equity shares held by Grasim in ABNL;
 - issuance of equity shares by Grasim to the equity shareholders of ABNL;
 - dissolution without winding up of ABNL;
 - merger of the authorised share capital of ABNL with the authorised share capital of Grasim;
 - alteration of the object clause of the Memorandum of Association of Grasim;
 - demerger of the Demerged Undertaking of Grasim and transfer of the same to ABFSL subject to satisfactory fulfilment of the amalgamation of ABNL with Grasim becoming effective;
 - issuance of equity shares/GDRs by ABFSL to the equity shareholders/GDR holders of Grasim;
 - listing of the equity shares of ABFSL on BSE, NSE and the GDRs on the Luxembourg Stock Exchange;
 - various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 of the Act.

The expected resulting structure, expected shareholding pattern, swap and entitlement ratio are as under:



Shares Swap and Entitlement Ratio

Swap Ratio for merger of ABNL with Grasim	15 equity shares (F.V. Rs. 2/-) of Grasim for every 10 equity shares (F.V. Rs. 10/-) of ABNL
Share Entitlement Ratio for demerger of Financial Services Business as a listed entity	7 equity shares (F.V. Rs. 10/-) of Aditya Birla Financial Services for every 5 equity shares (F.V. Rs. 2/-) of Grasim (post ABNL merger)

Illustration of Shareholding on effectiveness of the Scheme:

- ABNL's shareholder holding 100 equity shares (F.V. Rs. 10/-) will be issued :
 - i) 150 equity shares of Grasim (F.V. Rs. 2/-) in lieu of 100 equity shares of ABNL (F.V. Rs. 10/-) held on *Record Date 1, and additionally
 - ii) 210 equity shares of ABFSL (F.V. Rs. 10/-) in respect of 150 equity shares of Grasim (F.V. Rs. 2/-) held on *Record Date 2, on account of demerger
- Grasim's shareholder holding 100 equity shares (F.V. Rs. 2/-):
 - i) Will continue to hold 100 equity shares of Grasim (F.V. Rs. 2/-) and
 - ii) Will be issued 140 equity shares of ABFSL (F.V. Rs. 10/-) in respect of 100 equity shares of Grasim (F.V. Rs. 2/-) held on *Record Date 2, on account of demerger.

* Record Date 1 and * Record Date 2 shall have the same meaning as defined in Part I para 1.1 of the Scheme (Annexure 1).

27. The rationale is stated in Clause C of the Scheme (Annexure 1) and is explained as under:

- a) Grasim is a diversified conglomerate with presence in manufacturing businesses such as viscose staple fibre, chemicals, textiles and cement (through its subsidiary, namely, UltraTech Cement Limited). Grasim has market leadership in its key businesses, which has been further strengthened with organic and inorganic expansions over the past few years. It continues to have a strong balance sheet to support its growth plans.
- b) ABNL is a diversified conglomerate with market leading presence in both service businesses such as financial services and telecom, and in manufacturing businesses such as textiles, chemicals, fertilizers, insulators etc. ABNL has proven track record of creating value for its shareholders through incubation of growth businesses such as financial services, fashion & lifestyle and telecom. It's financial services business has emerged as a leading player in India with significant presence in corporate lending & project finance (NBFC), life insurance, asset management, health insurance and housing finance verticals amongst others.
Strong brand equity of ABNL's financial services business coupled with low penetration of financial services and products in India offers a huge growth opportunity.
- c) The proposed restructuring will enable Grasim to extend its presence to fast growing sectors such as financial services and telecom and enhance long-term value for the shareholders.
- d) The proposed restructuring will enable ABFSL to grow faster under Grasim's strong parentage as against ABFSL becoming a standalone entity. Healthy and large balance sheet and better credit rating of Grasim is expected to improve the credit profile and reduce cost of borrowings of ABFSL's lending businesses, thereby enhancing its competitive positioning. It will also provide additional comfort to financial services regulators given the strong financials of Grasim.
- e) The proposed restructuring will provide an opportunity for ABNL shareholders to participate in Grasim's steady cash generating businesses with established leadership position in India, while enabling its growth businesses to grow at a faster pace.
- f) Post amalgamation of ABNL with Grasim, all the shareholders will be allotted shares of ABFSL as stated in para 20.1 of the Scheme, thereby enabling them to directly participate in the fast growing financial services business. Listing of ABFSL shares, as part of the Scheme, will unlock value for all the shareholders. At the same time, ABFSL, as a subsidiary of Grasim, will be able to leverage on the financial strength of Grasim.
- g) Post listing, ABFSL will have flexibility to raise funds including independently from the capital markets to meet its growth requirements.
- h) The proposed restructuring will also lead to the consolidation of similar businesses of Grasim and ABNL, namely chemicals and textiles. As a result, the presence in the textiles value chain will expand.

The proposed restructuring is expected to enhance value for the shareholders of both ABNL and Grasim by bringing together the strong financials of Grasim and high growth potential of ABNL's businesses. This will also enable the merged entity to achieve higher growth trajectory which will be in the best interest of all the stakeholders.

Major Developments / Actions post announcement of the Scheme**28. The following developments/ actions have taken place since announcement of the Scheme.**

- a) Sub-division of equity shares of Grasim from one equity share of face value of Rs. 10/- each fully paid up to five equity shares of face value of Rs. 2/- each fully paid up
- b) Increase in investment limit for registered foreign portfolio investors / foreign institutional investors from 24% to 30% in Grasim. Further, the Board of Grasim has approved an increase in the limit to 49%, for which requisite approvals are being obtained (Shareholders meeting for approval scheduled on 3rd March 2017).
- c) The respective Board of Directors of ABNL and Grasim have adopted Dividend Distribution Policy.
- d) Idea Cellular Ltd. has informed the Stock Exchanges that it is in preliminary discussion with Vodafone for potential transaction. In this regard, Grasim has clarified to the Stock Exchanges denying the rumor that it would be making large investments into Idea Cellular Ltd. as part of the transaction being contemplated.

Corporate Approvals

29. The proposed Scheme, was placed before the Audit Committee of ABNL at its meeting held on 11th day of August 2016. The Audit Committee of ABNL took into account the joint Valuation Report/ Share Exchange Ratio/ Share Entitlement Ratio, dated 11th day of August 2016, issued by M/s. Bansi S. Mehta & Co. and Price Waterhouse & Co. LLP (the “**Joint Valuation Report**”) and the fairness opinion, dated 11th day of August 2016, provided by Kotak Mahindra Capital Company Limited, a Category I Merchant Banker, appointed for this purpose by ABNL. A copy of the Joint Valuation Report is enclosed as **Annexure 2**. The Joint Valuation Report is also open for inspection. The Audit Committee of ABNL based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of ABNL.
30. The Scheme along with the Joint Valuation Report was placed before the Board of Directors of ABNL, at its meeting held on 11th day of August 2016. The fairness opinion provided by Kotak Mahindra Capital Company Limited and the report of the Audit Committee was also submitted to the Board of Directors of ABNL. Based on the aforesaid, the Board of Directors of ABNL approved the Scheme. The meeting of the Board of Directors of ABNL, held on 11th day of August 2016, was attended by 8 (Eight) directors (namely, Mr. Kumar Mangalam Birla, Mrs. Rajashree Birla, Ms. Tarjani Vakil, Mr. B. R. Gupta, Mr. S. C. Bhargava, Mr. V. Chandrasekaran and Mr. Lalit Naik in person and by Mr. P. Murari through video conference). Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, being part of Promoter Group of ABNL, abstained from voting on the resolution in respect of the Scheme. Mr. P. Murari who had participated through video conferencing, also did not participate on the voting of the resolution. None of the directors of ABNL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of ABNL who attended and voted at the meeting.
31. Separately, the proposed Scheme, was placed before the Audit Committee of Grasim at its meeting held on 11th day of August 2016. The Audit Committee of Grasim took into account the Joint Valuation Report and the fairness opinion, dated 11th day of August 2016, provided by JM Financial Institutional Securities Limited, a Category I Merchant Banker, appointed for this purpose by Grasim. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of Grasim.
32. The Scheme along with the Joint Valuation Report was placed before the Board of Directors of Grasim, at its meeting held on 11th day of August 2016. The fairness opinion provided by JM Financial Institutional Securities Limited and the report of the Audit Committee was also submitted to the Board of Directors of Grasim. Based on the aforesaid, the Board of Directors of Grasim approved the Scheme. The meeting of the Board of Directors of Grasim, held on 11th day of August 2016, was attended by 13 (Thirteen) directors (namely, Mr. Kumar Mangalam Birla, Mrs. Rajashree Birla, Mr. M. L. Apte, Mr. B.V. Bhargava, Mr. Arun Thiagarajan, Mr. N. Mohan Raj, Mr. O. P. Rungta, Mr. Cyril Shroff, Mr. Shailendra K. Jain, Mr. Dilip Gaur and Mr. Sushil Agarwal in person and by Mr. R. C. Bhargava and Dr. Thomas M. Connelly Jr. through video conference). Mr. Kumar Mangalam Birla and Mrs. Rajashree Birla, being part of Promoter Group of Grasim, abstained from voting on the resolution in respect of the Scheme. Mr. R. C. Bhargava and Dr. Thomas M. Connelly Jr. who had participated through video conferencing, also did not participate on the voting of the resolution. None of the directors of Grasim who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of Grasim who attended and voted at the meeting.
33. The proposed Scheme, was also placed before the Audit Committee of ABFSL at its meeting held on 11th day of August 2016. The Audit Committee of ABFSL took into account the Joint Valuation Report. The Audit Committee of ABFSL based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of ABFSL.
34. The Scheme along with the Joint Valuation Report was placed before the Board of Directors of ABFSL, at its meeting held on 11th day of August 2016. The report of the Audit Committee was also submitted to the Board of Directors of ABFSL. Based on the aforesaid, the Board of Directors of ABFSL approved the Scheme. The meeting of the Board of Directors of ABFSL, held on 11th day of August 2016, was attended by 3 (three) directors (namely, Mrs. Pinky Mehta, Mr. Shriram Jagetiya and Mr. Vijay Kothari in person). None of the directors of ABFSL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of ABFSL who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme by the Companies

35. BSE was appointed as the designated stock exchange by ABNL for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. ABNL has received observation letters regarding the Scheme from BSE and NSE, respectively, both on 16th day of November 2016. In terms of the observation letters of BSE and NSE, respectively, both dated 16th day of November 2016, BSE and NSE, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the Hon'ble High Court.
36. As required by the SEBI Circular, ABNL had filed the complaints report with BSE and NSE, both on 8th day of September 2016. This report indicates that ABNL received nil complaints.
37. Separately, BSE was appointed as the designated stock exchange by Grasim for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. Grasim has received observation letters regarding the Scheme from BSE and NSE,

respectively, both on 16th day of November 2016. In terms of the observation letters of BSE and NSE, respectively, both dated 16th day of November 2016, BSE and NSE, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the Hon'ble High Court.

38. As required by the SEBI Circular, Grasim had filed the complaints report with BSE and NSE, both on 8th day of September 2016. This report indicates that Grasim received nil complaints.
39. The Companies had filed necessary form, dated 8th day of September 2016, with the Competition Commission of India under the provisions of Section 6(2) of the Competition Act, 2002. Thereafter, the Competition Commission of India, by its letter dated 7th day of December 2016 and subsequently by its order dated 20th day of January 2017, approved the proposed combination under Section 31(1) of the Competition Act, 2002.
40. The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
41. The applications along with the annexures thereto (which includes the Scheme) were filed by the Companies with the NCLT, on 16th day of January 2017.

Salient extracts of the Scheme

42. The salient extracts of the Scheme are as under:

DEFINITIONS

- A. *"BSLI" means Birla Sun Life Insurance Company Limited, a public limited company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U99999MH2000PLC128110 and having its registered office at One Indiabulls Centre, Tower 1, 16th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road. Mumbai, Maharashtra - 400 013.*
- B. *"Demerged Undertaking" shall mean the financial services business engaged in the activity of fund based lending, making, holding and nurturing investments in financial services sector together with all its undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wheresoever situated, of the Demerged Company, in relation to and pertaining to the financial services business, as on the Effective Date 2 and shall include (without limitation):*
 - a) *all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, equity shares, preference shares and other securities of associate / subsidiary/ joint venture companies (excluding investment in equity and preference shares of the Resulting Company), plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, freehold, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by Applicable Law, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to the financial services business;*
 - b) *all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company pertaining to the financial services business;*
 - c) *all employees of the Demerged Company engaged in or in relation to the financial services business along with all benefits under employment including gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits of such employees;*
 - d) *all the debts, liabilities, duties and obligations including contingent liabilities of the Demerged Company in relation to the financial services business; and*
 - e) *all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and*

advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the financial services business of the Demerged Company.

- C. "Effective Date 1" means opening of business hours of the business day from last of the dates on which the conditions specified in Clause 26.1 and Clause 26.3 of the Scheme are complied with. The Effective Date 1 shall be the appointed date for Part II of the Scheme.
- D. "Effective Date 2" means opening of business hours of the last of the dates on which the conditions specified in Clause 26.2 and Clause 26.3 of the Scheme are complied with or after two days of Effective Date 1, whichever is later. The Effective Date 2 shall be the appointed date for Part III of the Scheme.
- E. "Record Date 1" shall be the date to be fixed by the Board of the Transferee Company, for the purpose of determining the equity shareholders of the Transferor Company for issue of New Equity Shares (as defined in Clause 7.1 of the Scheme), pursuant to the Scheme.
- F. "Record Date 2" shall be the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company, for the purpose of determining the equity shareholders of the Demerged Company for issue of Resulting Company New Equity Shares (as defined in Clause 20.1 of the Scheme), pursuant to the Scheme.
- G. "Remaining Undertaking" means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

- H. Upon Part II of the Scheme becoming effective and with effect from the Effective Date 1 and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, and in accordance with provisions of Section 2(1B) of the Income tax Act, 1961, the Transferor Company along with all its assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of the Transferor Company shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company as a going concern so as to become as and from the Effective Date 1, the assets, liabilities, etc. of the Transferee Company by virtue of, and in the manner provided in the Scheme.
- I. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon Part II of the Scheme becoming effective and with effect from the Effective Date 1:
 - (a) subject to the provisions of the Scheme in relation to the mode of transfer and vesting of the assets and liabilities, the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, transferred to, and vested in, the Transferee Company, so as to become, on and from the Effective Date 1, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act and in accordance with the provisions of Section 2(1B) of the Income-tax Act, 1961, subject however, to all charges, liens, mortgages, then affecting the Transferor Company or any part thereof; provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to Transferor Company, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of the Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.
 - (b) notwithstanding anything contained in this Scheme, the immovable properties of the Transferor Company situated within the State of West Bengal, Uttar Pradesh, Delhi (NCRT), Maharashtra and such other states as the Board of the Transferee Company may determine, whether owned or leased, for the purpose inter alia of payment of stamp duty, and vesting unto the Transferee Company and if the Board of the Transferee Company so decide, the concerned parties, whether executed before or after the Effective Date 1, shall execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the fair market value of such properties (arrived at by a government approved independent valuer). The execution of such conveyance shall form an integral part of the Scheme.
 - (c) for the avoidance of doubt, it is clarified that upon the effectiveness of Part II of the Scheme and in accordance with the provisions of relevant Applicable Laws, all consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets, trade formulae,

and other intellectual property rights of whatsoever nature and all other interests relating to the goods or services being dealt with by the Transferor Company, shall be transferred to and vest in the Transferee Company.

- (d) subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Effective Date 1, to which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the effectiveness of Part II of the Scheme.
- (e) in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges of whatsoever nature enjoyed, granted by any Appropriate Authority, or availed of and/or entitled to, by the Transferor Company are concerned as on the Effective Date 1, including income tax benefits, deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions with effect from the Effective Date 1.
- (f) all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been stood transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date 1, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.
- (g) if and to the extent there are loans, deposits or balances or other outstanding inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Effective Date 1, come to an end and suitable effect shall be given in the books of the Transferee Company.
- (h) any tax liabilities under the Income-tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Company's accounts made as on the date immediately preceding the Effective Date 1 shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as on the date immediately preceding the Effective Date 1 will also be transferred to the account of and belong to the Transferee Company.
- (i) any refund under the Tax Laws due to the Transferor Company consequent to the assessment and which have not been received by the Transferor Company as on the date immediately preceding the Effective Date 1 shall also belong to and be received by the Transferee Company.
- (j) without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Company is entitled to in terms of the applicable Tax Laws, including but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to and vest in the Transferee Company.
- (k) upon the effectiveness of Part II of the Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), including the NCDs of the Transferor Company, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act shall, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of the Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities (including the NCDs) are listed on any stock exchange, the same shall, subject to Applicable Law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the Stock Exchanges, unless otherwise modified in accordance with Applicable Law.
- (l) with respect to the investments made by the Transferor Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests, memberships in other companies, whether quoted or

unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Effective Date 1.

- (m) it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies etc., the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court(s) having sanctioned the Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
 - (n) upon the effectiveness of Part II of the Scheme, the Transferee Company shall be entitled to file / revise Income Tax returns, TDS Certificates, TDS returns, wealth tax returns and other statutory returns to the extent required for itself and on and/ or behalf of the Transferor Company, as the case may be. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax including minimum alternate tax, credit of tax deducted at source, credit of foreign tax paid/ withheld, etc., if any, for and / or on behalf of the Transferor Company, as may be required consequent to the implementation of Part II of the Scheme.
 - (o) any reimbursement of subsidy or receipt of differential subsidy of earlier years from the concerned Appropriate Authority and which has not been received by the Transferor Company as on the date immediately preceding the Effective Date 1 shall also belong to and be received by the Transferee Company.
- J. Upon Part II of the Scheme becoming effective, all the licenses, permits, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Effective Date 1, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.
- K. Upon the Effective Date 1 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, easements, rehabilitation schemes, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and/or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.
- L. On and from the Effective Date 1, the Transferee Company undertakes to engage all the Employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company, or to the government provident fund in relation to the employees of the Transferor Company who are not eligible to become members of the provident fund maintained by the Transferee Company. In relation to those Employees who are not covered under the provident fund trust of the Transferor Company, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees.
- M. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.

Notwithstanding the aforesaid, the Board of Directors of the Transferee Company, if it deems fit and subject to applicable laws, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge with other similar funds of the Transferee Company.

- N. *It is clarified that save as expressly provided for in the Scheme, the Employees who become the employees of the Transferee Company by virtue of the Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any union / employee of the Transferor Company.*
- O. *Upon the effectiveness of Part II of the Scheme, the ABNL ESOPs and the ABNL SARs shall automatically stand cancelled. Further and simultaneously with the cancellation of ABNL ESOPs and ABNL SARs, the Transferee Company shall issue such employees, holding options, restricted stock units and stock appreciation rights, under the ABNL ESOPs and/ or ABNL SARs, and such employees shall receive stock options, restricted stock units and/ or stock appreciation rights, as the case may be, on the terms and conditions not less favourable, either under (i) Grasim ESOPs or (ii) a distinct and separate employee incentive plan of the Transferee Company formed and organized for granting incentives to such employees ("Grasim Stock Option Plan - New").*
- P. *To implement the above provisions of the Scheme, the Transferee Company shall issue stock options, stock appreciation rights and/or restricted stock units, as the case may be, to such employees of the Transferor Company, on the basis of the Share Exchange Ratio in the following manner:*
- (i) for every 100 (one hundred) options, whether vested or unvested, granted under ABNL ESOPs, the eligible employees of the Transferor Company shall be issued 150 (one hundred and fifty) options under the Grasim ESOPs or the Grasim Stock Option Plan - New;*
 - (ii) for every 100 (one hundred) restricted stock units, whether vested or unvested, granted to eligible employees under the ABNL ESOPs, such eligible employees shall be issued 150 (one hundred and fifty) restricted stock units under the Grasim ESOPs or the Grasim Stock Option Plan - New;*
 - (iii) each new option issued to the employees under the Grasim ESOPs or Grasim Stock Option Plan – New, as the case may be, shall have an exercise price per equity share of the Transferee Company equal to the quotient of the exercise price under the respective ABNL ESOPs divided by the Share Exchange Ratio (rounded up to the nearest higher whole rupee);*
 - (iv) for ABNL SARs, whether vested or unvested, granted to eligible employees of the Transferor Company, such employees shall be issued stock appreciation rights granted by the Transferee Company, as per the Share Exchange Ratio or Grasim ESOPs in lieu of ABNL SARs on the terms which shall not be less favourable to such ABNL SAR holders.*
- Q. *Fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer.*
- R. *The grant of options/stock appreciation rights to the eligible employees of the Transferor Company pursuant to Clause 5.4.2 of the Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent in relation to all matters pertaining to Grasim ESOPs or Grasim Stock Option Plan - New including without limitation for the purposes of creating the Grasim Stock Option Plan - New and/or modifying the Grasim ESOPs (including increasing the maximum of number of equity shares that can be issued consequent to the exercise of the stock option granted under the Grasim ESOPs and/or modifying the exercise price of the stock option under the Grasim ESOPs), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under any Applicable Law, including, without limitation, Section 62 of the Act or the Companies (Share Capital and Debenture) Rules, 2014.*
- S. *It is hereby clarified that in relation to the options granted by the Transferee Company to the eligible employees of the Transferor Company, the period during which the options granted by the Transferor Company were held by or deemed to have been held by such eligible employees shall be taken into account for determining the minimum vesting period required under the Applicable Law or agreement or deed for stock options granted under the Grasim Stock Option Plan - New or the Grasim ESOPs, as the case may be.*
- T. *The Boards of the Transferor Company and the Transferee Company or any of the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 5.4 of the Scheme.*
- U. *If any suit, cause of actions, appeal or other legal, taxation, quasi-judicial, arbitral, administrative, or other proceedings of whatever nature, under any Applicable Law (hereinafter referred to as the "Proceedings") by or against the Transferor Company be pending on the Effective Date 1, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended, and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date 1, the Transferee Company may initiate any Proceedings for and on behalf of the Transferor Company.*

- V. Upon the effectiveness of Part II of the Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company, including the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company pursuant to provisions of the Scheme, the Transferee Company shall, without any further act or deed, issue and allot to each member of the Transferor Company, whose name is recorded in the register of members and the records of the depository as members of the Transferor Company on the Record Date 1, 15 (fifteen) equity shares of Rs 2 (Indian Rupees Two) each of the Transferee Company credited as fully paid up for every 10 (ten) equity shares of Rs 10 (Indian Rupees Ten) each held by such shareholder ("New Equity Shares"). No shares shall be issued by the Transferee Company in respect of the shares held by the Transferee Company in the Transferor Company.
- The ratio in which the New Equity Shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company pursuant to Part II of the Scheme is referred to as the "Share Exchange Ratio".
- W. The Transferee Company shall apply for listing of the New Equity Shares on the Stock Exchanges in terms of the SEBI Circular and Applicable Laws. The New Equity Shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading, as per the Applicable Law. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated Stock Exchange.
- X. Upon the effectiveness of Part II of the Scheme, equity shares held by the Transferee Company in the Transferor Company shall be cancelled pursuant to the Scheme.
- Y. The New Equity Shares issued pursuant to Clause 7.1 of the Scheme, which the Transferee Company is unable to allot due to Applicable Laws (including, without limitation, the non receipt of approvals of an Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Transferee Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Transferee Company including to enable allotment and sale of such New Equity Shares to a trustee as mentioned in Clause 7.4 of the Scheme and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Transferor Company, in proportion to their entitlements, as per the process prescribed in Clause 7.4 of the Scheme. If the above cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Transferee Company and/or the Depository shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein.
- Z. In the event that the Parties restructure their equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio and the stock options, restricted stock units and/or share appreciation rights as per Clause 5.4 of the Scheme, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- AA. Upon the effectiveness of Part II of the Scheme, the authorised share capital of the Transferor Company will get merged with that of the Transferee Company without payment of any additional fees and duties as the said fees have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or further resolution under Section 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- BB. Consequently, Clause 5 of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Sections 13 of the Companies Act, 2013 and Section 394 of the Companies Act, 1956 and other applicable provisions of the Act, as set out below:
- "The Authorised Share Capital of the Company is Rs. 305,50,00,000 (Rupees three hundred and five crore fifty lakhs) divided into 1,47,25,00,000 (one hundred and forty seven crores and twenty five lakhs) equity shares of Rs. 2 (Rupees Two) each, and 11,00,000 (eleven lakhs) redeemable preference shares of Rs. 100 (Rupees one hundred) each with power to classify or reclassify, increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force."
- CC. Article 3 of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified, amended or substituted pursuant to Section 14 of the Companies Act, 2013 and Section 394 of the Companies Act, 1956 and other applicable provisions of the Act, as the case may be, as set out below:
- "The Authorized Share Capital of the Company shall be such as specified in Clause 5 of the Memorandum of Association."
- DD. It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential alteration of the Memorandum and Articles of Association of the Transferee

Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Act.

- EE. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31st March, 2017 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Parties.
- FF. It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and/or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Company and/or the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and/or the Transferee Company as the case may be.
- GG. Upon the effectiveness of Part II of the Scheme:
- (a) The Transferee Company shall account for the amalgamation (including in respect of transfer of assets and liabilities of Transferor Company, issuance of shares to shareholders of Transferor Company and difference, if any, between the value of net assets and shares issued) in its books in accordance with principles as laid down in the applicable Indian Accounting Standards, including, IndAS 103, the applicable provisions of the Act, and generally accepted accounting principle in India; and
- (b) Inter-company holdings and balances, if any, between the Transferor Company and the Transferee Company, shall stand cancelled, and shall be accounted in accordance with sub-clause (a) above.
- HH. With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company undertakes to carry on the business and activities with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Transferee Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof, provided that the Board of the Transferor Company shall be permitted to enter into transactions for disposal of assets and/or undertaking, with third parties on arms-length basis.
- II. On and from the Effective Date 1, the objects of the Transferee Company shall be deemed to have been altered by adding new clauses, in the objects clause (Clause 3) of the Memorandum of Association of the Transferee Company, which shall stand inserted immediately after existing clause 3(d), and shall read as under:
- “3(e). To carry on the business of manufacturing, buying, selling, marketing, trading, importing, exporting, distributing, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in cellulose, viscose rayon yarns and fibres, synthetic fibres and yarns, staple fibre yarns and such other fibres or fibrous materials, transparent paper and auxiliary chemical products, allied products, by-products or substances or substitutes for all or any of them or yarn or yarns for textile or other use as the company may deem necessary expedient or practicable.
- 3(f). To carry on the business of manufacturing, buying, selling, marketing, trading, importing, exporting, distributing, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in insulators, fertilizers and chemicals of all types, and their by-products and derivatives (including raw materials, value added products) and mixtures thereof.
- 3(g). To manufacture and deal in all kinds of cotton, linen, silk, worsted and woollen goods and goods made of jute, hemp, flax, cellulosic fibres, metallic fibres, glass fibres, protein fibres, rubber fibres, rayons, polyesters, all kinds of synthetic polymers and other fibres or fibrous substances, natural or otherwise; to purchase cotton or all other fibrous materials either in the raw or manufactured state, to grin, comb, prepare, spin, double, twist, wind, bleach, dye, finish and do other processes, connected with or incidental to the general manufacture of the same; to manufacture and deal in all kinds of yarn and thread including covered elastic thread and covered rubber thread from any or all of the said fibres or fibrous substances, required for any of the purposes or weaving, sewing, knitting, embroidery, tapestry, hosiery, texturizing and all other special purposes in which any or all such yarns and threads could be used, to weave or otherwise manufacture, buy and sell and deal in all kinds of fabric whether textile, filter, knitted, looped, bonded or otherwise made out of the said yarns or fibres; to manufacture and deal as a wholesaler, retailer, distributor, exporter, broker, trader, agent, franchisee etc. in all kinds of garments, dresses, hosiery etc. made from out of the said yarns, fibres and fabrics for every kind of use; to make vitriol, bleaching and dyeing materials; to operate as dyers, printers, bleachers, finishers and dressers; to purchase material for and to purchase or manufacture blocks, spools, bobbins, cones, boxes, tickets, labels, wrappers, show cards, machines, tools and other appliances required in and connected with the said business; and to trade in, deal in, sell and dispose of the articles purchased and manufactured by the Company and to carry on any other operations and activities of whatsoever kind and nature in relation or incidental to hereinabove.
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- 3(h). *To promote, design, construct, establish, operate, lease, maintain electricity generating station(s) and to carry on all or any of the business of procures, procurers, generators, energy storage systems, suppliers, sellers, distributors, transformers, converters, transmitters, producers, manufacturers, processors, developers, lessors, stores, licensors and license carriers, importers and exporters of, and dealers in, electricity, power and/or energy produced or generated by wind, solar, hydro, thermal, atomic, nuclear, biomass, coal, lignite, gas, ocean energy, geothermal or any other form and any products or by-products derived there from and any products or by-products derived therefrom including steam, water, oil, gas, wind, vapour, fly ashes and any other business connected with electricity, power, energy, heat, solar, wind, hydro wave, tidal, geothermal, biological and nuclear either for self-consumption or otherwise and to install in any premises or plant and to operate, use, inspect, maintain, service, repair, replace, refurbish and remove meters or other devices for assessing the quality and/or quality of suppliers of electricity, gas and other substances and forms of energy and for other purposes connected with such suppliers and to do anything that an electricity generator, electricity supplier or electricity transmitter is empowered, enabled or required to do under or by virtue of, or under license or under any Power Purchase Agreement(s) (PPAs) with government agency(ies) and/or authority(ies), non-government agency(ies) and/or authority(ies), private party(ies), and/or any other agency(ies) and/or authority(ies) public and/or private or exemption granted under any enactment or statutory instrument.*
- 3(i). *To carry on business of designing, engineering, manufacturing, producing, processing, generating, accumulating, distributing, operating, testing, transferring, preserving, trading in, hedging and to sell, supply electricity power or any other energy from conventional/non-conventional/Renewable energy sources on a commercial basis and to design, construct, lay down, establish, operate, and maintain power, energy generating stations including buildings, structures, works, transmission lines, substation bay equipment, machineries, equipment, cables, and to undertake or carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring to third person(s), power plants, plants based on conventional or non-conventional energy sources, solar energy plants, wind energy plants, mechanical, electrical, hydel, tidal, wave energy, thermal, oil, gas, air, sea energy, diesel oil, heavy furnace oil, naphtha, bio-mass, bio-gas, coal, fuel cell, civil engineering works and similar projects and supply of electricity to participating industries, State Electricity Boards, and other boards for industrial, commercial, domestic, public and other purpose and also to provide regular services for repairing and maintenance of all distribution and supply lines and renewal energy sources, waste treatment plants of all kinds and equipment thereof in India and outside India and also manufacturing, procuring, dealing in all ancillary products like transformer, battery, cable, structural steel, civil work, inverter etc., required for or capable of being used in connection with above industry.*
- 3(j). *To carry on the business of researching, designing, developing, manufacturing, processing, generating, accumulating, representing, distributing, stocking, transferring, marketing, selling, servicing, supplying, engineering, contracting, erecting, commissioning, merchandising, managing, maintaining, leasing, utilizing and renting as developers, researchers, engineers, manufacturers, producers, consultants, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockiest, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, partners and advisors for all, any and every kind and types of plants, systems, equipment, items, devices, products, machines, parts, components, spares, hardware, assemblies and sub-assemblies related to generation, use, application and utilization of renewable energy resources like solar, wind, tidal, bio-mass, geothermal natural gas, hydrogen, methane of all, any and every kind and type including photovoltaic cells, and modules, Concentrated Solar Power, Fuel cells, windmills, wave motion generators, biogas distribution and utilizing systems with battery storage, transformers, inverters, charge controllers, instrumentation and auto-switching, water heaters and steam generators, incinerators, organic and inorganic waste management systems, boilers, vacuum tubes, radiators, water coolers, lighting products, energy collectors, energy accumulators, energy pumps, heat pumps, water distillation and desalination plants and systems, refrigeration plants and cold storage plants and systems, air heating, air cooling and air conditioning plants and systems, heat exchangers, insulating systems, including insulating materials, evaporators, condensers and absorption systems, absorption, adsorption and desiccant coolers, chillers and systems, air circulating, air suction and delivery fans and systems, air filtration systems, solar light pipes, guides and vents, renewable energy control instrumentation and systems, humidification and dehumidification plants and systems, renewable energy based household, consumer, educational and novelty products.*
- 3(k). *To carry on business of planning, establishing, developing, manufacturing, buying, selling, supplying, operating, managing, advising and providing services of every description and kind including but not limited to telecommunication towers, telecommunication systems and related infrastructure, systems and mechanical, electrical and electronic machinery, equipment, apparatus and devices, including surveying the site for feasibility, engineering, construction, erection, installation, commissioning, alteration, repair, takeover of the site for complete operation, and generating, producing, refining, receiving, improving, buying, selling, reselling, acquiring, using, transmitting, accumulating, employing, distributing, developing, handling, managing, advising, supplying, maintenance, providing energy management services through diversified conventional or non-conventional power sources, general housekeeping, caretaker services, security, site optimization, supply of hydrogen and other*

incidental products, and all other related, concerned and consequential services as required in this respect, whether covered hereinabove or not, including arrangement and provision of any of the abovementioned services by any other party(ies) on hire, rental, commission based or any other system and to carry on the above services in India and/or abroad for and on behalf of the Company as well as for others and to apply for and obtain registration as required.

3(l). To carry on business of engineering, procurement, construction, general engineers, mechanical engineers, process engineers, civil engineers, general mechanical and civil contractors for power plant, solar plant, and to enter into contracts and joint ventures in relation to and to erect, construct, supervise, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons, works of all descriptions, including plants of all descriptions, factories, mills, refineries, pipelines, gas works, electrical works, power plants, water works, water treatment plants and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in or acquire interest in companies carrying on the above business.”

It is hereby clarified that for the purposes of Clause 13 of the Scheme, the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the alteration of the memorandum of association under Clause 13 of the Scheme and that no further resolution under Section 13 of the Act, would be required to be separately passed. The Transferee Company shall file the requisite e-forms with the Registrar of Companies for alteration of its Memorandum of Association.

JJ. Upon the effectiveness of Part II of the Scheme, the Transferor Company shall stand dissolved without winding up. On and from the Effective Date 1, the name of the Transferor Company shall be struck off from the records of the concerned Registrar of Companies.

DEMERGER OF THE DEMERGED UNDERTAKING

KK. Subject to implementation of Part II of the Scheme and with effect from the Effective Date 2, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting of the Demerged Undertaking, the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in the Resulting Company on a going concern basis, so as to become on and from the Effective Date 2, the estate, assets, rights, title, interest and authorities of the Resulting Company, pursuant to Section 394(2) of the Act and all other applicable provisions, if any, of the Act and in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961.

LL. Without prejudice to the generality of the above, on and from the Effective Date 2:

- (i) the Demerged Undertaking including all its assets, properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and wheresoever situated shall, pursuant to the provisions of Section 394 and other applicable provisions, if any, of the Act, and pursuant to the order of the High Court sanctioning the Scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Effective Date 2, be and stand transferred to and vested in the Resulting Company as a going concern.
- (ii) the consents, permissions, licenses, certificates, authorisations (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets, trade formulae, and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company in relation to the Demerged Undertaking, be transferred to, and vest in, the Resulting Company.
- (iii) subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party subsisting or having effect on or immediately before the Effective Date 2 shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.
- (iv) in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Demerged Company, in relation to or in connection with the Demerged Undertaking, are concerned as on the Effective Date 2, including income tax deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions on and from the Effective Date 2.

- (v) all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of each of the Demerged Undertaking) of the Demerged Company as on the Effective Date 2 and relating to the Demerged Undertaking ("Transferred Liabilities") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date 2 and shall become the debts, liabilities, loans, obligations and duties of the Resulting Company which shall meet, discharge and satisfy the same. The term "Transferred Liabilities" shall include:
- (a) the liabilities which arise out of the activities or operations of the Demerged Undertaking;
 - (b) the specific loans or borrowings (including debentures raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and
 - (c) in cases other than those referred to in sub-clauses (a) or (b) above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bear to the total value of the assets of the respective Demerged Company immediately prior to the Effective Date 2.
- (vi) in so far as any encumbrance in respect of Transferred Liabilities is concerned, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to the Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Undertaking are concerned, the encumbrance, if any, over such assets relating to the Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to the Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities;
- (vii) any tax liabilities under Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Demerged Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Demerged Company's accounts, in relation to or in connection with the Demerged Undertaking, made as on the date immediately preceding the Effective Date 2 shall be transferred to the Resulting Company. Any surplus in the provision for taxation/ duties/ levies account as on the date immediately preceding the Effective Date 2 in relation to the Demerged Undertaking will also be transferred to the account of and belong to the Resulting Company.
- (viii) without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Demerged Company, in relation to or in connection with the Demerged Undertaking, is entitled to in terms of the applicable Tax Laws, including, but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to, and vest in, the Resulting Company.
- (ix) all debentures, bonds, other debt securities and other instruments of like nature (whether convertible into equity shares or not) including non-convertible debentures issued to/held by the Demerged Company, in relation to or in connection with the Demerged Undertaking, shall upon coming into effect of the Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company.
- (x) with respect to the investments made by the Demerged Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of Section 394 of the Act.

It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies etc, in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the High Court having sanctioned the Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- (xi) *the Resulting Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates, pertaining to the Demerged Undertaking.*
- MM. *All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Effective Date 2, the estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.*
- NN. *Upon the Effective Date 2 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favor of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and under the relevant license and or permit and / or approval, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.*
- OO. *Upon the effectiveness of Part III of the Scheme and with effect from the Effective Date 2, the Resulting Company undertakes to engage all the employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by the Demerged Company without any interruption of service as a result of transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the employees of the Demerged Company who are not eligible to become members of the provident fund maintained by the Resulting Company. In relation to those Employees who are not covered under the provident fund trust of the Resulting Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees.*
- PP. *Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.*
- QQ. *It is clarified that save as expressly provided for in the Scheme, the employees of the Demerged Company who become employees of the Resulting Company by virtue of the Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Resulting Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Resulting Company), unless otherwise determined by the Resulting Company. The Resulting Company undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Demerged Company with any employee of the Demerged Company who are engaged in or in relation to the Demerged Undertaking.*
- RR. *The transfer and vesting of the Demerged Undertaking under the Scheme and the continuance of the Proceedings by or against the Resulting Company under Clause 19 of the Scheme shall not affect any transaction or proceeding already completed by the Demerged Company relating to the Demerged undertaking till the Effective Date 2 to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.*
- SS. *Upon Part III of the Scheme becoming effective, employees of the Demerged Company (irrespective of whether they continue to be employees of the Demerged Company) holding options, restricted stock units, and / or stock appreciation rights (whether vested or unvested) under the Grasim Stock Option Plan - New and / or under Grasim ESOPs ("Part III Eligible Employees") as on the Effective Date 2 ("Grasim Existing Options"), shall continue to hold such Grasim Existing Options on the respective existing terms and conditions as has been prior to the Effective Date 2, except for such modifications as may be required to give effect to Clause 18 of the Scheme.*

- TT. *Immediately upon Part III of the Scheme becoming effective, the Grasim Existing Options shall continue, subject to such adjustments towards the demerger of the Demerged Undertaking, as may be deemed appropriate by the relevant committee of the Board of Demerged Company in accordance with the provisions of the Grasim Existing Options. It is clarified that the options, restricted stock units, and/or stock appreciation rights granted under and pursuant to the provisions of Clause 5.4.2 of the Scheme would continue and the exercise price of such options, restricted stock units, and/or stock appreciation rights may be suitably adjusted in order to provide for reduction in intrinsic value of the Demerged Company pursuant to the demerger of the Demerged Undertaking.*
- UU. *The Boards of the Demerged Company and the Resulting Company shall together decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Demerged Undertaking is to be compensated to the Grasim Existing Option holders. It is clarified that such compensation can be either by issue of new options, restricted stock units and/or stock appreciation rights by the Demerged Company to the Grasim Existing Option holders or by the Resulting Company by adopting a new incentive plan ("ABFS Incentive Scheme").*
- VV. *Subject to Applicable Laws, the adjustments to the exercise price per Grasim Existing Option, entitlement of the employees of the Demerged Company towards additional options, restricted stock units, and/or stock appreciation rights, proposed under Clauses 18.1 and 18.2 of the Scheme, shall be appropriately reflected in the accounts of the Demerged Company.*
- WW. *The adjustments to the Grasim Stock Option Plan - New and / or Grasim ESOPs, and the creation of the ABFS Incentive Scheme, allotment of options, restricted stock units and/or stock appreciation rights under the ABFS Incentive Scheme, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Parties to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the Grasim Stock Option Plan - New and/or Grasim ESOPs, and the creation of the ABFS Incentive Scheme, including without limitation, for the purposes of creating the ABFS Incentive Scheme, modifying the Grasim Stock Option Plan - New and / or Grasim ESOPs, modifying the exercise price of the Grasim Existing Options and all related matters, and no further approval of the shareholders of the Parties would be required in this connection under any Applicable Law, including, without limitation, Section 62 of the Companies Act, 2013 or the Companies (Share Capital and Debenture) Rules, 2014.*
- XX. *The Board of Directors of the Resulting Company has in-principally approved that, upto 1.5% (one and a half percent) of the fully diluted paid up capital of the Resulting Company, post demerger, shall be allocated towards future stock option scheme to be framed in compliance with Applicable Laws.*
- YY. *The Boards of Directors of the Demerged Company and the Resulting Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 18 of the Scheme.*
- ZZ. *If any Proceedings by or against the Demerged Company be pending, in relation to or in connection with the Demerged Undertaking, on the Effective Date 2, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Effective Date 2, the Resulting Company may initiate any Proceedings for and on behalf of the Demerged Company for matters relating to or in connection with the Demerged Undertaking. The Resulting Company shall have all Proceedings initiated by or against the Demerged Company with respect to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.*
- AAA. *Upon the effectiveness of Part III of the Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of the Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date 2, 7 (seven) equity shares of Rs 10 (Indian Rupees Ten) each of Resulting Company credited as fully paid up for every 5 (five) equity share of Rs 2 (Indian Rupees Two) each held by such shareholder in the Demerged Company ("Resulting Company New Equity Shares"). The ratio in which equity shares of the Resulting Company are to be issued and allotted to the shareholders of the Demerged Company is referred to as the "Share Entitlement Ratio (Demerger)". It is clarified that no cash consideration shall be paid by the Resulting Company to the Demerged Company or its shareholders.*
- BBB. *The Resulting Company New Equity Shares issued pursuant to Clause 20.1 of the Scheme, which the Resulting Company is unable to allot due to Applicable Laws (including, without limitation, the non receipt of approvals of an Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Resulting Company including to enable allotment and sale of such Resulting Company New Equity Shares to a trustee as mentioned in Clause 20.3 of the Scheme and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Demerged Company, in proportion to their entitlements as per the process specified in Clause 20.3 of the Scheme. If the*

above cannot be effected for any reason, the Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Resulting Company and / or the Depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.

- CCC. The Resulting Company shall apply for listing of its equity shares including those issued in terms of Clause 20.1 of the Scheme on BSE and NSE in terms of and in compliance of the SEBI Circular.
- DDD. The Resulting Company New Equity Shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange.
- EEE. In the event that the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio (Demerger) shall be adjusted accordingly to take into account the effect of any such corporate actions.
- FFF. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date 2 and the listing which may affect the status of the approvals received from the Stock Exchanges.
- GGG. Notwithstanding anything contained under the Scheme, on or before the Effective Date 2, the Resulting Company be and is hereby permitted to issue additional equity shares/ convertible instruments to (i) the Transferor Company aggregating to upto 38,25,80,000 (Thirty eight crore twenty five lakh eighty thousand) fully paid up equity shares of Rs 10 (Indian Rupees Ten) each of the Resulting Company on rights basis and; (ii) one or more financial investors not being promoter(s) or persons acting in concert with the promoters of the Parties, aggregating to not more than 5% of the fully diluted share capital of the Resulting Company, by way of preferential allotment at fair value to be determined by an independent valuer, in accordance with the provisions of Applicable Law. It is clarified that, for the purposes of computing the minimum public shareholding requirement of 25% (twenty five per cent) under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and the SEBI Circular, the equity shares/ convertible instruments so issued to such financial investors shall be excluded while computing the minimum public shareholding requirement of 25% (twenty five per cent). The equity shares so issued to the Transferor Company and such financial investors shall rank pari-passu with the existing equity shares and the Resulting Company New Equity Shares.
- HHH. Upon coming into effect of Part III of the Scheme and issuance of shares in the Share Entitlement Ratio (Demerger) by the Resulting Company pursuant to provisions of Clause 20.1 of the Scheme, the Resulting Company shall issue to the depository of the Demerged Company in relation to the Demerged Company GDRs ("Resulting Company Depository"), shares of the Resulting Company in accordance with the Share Entitlement Ratio (Demerger). Subject to Clause 20.15 of the Scheme, the Resulting Company Depository shall hold such shares of the Resulting Company on behalf of the holders of the Demerged Company GDRs.
- III. The Resulting Company shall enter into appropriate arrangements with the Resulting Company Depository appointed by the Resulting Company pursuant to a deposit agreement to be entered into between the Resulting Company and the Resulting Company Depository ("Resulting Company Depository Agreement"), for issuance of GDRs representing such shares ("Resulting Company GDRs"), subject to the provisions of Clauses 20.18 of the Scheme, on pro-rata basis to holders of GDRs, in accordance with the deposit agreement entered into between the Demerged Company and its depository ("Deposit Agreement").
- JJJ. The Resulting Company, the Resulting Company Depository, the Demerged Company and/or the existing depository of the Demerged Company shall execute such further documents and take such further actions as may be deemed necessary or appropriate by the Resulting Company and/or the Demerged Company and the Resulting Company Depository.
- KKK. The Resulting Company GDRs issued pursuant to Clause 20.14 of the Scheme shall have right to issue voting instructions and shall be listed on the LSE. The Resulting Company shall take such additional steps and do all such acts, deeds and things as may be necessary for purposes of listing the Resulting Company GDRs.
- LLL. The Resulting Company GDRs and the equity shares underlying the Resulting Company GDRs may not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and the Resulting Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the High Courts to the Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the Resulting Company GDRs and the equity shares of the Resulting Company, including, without limitation, the equity shares underlying the Resulting Company GDRs, for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.
- MMM. Notwithstanding anything contained herein, if the Board of the Resulting Company determines that it is unable to issue the Resulting Company GDRs due to Applicable Laws (including, without limitation, the non receipt of approvals of an Appropriate Authority as required under Applicable Law), it may elect, in its sole discretion and subject to receipt of such

approvals as may be required, to enter into suitable arrangements which may include arrangements with the depository for providing for issuance of equity shares by the Resulting Company to the Resulting Company Depository, which represent the entitlement of the holders of the Demerged Company GDRs. If the above cannot be effected for any reason, the Resulting Company and the Demerged Company shall ensure that this does not delay implementation of the Scheme; and shall, in consultation with each other, take all such actions as may be necessary, including sale of such number of shares, which represent the entitlement of the holders of the Demerged Company GDRs, and thereafter, to remit net sales proceeds (after deduction of applicable taxes and expenses incurred), without delay to the effectiveness or implementation of the Scheme. The Resulting Company, the Demerged Company and/ or the Resulting Company Depository shall execute such further documents and take such further actions as may be necessary or appropriate in this behalf to enable the actions contemplated herein.

NNN. Upon the effectiveness of part III of the Scheme, in accordance with the applicable accounting standards, Companies Act, 2013 and generally accepted accounting principles in India:

- i. The value of all assets and liabilities pertaining to the Demerged undertaking which cease to be assets and liabilities of the Demerged Company shall be reduced by the Demerged Company at their carrying values; and
- ii. The difference i.e. the excess or shortfall, as the case may be, of the value of transferred assets over the transferred liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to the Scheme shall be adjusted to the reserves of the Demerged Company.

OOO. Upon the effectiveness of Part III of the Scheme and with effect from the Effective Date 2:

- i. the Resulting Company shall record transferred assets and liabilities pertaining to the Demerged Undertaking at the respective carrying values as appearing in the books of Demerged Company;
- ii. the Resulting Company shall issue shares to the shareholders of the Demerged Company as per Clause 20 of the Scheme. These shares shall be issued and recorded at face value and accordingly the aggregate face value of the shares to be issued shall be credited to the Resulting Company's share capital account; and
- iii. the difference, if any, between the value of assets and value of liabilities pertaining to the Demerged Undertaking, after adjusting the amount credited as share capital as per sub-clause ii. above, shall be accounted in accordance with the applicable accounting standards, the Act and generally accepted accounting principles in India.

PPP. The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.

QQQ. All proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date 2 or which may be instituted at any time thereafter, and relating to the Remaining Undertaking of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the remaining business) shall be continued and enforced against the Demerged Company.

RRR. If proceedings are taken against the Resulting Company in respect of matters referred to in Clause III of the Scheme relating to the Remaining Undertaking, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.

SSS. If proceedings are taken against the Demerged Company in respect of matters referred to in Clause III of the Scheme relating to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company, against all liabilities and obligations incurred by the Demerged Company in respect thereof.

TTT. Part II of the Scheme is conditional on and subject to:

- i. the sanction or approval of the Appropriate Authorities including Competition Commission of India and other sanctions and approvals (as may be required by Applicable Law) in respect of Part II of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
- ii. certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction for the Transferor Company and the Transferee Company in relation to Part II of the Scheme.

UUU. Part III of the Scheme is conditional on and subject to:

- i. the sanction or approval of the Appropriate Authorities including Foreign Investment Promotion Board and other sanctions and approvals (as may be required by Applicable Law) in respect of Part III of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;

- ii. *the Transferor Company shall have transferred shares held in BSLI to the Resulting Company, for a cash consideration, in accordance with the provisions of Applicable Law; and*
- iii. *certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction by the Demerged Company and the Resulting Company in relation to Part III of the Scheme.*

VVV. *Other conditions precedent for the Scheme:*

- i. *approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, as applicable or as may be required under the Act and as may be directed by the High Courts;*
- ii. *the Parties, as the case may be, complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Parties through postal ballot and e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders, of the Transferor Company and the Transferee Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957; and*
- iii. *the sanctions and orders of each of the High Courts, under Sections 391 to 394 of the Companies Act, 1956 being obtained by the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company.*

WWW. *It is hereby clarified that submission of the Scheme to the High Court; and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company may have under or pursuant to all appropriate and Applicable Law.*

XXX. *The effectiveness of: (a) Part II of the Scheme shall be subject to the satisfaction or waiver (if capable of waiver) by the Board of the Transferor Company and the Transferee Company, of the conditions precedent as stated in Clause 26.1 and 26.3 of the Scheme, at or prior to Effective Date 1; and (b) Part III of the Scheme shall be subject to the satisfaction or waiver (if capable of waiver) by the Board of the Demerged Company and the Resulting Company, of the conditions precedent as stated in Clause 26.2 and 26.3 of the Scheme, at or prior to Effective Date 2. Notwithstanding what is stated in Clause 26.5 of the Scheme: (x) Part I and Part IV of the Scheme shall be effective from the date of approval of the Scheme by the Boards of the Transferor Company, the Transferee Company and the Resulting Company; (y) Clause 11 of the Scheme shall be effective from the date of approval of the Scheme by the Boards of the Transferor Company and the Transferee Company until the Effective Date 1; and (z) Clause 22 of the Scheme shall be effective from the Effective Date 1 until the Effective Date 2.*

YYY. *On the approval of the Scheme by the shareholders of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation and demerger, as the case may be, set out in the Scheme, related matters and the Scheme itself.*

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

Other matters

- 43. Summary of the Joint Valuation Report including the basis of valuation is enclosed as **Annexure 3**.
- 44. The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.
- 45. Under the Scheme, an arrangement is sought to be entered into between ABNL and its equity shareholders. Upon the sanctioning of the Scheme, and in terms of Part II of the Scheme, the equity shareholders (whether promoter shareholders or non-promoter shareholders) (other than Grasim) of ABNL shall become the equity shareholders of Grasim based on the Share Exchange Ratio as stipulated in Clause 7 of the Scheme and that the said equity shareholders would no longer remain the equity shareholders of ABNL as upon the effectiveness of Part II of the Scheme, ABNL shall stand dissolved without winding up. Upon the effectiveness of Part II of the Scheme, the equity shares held by Grasim in the paid-up equity share capital of ABNL shall stand cancelled.

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured (including debentureholders) of ABNL except to the extent that upon the effectiveness of Part II of the Scheme, the creditors of ABNL shall become the creditors of Grasim in the manner as provided in the Scheme. No compromise is offered under the Scheme to any of the creditors of ABNL. The liability of the creditors of ABNL, under the Scheme, is neither being reduced nor being extinguished.

The creditors of ABNL would in no way be affected by the present Scheme. The debenture trustee(s) appointed in respect of the unsecured debentures issued by ABNL shall continue upon the effectiveness of Part II of the Scheme.

As on date, ABNL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise.

Under Clause 5 of Part II of the Scheme, on and from the Effective Date 1, Grasim undertakes to engage all the Employees of ABNL on the same terms and conditions on which they are engaged by ABNL without any interruption of service and in the manner provided under Clause 5 of Part II of the Scheme. In the circumstances, the rights of the Employees of ABNL would in no way be affected by the Scheme. The key managerial personnel of ABNL are also the Employees of ABNL.

Upon the effectiveness of Part II of the Scheme, the directors of ABNL shall cease to be its directors as ABNL shall stand dissolved without winding up.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of ABNL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in ABNL and/or Grasim and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent that one of the Key Managerial Personnel is holding shares in ABFSL as a nominee and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The shareholding of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of each of the Companies.

46. Under the Scheme, an arrangement is sought to be entered into between Grasim and its equity shareholders (promoter shareholders and non-promoter shareholders). Upon the effectiveness of Part II of the Scheme, Grasim shall allot equity shares, based on the Share Exchange Ratio and in the manner as stipulated in Clause 7 of the Scheme, to the equity shareholders of ABNL. Upon the effectiveness of Part II of the Scheme, the equity shares held by Grasim in the paid-up equity share capital of ABNL shall stand cancelled. Further, upon the effectiveness of Part III of the Scheme, ABFSL shall allot equity shares, based on the Share Entitlement Ratio and in the manner as stipulated in Clause 20 of the Scheme, to the equity shareholders of Grasim including the depository of Grasim in relation to Grasim's GDRs.

In respect of Part II of the Scheme, there is no arrangement with the creditors, either secured or unsecured of Grasim. No compromise is offered under Part II of the Scheme to any of the creditors of Grasim. The liability of the creditors of Grasim, under Part II of the Scheme, is neither being reduced nor being extinguished. In respect of Part III of the Scheme, an arrangement is sought to be entered into between Grasim and its creditors relating to the Demerged Undertaking though no liabilities of creditors of the Demerged Undertaking of Grasim is being reduced or being extinguished under Part III of the Scheme.

As on date, Grasim has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, Grasim has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under Part II of the Scheme, no rights of the Employees of Grasim are being affected. The services of the Employees of Grasim, under Part II of the Scheme, shall continue on the same terms and conditions on which they were engaged by Grasim. Under Clause 17 of Part III of the Scheme, on and from the Effective Date 2, ABFSL undertakes to engage the Employees of Grasim, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by Grasim without any interruption of service and in the manner provided under Clause 17 of Part III of the Scheme. In the circumstances, the rights of the Employees of Grasim, engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of Grasim.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of Grasim and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in ABNL and/or Grasim and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in ABFSL as nominee and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The shareholding of each of the said Directors, the Key Managerial Personnel and their respective relatives, is less than 2% of the paid-up share capital of each of the Companies.

47. Under the Scheme, an arrangement is sought to be entered into between ABFSL and its shareholders. Upon the effectiveness of Part III of the Scheme, ABFSL shall allot equity shares, based on the Share Entitlement Ratio and in the

manner as stipulated in Clause 20 of the Scheme, to the equity shareholders of Grasim including the depository of Grasim in relation to Grasim's GDRs.

ABFSL as on 31st day of January 2017 has no creditors (either secured or unsecured). Therefore, the question of the Scheme having any effect on the said creditors does not arise. Even otherwise, under the Scheme, there is no arrangement with the creditors (assuming there may be any creditors henceforth) of ABFSL.

As on date, ABFSL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, ABFSL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under Part III of the Scheme, no rights of the Employees of ABFSL are being affected.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of ABFSL.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of ABFSL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in ABNL and/or Grasim and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent that the said Director(s) are holding shares in ABFSL as nominees and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. As ABFSL is a wholly owned subsidiary of ABNL, none of the said Directors, the Key Managerial Personnel and their relatives, are holding any shares in the paid-up share capital of ABFSL in their individual capacity. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

48. In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of ABNL, Grasim and ABFSL have in their separate meetings held on 14th day of February 2017, 30th day of January 2017 and 8th day of February 2017 respectively, have adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders amongst others. Copy of the Reports adopted by the respective Board of Directors of ABNL, Grasim and ABFSL are enclosed as **Annexure 4**, **Annexure 5** and **Annexure 6**, respectively.
49. No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.
50. To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.
51. The copy of the proposed Scheme has been filed by the respective Companies before the concerned Registrar of Companies all on 12th day of January 2017.
52. The Supplementary Unaudited Accounting Statement of ABNL, Grasim and ABFSL for the period ended 31st December 2016 are enclosed as **Annexure 7**, **Annexure 8** and **Annexure 9**, respectively
53. As per the books of accounts (as on 31st January 2017) of ABNL and Grasim, respectively, the amount due to the unsecured creditors are Rs. 2931.77 crores and Rs. 641.24 crores, respectively. As per the books of accounts of ABFSL (as on 31st January 2017), there are no unsecured creditors of ABFSL.

54. The name and addresses of the Promoters of ABNL including their shareholding in the Companies as on 31st January 2017 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	ABNL		Grasim		ABFSL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 2/- each	%	No. of Shares of Rs. 10/- each	%
Promoters							
1	Shri Kumar Mangalam Birla Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400 026	4,609	-	30,080	0.01	Nil	Nil
2	Birla Group Holdings Private Limited Industry House, 159 Churchgate Reclamation Mumbai-400020	36,10,300	2.77	61,820	0.01	Nil	Nil
Promoter Group							
3	Shri Aditya Vikram Kumarmangalam Birla HUF Aditya Birla Centre, A-Wing, 5th Floor, S.K. Ahire Marg, Worli, Mumbai - 400 030	150	-	89,495	0.02	Nil	Nil
4	Smt. Rajashree Birla Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400 026	1,27,634	0.10	3,61,400	0.08	Nil	Nil
5	Smt. Neerja Birla Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400 026	1,975	-	70,100	0.02	Nil	Nil
6	Smt. Vasavadatta Bajaj 16-A Il-Palazzo, Little Gibbs Road, Mumbai - 400 006	1,835	-	1,15,785	0.02	Nil	Nil
7	TGS Investment And Trade Private Limited 212 T. V. Industrial Estate, 2nd Floor, 52 S K Ahire Marg, Worli, Mumbai - 400 030	1,46,71,037	11.26	1,38,75,520	2.97	Nil	Nil
8	Trapti Trading And Investments Private Limited Industry House, 1st Floor, 159 Churchgate Reclamation, Mumbai - 400 020	94,23,935	7.24	2,73,89,315	5.87	Nil	Nil
9	Turquoise Investment And Finance Private Limited Industry House, 1st Floor, 159 Churchgate Reclamation, Mumbai - 400 020	83,85,421	6.44	2,95,41,705	6.33	Nil	Nil
10	Birla Consultants Limited Century Bhavan, Dr. A.B. Road, Worli, Mumbai - 400 030	28,655	0.02	44,400	0.01	Nil	Nil

Sr. No.	Name and address of Promoters and Promoter Group	ABNL		Grasim		ABFSL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 2/- each	%	No. of Shares of Rs. 10/- each	%
11	Birla Industrial Finance (India) Limited Century Bhavan, Dr. A.B. Road, Worli, Mumbai - 400 030	27,790	0.02	45,800	0.01	Nil	Nil
12	Birla Industrial Investments (India) Limited Century Bhavan, Dr. A.B. Road, Worli, Mumbai - 400 030	5,955	0.00	9,725	0.00	Nil	Nil
13	ECE Industries Ltd. Ece House, 28-A, Kasturba Gandhi Marg, New Delhi-110001	1,19,163	0.09	1,58,350	0.03	Nil	Nil
14	Grasim Industries Ltd. Birlagram, Nagda, Madhya Pradesh - 456 331	33,45,816	2.57	Nil	Nil	Nil	Nil
15	Hindalco Industries Limited Century Bhawan, 3rd Floor, Dr A B Road, Worli, Mumbai-400025	86,50,412	6.64	1,52,46,850	3.27	Nil	Nil
16	IGH Holdings Private Limited Industry House, 1st Floor, 159, Churchgate Reclamation, Mumbai - 400 020	2,05,52,102	15.78	26,63,140	0.57	Nil	Nil
17	Manav Investment And Trading Co. Ltd. 9/1, R.N.Mukherjee Road, Kolkata- 700 001	1,14,675	0.09	10,26,535	0.22	Nil	Nil
18	Pilani Investment And Industries Corporation Ltd. Birla Building, 4th Floor, 9/1, R.N. Mukherjee Road, Kolkata- 700 001	1,87,098	0.14	2,23,43,465	4.79	Nil	Nil
19	Umang Commercial Company Pvt Ltd. Industry House, Ground Floor, 159 Churchgate Reclamation, Churchgate Mumbai- 400020	1,24,94,765	9.59	80,04,115	1.71	Nil	Nil

55. The name and addresses of the Promoters of Grasim including their shareholding in the Companies as on 31st January 2017 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	ABNL		Grasim		ABFSL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 2/- each	%	No. of Shares of Rs. 10/- each	%
Promoters							
1	Shri Kumar Mangalam Birla Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400026	4,609	-	30,080	0.01	Nil	Nil

Sr. No.	Name and address of Promoters and Promoter Group	ABNL		Grasim		ABFSL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 2/- each	%	No. of Shares of Rs. 10/- each	%
2	Birla Group Holdings Private Limited Industry House, 159 Churchgate Reclamation Mumbai - 400020	36,10,300	2.77	61,820	0.01	Nil	Nil
Promoters Group							
3	Shri Aditya Vikram Kumarmangalam Birla HUF Aditya Birla Centre, A-Wing, 5th Floor, S.K. Ahire Marg, Worli, Mumbai - 400 030	150	-	89,495	0.02	Nil	Nil
4	Smt. Rajashree Birla Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai 400026	1,27,634	0.10	3,61,400	0.08	Nil	Nil
5	Smt. Neerja Birla Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400026	1,975	-	70,100	0.02	Nil	Nil
6	Smt. Vasavadatta Bajaj 16-A Il-Palazzo, Little Gibbs Road, Mumbai - 400 006	1,835	-	1,15,785	0.02	Nil	Nil
7	Turquoise Investment And Finance Private Limited Industry House 1st Floor, 159 Churchgate Reclamation, Mumbai - 400 020	83,85,421	6.44	2,95,41,705	6.33	Nil	Nil
8	Trapti Trading And Investments Private Limited Industry House, 1st Floor, 159 Churchgate Reclamation, Mumbai - 400 020	94,23,935	7.24	2,73,89,315	5.87	Nil	Nil
9	Pilani Investment And Industries Corporation Ltd. Birla Building, 4th Floor, 9/1, R.N. Mukherjee Road, Kolkata - 700 001	1,87,098	0.14	2,23,43,465	4.79	Nil	Nil
10	Hindalco Industries Limited Century Bhawan, 3rd Floor Dr A B Road, Worli, Mumbai - 400025	86,50,412	6.64	1,52,46,850	3.27	Nil	Nil
11	TGS Investment And Trade Private Limited 212 T. V. Industrial Estate, 2nd Floor, 52 S K Ahire Marg, Worli, Mumbai - 400 030	1,46,71,037	11.26	1,38,75,520	2.97	Nil	Nil
12	Umang Commercial Company Pvt Ltd. Industry House, Ground Floor, 159 Churchgate Reclamation, Churchgate Mumbai- 400020	1,24,94,765	9.59	80,04,115	1.71	Nil	Nil

Sr. No.	Name and address of Promoters and Promoter Group	ABNL		Grasim		ABFSL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 2/- each	%	No. of Shares of Rs. 10/- each	%
13	IGH Holdings Private Limited Industry House, 1st Floor, 159, Churchgate Reclamation, Mumbai - 400 020	2,05,52,102	15.78	26,63,140	0.57	Nil	Nil
14	Manav Investment And Trading Co. Ltd. 9/1, R.N. Mukherjee Road, Kolkata- 700 001	1,14,675	0.09	10,26,535	0.22	Nil	Nil
15	Birla Institute of Technology And Science Vidya Vihar , P. O. Pilani, Dist. Jhunjhunu, Rajasthan-333 031	-	-	6,61,205	0.14	Nil	Nil
16	Renuka Investments & Finance Limited P. O. Renukoot, Sonbhadra, Uttar Pradesh-231 217	-	-	2,42,185	0.05	Nil	Nil
17	ECE Industries Ltd. ECE House, 28-A, Kasturba Gandhi Marg, New Delhi-110001	1,19,163	0.09	1,58,350	0.03	Nil	Nil
18	Birla Consultants Limited Century Bhavan, Dr. A.B. Road, Worli, Mumbai - 400 030	28,655	0.02	44,400	0.01	Nil	Nil
19	Birla Industrial Finance (India) Limited Century Bhavan, Dr. A.B. Road, Worli, Mumbai - 400 030	27,790	0.02	45,800	0.01	Nil	Nil
20	Birla Industrial Investments (India) Limited Century Bhavan, Dr. A.B. Road, Worli, Mumbai - 400 030	5,955	0.00	9,725	0.00	Nil	Nil
21	Vikram Holdings Pvt. Ltd. Industry House, 159 Churchgate Reclamation Mumbai 400020	-	-	750	0.00	-	-
22	Vaibhav Holdings Private Limited 212, 2nd Floor, TV Industrial Estate, 52 S K Ahire Marg, Worli, Mumbai 400030	-	-	670	0.00	-	-
23	Rajratna Holdings Private Limited 212, 2nd Floor, T V Industrial Estate, 52 S K Ahire Marg, Worli, Mumbai 400030	-	-	670	0.00	-	-
24	P.T. Indo Bharat Rayon* Menara Batavia, 16 th Floor Jl, K. H. Mas Mansyur Kav. 126 Jakarta, 10220 Indonesia	-	-	2,00,04,020	4.29	-	-

Sr. No.	Name and address of Promoters and Promoter Group	ABNL		Grasim		ABFSL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 2/- each	%	No. of Shares of Rs. 10/- each	%
25	P T Sunrise Bumi Textiles* Sunrise Bumi Textiles Jl. Raya Bekasi Km 28 Desa Harapan Jaya Bekasi - 17133, Indonesia	-	-	1,268,750	0.27	-	-
26	P T Elegant Textile Industry* Menara Batavia Level 16 J1.K.H. Mas Mansyur Kav. 126 Jakarta 10220, Indonesia	-	-	808,750	0.17	-	-
27	Thai Rayon Public Company Limited * 888/160-1 Mahatun Plaza Building, 16th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330	-	-	1,925,000	0.41	-	-
28	Surya Kiran Investments Pte Limited* 65 Chulia Street, OCBC Centre# 48-05/08, Singapore 049513	-	-	5,000	0.00	-	-

* Held Global Depository Receipt (GDR) and one GDR is equivalent to one equity share of Rs. 2/- each.

56. The name and addresses of the Promoters of ABFSL including their shareholding in the Companies as on 31st January 2017 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	ABNL		Grasim		ABFSL	
		No. of Shares of Rs. 10/- each	%	No. of Shares of Rs. 2/- each	%	No. of Shares of Rs. 10/- each	%
1	Aditya Birla Nuvo Limited along with its nominees Indian Rayon Compound, Veraval, Gujarat – 362 266	Nil	-	Nil	Nil	81,86,52,465#	99.96
2	ABNL Investment Limited* (Wholly owned subsidiary of Aditya Birla Nuvo Limited) Indian Rayon Compound, Junagadh Veraval Road, Veraval, Gujarat 362266	Nil	-	Nil	Nil	3,07,535	0.04
	TOTAL	Nil	-	Nil	-	81,89,60,000	100

1,99,92,465 Equity Shares were paid up to the extent of Rs. 7.75 only, which became fully paid-up on 6th day of February 2017.

* Subsequent to 31st day of January 2017 all the equity shares held by ABNL Investment Limited has been transferred to ABNL.

57. The details of the Directors of ABNL as on 31st January 2017 are as follows:

Sr. No.	Name of Director	Address	DIN
1.	Mr. Kumar Mangalam Birla	Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400 026	00012813
2.	Mrs. Rajashree Birla	Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400 026	00022995
3.	Mr. P. Murari	2, Gilchrist Avenue, Harrington Road, Chetpet Chennai - 600 031	00020437
4.	Mr. B. R. Gupta	House No.1180, Urban Estate Phase-1, Jalandhar City, Punjab - 144 022.	00020066
5.	Ms. Tarjani Vakil	A-1, Ishwardas Mansion, Nana Chowk, Mumbai - 400 007.	00009603
6.	Mr. S. C. Bhargava	1305, Dosti Aster (Dosti Acres), New Uphill Link Road, Off S. M. Road, Antop Hill, Wadala (E), Mumbai - 400 037.	00020021
7.	Mr. V. Chandrasekaran	B 2/6, 1st Floor, Jeevan Shanti Colony S V Road Santacruz West, Mumbai - 400 054	03126243

58. The details of the Directors of Grasim as on 31st January 2017 are as follows:

Sr. No.	Name of Director	Address	DIN
1	Mr. Kumar Mangalam Birla	Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400 026	00012813
2	Mrs. Rajashree Birla	Mangal Adityayan, 20 Carmichel Road, Behind Jaslok Hospital, Mumbai - 400 026	00022995
3	Mr. M.L. Apte	24-B, Woodlands, Pedder Road, Mumbai - 400 026	00003656
4	Mr. B.V. Bhargava	B/1201, Gulmohar Apts, Ceaser Road, Amboli, Andheri (West), Mumbai - 400 058	00001823
5	Mr. Cyril Shroff	67, Rupam, Worli Sea Face, Mumbai - 400 030	00018979
6	Dr. Thomas M. Connelly Jr.	201, Chandler LN Cherrington, Wilmington, DE 198070000, US	03083495
7	Mr. N. Mohan Raj	Plot No. 16, 1st floor, Sri Kamatchi Nagar, Mugalivakkam, Chennai - 600125	00181969
8	Mr. Shailendra K. Jain	Executive Block 3, Grasim Staff Colony, Birlagram, Nagda 456331 (M.P.)	00022454
9	Mr. Om Prakash Rungta	A-7, 902, Ganga Satellite, Wanawadi, Pune - 411 040, Maharashtra	00020559
10	Mr. Arun Kannan Thiagarajan	Grace Home, 37 Kanakapura Road, Basavangudi, Bangalore 560 004	00292757
11	Mr. Dilip Gaur	GEP Bungalow, Birla Copper Township, at PO Dahej, Taluka Vagara Bharuch - 392130	02071393
12	Mr. Sushil Agarwal	Ocean C. H. Society Ltd., 301, Ocean View Union Park, Khar West, Mumbai - 400 052	00060017

59. The details of the Directors of ABFSL as on 31st January 2017 are as follows:

Sr. No.	Name of Director	Address	DIN
1	Mr. Durga Prasad Rathi	502, Shree Shivdttta Apts., Near Lalji, Station Road, Goregaon (W), Mumbai - 400 062	01491926
2	Mrs. Pinky Mehta	602, Shree Vishwas CHSL, 6 Floor, Sir P M Road, Near Kunku Wadi, Hanuman Temple, Vile Parle (East), Mumbai - 400 057	00020429
3	Mr. Shriram Jagetiya	302, Prathamesh Pooja, TPS Road, Near Shimpoli Ganapti Temple, Borivali (West), Mumbai - 400 092	01638250
4	Mr. Subhash Chandra Bhargava	1305, Dosti Aster (Dosti Acres), New Uphill Link Road, Off S.M. Road, Antop Hill, Wadala (East), Mumbai - 400 037	00020021

60. The details of the shareholding of the Directors and the Key Managerial Personnel (KMP) of ABNL in ABNL, Grasim and ABFSL as on 31st January 2017 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		ABNL	Grasim	ABFSL
Mr. Kumar Mangalam Birla	Non-Executive Chairman	4,609	30,080	Nil
Mrs. Rajashree Birla	Independent Director	1,27,634	3,61,400	Nil
Mr. P. Murari	Independent Director	Nil	Nil	Nil
Mr. B. R. Gupta	Independent Director	Nil	Nil	Nil
Ms. Tarjani Vakil	Independent Director	177	1,610	Nil
Mr. S. C. Bhargava	Independent Director	233	Nil	Nil
Mr. V. Chandrasekharan	Nominee Director	Nil	Nil	Nil
Mrs. Pinky Mehta	Chief Financial Officer	1,978	205	Nil
Mr. Shriram Jagetiya [#]	Manager	3,948	280	10*
Mr. Ashok Malu	Company Secretary	468	8,490	3*

* held as nominee of ABNL

[#] Appointed as Manager w.e.f. 14th February, 2017

61. The details of the shareholding of the Directors and the Key Managerial Personnel of Grasim in ABNL, Grasim and ABFSL as on 31st January 2017 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		ABNL	Grasim	ABFSL
Mr. Kumar Mangalam Birla	Non-Executive Chairman	4,609	30,080	Nil
Mrs. Rajashree Birla	Non-Executive Director	1,27,634	3,61,400	Nil
Mr. M.L. Apte	Independent Director	Nil	650	Nil
Mr. B.V. Bhargava	Independent Director	Nil	2,400	Nil
Mr. Cyril Shroff	Independent Director	Nil	685	Nil
Dr. Thomas M. Connelly, Jr.	Independent Director	Nil	Nil	Nil
Mr. N. Mohan Raj	Nominee Director	Nil	Nil	Nil
Mr. Shailendra K. Jain	Non-Executive Director	290	64,995	Nil
Mr. Om Prakash Rungta	Independent Director	Nil	635	Nil
Mr. Arun Kannan Thiagarajan	Independent Director	Nil	1,475	Nil
Mr. Dilip Gaur	Managing Director	Nil	Nil	Nil
Mr. Sushil Agarwal	Whole Time Director & CFO	23,025	390	10*
Mrs. Hutokshi Wadia	Company Secretary	Nil	Nil	Nil

* held as nominee of ABNL

62. The details of the shareholding of the Directors and the Key Managerial Personnel of ABFSL in ABNL Grasim and ABFSL as on 31st January 2017 are as follows:

Name of Director and KMP	Position	Equity Shares held in		
		ABNL	Grasim	ABFSL
Mr. Durga Prasad Rathi	Independent Director	200	350	Nil
Mrs. Pinky Mehta	Non-Executive Director	1,978	205	Nil
Mr. Shriram Jagetiya	Non-Executive Director	3,948	280	10*
Mr. Subhash Chandra Bhargava	Independent Director	233	Nil	Nil
Mr. Ajay Srinivasan	Chief Executive Officer	Nil	Nil	Nil
Mrs. Anjali Makhija	Chief Financial Officer	Nil	Nil	Nil
Mr. Sailesh Daga	Company Secretary	5	10	Nil

* held as nominee of ABNL

63. The Pre-Arrangement shareholding pattern of ABNL, Grasim and ABFSL as on 31st January 2017 and the Post-Arrangement (expected) shareholding pattern of Grasim and ABFSL are as under:

Pre-Arrangement shareholding pattern of ABNL as on 31st January 2017:

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided Family	1,36,203	0.10
(b)	Body Corporate	8,16,17,124	62.66
	Sub-Total (A)(1)	8,17,53,327	62.77
(2)	Foreign		-
(a)	Body Corporate (through GDRs)	-	-
	Sub-Total (A)(2)	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	8,17,53,327	62.77
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds	53,77,986	4.13
(b)	Foreign Portfolio Investors	1,32,77,979	10.19
(c)	Financial Institutions/Banks	1,52,105	0.12
(d)	Insurance Companies	72,67,909	5.58
	Sub Total (B)(1)	2,60,75,979	20.02
(2)	Central Government/State Government(s)/President of India	5,271	0.00
	Sub Total (B)(2)	5,271	0.00

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(3)	Non-Institutions		-
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	1,24,48,902	9.56
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	31,71,254	2.43
(b)	NBFCs Registered with RBI	10,338	0.01
(c)	Overseas Depositories (Holding GDRs)	-	-
(d)	Any Other		
	Trusts	8,31,945	0.64
	Overseas Corporate Bodies	3,241	0.00
	Non Resident Indians Repatriation	7,08,923	0.54
	Clearing Members	3,62,605	0.28
	NRI Non-Repatriation	2,16,818	0.17
	Bodies Corporate	46,40,016	3.56
	Foreign Nationals	15,369	0.01
	Sub Total (B)(3)	2,24,09,411	17.21
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	4,84,90,661	37.23
	Total Shareholding (A+B)	13,02,43,988	100.00

Pre-Arrangement shareholding pattern of Grasim as on 31st January 2017:

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided Family	6,66,860	0.14
(b)	Body Corporate	12,13,16,220	25.99
	Sub-Total (A)(1)	12,19,83,080	26.13
(2)	Foreign	-	-
(a)	Body Corporate (through GDRs)	2,40,11,520	5.14
	Sub-Total (A)(2)	2,40,11,520	5.14
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	14,59,94,600	31.28
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds	3,94,13,633	8.44
(b)	Foreign Portfolio Investors	9,87,90,089	21.16
(c)	Financial Institutions/Banks	13,14,515	0.28
(d)	Insurance Companies	3,55,19,671	7.61
(e)	Foreign Bodies-DR	1,64,34,736	3.52
	Sub Total (B)(1)	19,14,72,644	41.02
(2)	Central Government/State Government(s)/President of India	-	-
	Sub Total (B)(2)	-	-

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	4,24,67,405	9.10
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	23,05,160	0.49
(b)	NBFCs Registered with RBI	3,660	0.00
(d)	Overseas Depositories (Holding GDRs)	2,46,19,974	5.27
(e)	Any Other		
	Trusts	29,97,826	0.64
	Overseas Corporate Bodies	1,31,13,065	2.81
	Non Resident Indians	21,84,717	0.47
	Clearing Members	22,11,434	0.47
	NRI Non-Repatriation	7,33,710	0.16
	Bodies Corporate	3,86,93,945	8.29
	Foreign Nationals	3,380	0.00
	Sub Total (B)(3)	12,93,34,276	27.71
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	32,08,06,920	68.72
	Total Shareholding (A+B)	46,68,01,520	100.00

Pre-Arrangement shareholding pattern of ABFSL as on 31st January 2017:

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided Family	-	-
(b)	Body Corporate	1,23,22,40,000	100.00
	Sub-Total (A)(1)	1,23,22,40,000	100.00
(2)	Foreign		
(a)	Body Corporate (through GDRs)	-	-
	Sub-Total (A)(2)		
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1,23,22,40,000	100.00
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds	-	-
(b)	Foreign Portfolio Investors	-	-
(c)	Financial Institutions/Banks	-	-
(d)	Insurance Companies	-	-
	Sub Total (B)(1)		
(2)	Central Government/State Government(s)/President of India		
	Sub Total (B)(2)		

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	-	-
(b)	NBFCs Registered with RBI	-	-
(c)	Overseas Depositories (Holding GDRs)	-	-
(d)	Any Other		
	Trusts	-	-
	Overseas Corporate Bodies	-	-
	Non Resident Indians	-	-
	Clearing Members	-	-
	NRI Non-Repatriation	-	-
	Bodies Corporate	-	-
	Foreign Nationals	-	-
	Sub Total (B)(3)	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	-	-
	Total Shareholding (A+B)	1,23,22,40,000	100.00

Note: The Pre-Arrangement shareholding of ABFSL as on 31st day of January 2017 includes the following proposed issuance of shares by ABFSL pursuant to the Scheme

- a) Conversion of 30,70,00,000 0.01% non-cumulative compulsorily convertible preference shares issued by it into 3,07,00,000 equity shares pursuant to clause 11.4 of the Scheme
- b) Issue of 38,25,80,000 additional equity shares on Rights basis as contemplated under Clause 20.13 of the Scheme

Post-Arrangement (expected) shareholding pattern of Grasim (assuming the continuing shareholding pattern as on 31st January 2017):

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided Family	8,71,165	0.13
(b)	Body Corporate	23,87,23,182	36.33
	Sub-Total (A)(1)	23,95,94,347	36.46
(2)	Foreign		
(a)	Body Corporate (through GDRs)	2,40,11,520	3.65
	Sub-Total (A)(2)	2,40,11,520	3.65
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	26,36,05,867	40.11

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds	4,74,80,612	7.23
(b)	Foreign Portfolio Investors	11,87,07,058	18.06
(c)	Financial Institutions/Banks	15,42,673	0.23
(d)	Insurance Companies	4,64,21,535	7.06
(e)	Foreign Bodies-DR	1,64,34,736	2.50
	Sub Total (B)(1)	23,05,86,613	35.09
(2)	Central Government/State Government(s)/President of India	7,907	0.00
	Sub Total (B)(2)	7,907	0.00
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs	6,11,40,758	9.30
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	70,62,041	1.07
(b)	NBFCs Registered with RBI	19,167	0.00
(d)	Overseas Depositories (Holding GDRs)	2,46,19,974	3.75
(e)	Any Other		
	Trusts	42,45,744	0.65
	Overseas Corporate Bodies	1,31,17,927	2.00
	Non Resident Indians	32,48,102	0.49
	Clearing Members	27,55,342	0.42
	NRI Non-Repatriation	10,58,937	0.16
	Bodies Corporate	4,56,53,969	6.95
	Foreign Nationals	26,434	0.00
	Sub Total (B)(3)	16,29,48,393	24.80
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	39,35,42,912	59.89
	Total Shareholding (A+B)	65,71,48,778	100.00

Post-Arrangement (expected) shareholding pattern of ABFSL (assuming the continuing shareholding pattern as on 31st January 2017):

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided Family	12,19,630	0.06
(b)	Body Corporate	1,56,64,52,455	72.78
	Sub-Total (A)(1)	1,56,76,72,085	72.84
(2)	Foreign		
(a)	Body Corporate (through GDRs)	3,36,16,128	1.56
	Sub-Total (A)(2)	3,36,16,128	1.56
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1,60,12,88,213	74.40

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(B)	Public Shareholding		
(1)	Institutions		
(a)	Mutual Funds	6,64,72,857	3.09
(b)	Foreign Portfolio Investors	16,61,89,881	7.72
(c)	Financial Institutions/Banks	21,59,742	0.10
(d)	Insurance Companies	6,49,90,148	3.02
(e)	Foreign Bodies-DR	2,30,08,630	1.07
	Sub Total (B)(1)	32,28,21,258	15.00
(2)	Central Government/State Government(s)/President of India	11,069	0.00
	Sub Total (B)(2)	11,069	0.00
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	8,55,97,061	3.98
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	98,86,857	0.46
(b)	NBFCs Registered with RBI	26,834	0.00
(d)	Overseas Depositories (Holding GDRs)	3,44,67,964	1.60
(e)	Any Other		
	Trusts	59,44,041	0.28
	Overseas Corporate Bodies	1,83,65,097	0.85
	Non Resident Indians	45,47,342	0.21
	Clearing Members	38,57,478	0.18
	NRI Non-Repatriation	14,82,512	0.07
	Bodies Corporate	6,39,15,557	2.97
	Foreign Nationals	37,007	0.00
	Sub Total (B)(3)	22,81,27,750	10.60
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	55,09,60,076	25.60
	Total Shareholding (A+B)	2,15,22,48,289	100.00

Note: The Post -Arrangement shareholding of ABFSL as on 31st day of January 2017 includes the following proposed issuance of shares by ABFSL pursuant to the Scheme

- Conversion of 30,70,00,000 0.01% non-cumulative compulsorily convertible preference shares issued by it into 3,07,00,000 equity shares pursuant to clause 11.4 of the Scheme
- Issue of 38,25,80,000 additional equity shares on Rights basis as contemplated under Clause 20.13 of the Scheme

64. The Post-Arrangement (expected) capital structure of Grasim will be as follows (assuming the continuing capital structure as on 31st January 2017):

Authorised Share Capital	Amount (Rupees)
147,25,00,000 Equity shares of Rs. 2/- each	294,50,00,000
11,00,000 Redeemable Preference Shares of Rs. 100/- each	11,00,00,000
Total	305,50,00,000
Issued, Subscribed and Paid-up Share Capital	
65,71,48,778 Equity Shares of Rs. 2/- each*	131,42,97,556
Share Capital Suspense 74,395 Equity Shares of Rs. 2/- each to be issued as fully paid up pursuant to acquiring of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash	1,48,790

*includes equity shares represented by GDRs (the GDRs are listed on the Luxembourg Stock Exchange)

65. The Post-Arrangement (expected) capital structure of ABFSL will be as follows (assuming the continuing capital structure as on 31st January 2017):

Authorised Share Capital	Amount (Rupees)
400,00,00,000 Equity shares of Rs. 10/- each	4000,00,00,000
Total	4000,00,00,000
Issued, Subscribed and Paid-up Share Capital	
2,15,22,48,289 Equity Shares of Rs. 10/- each	2152,24,82,890

66. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

67. The following documents will be open for inspection by the equity shareholders of the Applicant Company at its registered office at Indian Rayon Compound, Veraval, Gujarat - 362 266, India, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting:

- (i) Copy of the final order passed by NCLT in CA (CAA) No. 1/230-232/NCLT/AHM/ 2017, dated 6th day of February 2017 directing ABNL to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors (including debentureholders);
- (ii) Copy of the final order passed by NCLT in CA (CAA) No. 2/230-232/NCLT/AHM/2017, dated 6th day of February 2017 as rectified vide order dated 14th February 2017 directing Grasim to, inter alia, convene the meetings of its equity shareholders, secured creditors and unsecured creditors;
- (iii) Copy of the final order passed by NCLT in CA (CAA) No. 3/230-232/NCLT/AHM/ 2017, dated 6th day of February 2017 as rectified vide order dated 14th February 2017 directing ABFSL to, inter alia, convene the meetings of its equity shareholders and preference shareholders;
- (iv) Copy of CA (CAA) No. 1/230-232/NCLT/AHM/2017 along with annexures filed by ABNL before NCLT;
- (v) Copy of CA (CAA) No. 2/230-232/NCLT/AHM/2017 along with annexures filed by Grasim before NCLT;
- (vi) Copy of CA (CAA) No. 3/230-232/NCLT/AHM/2017 along with annexures filed by ABFSL before NCLT;
- (vii) Copy of the Memorandum and Articles of Association of ABNL, Grasim and ABFSL, respectively;
- (viii) Copy of the annual reports of ABNL, Grasim and ABFSL for the financial years ended 31st March 2015 and 31st March 2014, respectively;
- (ix) Copy of the annual reports of ABNL, Grasim and ABFSL, respectively, for the financial year ended 31st March 2016;
- (x) Copy of the Supplementary Unaudited Accounting Statement of ABNL, Grasim and ABFSL, respectively, for the period ended 31st December 2016;
- (xi) Statement showing assets and liabilities of the Demerged Undertaking as on 31st December 2016 proposed to be demerged and transferred to ABFSL;
- (xii) List of subsidiary companies, joint ventures and associates of ABNL, Grasim and ABFSL, respectively, as on 31st day of January 2017;
- (xiii) Copy of the Register of Directors' shareholding of each of the Companies;
- (xiv) Copy of Joint Valuation/Share Exchange Ratio/Share Entitlement Ratio report submitted by M/s. Bansi S. Mehta & Co., and Price Waterhouse & Co. LLP, Chartered Accountants;
- (xv) Copy of the Fairness Opinion, dated 11th day of August 2016, issued by Kotak Mahindra Capital Company Limited, to the Board of Directors of ABNL;
- (xvi) Copy of the Fairness Opinion, dated 11th day of August 2016, issued by JM Financial Institutional Securities Limited, to the Board of Directors of Grasim;
- (xvii) Copy of the Audit Committee Reports, all dated 11th day of August 2016, of ABNL, Grasim and ABFSL, respectively;
- (xviii) Copy of the resolutions, all dated 11th day of August 2016, passed by the respective Board of Directors of ABNL, Grasim and ABFSL, approving the Scheme;
- (xix) Copy of the extracts of the minutes of the meetings, all held on 11th day of August 2016, of the Board of Directors of ABNL, Grasim and ABFSL, respectively, in respect of the approval of the Scheme;
- (xx) Copy of the Statutory Auditors' certificate dated 17th day of August 2016 issued by M/s. Khimji Kunverji & Co., Chartered Accountants to ABNL;
- (xxi) Copy of the Statutory Auditors' certificate dated 16th day of August 2016 issued by M/s. G. P. Kapadia & Co., Chartered Accountants to Grasim;

- (xxii) Copy of the Statutory Auditors' certificate dated 16th day of August 2016 issued by M/s. S. R. Batliboi & Co. LLP, Chartered Accountants to ABFSL;
- (xxiii) Copy of the complaints report, dated 8th day of September 2016, submitted by ABNL to BSE and NSE;
- (xxiv) Copy of the complaints report, dated 8th day of September 2016, submitted by Grasim to BSE and NSE;
- (xxv) Copy of the letters, both dated 27th day of October 2016, addressed by ABNL and Grasim to BSE and NSE, respectively, inter alia, informing about the sub-division of equity shares of Grasim;
- (xxvi) Copy of the no adverse observations/no objection letter issued by BSE and NSE, both dated 16th day of November 2016, respectively, to ABNL;
- (xxvii) Copy of the no adverse observations/no objection letter issued by BSE and NSE, both dated 16th day of November 2016, respectively, to Grasim;
- (xxviii) Copy of the letter dated 7th day of December 2016 and the order dated 20th day of January 2017 issued by the Competition Commission of India;
- (xxix) Summary of the Joint Valuation Report including the basis of valuation;
- (xxx) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan dated 12th day of January 2017, evidencing filing of the Scheme;
- (xxxi) Copy of the certificate, dated 8th day of February 2017, issued by P. N. Jhaveri & Associates, Chartered Accountants, certifying the amount due to the unsecured creditors of ABNL as on 31st January 2017;
- (xxxii) Copy of the certificate, dated 15th day of February 2017, issued by M/s. Parekh Sharma & Associates, Chartered Accountants, certifying the amount due to the unsecured creditors of Grasim as on 31st January 2017;
- (xxxiii) Copy of the certificate, dated 10th day of February 2017, issued by M/s. MVK Associates, Chartered Accountants, certifying that there are no unsecured creditors of ABFSL as on 31st January 2017;
- (xxxiv) Copy of the Scheme; and
- (xxxv) Copy of the Reports dated 14th day of February 2017, 30th day of January 2017 and 8th day of February 2017 adopted by the Board of Directors of ABNL, Grasim and ABFSL, respectively, pursuant to the provisions of section 232(2)(c) of the Act.

The shareholders shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (ii), (iii), (ix), (xx), (xxi), (xxii) and (xxxiv) above.

- 68. This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by ABFSL to its shareholders, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders of ABFSL.
- 69. After the Scheme is approved, by the equity shareholders and preference shareholders of ABFSL, it will be subject to the approval/sanction by NCLT.



S C Bhargava

Chairman appointed for the meeting

Dated this 15th day of February, 2017

Registered office: Indian Rayon Compound,
Veraval
Gujarat – 362 266, India

COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
ADITYA BIRLA NUVO LIMITED
AND
GRASIM INDUSTRIES LIMITED
AND
ADITYA BIRLA FINANCIAL SERVICES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)

A. PREAMBLE

This composite scheme of arrangement (hereinafter referred to as the “**Scheme**”), *inter alia*, provides for:

- (a) amalgamation of Aditya Birla Nuvo Limited with Grasim Industries Limited pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013 (to the extent notified and applicable); and
- (b) subject to satisfactory fulfillment of (i) above i.e., upon amalgamation of Aditya Birla Nuvo Limited with Grasim Industries Limited becoming effective, demerger of the financial services business of Grasim Industries Limited, the Demerged Undertaking (as defined hereinafter), and transfer of the same to Aditya Birla Financial Services Limited pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013 (to the extent notified and applicable).

B. DESCRIPTION OF THE TRANSFEROR COMPANY, THE TRANSFEREE COMPANY/ THE DEMERGED COMPANY AND THE RESULTING COMPANY

Aditya Birla Nuvo Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. L17199GJ1956PLC001107 and having its registered office at Indian Rayon Compound, Veraval, Gujarat – 362 266 (“**Transferor Company**”). The Transferor Company is a diversified conglomerate with various business interests including manufacturing of fertilizers, viscose filament yarn, chemicals, insulators, textiles, etc., financial services and telecom. The equity shares of the Transferor Company are listed on BSE Limited and the National Stock Exchange of India Limited. The financial services business is a division of the Transferor Company which is engaged in the activity of fund based lending, making, holding and nurturing investments in financial services sector (“**financial services business**”).

Grasim Industries Limited is a public company, limited by shares, incorporated under the provisions of Gwalior Companies Act (1 Samvat 1963) and now deemed to be incorporated under the Companies Act, 2013 under Corporate Identity No. L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda, District Ujjain, Madhya Pradesh – 456 331 (“**Transferee Company**” or “**Demerged Company**”) and has business interests including manufacturing of viscose staple fibre, textiles, chemicals and cement. The equity shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited and the Demerged Company GDRs (as defined hereinafter) are listed on the Luxembourg Stock Exchange.

Aditya Birla Financial Services Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U67120GJ2007PLC058890 and having its registered office at Indian Rayon Compound, Veraval, Gujarat – 362 266 (“**Resulting Company**”). The Resulting Company is a systemically important non-deposit taking core investment company registered with the Reserve Bank of India and has business interests including that of non-banking financial institution, housing finance, asset management, brokerage, wealth advisory and health insurance. The entire share capital of the Resulting Company is directly and indirectly held by the Transferor Company.

C. RATIONALE

- (a) The proposed restructuring will create a large and well diversified company, having a portfolio of leading manufacturing and services businesses with healthy mix of steady cash flows and long-term growth opportunities.

- (b) The Demerged Company will be participating in high growth financial services business and tap opportunities available in a low penetrated market with support from its strong balance sheet.
- (c) The proposed demerger of the financial services business to the Resulting Company will unlock value for the shareholders, attract investors and provide better flexibility in accessing capital.
- (d) It is believed that this Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of all the stakeholders. The restructuring proposed by this Scheme will also provide flexibility to the investors to select investments which best suit their investment strategies and risk profile.

D. GENERAL

This Scheme is divided into the following parts:

- (a) Part I of the Scheme deals with definitions and interpretations, and sets out the share capital of the Transferor Company, the Transferee Company/ Demerged Company and the Resulting Company;
- (b) Part II of the Scheme deals with the amalgamation of the Transferor Company with the Transferee Company;
- (c) Part III of the Scheme deals with the demerger of the Demerged Undertaking from the Demerged Company as a going concern and transfer to and vesting into the Resulting Company; and
- (d) Part IV of the Scheme deals with the general terms and conditions applicable to the Scheme.

E. In light of the foregoing and, subject to the approval of the Securities Exchange Board of India, to simultaneously achieve listing of the Resulting Company and procure compliance with the minimum public shareholding requirement under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Demerged Company and the Resulting Company propose that the Demerged Undertaking be transferred to and vested in the Resulting Company by way of demerger undertaken through this Scheme under the provisions of Sections 391 to 394 and other relevant provisions of the Act.

F. The arrangement under this Scheme will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and/or the Companies Act, 2013 (to the extent notified and applicable). The amalgamation of the Transferor Company with the Transferee Company/ Demerged Company and demerger of the Demerged Undertaking shall be in compliance with the provisions of Section 2 (1B) and Section 2 (19AA) of the Income-tax Act, 1961, respectively.

PART I

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

“**ABNL ESOS 2006**” means Employee Stock Options Scheme-2006, established as per the Employee Stock Option Scheme by the Transferor Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

“**ABNL ESOS 2013**” means Employee Stock Options Scheme-2013, established as per the Employee Stock Option Scheme, including restricted stock units granted to its employees, by the Transferor Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

“**ABNL ESOPs**” means ABNL ESOS 2006 and ABNL ESOS 2013, collectively.

“**ABNL SARs**” means stock appreciation rights granted by the Transferor Company.

“**Act**” or “**the Act**” means the Companies Act, 1956 (as amended) and any corresponding provisions of the Companies Act, 2013 (to the extent notified) (including any statutory modifications(s) or re-enactment(s) thereof) and rules and regulations made thereunder, for the time being in force, and which may relate to or are applicable to the Scheme.

“**Applicable Law**” means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force.

“**Appropriate Authority**” means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Foreign Investment Promotion Board, Registrar of Companies, Competition Commission of India, National Company Law Tribunal, Insurance Regulatory and Development Authority of India, Reserve Bank of India and the High Courts.

“**Board**” in relation to the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the Board or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the arrangement as contemplated under this Scheme and/or any other matter relating thereto.

“**BSE**” means the BSE Limited.

“**BSLI**” means Birla Sun Life Insurance Company Limited, a public limited company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U99999MH2000PLC128110 and having its registered office at One Indiabulls Centre, Tower 1, 16th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road. Mumbai, Maharashtra - 400 013.

“**Demerged Company**” or “**Transferee Company**” means Grasim Industries Limited, a public company, limited by shares, incorporated under the provisions of Gwalior Companies Act (1 Samvat 1963) and now deemed to be incorporated under the Companies Act, 2013, under Corporate Identity No. L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda, District Ujjain, Madhya Pradesh - 456 331.

“**Demerged Company GDRs**” means global depository receipts issued by the Transferee Company/ Demerged Company pursuant to the issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (including any statutory modifications, re-enactment or amendments thereof for the time being in force) and other Applicable Laws, and where relevant shall include the underlying equity shares related thereto.

“**Demerged Undertaking**” shall mean the financial services business engaged in the activity of fund based lending, making, holding and nurturing investments in financial services sector together with all its undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wheresoever situated, of the Demerged Company, in relation to and pertaining to the financial services business, as on the Effective Date 2 (as defined hereinafter) and shall include (without limitation):

- a) all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, equity shares, preference shares and other securities of associate / subsidiary/ joint venture companies (excluding investment in equity and preference shares of the Resulting Company), plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, freehold, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by Applicable Law, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to the financial services business;
- b) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company pertaining to the financial services business;
- c) all employees of the Demerged Company engaged in or in relation to the financial services business along with all benefits under employment including gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits of such employees;
- d) all the debts, liabilities, duties and obligations including contingent liabilities of the Demerged Company in relation to the financial services business; and
- e) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the financial services business of the Demerged Company.

“**Effective Date 1**” means opening of business hours of the business day from last of the dates on which the conditions specified in Clause 26.1 and Clause 26.3 are complied with. The Effective Date 1 shall be the appointed date for Part II of the Scheme.

“**Effective Date 2**” means opening of business hours of the last of the dates on which the conditions specified in Clause 26.2 and Clause 26.3 are complied with or after two days of Effective Date 1, whichever is later. The Effective Date 2 shall be the appointed date for Part III of the Scheme.

“**Employees**” means all the employees of the Transferor Company, Transferee Company/Demerged Company and/or Resulting Company, as the case may be, as on the Effective Date 1 and/or Effective Date 2, in relation to Part II and/or Part III of this Scheme, respectively.

“**Grasim ESOS 2006**” means Employee Stock Options Scheme-2006, established as per the Employee Stock Option Scheme by the Transferee Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

“**Grasim ESOS 2013**” means Employee Stock Options Scheme-2013, including restricted stock units, established as per the Employee Stock Option Scheme by the Transferee Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

“**Grasim ESOPs**” means Grasim ESOS 2006 and Grasim ESOS 2013, collectively.

“**High Court**” means the Hon’ble High Court of Gujarat at Ahmedabad, having jurisdiction in relation to the Transferor Company and the Resulting Company and the Hon’ble High Court of Madhya Pradesh, Bench at Indore, having jurisdiction in relation to the Transferee Company/Demerged Company and “**High Courts**” shall mean both of them. In the event that the provisions of the Companies Act, 2013 pertaining to scheme(s) of arrangement(s) become applicable and effective for the purposes of this Scheme, all reference to the High Court(s) shall be deemed to include reference to the National Company Law Tribunal.

“**LSE**” means the Luxembourg Stock Exchange.

“**NCDs**” means the Non-Convertible Debentures issued by the Transferor Company.

“**NSE**” means the National Stock Exchange of India Limited.

“**Parties**” means the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, collectively, as the case may be.

“**Party**” means the Transferor Company, the Transferee Company/Demerged Company or the Resulting Company, individually.

“**Record Date 1**” shall be the date to be fixed by the Board of the Transferee Company, for the purpose of determining the equity shareholders of the Transferor Company for issue of New Equity Shares (as defined in Clause 7.1), pursuant to this Scheme.

“**Record Date 2**” shall be the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company, for the purpose of determining the equity shareholders of the Demerged Company for issue of Resulting Company New Equity Shares (as defined in Clause 20.1 below), pursuant to this Scheme.

“**Remaining Undertaking**” means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.

“**Resulting Company**” means Aditya Birla Financial Services Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U67120GJ2007PLC058890 and having its registered office at Indian Rayon Compound, Veraval, Gujarat – 362 266.

“**Scheme**” or “**the Scheme**” or “**this Scheme**” means this composite scheme of arrangement in its present form submitted to the respective High Courts or any other Appropriate Authority in the relevant jurisdictions with any modification(s) thereof made under Clause 25 of the Scheme or as directed by the High Courts or any other Appropriate Authority and accepted by the Parties.

“**SEBI**” means the Securities and Exchange Board of India.

“**SEBI Circular**” shall mean the circular issued by the SEBI, being Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, and any amendments thereof.

“**Stock Exchanges**” means BSE and NSE, as may be applicable.

“**Transferor Company**” means Aditya Birla Nuvo Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. L17199GJ1956PLC001107 and having its registered office at Indian Rayon Compound, Veraval, Gujarat – 362 266.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income-tax Act, 1961 and other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 any reference to any Section of Companies Act, 1956, if so required and applicable, would mean corresponding Section of Companies Act, 2013;

1.2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

1.2.4 references to the word “include” or “including” shall be construed without limitation;

- 1.2.5 a reference to an article, clause, section, paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;
- 1.2.6 unless otherwise specified, the reference to the word “days” shall mean calendar days;
- 1.2.7 references to dates and times shall be construed to be references to Indian dates and times;
- 1.2.8 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 1.2.9 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 1.2.10 reference in this Scheme to the date of “coming into effect of this Scheme or effectiveness of this Scheme” shall mean Effective Date 1 or Effective Date 2, as the case may be;
- 1.2.11 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
- 1.2.12 references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives’ body (whether or not having separate legal personality).

2. SHARE CAPITAL

- 2.1 The share capital of the Transferor Company as on July 31, 2016 is as under:

Authorised Share Capital	Amount (Rs)
17,50,00,000 Equity Shares of Rs 10 each	175,00,00,000
5,00,000 Redeemable Preference Shares of Rs 100 each	5,00,00,000
Total	180,00,00,000
Issued Share Capital	
13,02,79,180 Equity Shares of Rs 10 each	130,27,91,800
Total	130,27,91,800
Subscribed and Fully Paid Up Share Capital	
13,02,24,146 Equity Shares of Rs 10 each, fully paid-up	130,22,41,460
Total	130,22,41,460

The equity shares of the Transferor Company are listed on BSE and NSE.

The Transferor Company has outstanding employee stock options under its existing stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Transferor Company.

- 2.2 The share capital of the Transferee Company/ Demerged Company as on July 31, 2016 is as under:

Authorised Share Capital	Amount (Rs)
11,95,00,000 equity shares of Rs 10 each	119,50,00,000
1,50,000, 15% “A” Series Redeemable Cumulative Preference Shares of Rs 100 each	1,50,00,000
1,00,000, 8.57% “B” Series Redeemable Cumulative Preference Shares of Rs 100 each	1,00,00,000
3,00,000, 9.30% “C” Series Redeemable Cumulative Preference Shares of Rs 100 each	3,00,00,000
50,000, 11% Redeemable Cumulative Preference Shares of Rs 100 each	50,00,000
Total	125,50,00,000
Issued, Subscribed and Fully Paid up Share Capital	Amount (Rs)
9,33,48,202 equity shares of Rs 10 each	93,34,82,020
Share Capital Suspense 14,879 equity shares of Rs 10 each to be issued as fully paid up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement	1,48,790
Total	93,36,30,810

The equity shares of the Transferee Company/Demerged Company are listed on BSE and NSE and the Demerged Company GDRs are listed on the LSE. The issued and paid-up share capital includes 1,24,78,970 equity shares represented by 1,24,78,970 Demerged Company GDRs as on July 31, 2016.

The Transferee Company/Demerged Company has outstanding employee stock options under its existing stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Transferee Company/ Demerged Company.

With effect from October 8, 2016, the equity share of Transferee Company/Demerged Company having a face value of Rs 10 each fully paid-up have been sub-divided into 5 (Five) equity shares of the face value of Rs 2 each fully paid-up. Accordingly, the share capital of the Transferee Company/ Demerged Company as on October 8, 2016 is as under:

Authorised Share Capital	Amount (Rs)
59,75,00,000 equity shares of Rs 2 each	119,50,00,000
1,50,000, 15% "A" Series Redeemable Cumulative Preference Shares of Rs. 100 each	1,50,00,000
1,00,000, 8.57% "B" Series Redeemable Cumulative Preference Shares of Rs. 100 each	1,00,00,000
3,00,000, 9.30% "C" Series Redeemable Cumulative Preference Shares of Rs. 100 each	3,00,00,000
50,000, 11% Redeemable Cumulative Preference Shares of Rs. 100 each	50,00,000
Total	125,50,00,000
Issued, Subscribed and Fully Paid up Share Capital	Amount (Rs)
46,67,84,060 equity shares of Rs. 2 each	93,35,68,120
Share Capital Suspense 74,395 equity shares of Rs. 2 each to be issued as fully paid up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement	1,48,790
Total	93,37,16,910

The equity shares of the Transferee Company/Demerged Company are listed on BSE and NSE and the Demerged Company GDRs are listed on the LSE.

Maximum number of GDRs that can be issued under Grasim GDR Program is 6,71,80,645 represented by equal number of underlying equity shares of Rs. 2 each. The issued and paid-up share capital as on October 8, 2016 includes 4,80,26,255 equity shares of Rs. 2 each represented by 4,80,26,255 GDRs of the Demerged Company

2.3 The share capital of the Resulting Company as on July 31, 2016 is as under:

Authorised Share Capital	Amount (Rs)
1,00,00,00,000 equity shares of Rs. 10 each	1000,00,00,000
3,00,00,00,000 preference shares of Rs. 10 each	3000,00,00,000
Total	4000,00,00,000
Issued, Subscribed and Paid up Share Capital	
79,60,10,000 equity shares of Rs. 10 each fully paid up	796,01,00,000
2,00,00,000 equity shares of Rs. 10 each partly paid up (Paid up amount Rs. 3.25 per share)	6,50,00,000
33,65,00,000, 0.01% Non cumulative compulsorily convertible preference shares of Rs. 10 each fully paid up	336,50,00,000
147,11,10,000, 6% Non convertible non cumulative redeemable preference shares of Rs. 10 each fully paid up	1471,11,00,000
Total	2610,12,00,000

The equity shares of the Resulting Company are not listed on any stock exchange in India. The Resulting Company proposes to issue additional shares and issuance of such shares may result in an increase in the issued, subscribed and paid up share capital of the Resulting Company.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

3. TRANSFER OF ASSETS AND LIABILITIES

- 3.1 Upon Part II of the Scheme becoming effective and with effect from the Effective Date 1 and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, and in accordance with provisions of Section 2(1B) of the Income-tax Act, 1961, the Transferor Company along with all its assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of the Transferor Company shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company as a going concern so as to become as and from the Effective Date 1, the assets, liabilities, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.
- 3.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon Part II of the Scheme becoming effective and with effect from the Effective Date 1:
- 3.2.1 subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the assets and liabilities, the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, transferred to, and vested in, the Transferee Company, so as to become, on and from the Effective Date 1, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act and in accordance with the provisions of Section 2(1B) of the Income-tax Act, 1961, subject however, to all charges, liens, mortgages, then affecting the Transferor Company or any part thereof; provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to Transferor Company, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.
- 3.2.2 with respect to the assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Effective Date 1.
- 3.2.3 subject to Clause 3.2.4 below, with respect to the assets of the Transferor Company other than those referred to in Clause 3.2.2 above, whether or not the same is held in the name of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act, with effect from the Effective Date 1. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any leasehold properties of the Transferor Company shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.
- 3.2.4 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, laboratories and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/or the Transferee Company. For the purpose of giving effect to the vesting order passed under Section 394 of the Act in respect of this Scheme, the Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company pursuant to the sanction of the Scheme by the High Courts and upon the effectiveness of Part II of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferor Company and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded, effected and/ or perfected, in the record of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is deemed to be authorized to carry on business in the name and style of the Transferor Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

- 3.2.5 notwithstanding anything contained in this Scheme, the immovable properties of the Transferor Company situated within the State of West Bengal, Uttar Pradesh, Delhi (NCRT), Maharashtra and such other states as the Board of the Transferee Company may determine, whether owned or leased, for the purpose *inter alia* of payment of stamp duty, and vesting unto the Transferee Company and if the Board of the Transferee Company so decide, the concerned parties, whether executed before or after the Effective Date 1, shall execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the fair market value of such properties (arrived at by a government approved independent valuer). The execution of such conveyance shall form an integral part of the Scheme.
- 3.2.6 for the avoidance of doubt, it is clarified that upon the effectiveness of Part II of this Scheme and in accordance with the provisions of relevant Applicable Laws, all consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets, trade formulae, and other intellectual property rights of whatsoever nature and all other interests relating to the goods or services being dealt with by the Transferor Company, shall be transferred to and vest in the Transferee Company.
- 3.2.7 subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Effective Date 1, to which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the effectiveness of Part II of this Scheme.
- 3.2.8 without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Transferor Company occurs by virtue of this Scheme, the Transferee Company may, at any time after Part II of the Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.
- 3.2.9 in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges of whatsoever nature enjoyed, granted by any Appropriate Authority, or availed of and/ or entitled to, by the Transferor Company are concerned as on the Effective Date 1, including income tax benefits, deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions with effect from the Effective Date 1.
- 3.2.10 all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been stood transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date 1, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 3.2.10.

- 3.2.11 if and to the extent there are loans, deposits or balances or other outstanding inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Effective Date 1, come to an end and suitable effect shall be given in the books of the Transferee Company.
- 3.2.12 with effect from the Effective Date 1, there would be no accrual of income or expense on account of any transactions, including *inter alia* any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company and the Transferee Company.
- 3.2.13 any tax liabilities under the Income-tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause 3.2 referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Company's accounts made as on the date immediately preceding the Effective Date 1 shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as on the date immediately preceding the Effective Date 1 will also be transferred to the account of and belong to the Transferee Company.
- 3.2.14 any refund under the Tax Laws due to the Transferor Company consequent to the assessment and which have not been received by the Transferor Company as on the date immediately preceding the Effective Date 1 shall also belong to and be received by the Transferee Company.
- 3.2.15 without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Company is entitled to in terms of the applicable Tax Laws, including but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to and vest in the Transferee Company.
- 3.2.16 without prejudice to the foregoing provisions of this Clause 3.2, upon the effectiveness of Part II of this Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), including the NCDs of the Transferor Company, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act shall, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities (including the NCDs) are listed on any stock exchange, the same shall, subject to Applicable Law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the Stock Exchanges, unless otherwise modified in accordance with Applicable Law.
- 3.2.17 with respect to the investments made by the Transferor Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests, memberships in other companies, whether quoted or unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Effective Date 1.
- 3.2.18 it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies etc., the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court(s) having sanctioned this Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 3.2.19 on and from the Effective Date 1, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

- 3.2.20 for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date 1 and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date 1 shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of Part II the Scheme.
- 3.2.21 for avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company, manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date 1, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of the Transferee Company after the Effective Date 1.
- 3.2.22 without prejudice to the provisions of this Clause 3.2, and upon the effectiveness of Part II of this Scheme, the Transferor Company and the Transferee Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies, to give formal effect to the above provisions.
- 3.2.23 upon the effectiveness of Part II of this Scheme, the Transferee Company shall be entitled to file / revise Income Tax returns, TDS Certificates, TDS returns, wealth tax returns and other statutory returns to the extent required for itself and on and/ or behalf of the Transferor Company, as the case may be. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax including minimum alternate tax, credit of tax deducted at source, credit of foreign tax paid/ withheld, etc., if any, for and / or on behalf of the Transferor Company, as may be required consequent to the implementation of Part II of the Scheme.
- 3.2.24 any reimbursement of subsidy or receipt of differential subsidy of earlier years from the concerned Appropriate Authority and which has not been received by the Transferor Company as on the date immediately preceding the Effective Date 1 shall also belong to and be received by the Transferee Company.

4. PERMITS, CONSENTS AND LICENSES

- 4.1 Upon Part II of this Scheme becoming effective, all the licenses, permits, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Effective Date 1, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.
- 4.2 Upon the Effective Date 1 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, easements, rehabilitation schemes, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and/or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

5. EMPLOYEES

- 5.1 On and from the Effective Date 1, the Transferee Company undertakes to engage all the Employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption

of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company, or to the government provident fund in relation to the employees of the Transferor Company who are not eligible to become members of the provident fund maintained by the Transferee Company. In relation to those Employees who are not covered under the provident fund trust of the Transferor Company, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees.

- 5.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.

Notwithstanding the aforesaid, the Board of Directors of the Transferee Company, if it deems fit and subject to applicable laws, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge with other similar funds of the Transferee Company.

- 5.3 It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any union / employee of the Transferor Company.

5.4 **Employee stock benefits**

- 5.4.1 upon the effectiveness of Part II of this Scheme, the ABNL ESOPs and the ABNL SARs shall automatically stand cancelled. Further and simultaneously with the cancellation of ABNL ESOPs and ABNL SARs, the Transferee Company shall issue such employees, holding options, restricted stock units and stock appreciation rights, under the ABNL ESOPs and/ or ABNL SARs, and such employees shall receive stock options, restricted stock units and/ or stock appreciation rights, as the case may be, on the terms and conditions not less favourable, either under (i) Grasim ESOPs or (ii) a distinct and separate employee incentive plan of the Transferee Company formed and organized for granting incentives to such employees ("**Grasim Stock Option Plan - New**").

- 5.4.2 to implement the above provisions of this Scheme, the Transferee Company shall issue stock options, stock appreciation rights and/or restricted stock units, as the case may be, to such employees of the Transferor Company, on the basis of the Share Exchange Ratio in the following manner:

- 5.4.2.1. for every 100 (one hundred) options, whether vested or unvested, granted under ABNL ESOPs, the eligible employees of the Transferor Company shall be issued 150 (one hundred and fifty) options under the Grasim ESOPs or the Grasim Stock Option Plan - New;
- 5.4.2.2. for every 100 (one hundred) restricted stock units, whether vested or unvested, granted to eligible employees under the ABNL ESOPs, such eligible employees shall be issued 150 (one hundred and fifty) restricted stock units under the Grasim ESOPs or the Grasim Stock Option Plan - New;
- 5.4.2.3. each new option issued to the employees under the Grasim ESOPs or Grasim Stock Option Plan – New, as the case may be, shall have an exercise price per equity share of the Transferee Company equal to the quotient of the exercise price under the respective ABNL ESOPs divided by the Share Exchange Ratio (rounded up to the nearest higher whole rupee);
- 5.4.2.4. for ABNL SARs, whether vested or unvested, granted to eligible employees of the Transferor Company, such employees shall be issued stock appreciation rights granted by the Transferee Company, as per the Share Exchange Ratio or Grasim ESOPs in lieu of ABNL SARs on the terms which shall not be less favourable to such ABNL SAR holders.

- 5.4.3 fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer.
- 5.4.4 the grant of options/stock appreciation rights to the eligible employees of the Transferor Company pursuant to Clause 5.4.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to Grasim ESOPs or Grasim Stock Option Plan - New including without limitation for the purposes of creating the Grasim Stock Option Plan - New and/or modifying the Grasim ESOPs (including increasing the maximum of number of equity shares that can be issued consequent to the exercise of the stock option granted under the Grasim ESOPs and/or modifying the exercise price of the stock option under the Grasim ESOPs), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under any Applicable Law, including, without limitation, Section 62 of the Act or the Companies (Share Capital and Debenture) Rules, 2014.
- 5.4.5 it is hereby clarified that in relation to the options granted by the Transferee Company to the eligible employees of the Transferor Company, the period during which the options granted by the Transferor Company were held by or deemed to have been held by such eligible employees shall be taken into account for determining the minimum vesting period required under the Applicable Law or agreement or deed for stock options granted under the Grasim Stock Option Plan - New or the Grasim ESOPs, as the case may be.
- 5.4.6 the Boards of the Transferor Company and the Transferee Company or any of the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 5.4 of the Scheme.

6. PROCEEDINGS

If any suit, cause of actions, appeal or other legal, taxation, quasi-judicial, arbitral, administrative, or other proceedings of whatever nature, under any Applicable Law (hereinafter referred to as the “**Proceedings**”) by or against the Transferor Company be pending on the Effective Date 1, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended, and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date 1, the Transferee Company may initiate any Proceedings for and on behalf of the Transferor Company.

7. CONSIDERATION

- 7.1 Upon the effectiveness of Part II of this Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company, including the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company pursuant to provisions of this Scheme, the Transferee Company shall, without any further act or deed, issue and allot to each member of the Transferor Company, whose name is recorded in the register of members and the records of the depository as members of the Transferor Company on the Record Date 1, 15 (fifteen) equity shares of Rs 2 (Indian Rupees Two) each of the Transferee Company credited as fully paid up for every 10 (ten) equity shares of Rs 10 (Indian Rupees Ten) each held by such shareholder (“**New Equity Shares**”). No shares shall be issued by the Transferee Company in respect of the shares held by the Transferee Company in the Transferor Company.
- The ratio in which the New Equity Shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company pursuant to Part II of this Scheme is referred to as the “**Share Exchange Ratio**”.
- 7.2 The New Equity Shares to be issued and allotted as provided in Clause 7.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari-passu* in all respects with the then existing equity shares of the Transferee Company after the Record Date 1 including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.
- 7.3 The Transferee Company shall apply for listing of the New Equity Shares on the Stock Exchanges in terms of the SEBI Circular and Applicable Laws. The New Equity Shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading, as per the Applicable Law. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated Stock Exchange.
- 7.4 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions, and issue and allot consolidated equity shares *in lieu* thereof directly to

a trustee nominated by the Transferee Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

- 7.5 Upon the effectiveness of Part II of this Scheme, equity shares held by the Transferee Company in the Transferor Company shall be cancelled pursuant to this Scheme.
- 7.6 Unless otherwise determined by the Board of the Transferee Company, the allotment of New Equity Shares in terms of Clause 7.1 shall be done within the prescribed statutory period from the Effective Date 1.
- 7.7 The New Equity Shares issued and/ or allotted pursuant to Clause 7.1, in respect of the equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Transferee Company.
- 7.8 The New Equity Shares issued pursuant to Clause 7.1, which the Transferee Company is unable to allot due to Applicable Laws (including, without limitation, the non receipt of approvals of an Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Transferee Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Transferee Company including to enable allotment and sale of such New Equity Shares to a trustee as mentioned in Clause 7.4 above and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Transferor Company, in proportion to their entitlements, as per the process prescribed in Clause 7.4. If the above cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Transferee Company and / or the Depository shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein.
- 7.9 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company at its sole discretion, shall be empowered in appropriate cases, prior to or even after the Record Date 1, as the case may be, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Effective Date 1 in order to remove any difficulties in relation to the new shares after the Part II of this Scheme becomes effective and the Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transition period.
- 7.10 In the event that the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio and the stock options, restricted stock units and / or share appreciation rights as per Clause 5.4, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 7.11 The issue and allotment of the New Equity Shares to the shareholders of the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 7.12 Upon the effectiveness of Part II of this Scheme and upon the New Equity Shares being issued and allotted as provided in this Scheme, the equity shares of the Transferor Company, both in dematerialized form and in physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date 1. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company.
- 7.13 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to their accounts with the depository participants are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued New Equity Shares in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date 1, by giving a notice in writing to the Transferee Company; and if such option is not exercised by such shareholders, the New Equity Shares shall be issued to them in physical form.
- 7.14 The New Equity Shares to be issued *in lieu* of the shares of the Transferor Company held in the unclaimed suspense account shall be issued to the unclaimed suspense account created for shareholders of the Transferee Company.

8. REORGANISATION OF AUTHORISED CAPITAL

8.1 Upon the effectiveness of Part II of this Scheme, the authorised share capital of the Transferor Company will get merged with that of the Transferee Company without payment of any additional fees and duties as the said fees have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or further resolution under Section 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

8.2 Consequently, Clause 5 of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Sections 13 of the Companies Act, 2013 and Section 394 of the Companies Act, 1956 and other applicable provisions of the Act, as set out below:

"The Authorised Share Capital of the Company is Rs. 305,50,00,000 (Rupees three hundred and five crore fifty lakhs) divided into 1,47,25,00,000 (one hundred and forty seven crores and twenty five lakhs) equity shares of Rs. 2 (Rupees two) each, and 11,00,000 (eleven lakhs) redeemable preference shares of Rs. 100 (Rupees one hundred) each with power to classify or reclassify, increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force."

8.3 Article 3 of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified, amended or substituted pursuant to Section 14 of the Companies Act, 2013 and Section 394 of the Companies Act, 1956 and other applicable provisions of the Act, as the case may be, as set out below:

"The Authorized Share Capital of the Company shall be such as specified in Clause 5 of the Memorandum of Association."

8.4 It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Act.

9. DIVIDENDS

9.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31st March, 2017 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Parties.

9.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and/or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Company and/or the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and/or the Transferee Company as the case may be.

10. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

Upon the effectiveness of Part II of this Scheme:

10.1 The Transferee Company shall account for the amalgamation (including in respect of transfer of assets and liabilities of Transferor Company, issuance of shares to shareholders of Transferor Company and difference, if any, between the value of net assets and shares issued) in its books in accordance with principles as laid down in the applicable Indian Accounting Standards, including, IndAS 103, the applicable provisions of the Act, and generally accepted accounting principles in India; and

10.2 Inter-company holdings and balances, if any, between the Transferor Company and the Transferee Company, shall stand cancelled, and shall be accounted in accordance with Clause 10.1.

11. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY UNTIL THE EFFECTIVE DATE 1

11.1 With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company undertakes to carry on the business and activities with reasonable diligence,

business prudence and shall not except in the ordinary course of business or without prior written consent of the Transferee Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof, provided that the Board of the Transferor Company shall be permitted to enter into transactions for disposal of assets and/ or undertaking, with third parties on arms-length basis.

- 11.2 The Transferor Company and/or the Transferee Company shall not, except as may be expressly required or permitted under this Scheme or pursuant to exercise of stock options and restricted stock units granted as of the date of filing of this Scheme with the High Court(s), make any change in their respective capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue and/ or convertible debentures or otherwise), decrease, reduction, reclassification, consolidation, re-organization, or in any other manner which may, in any way, affect the respective Share Exchange Ratio, except with the prior approval of the Board of the Transferee Company and/ or the Transferor Company, respectively.
- 11.3 With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company shall notify the Transferee Company in writing as soon as reasonably practicable of any matter, circumstance, act or omission which is or may be a breach of this Clause 11.
- 11.4 On or before the Effective Date 1, compulsorily convertible preference shares issued by the Resulting Company (33,65,00,000 in number) and held by the Transferor Company, shall be converted into 3,36,50,000 equity shares of Rs 10 (Indian Rupees Ten) each fully paid-up of the Resulting Company and issued to the Transferor Company, in accordance with the terms and conditions of its issuance

12. **VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the effectiveness of Part II of this Scheme, the resolutions of the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date 1, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

13. **ALTERATION OF THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY**

On and from the Effective Date 1, the objects of the Transferee Company shall be deemed to have been altered by adding new clauses, in the objects clause (Clause 3) of the Memorandum of Association of the Transferee Company, which shall stand inserted immediately after existing clause 3(d), and shall read as under:

“3(e). To carry on the business of manufacturing, buying, selling, marketing, trading, importing, exporting, distributing, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in cellulose, viscose rayon yarns and fibres, synthetic fibres and yarns, staple fibre yarns and such other fibres or fibrous materials, transparent paper and auxiliary chemical products, allied products, by-products or substances or substitutes for all or any of them or yarn or yarns for textile or other use as the company may deem necessary expedient or practicable.

3(f). To carry on the business of manufacturing, buying, selling, marketing, trading, importing, exporting, distributing, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in insulators, fertilizers and chemicals of all types, and their by-products and derivatives (including raw materials, value added products) and mixtures thereof.

3(g). To manufacture and deal in all kinds of cotton, linen, silk, worsted and woollen goods and goods made of jute, hemp, flax, cellulosic fibres, metallic fibres, glass fibres, protein fibres, rubber fibres, rayons, polyesters, all kinds of synthetic polymers and other fibres or fibrous substances, natural or otherwise; to purchase cotton or all other fibrous materials either in the raw or manufactured state, to grin, comb, prepare, spin, double, twist, wind, bleach, dye, finish and do other processes, connected with or incidental to the general manufacture of the same; to manufacture and deal in all kinds of yarn and thread including covered elastic thread and covered rubber thread from any or all of the said fibres or fibrous substances, required for any of the purposes or weaving, sewing, knitting, embroidery, tapestry, hosiery, texturizing and all other special purposes in which any or all such yarns and threads could be used, to weave or otherwise manufacture, buy and sell and deal in all kinds of fabric whether textile, filter, knitted, looped, bonded or otherwise made out of the said yarns or fibres; to manufacture and deal as a wholesaler, retailer, distributor, exporter, broker, trader, agent, franchisee etc. in all kinds of garments, dresses, hosiery etc. made from out of the said yarns, fibres and fabrics for every kind of use; to make vitriol, bleaching and dyeing materials; to operate as dyers, printers, bleachers, finishers and dressers; to purchase material for and to purchase or manufacture blocks, spools, bobbins, cones, boxes, tickets, labels, wrappers, show cards, machines, tools and other appliances required in and connected with the said business; and to trade in, deal in, sell and dispose of the articles purchased and manufactured by the Company and to carry on any other operations and activities of whatsoever kind and nature in relation or incidental to hereinabove.

3(h). To promote, design, construct, establish, operate, lease, maintain electricity generating station(s) and to carry on all or any of the business of procurers, procurers, generators, energy storage systems, suppliers, sellers, distributors, transformers, converters, transmitters, producers, manufacturers, processors, developers, lessors, stores, licensors and license carriers, importers and exporters of, and dealers in, electricity, power and/or energy produced or generated by wind, solar, hydro, thermal, atomic, nuclear, biomass, coal, lignite, gas, ocean energy, geothermal or any other form and any products or by-products derived there from and any products or by-products derived therefrom including steam, water, oil, gas, wind, vapour, fly ashes and any other business connected with electricity, power, energy, heat, solar, wind, hydro wave, tidal, geothermal, biological and nuclear either for self-consumption or otherwise and to install in any premises or plant and to operate, use, inspect, maintain, service, repair, replace, refurbish and remove meters or other devices for assessing the quality and/or quality of suppliers of electricity, gas and other substances and forms of energy and for other purposes connected with such suppliers and to do anything that an electricity generator, electricity supplier or electricity transmitter is empowered, enabled or required to do under or by virtue of, or under license or under any Power Purchase Agreement(s) (PPAs) with government agency(ies) and/or authority(ies), non-government agency(ies) and/or authority(ies), private party(ies), and/or any other agency(ies) and/or authority(ies) public and/or private or exemption granted under any enactment or statutory instrument.

3(i). To carry on business of designing, engineering, manufacturing, producing, processing, generating, accumulating, distributing, operating, testing, transferring, preserving, trading in, hedging and to sell, supply electricity power or any other energy from conventional/non-conventional/Renewable energy sources on a commercial basis and to design, construct, lay down, establish, operate, and maintain power, energy generating stations including buildings, structures, works, transmission lines, substation bay equipment, machineries, equipment, cables, and to undertake or carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring to third person(s), power plants, plants based on conventional or non-conventional energy sources, solar energy plants, wind energy plants, mechanical, electrical, hydel, tidal, wave energy, thermal, oil, gas, air, sea energy, diesel oil, heavy furnace oil, naphtha, bio-mass, bio-gas, coal, fuel cell, civil engineering works and similar projects and supply of electricity to participating industries, State Electricity Boards, and other boards for industrial, commercial, domestic, public and other purpose and also to provide regular services for repairing and maintenance of all distribution and supply lines and renewal energy sources, waste treatment plants of all kinds and equipment thereof in India and outside India and also manufacturing, procuring, dealing in all ancillary products like transformer, battery, cable, structural steel, civil work, inverter etc., required for or capable of being used in connection with above industry.

3(j). To carry on the business of researching, designing, developing, manufacturing, processing, generating, accumulating, representing, distributing, stocking, transferring, marketing, selling, servicing, supplying, engineering, contracting, erecting, commissioning, merchandising, managing, maintaining, leasing, utilizing and renting as developers, researchers, engineers, manufacturers, producers, consultants, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockiest, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, partners and advisors for all, any and every kind and types of plants, systems, equipment, items, devices, products, machines, parts, components, spares, hardware, assemblies and sub-assemblies related to generation, use, application and utilization of renewable energy resources like solar, wind, tidal, bio-mass, geothermal natural gas, hydrogen, methane of all, any and every kind and type including photovoltaic cells, and modules, Concentrated Solar Power, Fuel cells, windmills, wave motion generators, biogas distribution and utilizing systems with battery storage, transformers, inverters, charge controllers, instrumentation and auto-switching, water heaters and steam generators, incinerators, organic and inorganic waste management systems, boilers, vacuum tubes, radiators, water coolers, lighting products, energy collectors, energy accumulators, energy pumps, heat pumps, water distillation and desalination plants and systems, refrigeration plants and cold storage plants and systems, air heating, air cooling and air conditioning plants and systems, heat exchangers, insulating systems, including insulating materials, evaporators, condensers and absorption systems, absorption, adsorption and desiccant coolers, chillers and systems, air circulating, air suction and delivery fans and systems, air filtration systems, solar light pipes, guides and vents, renewable energy control instrumentation and systems, humidification and dehumidification plants and systems, renewable energy based household, consumer, educational and novelty products.

3(k). To carry on business of planning, establishing, developing, manufacturing, buying, selling, supplying, operating, managing, advising and providing services of every description and kind including but not limited to telecommunication towers, telecommunication systems and related infrastructure, systems and mechanical, electrical and electronic machinery, equipment, apparatus and devices, including surveying the site for feasibility, engineering, construction, erection, installation, commissioning, alteration, repair, takeover of the site for complete operation, and generating, producing, refining, receiving, improving, buying, selling, reselling, acquiring, using, transmitting, accumulating, employing, distributing, developing, handling, managing, advising, supplying, maintenance, providing energy management services through diversified conventional or non-conventional power sources, general housekeeping, caretaker services, security, site optimization, supply of hydrogen and other incidental products, and all other related, concerned and consequential services as required in this respect, whether covered hereinabove or not, including arrangement and provision of any of

the abovementioned services by any other party(ies) on hire, rental, commission based or any other system and to carry on the above services in India and/or abroad for and on behalf of the Company as well as for others and to apply for and obtain registration as required.

3(l). To carry on business of engineering, procurement, construction, general engineers, mechanical engineers, process engineers, civil engineers, general mechanical and civil contractors for power plant, solar plant, and to enter into contracts and joint ventures in relation to and to erect, construct, supervise, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons, works of all descriptions, including plants of all descriptions, factories, mills, refineries, pipelines, gas works, electrical works, power plants, water works, water treatment plants and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in or acquire interest in companies carrying on the above business.”

It is hereby clarified that for the purposes of this Clause 13, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the alteration of the memorandum of association under this Clause 13 and that no further resolution under Section 13 of the Act, would be required to be separately passed. The Transferee Company shall file the requisite e-forms with the Registrar of Companies for alteration of its Memorandum of Association.

14. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the effectiveness of Part II of this Scheme, the Transferor Company shall stand dissolved without winding up. On and from the Effective Date 1, the name of the Transferor Company shall be struck off from the records of the concerned Registrar of Companies.

PART III

DEMERGER OF THE DEMERGED UNDERTAKING

15. TRANSFER OF ASSETS AND LIABILITIES

15.1 Subject to implementation of Part II of this Scheme and with effect from the Effective Date 2, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Demerged Undertaking, the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in the Resulting Company on a going concern basis, so as to become on and from the Effective Date 2, the estate, assets, rights, title, interest and authorities of the Resulting Company, pursuant to Section 394(2) of the Act and all other applicable provisions, if any, of the Act and in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961.

15.2 Without prejudice to the generality of Clause 15.1 above, on and from the Effective Date 2:

15.2.1 the Demerged Undertaking including all its assets, properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and wheresoever situated shall, pursuant to the provisions of Section 394 and other applicable provisions, if any, of the Act, and pursuant to the order of the High Court sanctioning this Scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Effective Date 2, be and stand transferred to and vested in the Resulting Company as a going concern.

15.2.2 without prejudice to the generality of Clause 15.2.1 above, with respect to the assets forming part of the Demerged Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Demerged Company without any further act or execution of an instrument with the intent of vesting such assets with the Resulting Company.

15.2.3 without prejudice to the aforesaid, the Demerged Undertaking, including all immoveable property, whether or not included in the books of the Demerged Company, whether freehold or leasehold (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) of the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. For the purpose of giving effect to the vesting order passed under Section 394 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made

and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the High Courts and upon the effectiveness of Part III of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Effective Date 2 and until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded effected and or perfected, in the record of the Appropriate Authority, in favor of the Resulting Company, the Resulting Company is deemed to be authorized to carry on business in the name and style of the Demerged Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

- 15.2.4 with respect to the assets of the Demerged Undertaking other than those referred to in Clause 15.2.2 above, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of Section 394 of the Act. All the rights, title and interests of the Demerged Company in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required. The execution of such documents shall form an integral part of the Scheme.
- 15.2.5 the consents, permissions, licenses, certificates, authorisations (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets, trade formulae, and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company in relation to the Demerged Undertaking, be transferred to, and vest in, the Resulting Company.
- 15.2.6 subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party subsisting or having effect on or immediately before the Effective Date 2 shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.
- 15.2.7 without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time on or after the Effective Date 2, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.
- 15.2.8 in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Demerged Company, in relation to or in connection with the Demerged Undertaking, are concerned as on the Effective Date 2, including income tax deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions on and from the Effective Date 2.
- 15.2.9 all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of each of the Demerged Undertaking) of the Demerged Company as on the Effective Date 2 and relating to the Demerged Undertaking ("**Transferred Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date 2 and shall become the

debts, liabilities, loans, obligations and duties of the Resulting Company which shall meet, discharge and satisfy the same. The term "**Transferred Liabilities**" shall include:

- 15.2.9.1. the liabilities which arise out of the activities or operations of the Demerged Undertaking;
 - 15.2.9.2. the specific loans or borrowings (including debentures raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and
 - 15.2.9.3. in cases other than those referred to in Clauses 15.2.9.1 or 15.2.9.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bear to the total value of the assets of the respective Demerged Company immediately prior to the Effective Date 2.
- 15.2.10 in so far as any encumbrance in respect of Transferred Liabilities is concerned, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Undertaking are concerned, the encumbrance, if any, over such assets relating to the Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities;
- 15.2.11 any tax liabilities under Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Demerged Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause 15.2 referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Demerged Company's accounts, in relation to or in connection with the Demerged Undertaking, made as on the date immediately preceding the Effective Date 2 shall be transferred to the Resulting Company. Any surplus in the provision for taxation/ duties/ levies account as on the date immediately preceding the Effective Date 2 in relation to the Demerged Undertaking will also be transferred to the account of and belong to the Resulting Company.
- 15.2.12 any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Effective Date 2 as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by the Resulting Company.
- 15.2.13 without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Demerged Company, in relation to or in connection with the Demerged Undertaking, is entitled to in terms of the applicable Tax Laws, including, but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to, and vest in, the Resulting Company.
- 15.2.14 all debentures, bonds, other debt securities and other instruments of like nature (whether convertible into equity shares or not) including non-convertible debentures issued to/held by the Demerged Company, in relation to or in connection with the Demerged Undertaking, shall upon coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company.
- 15.2.15 with respect to the investments made by the Demerged Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of Section 394 of the Act.

It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies etc., in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 15.2.16 on and from the Effective Date 2, and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.
- 15.2.17 for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date 2 and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date 2 shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after Part III of this Scheme coming into effect.
- 15.2.18 without prejudice to the provisions of the foregoing Clauses of this Clause 15.2, and upon the effectiveness of Part III of this Scheme, the Demerged Company and the Resulting Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad and Registrar of Companies, Madhya Pradesh at Gwalior, Madhya Pradesh to give formal effect to the above provisions.
- 15.2.19 the Resulting Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates, pertaining to the Demerged Undertaking.

16. **PERMITS, CONSENTS AND LICENSES**

- 16.1 All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Effective Date 2, the estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.
- 16.2 Upon the Effective Date 2 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favor of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and under the relevant license and or permit and / or approval, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

17. **EMPLOYEES**

- 17.1 Upon the effectiveness of Part III of this Scheme and with effect from the Effective Date 2, the Resulting Company undertakes to engage all the employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by the Demerged Company without any interruption of service as a result of transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated

balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the employees of the Demerged Company who are not eligible to become members of the provident fund maintained by the Resulting Company. In relation to those Employees who are not covered under the provident fund trust of the Resulting Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees.

- 17.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.
- 17.3 It is clarified that save as expressly provided for in this Scheme, the employees of the Demerged Company who become employees of the Resulting Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Resulting Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Resulting Company), unless otherwise determined by the Resulting Company. The Resulting Company undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Demerged Company with any employee of the Demerged Company who are engaged in or in relation to the Demerged Undertaking.
- 17.4 The transfer and vesting of the Demerged Undertaking under the Scheme and the continuance of the Proceedings by or against the Resulting Company under Clause 19 below shall not affect any transaction or proceeding already completed by the Demerged Company relating to the Demerged undertaking till the Effective Date 2 to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

18. EMPLOYEE STOCK BENEFITS

- 18.1 Upon Part III of the Scheme becoming effective, employees of the Demerged Company (irrespective of whether they continue to be employees of the Demerged Company) holding options, restricted stock units, and / or stock appreciation rights (whether vested or unvested) under the Grasim Stock Option Plan - New and / or under Grasim ESOPs ("**Part III Eligible Employees**") as on the Effective Date 2 ("**Grasim Existing Options**"), shall continue to hold such Grasim Existing Options on the respective existing terms and conditions as has been prior to the Effective Date 2, except for such modifications as may be required to give effect to this Clause 18.
- 18.2 Immediately upon Part III of the Scheme becoming effective, the Grasim Existing Options shall continue, subject to such adjustments towards the demerger of the Demerged Undertaking, as may be deemed appropriate by the relevant committee of the Board of Demerged Company in accordance with the provisions of the Grasim Existing Options. It is clarified that the options, restricted stock units, and/or stock appreciation rights granted under and pursuant to the provisions of Clause 5.4.2 of this Scheme would continue and the exercise price of such options, restricted stock units, and/or stock appreciation rights may be suitably adjusted in order to provide for reduction in intrinsic value of the Demerged Company pursuant to the demerger of the Demerged Undertaking.
- 18.3 The Boards of the Demerged Company and the Resulting Company shall together decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Demerged Undertaking is to be compensated to the Grasim Existing Option holders. It is clarified that such compensation can be either by issue of new options, restricted stock units and/or stock appreciation rights by the Demerged Company to the Grasim Existing Option holders or by the Resulting Company by adopting a new incentive plan ("**ABFS Incentive Scheme**").
- 18.4 Subject to Applicable Laws, the adjustments to the exercise price per Grasim Existing Option, entitlement of the employees of the Demerged Company towards additional options, restricted stock units, and/or stock appreciation rights, proposed under Clauses 18.1 and 18.2, shall be appropriately reflected in the accounts of the Demerged Company.
- 18.5 The adjustments to the Grasim Stock Option Plan - New and / or Grasim ESOPs, and the creation of the ABFS Incentive Scheme, allotment of options, restricted stock units and/or stock appreciation rights under the ABFS Incentive Scheme, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Parties to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the Grasim Stock Option Plan - New and / or Grasim ESOPs, and the creation of the ABFS Incentive Scheme, including without limitation, for the purposes of creating the ABFS Incentive Scheme, modifying the Grasim Stock Option Plan - New and / or Grasim ESOPs, modifying the exercise price of the Grasim Existing Options and all related matters, and no further approval of the shareholders of the

Parties would be required in this connection under any Applicable Law, including, without limitation, Section 62 of the Companies Act, 2013 or the Companies (Share Capital and Debenture) Rules, 2014.

- 18.6 The Board of Directors of the Resulting Company has in-principally approved that, upto 1.5% (one and a half percent) of the fully diluted paid up capital of the Resulting Company, post demerger, shall be allocated towards future stock option scheme to be framed in compliance with Applicable Laws.
- 18.7 The Boards of Directors of the Demerged Company and the Resulting Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 18.

19. **PROCEEDINGS**

- 19.1 If any Proceedings by or against the Demerged Company be pending, in relation to or in connection with the Demerged Undertaking, on the Effective Date 2, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Effective Date 2, the Resulting Company may initiate any Proceedings for and on behalf of the Demerged Company for matters relating to or in connection with the Demerged Undertaking. The Resulting Company shall have all Proceedings initiated by or against the Demerged Company with respect to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

20. **CONSIDERATION**

- 20.1 Upon the effectiveness of Part III of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date 2, 7 (seven) equity shares of Rs 10 (Indian Rupees Ten) each of Resulting Company credited as fully paid up for every 5 (five) equity share of Rs 2 (Indian Rupees Two) each held by such shareholder in the Demerged Company ("**Resulting Company New Equity Shares**"). The ratio in which equity shares of the Resulting Company are to be issued and allotted to the shareholders of the Demerged Company is referred to as the "**Share Entitlement Ratio (Demerger)**". It is clarified that no cash consideration shall be paid by the Resulting Company to the Demerged Company or its shareholders.
- 20.2 The Resulting Company New Equity Shares to be issued and allotted as provided in Clause 20.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari-passu* in all respects with the then existing equity shares of the Resulting Company after the Record Date 2 including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.
- 20.3 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a trustee nominated by the Board of the Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.
- 20.4 The Resulting Company New Equity Shares to be issued pursuant to Clause 20.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of the Demerged Company. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company, the Resulting Company New Equity Shares shall be issued to such shareholders in dematerialized form provided that the shareholders of the Resulting Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Company has received notice from any shareholder that Resulting Company New Equity Shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/hers/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue Resulting Company New Equity Shares in physical form to such shareholder or shareholders.

- 20.5 The Resulting Company New Equity Shares issued and/ or allotted pursuant to Clause 20.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- 20.6 The Resulting Company New Equity Shares issued pursuant to Clause 20.1, which the Resulting Company is unable to allot due to Applicable Laws (including, without limitation, the non receipt of approvals of an Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Resulting Company including to enable allotment and sale of such Resulting Company New Equity Shares to a trustee as mentioned in Clause 20.3 above and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Demerged Company, in proportion to their entitlements as per the process specified in Clause 20.3 above. If the above cannot be effected for any reason, the Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Resulting Company and / or the Depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.
- 20.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of the Demerged Company shall be empowered prior to or even subsequent to the Record Date 2, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date 2, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company after Part III of the Scheme is effected. The Board of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.
- 20.8 The issue and allotment of the Resulting Company New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under section 62 of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
- 20.9 The Resulting Company shall apply for listing of its equity shares including those issued in terms of Clause 20.1 above on BSE and NSE in terms of and in compliance of the SEBI Circular.
- 20.10 The Resulting Company New Equity Shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange.
- 20.11 In the event that the Parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio (Demerger) shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 20.12 There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date 2 and the listing which may affect the status of the approvals received from the Stock Exchanges.
- 20.13 Notwithstanding anything contained under the Scheme, on or before the Effective Date 2, the Resulting Company be and is hereby permitted to issue additional equity shares/ convertible instruments to (i) the Transferor Company aggregating to upto 38,25,80,000 (Thirty eight crore twenty five lakh eighty thousand) fully paid up equity shares of Rs 10 (Indian Rupees Ten) each of the Resulting Company on rights basis and; (ii) one or more financial investors not being promoter(s) or persons acting in concert with the promoters of the Parties, aggregating to not more than 5% of the fully diluted share capital of the Resulting Company, by way of preferential allotment at fair value to be determined by an independent valuer, in accordance with the provisions of Applicable Law. It is clarified that, for the purposes of computing the minimum public shareholding requirement of 25% (twenty five per cent) under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and the SEBI Circular, the equity shares/ convertible instruments so issued to such financial investors shall be excluded while computing the minimum public shareholding requirement of 25% (twenty five per cent). The equity shares so issued to the Transferor Company and such financial investors shall rank *pari-passu* with the existing equity shares and the Resulting Company New Equity Shares.
- 20.14 Upon coming into effect of Part III of this Scheme and issuance of shares in the Share Entitlement Ratio (Demerger) by the Resulting Company pursuant to provisions of Clause 20.1 above, the Resulting Company shall issue to the depository of the Demerged Company in relation to the Demerged Company GDRs ("**Resulting Company Depository**"), shares of the Resulting Company in accordance with the Share Entitlement Ratio (Demerger). Subject to Clause 20.15 below, the Resulting Company Depository shall hold such shares of the Resulting Company on behalf of the holders of the Demerged Company GDRs.
- 20.15 The Resulting Company shall enter into appropriate arrangements with the Resulting Company Depository appointed by the Resulting Company pursuant to a deposit agreement to be entered into between the Resulting Company and the Resulting Company Depository ("**Resulting Company Depository Agreement**"), for issuance of GDRs representing

such shares (“**Resulting Company GDRs**”), subject to the provisions of Clauses 20.18, on pro-rata basis to holders of GDRs, in accordance with the deposit agreement entered into between the Demerged Company and its depository (“**Deposit Agreement**”).

- 20.16 The Resulting Company, the Resulting Company Depository, the Demerged Company and/or the existing depository of the Demerged Company shall execute such further documents and take such further actions as may be deemed necessary or appropriate by the Resulting Company and/or the Demerged Company and the Resulting Company Depository.
- 20.17 The Resulting Company GDRs issued pursuant to Clause 20.14 above shall have right to issue voting instructions and shall be listed on the LSE. The Resulting Company shall take such additional steps and do all such acts, deeds and things as may be necessary for purposes of listing the Resulting Company GDRs.
- 20.18 The Resulting Company GDRs and the equity shares underlying the Resulting Company GDRs may not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and the Resulting Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the Resulting Company GDRs and the equity shares of the Resulting Company, including, without limitation, the equity shares underlying the Resulting Company GDRs, for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.
- 20.19 Notwithstanding anything contained herein, if the Board of the Resulting Company determines that it is unable to issue the Resulting Company GDRs due to Applicable Laws (including, without limitation, the non receipt of approvals of an Appropriate Authority as required under Applicable Law), it may elect, in its sole discretion and subject to receipt of such approvals as may be required, to enter into suitable arrangements which may include arrangements with the depository for providing for issuance of equity shares by the Resulting Company to the Resulting Company Depository, which represent the entitlement of the holders of the Demerged Company GDRs. If the above cannot be effected for any reason, the Resulting Company and the Demerged Company shall ensure that this does not delay implementation of the Scheme; and shall, in consultation with each other, take all such actions as may be necessary, including sale of such number of shares, which represent the entitlement of the holders of the Demerged Company GDRs, and thereafter, to remit net sales proceeds (after deduction of applicable taxes and expenses incurred), without delay to the effectiveness or implementation of the Scheme. The Resulting Company, the Demerged Company and/ or the Resulting Company Depository shall execute such further documents and take such further actions as may be necessary or appropriate in this behalf to enable the actions contemplated herein.
- 20.20 The Resulting Company New Equity Shares to be issued *in lieu* of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.

21. **ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY**

21.1 **Accounting treatment in the books of the Demerged Company**

Upon the effectiveness of part III of this Scheme, in accordance with the applicable accounting standards, Companies Act, 2013 and generally accepted accounting principles in India:

21.1.1 The value of all assets and liabilities pertaining to the Demerged undertaking which cease to be assets and liabilities of the Demerged Company shall be reduced by the Demerged Company at their carrying values; and

21.1.2 The difference i.e. the excess or shortfall, as the case may be, of the value of transferred assets over the transferred liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to the Scheme shall be adjusted to the reserves of the Demerged Company.

21.2 **Accounting treatment in the books of the Resulting Company**

Upon the effectiveness of Part III of this Scheme and with effect from the Effective Date 2:

21.2.1 the Resulting Company shall record transferred assets and liabilities pertaining to the Demerged Undertaking at the respective carrying values as appearing in the books of Demerged Company;

21.2.2 the Resulting Company shall issue shares to the shareholders of the Demerged Company as per Clause 20 of this Scheme. These shares shall be issued and recorded at face value and accordingly the aggregate face value of the shares to be issued shall be credited to the Resulting Company's share capital account; and

21.2.3 the difference, if any, between the value of assets and value of liabilities pertaining to the Demerged Undertaking, after adjusting the amount credited as share capital as per Clause 21.2.2 above, shall be accounted in accordance with the applicable accounting standards, the Act and generally accepted accounting principles in India.

22. CONDUCT OF BUSINESS BY THE DEMERGED COMPANY PERTAINING TO DEMERGED UNDERTAKING UNTIL THE EFFECTIVE DATE 2

With effect from Effective Date 1 till Effective Date 2, the Demerged Company undertakes to carry on the business and activities of the Demerged Undertaking with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Resulting Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof.

23. REMAINING UNDERTAKING

23.1 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.

23.2 All proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date 2 or which may be instituted at any time thereafter, and relating to the Remaining Undertaking of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the remaining business) shall be continued and enforced against the Demerged Company.

23.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 23.2 above relating to the Remaining Undertaking, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.

23.4 If proceedings are taken against the Demerged Company in respect of matters referred to in Clause 23.2 above relating to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company, against all liabilities and obligations incurred by the Demerged Company in respect thereof.

PART IV

GENERAL PROVISIONS

24. APPLICATIONS/ PETITIONS TO THE HIGH COURT AND APPROVALS

24.1 The Parties shall dispatch, make and file all applications and petitions under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act before the High Courts, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Company without being wound up.

24.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company/Demerged Company/ Resulting Company may require to own the assets and/ or liabilities of the Transferor Company/ Demerged Undertaking and to carry on the business of the Transferor Company/ Demerged Undertaking.

25. MODIFICATIONS/AMENDMENTS TO THE SCHEME

25.1 The Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, through their respective Boards, acting collectively, in their full and absolute discretion, may make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations:

25.1.1 which they may deem fit; or

25.1.2 which the High Courts, Stock Exchanges(s), SEBI and any other Appropriate Authority may deem fit to suggest/ impose / direct; or

25.1.3 effect any other modification or amendment which the High Courts and any other Appropriate Authority may deem fit;

and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty

arising in connection with any deceased or insolvent shareholder of the Transferor Company, the Transferee Company/Demerged Company or the Resulting Company, as the case may be) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

- 25.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorised person of the Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 25.3 If, upon the Scheme becoming effective and upon the transfer and vesting of the assets and liabilities of the Transferor Company into the Transferee Company, and Demerged Undertaking into the Resulting Company, as the case may be, and pursuant to the provisions of Applicable Law, the Transferee Company and/or the Resulting Company is not permitted under the Applicable Law to carry on the certain business or hold assets, licenses, etc., transferred and vested pursuant to this Scheme, the Board of the Transferee Company and/or the Resulting Company, as the case may be, shall be permitted and/or entitled to divest such business or assets, license, in the manner as it may be deemed appropriate by its Board. The consent received by the relevant company under the Scheme shall be deemed to be the consent received from the shareholders of such company under the provisions of Section 180 of the Companies Act, 2013 and that no separate resolution to that would be required to be passed in this regard.

26. **CONDITIONS PRECEDENT**

- 26.1 Part II of this Scheme is conditional on and subject to:
- 26.1.1 the sanction or approval of the Appropriate Authorities including Competition Commission of India and other sanctions and approvals (as may be required by Applicable Law) in respect of Part II of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
- 26.1.2 certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction for the Transferor Company and the Transferee Company in relation to Part II of this Scheme.
- 26.2 Part III of this Scheme is conditional on and subject to:
- 26.2.1 the sanction or approval of the Appropriate Authorities including Foreign Investment Promotion Board and other sanctions and approvals (as may be required by Applicable Law) in respect of Part III of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
- 26.2.2 the Transferor Company shall have transferred shares held in BSLI to the Resulting Company, for a cash consideration, in accordance with the provisions of Applicable Law; and
- 26.2.3 certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction by the Demerged Company and the Resulting Company in relation to Part III of this Scheme.
- 26.3 Other conditions precedent for this Scheme:
- 26.3.1 approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, as applicable or as may be required under the Act and as may be directed by the High Courts;
- 26.3.2 the Parties, as the case may be, complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Parties through postal ballot and e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders, of the Transferor Company and the Transferee Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957; and
- 26.3.3 the sanctions and orders of each of the High Courts, under Sections 391 to 394 of the Companies Act, 1956 being obtained by the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company.
- 26.4 It is hereby clarified that submission of the Scheme to the High Court; and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company may have under or pursuant to all appropriate and Applicable Law.

26.5 The effectiveness of: (a) Part II of the Scheme shall be subject to the satisfaction or waiver (if capable of waiver) by the Board of the Transferor Company and the Transferee Company, of the conditions precedent as stated in Clause 26.1 and 26.3, at or prior to Effective Date 1; and (b) Part III of the Scheme shall be subject to the satisfaction or waiver (if capable of waiver) by the Board of the Demerged Company and the Resulting Company, of the conditions precedent as stated in Clause 26.2 and 26.3, at or prior to Effective Date 2. Notwithstanding what is stated in this Clause 26.5: (x) Part I and Part IV of this Scheme shall be effective from the date of approval of this Scheme by the Boards of the Transferor Company, the Transferee Company and the Resulting Company; (y) Clause 11 shall be effective from the date of approval of this Scheme by the Boards of the Transferor Company and the Transferee Company until the Effective Date 1; and (z) Clause 22 shall be effective from the Effective Date 1 until the Effective Date 2.

26.6 On the approval of this Scheme by the shareholders of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation and demerger, as the case may be, set out in this Scheme, related matters and this Scheme itself.

27. EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME

27.1 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Courts, and/or the order or orders not being passed as aforesaid on or before 31 December 2017 or within such further period or periods as may be agreed upon between the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company through their respective Boards, the Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

27.2 The Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company acting through their respective Board shall each be at liberty to withdraw from this Scheme, (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.

27.3 In the event of revocation/withdrawal under Clauses 27.1 and 27.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

27.4 Each part in the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme.

27.5 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.

27.6 In case where the Transferee Company and/ or the Resulting Company are not permitted to carry on the business or hold assets, licenses, etc. of the Transferor Company and/ or the Demerged Company, respectively, then the Board of Directors of the respective companies shall be permitted to divest such business, assets, liabilities, etc. as per Applicable Law.

28. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne by the respective Parties, as the case may be.

Bansi S. Mehta & Co
Chartered Accountants
Merchant Chambers,
3rd Floor, 41 Marine Lines Road,
Mumbai 400 020

Price Waterhouse & Co LLP
Chartered Accountants
252, Veer Savarkar Marg,
Shivaji Park, Dadar (West),
Mumbai 400 020

Dated: 11 August 2016

To

Board of Directors
Aditya Birla Nuvo Limited
4th Floor, A-wing
Aditya Birla Centre
S. K. Ahire Marg, Worli
Mumbai 400 030

Board of Directors
Aditya Birla Financial Services
Limited
'A' Wing, 4th Floor
Aditya Birla Centre
S.K. Ahire Marg, Worli
Mumbai 400 030

Board of Directors
Grasim Industries Limited
'A' Wing, 2nd Floor
Aditya Birla Centre
S.K. Ahire Marg, Worli
Mumbai 400 030

Sub: Recommendation of Share Exchange Ratio for the proposed merger of Aditya Birla Nuvo Limited ('ABNL') into Grasim Industries Limited ('Grasim'); and Opinion on the Share Entitlement Ratio for the proposed demerger of Finance Undertaking of Amalgamated Grasim into ABFSL

Dear Sir / Madam,

We refer to our ongoing discussions and the engagement letters whereby, Aditya Birla Nuvo Limited ('ABNL') and Grasim Industries Limited ('Grasim') have requested Bansi S. Mehta & Co, (hereinafter referred to as 'BSM') and Price Waterhouse & Co LLP (hereinafter referred to as 'PW&Co') for the following:

- Recommendation of the Share Exchange Ratio the proposed merger of ABNL into Grasim; and
- Opinion on the Share Entitlement Ratio on the proposed demerger of Finance Undertaking of the Amalgamated Grasim into Aditya Birla Financial Services Limited ('ABFSL').

ABNL, Grasim and ABFSL are together referred to as the Companies. Grasim after amalgamation of ABNL is referred to as 'Amalgamated Grasim' / 'Demerged Company')

BSM and PW&Co have been hereafter referred to as 'Valuers' or 'we' or 'us' and individually referred to as 'Valuer' in this joint Report ('Valuation Report' or 'Report').

SCOPE AND PURPOSE OF THIS REPORT

Aditya Birla Nuvo Limited, a part of Aditya Birla Group, is a diversified conglomerate with various business interests, including manufacturing of fertilisers, viscose filament yarn, chemicals, insulators, textiles, financial services and telecom. Equity shares of ABNL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). Grasim holds ~2.57% equity shares of issued and paid up equity capital of ABNL.



Aditya Birla Financial Services Limited ('ABFSL'), a wholly owned subsidiary of ABNL, is a systemically important non-deposit taking core investment company registered with the Reserve Bank of India and has business interests including that of non-banking financial institution, housing finance, asset management, brokerage, wealth advisory and health insurance.

Finance Undertaking: A division of ABNL engaged in financial services business, active in fund based lending, making and holding investments in financial services sector along with investments in Payments Bank and Aditya Birla Finance Limited.

Grasim Industries Limited, a part of Aditya Birla Group, is inter-alia engaged in the business of manufacture and sale of viscose staple fibre, textiles, chemicals and cement (through its subsidiary UltraTech Cements Limited). Equity shares of Grasim are listed on BSE and NSE. Global Depository Receipts ('GDRs') of Grasim are listed on the Luxemburg Stock Exchange.

We understand that the management of the Companies ('Management') are contemplating a consolidation and realignment of businesses through a composite scheme of arrangement ('Scheme') to be implemented under the provisions of section 391 to 394 of the Companies Act, 1956, other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013:

- Amalgamation of ABNL with Grasim ('Step 1'); and
 - Demerger of Finance Undertaking of the Amalgamated Grasim into ABFSL ('Step 2').
- Step 1 and Step 2 are together referred to as 'the Transaction'.

As a consideration for Step 1, equity shareholders of ABNL would be issued equity shares of Grasim and for Step 2, equity shareholders of the Amalgamated Grasim would be issued equity shares of ABFSL.

Share Exchange Ratio for this Report refers to number of equity shares of face value of INR 10/- each of Grasim, which would be issued to shareholders of ABNL, as a consideration for Step 1.

Share Entitlement Ratio for this Report refers to number of equity shares of face value of INR 10/- each of ABFSL, which would be issued to shareholders of the Amalgamated Grasim, as a consideration for Step 2.

For the aforesaid purpose, the Companies have appointed BSM and PW&Co jointly to submit a joint report

- recommending the Share Exchange Ratio; and
- providing an opinion on the Share Entitlement Ratio, as proposed by the Management to be placed before the Audit Committee's/Board of Directors of the Companies.

The scope of our services is:

- to conduct a relative (and not absolute) valuation of the equity shares of the Companies and recommending an exchange ratio for the Step 1; and
 - to provide an opinion on the Share Entitlement Ratio for issue of ABFSL's equity shares to the equity shareholders of the Amalgamated Grasim (Step 2)
- in accordance with generally accepted professional standards.



The Valuers have been appointed jointly and have worked independently in their analysis. Both the Valuers have received information and clarifications from the Companies. For recommending Share Exchange Ratio, the Valuers have independently arrived at different values per share of the Companies. However, to arrive at the consensus on the Share Exchange Ratio, appropriate averaging and rounding off in the values arrived at by the Valuers have been done.

We have been provided with historical financial information for the Companies upto 31 March 2016 and upto 31 July 2016 for any material events after 31 March 2016. We have considered the same in our analysis and made adjustments for further facts made known (past or future) to us till the date of our Report. Our analysis does not factor impact of any event which is unusual or not in normal course of business. We have relied on the above while arriving at the Share Exchange Ratio for the Step 1.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and/or gathered from public domain:

- Audited / unaudited financial statements of the Companies and their subsidiaries for the 2 years ended 31 March 2016;
- Information on key events between 31 March 2016 and 31 July 2016, as made known to us and their financial impact;
- Proposed Share Entitlement Ratio for demerger of Finance Undertaking of the Amalgamated Grasim into ABFSL;
- Draft scheme of arrangement dated 10th August 2016;
- Number of equity shares / shareholding pattern of the Companies as at 31 July 2016;
- Interviews and correspondence with the Management;
- Secondary research and market data on comparable companies and information on recent transactions, to the extent readily available; and
- Such other analysis, reviews and enquiries, as we considered relevant.

It may be noted that no future business plans for the Companies and their subsidiaries/ underlying investee companies were provided to us.

The Companies have been provided with the opportunity to review the draft report (excluding the recommended share exchange ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final report.



SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) the financial statements of the Companies and their subsidiaries as at 31 March 2016 and other information provided by the Management on key events after 31 March 2016 till the date of the Report.

Other than as stated above, the Management has represented that the business activities of the Companies, including their subsidiaries and associates, as applicable, have been carried out in the normal and ordinary course between 31 March 2016 and the Report date and that no material adverse change has occurred in their respective operations and financial position between 31 March 2016 and the Report date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events and transactions occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by the Companies (or its executives / representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.

The determination of share exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single share exchange ratio. While we have provided our recommendation of the Share Exchange Ratio (for Step 1) and our opinion on Share Entitlement Ratio (for Step 2) based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the share exchange/ entitlement ratio at which the proposed Transaction shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.



In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

In accordance with the terms of our engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by the Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management of the Companies that they have not omitted any relevant and material factors about the Companies. Our conclusions are based on the assumptions and information given by/on behalf of the Companies and reliance on public information. The Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies and their subsidiaries, reflected in their respective latest balance sheets remain intact as of the Report date.

We are not advisors with respect to legal, tax and regulatory matters for the Transaction. This Report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.



We owe responsibility to only the Boards of Directors of the Companies that has appointed us under the terms of our engagement letters and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. Unless specifically agreed, in no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Exchange Ratio. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Amalgamation, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock exchanges and SEBI. In addition, this Report does not in any manner address the prices at which equity shares of the Companies will trade following announcement of the Transaction and we express no opinion or recommendation as to how the shareholders of either Company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

SHAREHOLDING PATTERN OF COMPANIES

Grasim Industries Limited

The issued and subscribed equity share capital of Grasim as at 30 June 2016 is **INR 93.3 crores** consisting of 93,347,529 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-06-2016	No. of Shares	% Share Holding
Promoter and Group*	29,198,920	31.3%
Total Non-Promoter*	64,148,609	68.7%
Grand Total	93,347,529	100.0%

Source: BSE filing

*Includes Depository Receipts issued

Non promoter includes Institutions

The above number of equity shares include, 14,879 equity shares of the Grasim to be issued as fully paid-up pursuant to the acquisition of cement business of the ABNL under an earlier scheme of arrangement are held in the Share Capital Suspend Account. (Source: Grasim).



In addition, Grasim has allotted 673 shares against employee stock options exercised till 8 August 2016 (source: BSE filing). As per Management, Grasim has 110,476 employee stock options outstanding at total exercise price of **INR 25.0 crores** - (shares which are vested but not exercised). The diluted number of equity shares, as at 8 August 2016, after considering the employee stock options would be 93,458,678.

Aditya Birla Nuvo Limited

The issued and subscribed equity share capital of ABNL as at 30 June 2016 is **INR 130.2 crores** consisting of 130,222,858 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

ABNL

Shareholding Pattern as on 30-06-2016	No. of Shares	% Share Holding
Promoter and Group	76,053,327	58.4%
Total Non-Promoter	54,169,531	41.6%
Grand Total	130,222,858	100.0%

Source: BSE filing

Non promoter includes Institutions

In addition, ABNL has allotted 1,288 shares against employee stock options exercised till 8 August 2016 (source: BSE filing) and 41,323 shares held in abeyance. As per Management, ABNL has 26,050 employee stock options outstanding at total exercise price **INR 2.2 crores** - (shares which are vested but not exercised). The diluted number of equity shares, as at 8 August 2016, after considering the employee stock options would be 130,250,196.

Aditya Birla Financial Services Limited

The issued and subscribed equity share capital of Aditya Birla Financial Services Limited as at July 31, 2016 was INR 816 crores consisting of 81.6 crores equity shares of face value of INR 10 each. The shareholding pattern of ABFSL as at 31 July 2016 is as follows:

Shareholding Pattern as on 31-07-2016	No. of Shares#	% Share Holding
ABNL Investment Limited	307,535	0.0%
ABNL	815,702,465	100.0%
Grand Total	816,010,000	100.0%

Source: Management

Face value of INR 10 each

*2,00,00,000 shares are partly paid up for INR 2.25 per share

Further, the Scheme envisages:

- conversion of compulsorily convertible preference shares of ABFSL (33,65,00,000 in number) into 3,36,50,000 equity shares of Rs 10 each fully paid-up
- issue of additional equity shares / convertible instruments of ABFSL to ABNL aggregating to upto 38,25,80,000 fully paid up equity shares of Rs.10 each on rights basis.
- issue of additional equity shares by ABFSL to one or more financial investors, aggregating not more than 5% of the fully diluted share capital of ABFSL, by way of preferential



allotment, at a fair value to be determined by an independent valuer, in accordance with the provisions of Applicable Law.

The Management has represented to us that there would not be any capital variation in the Companies till the Transaction becomes effective other than on account of existing ESOP Schemes, and except as provided in the Scheme for preferential allotment in ABFSL.

APPROACH & METHODOLOGY

Step 1

The proposed Step 1 contemplates the merger of ABNL with Grasim. Arriving at the fair exchange ratio for the proposed Step 1 would require determining the fair value of the equity shares of ABNL in terms of the fair value of the equity shares of Grasim. These values are to be determined independently but on a relative basis, and without considering the proposed Transaction.

The following are commonly used and accepted methods for determining the value of the equity shares of a company/ business:

1. Market Price method
2. Comparable Companies Quoted Multiples method or Comparable Companies Transaction Multiples
3. Discounted Cash Flows method
4. Net Asset Value method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. Further, this valuation will fluctuate with lapse of time, changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Both ABNL and Grasim are operating companies and have significant businesses through subsidiaries and associate companies. ABNL holds investments in ABFSL, Aditya Birla Finance Limited, Idea Cellular Limited, Hindalco Industries Limited, Aditya Birla Fashion & Retail Limited; etc. Similarly, Grasim holds investments in Idea Cellular Limited, UltraTech Cement Limited, ABNL etc. In view of holding-cum-operating nature of both the Companies, the following approach was considered relevant for valuing ABNL and Grasim.



- Market Price Approach
- Sum of Parts Approach - Values arrived for various businesses/ investments of both the Companies under Market Price approach, CCM/ CTM and NAV methods were aggregated. Further, adjustments were made for debt, cash and cash equivalents, surplus assets, if any, key events and costs /proceeds relating thereto, etc as deemed appropriate. The equity value of the respective businesses/ investments so arrived was then divided by the diluted number of equity shares of the Companies to compute its value per share.

The following paragraphs discuss different valuation methods and their application for valuing the Companies, their businesses/ investments.

Market Price (MP) Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, the equity shares of the Companies are listed on BSE and NSE and there are regular transactions in their equity shares with adequate volumes. In these circumstances, the share price observed on NSE for the respective Companies and their various investments, over a reasonable period have been considered for determining the value of the Companies and of their investments, under the market price methodology.

Comparable Companies' Quoted Multiple (CCM) method

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

For valuing various businesses/ investment of these Companies, we have considered the earnings and asset multiples of comparable listed companies, with subject company / business specific adjustment, for the purpose of our valuation analysis.

Comparable Companies' Transaction Multiple (CTM) method

Under this method, value of the equity shares of a company/ business is arrived at by using multiples derived from valuations in comparable companies, as manifest through transaction



valuations. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

For valuing various businesses/ investments of these Companies, we have considered the comparable transactions, with subject company / business specific adjustment, for the purpose of our valuation analysis. Wherever and if deemed appropriate, industry specific benchmarks have been used in the analysis.

Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to the equity share holders are discounted at the cost of equity. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

Estimating future free cash flows:

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's equity capital.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the equity capital providers (namely shareholders). The opportunity cost to the equity capital provider equals the rate of return the equity capital provider expects to earn on other investments of equivalent risk.

DCF method has not been used in our analysis given the diverse nature of business interests, subjectivity involved in cash flows forecasting, listed status of the Companies, and sensitivity in relation to disclosing non-public business projections.

Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. Further, both ABNL and Grasim are holding companies and historical book value does not reflect intrinsic value of its investments. A Scheme of Arrangement for a merger would normally be proceeded with, on the assumption that the companies merge as going concerns and an actual realization of the operating assets is not contemplated. Hence, NAV methodology has not been considered except for arriving at the value of non operating businesses and investments of ABNL and Grasim.

Share Exchange Ratio

The basis of the Transaction would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a fair exchange ratio of equity shares it is necessary to arrive at a single value for each of the business / subject companies'



shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Companies and / or their associates, joint ventures and subsidiaries but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Companies. The Share Exchange Ratio is based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the companies, having regard to information base, key underlying assumptions and limitations.

Valuers, as considered appropriate, have independently applied methodologies discussed above and arrived at their assessment of value per share of the Companies. To arrive at the consensus on the Share Exchange Ratio for the Step 1, suitable averaging and rounding off in the values arrived at by the Valuers have been done.

Step 2 and Share Entitlement Ratio

Under Step 2, the Management proposes de-merger of Finance Undertaking of the Amalgamated Grasim into ABFSL. In consideration of this de-merger, the Management proposes to issue 7 (Seven) equity shares of ABFSL (of INR 10/- each fully paid up) in lieu of 1 (one) equity share of Amalgamated Grasim (of INR 10/- each fully paid up) to the shareholders of Amalgamated Grasim.

Currently, ABFSL is a wholly owned subsidiary (directly and indirectly) of ABNL. The proposed demerger of the Finance Undertaking from Amalgamated Grasim into ABFSL shall entail allotment of equity shares of ABFSL to all the equity shareholders of Amalgamated Grasim on a proportionate basis. In the current instance, the issue of adjusting equity values between different shareholders that usually forms the prime consideration for determining fair ratio of allotment is not relevant.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove:

Step 1

We recommend the Share Exchange Ratio 3 (three) equity shares of Grasim (of INR 10/- each fully paid up) for every 10 (Ten) equity shares of ABNL (of INR 10/- each fully paid up) for merger of ABNL into Grasim.

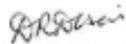


Step 2

Further, based on the aforementioned, and considering that all the shareholders of Amalgamated Grasim are and shall, upon demerger, be the ultimate beneficial economic owners of ABFSL and that upon allotment of equity shares by ABFSL in the proposed Share Entitlement Ratio, the beneficial economic interest of the shareholders in the equity of the Amalgamated Grasim shall be the same as in the equity of Amalgamated Grasim, the proposed Share Entitlement Ratio of 7 (Seven) equity shares of ABFSL (of INR 10/- each fully paid up) for every 1 (One) equity shares of the Amalgamated Grasim (of INR 10/- each fully paid up) for the demerger of Finance Undertaking into ABFSL is fair.

Respectfully submitted,

Bansi S. Mehta & Co
Chartered Accountants
ICAI Firm Registration Number:
100991W



Drushti Desai
Partner
Membership No: 102062
Date: 11 August 2016



Price Waterhouse & Co LLP
Chartered Accountants
ICAI Firm Registration Number:
016844N/N500015



Rajan Wadhawan
Partner
Membership No: 090172
Date: 11 August 2016



**Summary of the Joint Valuation / Share Exchange Ratio /
Share Entitlement Ratio Report along with the basis of such valuation**

1. Grasim, ABNL and ABFSL (collectively referred to as “**Companies**”) engaged Price Waterhouse & Co LLP (**PW & Co**) and Bansi Mehta & Co. (**BSM**) as independent Valuers (together PW & Co and BSM are referred to as “**Joint Valuers**”) for recommending the **Share Exchange Ratio** for the proposed merger of ABNL with Grasim and for opinion on the **Share Entitlement Ratio** on the proposed demerger of Finance Undertaking of amalgamated Grasim into ABFSL. Accordingly, the Joint Valuers had issued a valuation report dated 11 August 2016 (“**Joint Valuation Report**”).
2. Grasim appointed JM Financial Institutional Securities Limited (“**JM Financial**”) and ABNL appointed Kotak Mahindra Capital Company Limited (“**Kotak**”) as the merchant bankers to provide an independent opinion to the Board of Directors of the respective companies on the fairness of the Share Exchange Ratio recommended and the Share Entitlement Ratio opined, by the Joint Valuers.
3. JM Financial and Kotak reviewed the Joint Valuation Report issued by PW & Co and BSM and carried out their independent analysis. JM Financial vide its report dated 11 August 2016 opined to the Board of Directors of Grasim that the Share Exchange Ratio recommended and the Share Entitlement Ratio opined by the Joint Valuers is fair for the equity shareholders of Grasim. Similarly, Kotak vide its report dated 11 August 2016 opined to the Board of Directors of ABNL that the Share Exchange Ratio recommended and the Share Entitlement Ratio opined by the Joint Valuers is fair for the equity shareholders of ABNL.
4. Based on the Joint Valuation Report, Fairness Opinions and presentations to the Board of Directors of respective Companies by the Joint Valuers, JM Financial and Kotak, the Boards of Grasim and ABNL approved the Share Exchange Ratio and the Share Entitlement Ratio.
5. The Joint Valuers had carried out independent analysis and had applied standard and acceptable valuation methodologies in arriving at the valuation of Grasim and ABNL for the Share Exchange Ratio. The approach adopted by the Joint Valuers in determining the same is summarized as under:
 - a. The Joint Valuers adopted a combination of valuation methodologies to arrive at the relative valuation of Grasim and ABNL to recommend the Share Exchange Ratio.
 - b. The Joint Valuers primarily used the Sum of the Parts (SoTP) approach and Market Price approach to compute the independent relative valuation of Grasim and ABNL and recommend the Share Exchange Ratio.
 - c. The SoTP valuation was used to value various business divisions / investments and subsidiaries of Grasim and ABNL. To arrive at the SoTP value, the Joint Valuers primarily used a combination of following valuation methodologies, as appropriate :-
 - i. Comparable Market multiples: Multiples of listed peers
 - ii. Comparable Transaction multiples: Multiples based on relevant precedent transactions
 - iii. Book Value / costs of some insignificant investments
 - iv. Market Price approach for investments in underlying listed investments
 - d. Market Price Approach: Valued on the basis of volume weighted average market price (VWAP) for Grasim and ABNL
Further, JM Financial and Kotak performed an independent analysis using generally accepted valuation methodologies including SoTP for valuing various business divisions / investments and subsidiaries of Grasim and ABNL and market price linked valuation method to opine on the fairness of the Share Exchange Ratio recommended by the Joint Valuers.
6. With respect to the Share Entitlement Ratio, the proposed demerger entails allotment of equity shares of ABFSL to all equity shareholders of Amalgamated Grasim on a proportionate basis. In such a scenario, the adjustment of equity values between different shareholders which forms the prime consideration for determining fair ratio of allotment is not relevant as the beneficial economic interest lies with the same set of shareholders.
7. The Share Entitlement Ratio would result in issuance of at least twenty five percent of the share capital of ABFSL to the public shareholders of Grasim and ABNL, thereby ensuring listing of ABFSL.
8. Considering that post demerger, all shareholders of Amalgamated Grasim shall be the ultimate beneficial owners of ABFSL, either directly or indirectly, and since there is no change in the economic interest of ABFSL to the shareholders of Amalgamated Grasim, the Joint Valuers, JM Financial and Kotak opined that the proposed Share Entitlement Ratio for the demerger was fair to shareholders of Grasim and ABNL respectively from a financial point of view.

Date: 10th January, 2017





REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADITYA BIRLA NUVO LIMITED AT ITS MEETING HELD ON TUESDAY THE 14TH DAY OF FEBRUARY, 2017 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS

1. Background

- 1.1 The proposed Composite Scheme of Arrangement between Aditya Birla Nuvo Limited ("ABNL") and Grasim Industries Limited ("GRASIM") and Aditya Birla Financial Services Limited ("ABFSL") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of ABNL ("Board") vide resolution dated 11th day of August 2016. Subsequent to the said date, provisions of Sections 230 to 232 of the Companies Act, 2013, inter alia, governing amalgamation of companies have become operative with effect from 15th day of December 2016. Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders.
- 1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232 (2) (c) of the Companies Act, 2013.
- 1.3 The following documents were placed before the Board
 - 1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;
 - 1.3.2 Joint Valuation Report dated 11th August 2016 of M/s. Bansi S. Mehta & Co. and Price Waterhouse & Co. LLP., ("the Valuers"), Independent Chartered Accountants describing the methodology adopted by them in arriving at the share entitlement ratio ("Valuation Report").
 - 1.3.3 Fairness Opinion dated 11th August 2016 prepared by M/s. Kotak Mahindra Capital Company Limited, a Category I Merchant Banker, providing the Fairness Opinion on the share exchange ratio ("Fairness Opinion") as recommended by M/s. Bansi S. Mehta & Co. and Price Waterhouse & Co. LLP, the Valuers.
 - 1.3.4 Report of the Audit Committee of the Board of Directors dated 11th August, 2016.
 - 1.3.5 Summary of the Joint Valuation/ Share Exchange Ratio/ Share Entitlement Ratio report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of ABNL

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Corporate Finance Division

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1

Registered Office : Indian Rayon Compound, Veraval - 362 266, Gujarat



- 2.1 Under the Scheme, an arrangement is sought to be entered into between ABNL and its equity shareholders (promoter shareholders and non-promoter shareholders). Upon the effectiveness of Part II of the Scheme, i.e. amalgamation of ABNL with Grasim, Grasim shall allot equity shares, based on the Share Exchange Ratio, as under and more particularly in the manner as stipulated in Clause 7 of the Scheme, to the equity shareholders of ABNL:
- 2.1.1 Grasim shall issue and allot to each member of ABNL, whose name is recorded in the register of members and the records of the depository as members of ABNL on the Record Date 1, 15 (fifteen) equity shares of Rs 2 (Indian Rupees Two) each of Grasim credited as fully paid up for every 10 (ten) equity shares of Rs 10 (Indian Rupees Ten) each held by such shareholder in ABNL.
- 2.2 Upon the effectiveness of Part II of the Scheme, the equity shares held by Grasim in the paid-up equity share capital of ABNL shall stand cancelled.
- 2.3 Upon the effectiveness of Part III of the Scheme, i.e. demerger of Financial Services business of Grasim into ABFSL, ABFSL shall allot equity shares, based on the Share Entitlement Ratio as under and more particularly and in the manner as stipulated in Clause 20 of the Scheme, to the equity shareholders of Grasim including to the depository of Grasim in relation to Grasim's GDR:
- 2.3.1 ABFSL shall issue and allot to each shareholder of Grasim, whose name is recorded in the register of members and records of the depository as members of Grasim, on the Record Date 2, 7 (seven) equity shares of Rs 10 (Indian Rupees Ten) each of ABFSL credited as fully paid up for every 5 (five) equity share of Rs 2 (Indian Rupees Two) each held by such shareholder in Grasim.
- 2.4 Under Clause 5 of Part II of the Scheme, on and from the Effective Date 1, Grasim undertakes to engage all the Employees of ABNL on the same terms and conditions on which they are engaged by ABNL without any interruption of service and in the manner provided under Clause 5 of Part II of the Scheme. In the circumstances, the rights of the Employees of ABNL would in no way be affected by the Scheme. The key managerial personnel of ABNL are also the Employees of ABNL.
3. No special valuation difficulties were reported by the Valuers.

**By Order of the Board,
For Aditya Birla Nuvo Limited,**

T.M. Nankil

**Ms. Tarjani Vakil
Director
DIN: 00009603**

Date: 14th February, 2017

AV

Aditya Birla Nuvo Limited
Corporate Finance Division

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Registered Office : Indian Rayon Compound, Veraval - 362 266, Gujarat



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GRASIM INDUSTRIES LIMITED AT ITS MEETING HELD ON MONDAY THE 30TH DAY OF JANUARY, 2017 EXPLAINING THE EFFECT OF COMPOSITE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1 The proposed Composite Scheme of Arrangement between Aditya Birla Nuvo Limited ("ABNL") and Grasim Industries Limited ("GRASIM") and Aditya Birla Financial Services Limited ("ABFSL") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of Grasim vide resolution dated 11th day of August 2016. Subsequent to the said date, provisions of Section 230 to 232 of the Companies Act, 2013, inter alia, governing amalgamation of companies have become operative with effect from 15th day of December 2016. Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders.
- 1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2) (c) of the Companies Act, 2013.
- 1.3 The following documents were placed before the Board
 - 1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;
 - 1.3.2 Joint Valuation Report dated 11th August 2016 of M/s. Bansi S. Mehta & Co. and Price Waterhouse & Co. LLP, ("the Valuers"), Independent Chartered Accountants describing the methodology adopted by them in arriving at the share entitlement ratio ("Valuation Report").
 - 1.3.3 Fairness Opinion dated 11th August 2016 prepared by M/s. JM Financial Institutional Securities Limited, a Category I Merchant Banker, providing the Fairness Opinion on the share exchange ratio ("Fairness Opinion") as recommended by M/s. Bansi S. Mehta & Co. and Price Waterhouse & Co. LLP, the Valuers.
 - 1.3.4 Report of the Audit Committee of the Board of Directors dated 11th August, 2016.
 - 1.3.5 Summary of the Joint Valuation/ Share Exchange Ratio/ Share Entitlement Ratio report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders (promoter shareholders and non-promoter shareholders), employees and KMPs of Grasim

- 2.1 Under the Scheme, an arrangement is sought to be entered into between Grasim and its equity shareholders (promoter shareholders and non-promoter shareholders). Upon the effectiveness of Part II of the Scheme, i.e. amalgamation of ABNL with Grasim, Grasim shall allot equity shares, based on the Share Exchange Ratio, as under and more particularly in the manner as stipulated in Clause 7 of the Scheme, to the equity shareholders of ABNL:

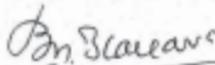
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Regd. Office : P.O. Birlagram, Nagda - 456 331 (M.P.)

- 2.1.1 Grasim shall issue and allot to each member of ABNL, whose name is recorded in the register of members and the records of the depository as members of ABNL on the Record Date 1, 15 (fifteen) equity shares of ₹ 2 (Indian Rupees Two) each of Grasim credited as fully paid up for every 10 (ten) equity shares of ₹ 10 (Indian Rupees Ten) each held by such shareholder in ABNL.
- 2.2 Upon the effectiveness of Part II of the Scheme, the equity shares held by Grasim in the paid-up equity share capital of ABNL shall stand cancelled.
- 2.3 Further, upon the effectiveness of Part III of the Scheme, i.e. demerger of Financial Services business of Grasim into ABFSL, ABFSL shall allot equity shares, based on the Share Entitlement Ratio as under and more particularly and in the manner as stipulated in Clause 20 of the Scheme, to the equity shareholders of Grasim including to the depository of Grasim in relation to Grasim's GDR:
- 2.3.1 ABFSL shall issue and allot to each shareholder of Grasim, whose name is recorded in the register of members and records of the depository as members of Grasim, on the Record Date 2, 7 (seven) equity shares of ₹ 10 (Indian Rupees Ten) each of ABFSL credited as fully paid up for every 5 (five) equity share of ₹ 2 (Indian Rupees Two) each held by such shareholder in Grasim.
- 2.4 Under Clause 5 of Part II of the Scheme, on and from the Effective Date 1, Grasim undertakes to engage all the Employees of ABNL on the same terms and conditions on which they are engaged by ABNL without any interruption of service and in the manner provided under Clause 5 of Part II of the Scheme. In the circumstances, the rights of the Employees of ABNL would in no way be affected by the Scheme. The key managerial personnel of ABNL are also the Employees of ABNL.
- 2.5 Under Part II of the Scheme, no rights of the Employees of Grasim are being affected. The services of the Employees of Grasim, under Part II of the Scheme, shall continue on the same terms and conditions on which they were engaged by Grasim.
- 2.6 Under Clause 17 of Part III of the Scheme, on and from the Effective Date 2, ABFSL undertakes to engage the Employees of Grasim, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by Grasim without any interruption of service and in the manner provided under Clause 17 of Part III of the Scheme. In the circumstances, the rights of the Employees of Grasim, engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme.
- 2.7 There is no effect of the Scheme on the key managerial personnel and/or the Directors of Grasim.
- 2.8 No special valuation difficulties were reported.

By Order of the Board



B. V. Bhargava
Director
DIN 00001823

30th January, 2017





REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADITYA BIRLA FINANCIAL SERVICES LIMITED AT ITS MEETING HELD ON WEDNESDAY THE 8TH DAY OF FEBRUARY, 2017 EXPLAINING THE EFFECT OF THE COMPOSITE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON PROMOTER SHAREHOLDERS

1. Background

- 1.1 The proposed Composite Scheme of Arrangement between Aditya Birla Nuvo Limited ("ABNL") and Grasim Industries Limited ("GRASIM") and Aditya Birla Financial Services Limited ("ABFSL") and their respective shareholders and creditors ("the Scheme") was approved by the Board of Directors of ABFSL ("Board") vide resolution dated 11th day of August 2016. Subsequent to the said date, provisions of Sections 230 to 232 of the Companies Act, 2013, inter alia, governing amalgamation of companies have become operative with effect from 15th day of December 2016. Provisions of Section 232(2)(c) of the Companies Act, 2013 requires the Directors to adopt a report explaining the effect of arrangement and amalgamation on equity shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders.
- 1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232 (2) (c) of the Companies Act, 2013.
- 1.3 The following documents were placed before the Board
 - 1.3.1 Draft Scheme duly initialled by the Company Secretary for the purpose of identification;
 - 1.3.2 Joint Valuation Report dated 11th August 2016 of M/s. Bansi S. Mehta & Co. and Price Waterhouse & Co. LLP., ("the Valuers"), Independent Chartered Accountants describing the methodology adopted by them in arriving at the share entitlement ratio ("Valuation Report").
 - 1.3.3 Report of the Audit Committee of the Board of Directors dated 11th August, 2016.
 - 1.3.4 Summary of the Joint Valuation/ Share Exchange Ratio/ Share Entitlement Ratio report along with the basis of such valuation.

2. Effect of the Scheme of Arrangement on equity shareholders (promoter shareholders and non-promoter shareholders), Employees and KMPs of ABFSL



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ADITYA BIRLA

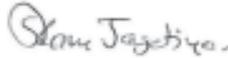


FINANCIAL SERVICES

- 2.1 Under the Scheme, an arrangement is sought to be entered into between ABFSL and its shareholders. Upon the effectiveness of Part III of the Scheme, i.e. demerger of Financial Services business of Grasim into ABFSL, ABFSL shall allot equity shares, based on the Share Entitlement Ratio as under and more particularly and in the manner as stipulated in Clause 20 of the Scheme, to the equity shareholders of Grasim including to the depository of Grasim in relation to Grasim's GDR:
- 2.1.1 ABFSL shall issue and allot to each shareholder of Grasim, whose name is recorded in the register of members and records of the depository as members of Grasim, on the Record Date 2, 7 (seven) equity shares of Rs 10 (Indian Rupees Ten) each of ABFSL credited as fully paid up for every 5 (five) equity share of Rs 2 (Indian Rupees Two) each held by such shareholder in Grasim.
- 2.2 Under Clause 17 of Part III of the Scheme, on and from the Effective Date 2, ABFSL undertakes to engage the Employees of Grasim, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by Grasim without any interruption of service and in the manner provided under Clause 17 of Part III of the Scheme.
- 2.2.1 Under Part III of the Scheme, no rights of the Employees of ABFSL are being affected. There is no effect of the Scheme on the key managerial personnel of ABFSL.

3. No special valuation difficulties were reported by the Valuers.

**By Order of the Board,
For Aditya Birla Financial Services Limited**



**Shriram Jagetiya
Director
DIN: 01638250**



Date: 8th February, 2017

Aditya Birla Financial Services Limited

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Annexure 7

ADITYA BIRLA NUVO LIMITED

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

Balance Sheet as at 31st December 2016

		₹ in Crores
	Note	As at 31-Dec-2016
I ASSETS		
(1) Non-Current Assets		
(a) Property, Plant and Equipment	1A	1,481.67
(b) Capital Work in Progress		174.71
(c) Other Intangible assets	1B	13.03
(d) Financial Assets		
(i) Non-current investments	2A	8,346.27
(ii) Loans	3A	21.53
(iii) Other Financial Assets	4A	24.52
(e) Assets for Tax (Net)		34.12
(f) Other Non-Current Assets	5A	22.09
		<u>10,117.92</u>
(2) Current Assets		
(a) Inventories	6	726.92
(b) Financial Assets		
(i) Current Investments	2B	1,661.43
(ii) Trade Receivables	7	939.54
(iii) Cash and cash equivalents	8A	17.46
(iv) Bank balances other than (iii) above	8B	4.10
(v) Loans	3B	72.04
(vi) Other Financial Assets	4B	207.60
(c) Assets for Current Tax (Net)		49.06
(d) Other Current Assets	5B	77.23
		<u>3,755.45</u>
Total assets		<u>13,873.37</u>
II EQUITY AND LIABILITIES		
(1) Equity		
(a) Share Capital	9	130.24
(b) Other Equity	9A	9,865.64
Total Equity		<u>9,995.89</u>
(2) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Long-Term Borrowings	10A	1,123.96
(ii) Other Financial Liabilities	11A	8.04
(b) Long Term Provisions	12A	6.48
(c) Deferred tax liability (Net)		97.71
(d) Other Non Current Liabilities	13A	4.87
		<u>1,241.06</u>
(3) Current liabilities		
(a) Financial Liabilities		
(i) Short-Term Borrowings	10B	1,316.86
(ii) Trade and Other Payables		650.88
(iii) Other Financial Liabilities	11B	371.08
(b) Other Current Liabilities	13B	96.03
(c) Short Term Provisions	12B	78.61
(d) Liabilities for Current Tax (Net)		122.97
		<u>2,636.42</u>
Total Liabilities		<u>3,877.48</u>
Total Equity and Liabilities		<u>13,873.37</u>

For Aditya Birla Nuvo Limited

P. Mehta
PINKY MEHTA
Chief Financial Officer
Mumbai, 14th February 2017

Shriram Jagetiya
SHRIRAM JAGETIYA
Manager

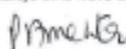


Aditya Birla Nuvo Limited
Registered Office:
Indian Rayon Compound,
Veraval - 362 266, Gujarat
CORPORATE IDENTITY NUMBER
L17199GJ1956PLC001107

ADITYA BIRLA NUVO LIMITEDSupplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)
Statement of Profit and Loss for the nine months ended 31st December 2016

		₹ in Crore
	<u>Note</u>	<u>Nine Months Ended 31-Dec-16</u>
Income		
Revenue from Operations	14	3,749.35
Other Income	15	195.59
Total Income		<u>3,944.94</u>
Expenses		
Cost of Materials Consumed	16	1,781.97
Purchase of Stock-In-Trade	17	248.02
Changes in inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	18	(60.77)
Employee Benefits Expenses	19	353.94
Excise Duty		127.94
Power and Fuel		453.23
Other Expenses	20	412.48
Depreciation and Amortisation Expenses	21	95.39
Finance Cost	22	167.98
Total Expenses		<u>3,580.17</u>
Profit Before Exceptional Item and Tax		<u>364.77</u>
Exceptional Item	23	(1,119.70)
Profit Before tax		<u>1,484.48</u>
Tax Expenses		
Current Tax		306.75
Write Back of Excess Provision for Tax Related to Earlier Years		(79.24)
Deferred Tax		(56.63)
Profit for the year		<u>1,313.59</u>
Other Comprehensive Income Statement (net of tax)		
Other Comprehensive Income to be reclassified to profit or loss in subsequent period:		
Net Movement in cash flow hedges		(1.75)
Other Comprehensive Income not to be reclassified to profit or loss in subsequent period:		
Re-measurement of defined benefit obligation		(8.23)
Net Gain/ (Loss) in PVOI equity instruments		167.81
Total Other Comprehensive Income		<u>157.83</u>
Total Comprehensive Income (after tax)		<u>1,471.43</u>
Earnings per share		
Basic Earnings Per Share (₹)		100.87
Diluted Earnings Per Share (₹)		100.75
(Face Value of ₹ 10/- each)		

For Aditya Birla Nuvo Limited



PINKY MEHTA
Chief Financial Officer
Mumbai, 14th February 2017



SHRIRAM JAGETIA
Manager



Aditya Birla Nuvo Limited
Registered Office:
Indian Rayon Compound,
Veraval - 362 266, Gujarat
CORPORATE IDENTITY NUMBER
L17199GJ1956PLC001107

Aditya Birla Nuvo Limited
 Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)
 Cash Flow Statement for the Nine Months ended 31st December, 2016

₹ in Crores

PARTICULARS	For the Nine Month Ended 31st December 2016
A CASH FLOW FROM OPERATING ACTIVITIES	
Profit Before Tax	1,484.48
Adjustments for:	
Exceptional item	(1,123.70)
Depreciation and Amortisation Expenses	85.38
Provision for Bad and Doubtful Debts and Advances and Bad debts written off	7.77
Employee Stock Options Expenses	0.89
Finance Costs	187.58
Interest Income	(45.83)
(Gain)/Loss on Fixed Assets Sold	(0.17)
(Gain)/Loss on Sale of Investments	(36.18)
Mark to Market of Investments	(9.44)
Dividend Income	(87.78)
	<u>(1,667.65)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	477.43
Adjustments for:	
Decrease/(Increase) in Trade Receivables	540.36
Decrease/(Increase) in Loans and other assets	0.28
Decrease/(Increase) in Inventories	(58.87)
Increase/(Decrease) in Payables and other liabilities	53.24
	<u>485.79</u>
CASH GENERATED FROM OPERATIONS	873.23
(Income Taxes Refund)/ (Paid)	(182.92)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	700.30
B CASH FLOW FROM INVESTING ACTIVITIES	
Sale/ (Purchase) of Fixed Assets (Net)	(182.38)
Acquisition of Additional Shares/Investment in Subsidiary	(403.70)
Sale of Investment of Subsidiary	1,664.00
Sale/ (Purchase) of Current Investments (Net)	(401.98)
Inter-Corporate Deposits to Subsidiary – Given	(51.54)
Other Bank Deposits (having original maturity more than three months)	45.00
Interest Received from Subsidiaries	3.25
Interest Received	41.89
Dividend Received from Subsidiaries/ Joint Ventures/Associate	66.42
Dividend Received as Other long-term investment	3.35
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	855.85
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of Shares (including Securities Premium)	0.02
Repayment of Long term Borrowings	(206.09)
Proceeds/ (Repayment) from Short-term Borrowings (Net)	(1,100.22)
Dividends Paid	(85.11)
Corporate Dividend Tax paid	(10.36)
Interest Paid	(134.28)
NET CASH (USED IN)/FROM FINANCING ACTIVITIES	(1,526.04)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(41.89)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	59.35
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	17.46
	<u>0.00</u>

For Aditya Birla Nuvo Limited

Pinky Mehta
 PINKY MEHTA
 Chief Financial Officer
 Mumbai, 14th February 2017

Shyam Jagetiya
 SHYAM JAGETIYA
 Manager



Aditya Birla Nuvo Limited
 Registered Office:
 Indian Rayon Compound,
 Veraval - 362 266, Gujarat
 CORPORATE IDENTITY NUMBER
 L17199GJ1956PLC001107

ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

NOTE: 1A

Property, Plant and Equipments (Summarised)

	₹ in Crore
Freehold Land	22.84
Leasehold Land	31.77
Freehold Buildings	258.99
Leasehold Buildings	0.28
Plant and Equipment	1,148.92
Furniture and Fixtures	6.45
Vehicles	6.35
Office Equipment	6.35
Railway Sidings	0.19
Total Tangible Assets	1481.67

NOTE: 1B

Other Intangible Assets

Computer Software	0.68
Brands/ Trademarks	12.36
Total Intangible Assets	13.03



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

NOTE: 2A

Non-Current Investments

	Face Value	₹ in Crore	
		As at	
		31-Dec-16	
		Number	Amount
Investment in Equity Instruments			
Subsidiaries/ Joint Venture/Associate - Carried at Cost			
Quoted			
IDEA Cellular Limited	30	837,526,221	2,355.81
			<u>2,355.81</u>
Unquoted			
Aditya Birla Financial Services Limited	30	796,660,000	1,535.51
Aditya Birla Financial Services Limited (₹ 7.75 paid up)	30	10,992,465	154.98
0.01% Compulsory Convertible Preference Shares of Aditya Birla Financial Services Limited	30	307,000,000	307.00
ABNL Investment Limited	30	21,000,000	21.00
Aditya Birla Finance Limited	30	61,273,146	857.11
Aditya Birla Renewables	30	612,000	0.61
Aditya Birla Renewables (₹ 5 paid up)	30	612,000	0.31
Aditya Birla Solar Limited	30	5,054,100	5.05
Aditya Birla Solar Limited (₹ 2.50 paid up)	30	25,270,500	6.32
Aditya Birla Idea Payment Bank Limited	30	116,806,300	116.80
Shaktiman Mega Food Park Private Limited	30	438,000	0.43
Less: Provision for Diminution			(0.43)
Equity Portion of ICD			
ICD to Aditya Birla Money Mart Limited			10.78
Less:- Provision for diminution in value of ICD			(10.78)
ICD to Aditya Birla Money Insurance Advisory Limited			0.81
Less:- Provision for diminution in value of ICD			(0.81)
			<u>8,902.99</u>
Others - Carried at Fair Value through Other Comprehensive Income			
Aditya Birla Science & Technology Limited	30	2,406,000	2.73
Birla Management Centre Services Limited	30	7,000	3.63
Aditya Birla Port Limited	30	108,000	0.13
			<u>6.49</u>
Investment in Preference Shares - Unquoted			
Subsidiaries - Carried at Amortized Cost			
8.00% Cumulative and Redeemable Preference Shares of Aditya Birla Finance Limited	30	10,000,000	10.00
Subsidiaries - Carried at Fair Value through Profit and Loss			
0% Non-Convertible Non-Cumulative Redeemable Preference Shares of Aditya Birla Financial Services Limited	30	200,000,000	200.00
0% Non-Convertible Non-Cumulative Redeemable Preference Shares of Aditya Birla Financial Services Limited	30	1,271,118,000	1,271.11
			<u>1,481.71</u>



₹ in Crore

	Face Value	As at 31-Dec-16	
		Number	Amount
Others - Carried at Amortised Cost			
8.00% Cumulative and Redeemable Preference Shares of Aditya Birla Fashion and Retail Limited	10	500,000	0.77
Others - Carried at Fair Value through Profit and Loss			
5.25% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Ltd.	100	1,500,000	13.18
8% Preference Shares of Birla Management Centre Services Ltd.	10	200	0.00
			13.95
Investment in Equity Instruments - Carried at Fair Value through Other Comprehensive Income - Quoted			
Others			
Hindalco Industries Limited	1	33,546,337	519.52
Aditya Birla Fashion and Retail Limited	10	68,982,370	966.13
			1,485.65
TOTAL NON-CURRENT INVESTMENT			8,346.27

Notes:

1 - Aggregate Book Value of Unquoted Investments	4,504.04
2 - Aggregate Book Value of Quoted Investments	1,041.43
3 - Market Value of Quoted Investments	7,675.13
4 - Aggregate Amount of Diminution in Value of Investments	12.02

NOTE: 28

Current Investments

₹ in Crore

	Face Value	As at 31-Dec-16	
		Number	Amount
Quoted - Carried at Fair Value through Profit and Loss			
Units of Mutual Fund			
Birla Sun Life STP Direct Plan Growth	10	13,803,772	85.52
Birla Sun Life Savings Fund - Growth Direct Plan	100	1,296,376	40.74
Birla Sun Life Floating Rate Fund Long Term Growth Direct Plan	100	1,197,604	23.62
Birla Sunlife Floating Rate Fund STP Growth	100	594,416	12.00
Birla Sun Life Cash Plus (Regular Plan)-Growth	100	76,858	2.02
HDFC Floating Rate Income Fund STP Dir Growth	10	27,809,623	75.25
HDFC Cash Management Fund Savings Plan Growth	1000	15,948	5.00
IDFC Money Manager Fund IP Growth Direct Plan	10	5,098,271	12.89
ICICI Pru. Money Market Fund Growth	10	17,387,230	29.87
Kotak Liquid Scheme Plan A Growth	1000	21,628	7.00
Kotak Treasury Advantage Fund Direct Plan Growth	10	36,948,159	95.66
L&T Liquid Fund Growth	1000	31,592,182	7.00
LIC MF Liquid Fund Growth	1000	13,839	4.00
Reliance Money Manager Fund Direct Growth	1000	186,628	43.06
TATA Liquid Fund Regular Plan Growth	1000	34,028	10.01
			464.56
Investment in Equity Instruments - Unquoted			
Subsidiaries - Carried at Cost			
Birla Sun Life Insurance Company Limited (Refer below note 4)	10	969,618,080	1,206.93
TOTAL CURRENT INVESTMENT			1,663.49

Notes:

1 - Aggregate Book Value of Quoted Investments	464.56
2 - Aggregate Book Value of Unquoted Investments	1,206.93
3 - Market Value of Quoted Investments	404.56

4 - The Board of Directors of the Company at its meeting held on 11th August, 2016, approved a Composite Scheme of Arrangement between the Company, its wholly owned subsidiary Aditya Birla Financial Services Limited (ABFSL), Grasim Industries Limited (Grasim) and their respective shareholders and creditors under Section 391-394 of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013 ('Scheme'). Such Scheme provides for the amalgamation of the Company with Grasim on a going concern basis, demerger of the financial services business from amalgamated Grasim into ABFSL post the amalgamation and consequent listing of the equity shares of ABFSL.

The aforesaid Scheme also envisages transfer of 969,618,080 equity shares held by the Company in Birla Sunlife Insurance Company Limited (BSLI) to ABFSL. Accordingly, investment in BSLI is now classified as current investment.



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

As at

31-Dec-2016

NOTE: 3A

Loans

(Unsecured, Considered Good, except otherwise stated)

Security Deposits	
Unsecured, Considered Good	9.14
Unsecured, Considered Doubtful	0.59
Less: Provision for Doubtful	(0.59)
Inter Corporate Deposits	10.80
Loans to Employees	1.59
Others	
Considered Doubtful	0.20
Less: Provision for Doubtful	(0.20)
	<u>21.53</u>

NOTE: 3B

Loans

(Unsecured, Considered Good, except otherwise stated)

Security Deposit	9.18
Inter Corporate Deposits	2.79
Loans to Employees	2.19
Loans to Related Parties (Refer below note 1)	57.88
	<u>72.04</u>

Note 1 -

Details of Loans to Related Parties

₹ in Crore

Name of Company	Maximum Balance Outstanding during the Year	Amount Outstanding
Aditya Birla Customer Services Limited	48.14	48.14
Aditya Birla Finance Limited	2.51	2.51
Aditya Birla Money Mart Limited	3.99	3.99
Aditya Birla Money Insurance Advisory Services Limited	3.24	3.24

- The loans have been utilised for meeting their business requirements.



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

As at
31-Dec-2016

NOTE: 4A

Other Financial Assets- Non- Current

Government Grant Receivable	0.59
Export incentive Receivable	0.06
Less: Provision for Export Incentive Receivable	(0.06)
Other Bank Balances	
Bank Deposits with more than twelve months maturity	0.01
Other Receivables	23.92
	<u>24.52</u>

NOTE: 4B

Other Financial Assets- Current

Government Grant Receivable	20.62
Export incentive Receivable	14.67
Insurance Claim receivable	0.16
Derivative Assets	16.75
Freight Subsidy Receivables	112.81
Reimbursement of Expenses Receivables *	42.60
	<u>207.60</u>
	<u>0.66</u>

* Includes amount due from Related parties



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016
Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore
	As at
	<u>31-Dec-2016</u>
NOTE: 5A	
<u>Other Non-Current Assets</u>	
(Unsecured, Considered Good, except otherwise stated)	
Capital Advances	
Unsecured, Considered Good	15.19
Unsecured, Considered Doubtful	0.81
Less: Provision for Doubtful	(0.81)
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government	
Unsecured, Considered Good	0.39
Unsecured, Considered Doubtful	0.54
Less: Provision for Doubtful	(0.54)
Advance for Expenses	
Unsecured, Considered Doubtful	1.17
Less: Provision for Doubtful	(1.17)
Deferred Staff Cost	0.24
Deferred Rent Expenses	1.07
Prepaid Expense	4.76
Others	0.44
	<u>22.09</u>
NOTE: 5B	
<u>Other Current Assets</u>	
(Unsecured, Considered Good, except otherwise stated)	
VAT, Other Taxes Recoverable, Statutory Deposits and Dues from Government	31.84
Prepaid Expenses	14.95
Advance for Expenses *	29.71
Deferred Staff Cost	0.13
Deferred Rent Expense	0.44
Other Current Assets	0.15
	<u>77.23</u>
* Includes amount due from Related parties	0.05



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

As at
31-Dec-2016

NOTE: 6

Inventories

(Valued at lower of Cost and Net Realisable Value, unless otherwise stated)

Raw Materials	220.75
Work-in-Progress	104.81
Finished Goods	279.70
Stock in trade	31.26
Stores and Spares	82.19
Waste/ Scrap	0.68
Packing Material	7.54
Total Inventories	726.92

NOTE: 7

Trade Receivables

Secured, Considered Good	32.60
Unsecured, Considered Good #	906.95
Unsecured, Considered Doubtful	31.73
Less: Provision for doubtful	(31.73)
	939.54

Includes subsidy receivable from Government of India

428.28



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore
	As at
	<u>31-Dec-2016</u>
NOTE: 8A	
<u>Cash And Cash Equivalents</u>	
Balances with Banks	
Current Accounts	17.22
Cash on Hand	0.24
	<u>17.46</u>
NOTE: 8B	
<u>Bank Balances other than Cash and cash Equivalents</u>	
Others	
Unclaimed Dividend	3.82
Money Due for Refund on Fraction Shares	0.28
	<u>4.10</u>



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

	Numbers	As at 31-Dec-2016
NOTE: 9		
Share Capital		
Authorised:		
Equity Shares of ₹ 10/- each	175,000,000	175.00
Redeemable Preference Shares of ₹ 100/- each	500,000	5.00
		<u>180.00</u>
Issued:		
EQUITY SHARE CAPITAL		
Equity Shares of ₹ 10/- each	130,279,180	130.28
		<u>130.28</u>
Subscribed and Paid-up:		
EQUITY SHARE CAPITAL		
Equity Shares of ₹ 10/- each, fully paid-up	130,242,688	130.24
		<u>130.24</u>

1) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

S. No.	Description	As at 31st December, 2016
		Equity Shares
1	No of Shares Outstanding at the beginning of the period	130,222,858
2	Allotment of Shares on exercise of option by employee under ESOS	19,830
3	No of Shares Outstanding at the end of the period	130,242,688

2) The Company does not have any Holding Company.

3) Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of shares held are as under:

Equity Shares

Sr. No.	Name of Shareholder	31st December, 2016	
		No of Shares Held	% of Total Paid-up Equity Share Capital
1	IGH Holdings Private Limited	16,352,102	12.56%
2	TGS Investment and Trade Private Limited	14,671,037	11.26%
3	Umang Commercial Company Private Limited	12,494,765	9.59%
4	Trapti Trading & Investments Private Limited	9,423,935	7.24%
5	Hindalco Industries Limited	8,650,412	6.64%
6	Turquoise Investment And Finance Private Limited	6,885,421	5.29%



ADITYA BIRLA NUVO LIMITED.

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

NOTE: 9A

Other Equity

₹ in Crore

	Reserve and Surplus						Other Comprehensive Income (OCI)			Share Options Outstanding Account	Total
	Capital Reserve	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Securities Premium Account	Surplus as per Statement of	Equity Instruments through OCI	Hedging reserve			
Opening Balance as at 31st March 2016	46.58	8.56	79.58	3,862.53	3,996.25	488.02	(25.46)	(0.54)	11.67	8,467.19	
Profit for the year	-	-	-	-	-	1,313.59	-	-	-	1,313.59	
Dividend (including Corporate Dividend Tax) pertaining to FY 15-16	-	-	-	-	-	(75.48)	-	-	-	(75.48)	
Other Comprehensive Income for the Year	-	-	-	-	-	(8.23)	167.81	(1.75)	-	157.83	
Transfer from Stock Options Outstanding Reserve on exercise of options	-	-	-	0.00	2.18	-	-	-	(2.18)	-	
Transfer from Stock Options Outstanding Reserve on lapse of Options	-	-	-	0.83	-	-	-	-	(0.83)	-	
Transfer from Surplus as per Statement of Profit and Loss	-	-	26.25	-	-	(26.25)	-	-	-	-	
ESOP Exercised	-	-	-	-	0.16	-	-	-	-	0.16	
ESOP charge during the period	-	-	-	-	-	-	-	-	2.33	2.33	
Closing Balance as on 31st December 2016	46.58	8.56	105.83	3,863.36	3,998.59	1,691.66	142.35	(2.29)	11.00	9,865.64	



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore As at 31-Dec-2016
NOTE: 10A	
<u>Long Term Borrowings</u>	
<u>Secured</u>	
Rupee Term Loans from	
Banks	81.87
Financial Institutions	4.48
Foreign Currency Loans from Banks	36.84
Finance Lease Liability	0.29
	<u>123.48</u>
<u>Unsecured</u>	
Debentures	798.95
Foreign currency Loans from Banks	201.53
	<u>1,000.48</u>
	<u>1,123.96</u>
Total Long term Borrowings	
NOTE: 10B	
<u>Short Term Borrowings</u>	
<u>Secured</u>	
Loan Repayable on Demand from Banks	7.48
	<u>7.48</u>
<u>Unsecured</u>	
Loan Repayable on Demand from Banks	194.89
Other Loans and Advances	
Commercial Papers	1,090.93
Bill Discounted with Bank	23.56
	<u>1,309.38</u>
Total Short- Term Borrowings	<u>1,316.86</u>
Total Borrowings	<u>2,440.82</u>



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

NOTE: 10A and 10B

₹ in Crores

		As at 31st December 2016	
		Current	Non - Current
(I)	SECURED LONG-TERM BORROWINGS :		
(A)	Rupee Term Loan from Banks		
i)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties (save and except current assets and assets on which an exclusive charge has been created in favor of Exim Bank) of the Company's Rayon Division Plant at Veraval and Textile Division plant at Rishra. Repayment Terms : 10 half yearly instalments from 29th July 2015. First three instalments of ₹ 0.74 Crore each, next 3 instalments of ₹ 1.48 Crore each and next 4 instalments of ₹ 4.83 Crore each.	2.97	20.80
ii)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division plant at Rishra. Repayment Terms : 10 half yearly instalments from 30th June 2015. First four instalments of ₹ 0.50 Crore each, next 2 instalments of ₹ 1.00 Crore each, next 2 instalments of ₹ 9.00 Crores each, next 1 instalment of ₹ 10.00 Crores and last instalment of ₹ 1.00 Crore.	2.00	29.00
iii)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division plant at Rishra. Repayment Terms : 20 quarterly instalments from 3rd September 2016. First four instalments of ₹ 0.56 Crore each, next 8 instalments of ₹ 1.12 Crore each, next 4 instalments of ₹ 1.35 Crores each, and last 4 instalments of ₹ 1.46 Crore each.	3.37	17.95
iv)	Term loan secured by way of first pari passu charge created by hypothecation of the entire movable properties of the Company's Rayon Division Plant at Veraval and Textile Division plant at Rishra. (Drawdown during the year ₹ 6.77 Crs) Repayment Terms : 21 quarterly instalments from 19th December 2016. 1st four instalments of ₹ 0.32 Crore each, next four instalments of ₹ 0.39 Crore each, next four instalments of ₹ 0.47 Crores each, next four instalments of ₹ 0.63 Crore each and last five instalments of ₹ 1.70 Crore each..	1.34	14.11
	Total Rupee Term Loan Banks (A)	9.68	81.87
		As at 31st December 2016	
		Current	Non - Current
(B)	Term Loan from Financial Institutions		
i)	Term loan secured by way of first pari passu charge created by mortgage of the immovable properties of the Company situated at Veraval and Rishra (Textile Division) and hypothecation of movables (save and except books debts) situated at these locations, subject to prior charge(s) created on certain assets in favor of a Financial Institution and on Bankers Goods in favor of the Company's Bankers for working capital borrowings. Repayment Terms : 17 half yearly instalments from 3rd January 2009. First four instalments of ₹ 0.95 Crore each, next 4 instalments of ₹ 1.90 Crore each, next 4 instalments of ₹ 5.70 Crore each and next 5 instalments of ₹ 12.16 Crore each.	12.16	-
ii)	Term loan secured by way of first pari passu charge created by hypothecation of movable fixed assets situated at Veraval and Rishra (Textile Division). Repayment Terms : 17 half yearly instalments from 20th March 2010. First four instalments of ₹ 0.35 Crore each, next 4 instalments of ₹ 0.70 Crore each, next 4 instalments of ₹ 2.10 Crore each and next 5 instalments of ₹ 4.48 Crore each	8.96	4.48
	Total Rupee Term Loan from Financial Institutions (B)	21.12	4.48



		As at 31st December 2016	
		Current	Non - Current
(C) Foreign Currency Term Loans from Banks			
i)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation on all movable assets of the Company (save and except current assets) situated at Veraval and Rishra (Textile Division). Repayment Terms : 3 equal yearly instalments of ₹ 43.51 Crore each starting from 11th January 2016	36.95	36.84
ii)	Foreign Currency Loan secured by way of first pari passu charge created by hypothecation on all movable assets of the Indo Gulf Fertiliser Division (save and except current assets) situated at Jagdishpur, Uttarpradesh. Repayment Terms : Bullet payment on 16th May 2017	164.28	-
Total Foreign Currency Term Loans from Banks (C)		201.22	36.84

		As at 31st December 2016	
		Current	Non - Current
(D) FINANCE LEASE LIABILITY			
i)	Finance Lease Obligation is secured by hypothecation of plant and machinery taken on lease Repayment Terms : Lease obligation plus interest is payable in 19 quarterly instalments of ₹ 0.06 Crore each	0.20	0.29
Total Finance Lease Liability (D)		0.20	0.29
Total Secured Long-term Borrowings		232.22	123.48

		As at 31st December 2016	
		Current	Non - Current
(III) UNSECURED LONG TERM BORROWINGS :			
A) DEBENTURES			
i)	8.99% 29th Series Non - Convertible Debentures Repayment Terms : Redeemable at par on 29th January 2018	-	299.92
ii)	9.00% 30th Series Non - Convertible Debentures Repayment Terms : Redeemable at par on 10th May 2023	-	199.48
iii)	8.68% 31st Series Non - Convertible Debentures Repayment Terms : Redeemable at par on 2nd February 2020	-	299.55
Total Debentures		-	798.95

		As at 31st December 2016	
		Current	Non - Current
(B) UNSECURED LONG - TERM FOREIGN CURRENCY BORROWINGS:			
ii)	Foreign Currency Loan from Bank Repayment Terms : 3 equal yearly instalments of ₹ 65.25 Crore each from 30th August 2015.	-	201.53
Total Unsecured Long-term Foreign Currency Borrowings		-	201.53
Total Unsecured Long-term Borrowings		-	1,000.48

		As at 31st December 2016	
		Current	Non - Current
(II) SECURED SHORT TERM BORROWINGS			
i)	Working Capital Borrowings are secured by hypothecation of inventories, book debts and other movables, both present and future, held as current assets.	7.48	-
Total Secured Short Term Borrowings		7.48	-



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016
Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore
As at
31-Dec-2016

NOTE: 11A

Other Financial Liabilities- Non-Current

Derivatives Liability - Net	1.92
Deposits	1.33
Others	4.78
	<u>8.04</u>

NOTE: 11B

Other Financial Liabilities- Current

Current Maturity of Long Term Borrowings	232.02
Current Maturity of Finance lease liability	0.20
Interest Accrued but not due	63.55
Investors Education and Protection fund to be credited as and when due	
Unpaid Dividend	3.82
Share Application Money pending allotment	0.28
Payable for Capex Creditors	11.66
Deposits	57.61
Others	1.93
	<u>371.08</u>

NOTE: 12A

Long Term Provisions

Provision for Employee Benefit	6.48
	<u>6.48</u>

NOTE: 12B

Short Term Provisions

Provision for Employee Benefit	77.11
Provision - Warranty Provision	1.50
	<u>78.61</u>

NOTE: 13A

Other Non Financial Liabilities - Non- Current

Deferred Government Grant	4.43
Deferred Rent Income	0.17
Others	0.27
	<u>4.87</u>

NOTE: 13B

Other Non Financial Liabilities - Current

Advance from Customers	21.84
Statutory Dues	72.04
Deferred Government Grant	0.85
Deferred Rent Income- current	0.13
Others	1.16
	<u>96.03</u>



ADITYA BIRLA NUVO LIMITED**NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016**

Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore
	Nine Months Ende 31-Dec-2016
NOTE: 14	
<u>Revenue From Operations</u>	
A. Sale Of Products	
Manufactured	3,434.65
Traded	278.66
B. Sale Of Services	4.90
C. Other Operating Income	
Scrap Sales	9.20
Export Incentive	17.89
Sales Tax Subsidy	1.72
Miscellaneous Other Operating Income	2.34
	<u>3,749.35</u>
NOTE: 15	
<u>Other Income</u>	
Interest Income	
Subsidiaries	3.25
Others	42.56
Dividend Income	
Subsidiary/ Joint Venture/ Associate Company	64.43
Long-term Investments	3.35
Net Gain on Sale of Investments	
Current Investments	36.18
Other Non- Operating Income	45.82
	<u>195.59</u>



ADITYA BIRLA NUVO LIMITED

NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016
Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore
	Nine Months Ended
	<u>31-Dec-2016</u>
NOTE: 16	
Cost Of Materials Consumed	
Raw Materials Consumed	1,711.35
Packing Materials Consumed	70.61
	<u>1,781.97</u>
NOTE: 17	
Purchase Of Stock-In-Trade	
Purchase of Finished Goods	248.02
	<u>248.02</u>
NOTE: 18	
Changes In Inventories Of Finished Goods, Work-In-Progress & Stock-In-Trade	
Closing Stocks	
Finished Goods	279.80
Stock-In-Trade	31.26
Work-in-Process	104.81
Waste / Scrap	0.68
	<u>416.55</u>
Less:	
Opening Stocks	
Finished Goods	228.04
Stock-In-Trade	19.61
Work-In-Process	103.80
Waste / Scrap	0.63
	<u>352.09</u>
(increase)/Decrease in Excise duty on Stocks	3.69
(increase)/Decrease	<u>(60.77)</u>
NOTE: 19	
Employee Benefits Expenses	
Salaries and Wages	304.74
Contribution to Provident and Other Funds	27.96
Expense on Employee Stock Options Scheme	0.89
Expense on Stock Appreciation Rights Scheme	2.71
Staff Welfare Expenses	17.64
	<u>353.94</u>



ADITYA BIRLA NUVO LIMITED
 NOTES FORMING PART OF THE ACCOUNTING STATEMENTS FOR THE NINE MONTHS ENDED 31st DECEMBER 2016
 Supplementary Accounting Statements for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore
	Nine Months Ended 31-Dec-2016
NOTE: 20	
Other Expenses	
Consumption of Stores and Spares	96.62
Rent	9.22
Repairs & Maintenance of:	
Buildings	10.36
Plant & Machinery	33.02
Others	4.20
Insurance	7.73
Rates and Taxes	5.69
Processing Charges	26.42
Commission to Selling Agents	15.19
Brokerage Expenses	2.96
Advertisement and Sales Promotion	27.20
Transportation and Handling Charges	64.87
Legal and Professional Expenses (incl Auditors Remunerations)	29.23
Provision for Bad & Doubtful Debts, Advances and Bad debts written off	7.77
Travelling & Conveyance	15.45
Bank Charges	2.88
Foreign Exchange Loss (Net)	14.12
Corporate Social Responsibility Expenses	4.65
Contribution to Research and Development Institution	1.79
Information Technology Expenses	2.97
Miscellaneous Expenses	20.13
	<u>412.48</u>
NOTE: 21	
Depreciation And Amortisation Expenses	
Depreciation of Tangible Assets	93.38
Amortisation of Intangible Assets	2.02
	<u>95.40</u>
NOTE: 22	
Finance Cost	
Interest Expenses*	167.48
Other Borrowing Costs	0.50
	<u>167.98</u>
*Net of Interest Rebate Subsidy from Technology Upgradation Fund	4.73
*Net of Interest Capitalised	0.65
NOTE: 23	
Exceptional Item	
Pursuant to agreement entered into with Sun Life of Canada, the Company has sold 43,72,77,849 equity shares constituting 23% of the equity shares of Birla Sun Life Insurance Company Limited (BSL). The transaction was consummated in April 2016 on receipt of requisite regulatory approvals. The Company has received ₹ 166,400 Lakhs from stake sale and continues to hold the 51% controlling stake in BSL.	
Exceptional item during the nine months ended 31st December, 2016 represents gain on sale of investment in Birla Sun Life Insurance Company Limited (BSL) ₹ 1,119.70 Crore.	
NOTE: 24	
The Company has adopted Indian Accounting Standards (Ind AS) from 01st April, 2016. These financial statements have been prepared in accordance with Ind AS.	
NOTE: 25	
Aggregate amount for contingent liability as on 31st December 2016	428.28
(Includes claims against the Company not acknowledged as debts related to Customs duty ₹ 2.57 Crore, Excise duty ₹ 18.58 Crore, Service Tax ₹ 30.56 Crore, Sales Tax ₹ 18.06 Crore, Income Tax of ₹ 195.78 Crore and other statutes of ₹ 162.74 Crore.	



Annexure 8

GRASIM INDUSTRIES LTD.

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

Balance Sheet as on 31st December 2016

		₹ in Crore
	Note	As at 31st December 2016
ASSETS		
Non-Current Assets		
Property, Plant and Equipments	1.1	6,733.02
Capital Work-in-Progress		465.88
Other Intangible Assets	1.1	29.66
Financial Assets		
Investments	1.2	7,711.22
Loans	1.3	137.40
Other Financial Assets	1.4	2.22
Non-Current Tax Assets (Net)		31.19
Other Non-Current Assets	1.5	66.69
Sub-Total		15,177.28
Current Assets		
Inventories	1.6	1,716.62
Financial Assets		
Investments	1.7	1,487.00
Trade Receivables	1.8	1,211.76
Cash and Cash Equivalents	1.9	38.83
Bank Balance Other than Cash and Cash Equivalents	1.10	17.75
Loans	1.11	57.90
Other Financial Assets	1.12	6.33
Other Current Assets	1.13	339.61
Sub-Total		4,875.80
TOTAL ASSETS		20,053.08
EQUITY AND LIABILITIES		
EQUITY		
Equity Share Capital	1.14	93.37
Other Equity	1.15	16,442.10
Sub-Total		16,535.47
LIABILITIES		
Non-Current Liabilities		
Financial Liabilities		
Borrowing	1.16	454.03
Other Financial Liabilities	1.17	2.62
Provisions	1.18	71.46
Deferred Tax Liabilities (Net)		630.32
Other Non-Current Liabilities	1.19	28.64
Sub-Total		1,187.07
Current Liabilities		
Financial Liabilities		
Borrowings	1.20	83.62
Trade Payables		884.29
Other Financial Liabilities	1.21	420.66
Other Current Liabilities	1.22	524.33
Provisions	1.23	90.56
Current Tax Liabilities (Net)		327.08
Sub-Total		2,330.54
TOTAL EQUITY AND LIABILITIES		20,053.08

For GRASIM INDUSTRIES LIMITED



Sushil Agarwal
Sushil Agarwal
Whole-time Director & Chief
Financial Officer

Hutokshi Wadia
Hutokshi Wadia
President & Company Secretary

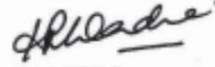
GRASIM INDUSTRIES LTD.

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

Statement of Profit and Loss for the nine months ended 31st December 2016

		₹ in Crore
	Note	Nine Months Ended 31st December 2016
Income		
Sale of Product (including Excise Duty)		8,046.04
Other Operating Revenues	2.1	90.27
Revenue from Operations		8,136.31
Other Income	2.2	443.49
Total Income		8,579.80
Expenses		
Cost of Materials Consumed	2.3	3,441.52
Purchases Of Stock-In-Trade	2.4	42.55
Changes In Inventories of Finished Goods, Stock-in-Trade and Work-in-	2.5	(53.39)
Employee Benefits Expenses	2.6	491.54
Power and Fuel		1,106.64
Freight and Handling Expenses		127.12
Depreciation and Amortization Expenses		332.87
Excise Duty		666.79
Other Expenses	2.7	684.16
Total Expenses		6,839.80
Profit from Ordinary Activities Before Finance Costs & Tax		1,740.00
Finance Costs	2.8	49.35
Profit from Ordinary Activities before Tax		1,690.65
Current Tax		390.53
Provision for Tax of earlier year's written back		(1.17)
Deferred Tax		56.78
Net Profit for the period		1,244.51
Other Comprehensive Income (net of tax)	2.9	(50.79)
Total Comprehensive income (after tax)		1,193.72
Earnings per Share (Face Value ₹ 2 each)		
Basic (₹)		26.66
Diluted (₹)		26.63

For GRASIM INDUSTRIES LIMITED



 Sushil Agarwal Hutokshi Wadia
 Whole-time Director President
 & Chief Financial Officer & Company Secretary



GRASIM INDUSTRIES LTD.

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

Cash Flow Statement For Nine Months Ended 31st December, 2016

₹ in Crore

	Nine Months Ended 31st December 2016
A. Cash Flow from Operating Activities	
a. Profit Before Tax	1,690.65
<i>Adjustments for:</i>	
Depreciation and Amortisation	332.87
Finance Costs	49.35
Interest Income	(23.36)
Dividend Income	(196.21)
Provision for Doubtful Debts (Net)	3.52
Foreing Exchange Differences on Capital Reduction in a Joint Venture	13.52
Employee Stock Option Expenses (Note 2.6)	4.56
(Profit)/Loss on Sale of Property, Plant and Equipments (Net)	(0.70)
Gain on Fair Valuation of Investments (Debt Mutual Funds)	(101.57)
Profit on Sale of Investments (Net)	(12.23)
b. Operating profit Before Working Capital Changes	<u>1,760.40</u>
<i>Adjustments for:</i>	
Trade Receivables	(222.80)
Financial and Other Assets	(1.18)
Inventories	(111.25)
Trade Payables, Financial and Other Liabilities	<u>353.91</u>
c. Cash generated from Operations	1,779.08
Income Taxes Paid (Net)	<u>(54.50)</u>
Net Cash from Operating Activities	1,724.58
B. Cash Flow from Investing Activities	
Purchase of Property, Plant and Equipments (including Capital Advances)	(301.11)
Proceeds from Sale of Property, Plant and Equipments	8.18
Stamp duty payment for Transfer of Assets of erstwhile Aditya Birla Chemicals India Ltd.	(9.17)
Investment in Joint Ventures	(0.53)
Proceeds from Sale of Non-Current Investments	42.68
Net (Investment) / Redemption of Mutual Fund Units, Bonds and Certificate of Deposits (Net)	(369.12)
Loans and Advances to Subsidiaries, Joint Ventures and Associates	(2.39)
Interest Received	25.71
Dividend Received	<u>196.21</u>
Net Cash from/(Used in) Investing Activities	(409.54)



GRASIM INDUSTRIES LTD.

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

Cash Flow Statement For Nine Months Ended 31st December, 2016

₹ in Crore

Nine Months Ended
31st December 2016

₹ in Crore

C. Cash Flow from Financing Activities	
Proceeds from Issue of Share Capital under ESOS (Net)	1.87
Proceeds from Non-Current Borrowings	12.20
Repayments of Non-Current Borrowings	(151.28)
Proceeds/(Repayment) of Current Borrowings (Net)	(898.23)
Interest Paid (Net)	(50.46)
Dividend Paid	(203.59)
Dividend Distribution Tax Paid	(10.78)
Net Cash (Used in) / From Financing Activities	(1,300.27)
D. Net Increase/(Decrease) in Cash and Cash Equivalents	14.77
Cash and Cash Equivalents at the Beginning of the Year	24.06
Cash and Cash Equivalents at the End of the Year	38.83

For GRASIM INDUSTRIES LIMITED

Sagwal

Sushil Agarwal
Whole-time Director
& Chief Financial Officer

Hutokshi Wadia

Hutokshi Wadia
President
& Company Secretary



GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

As at 31st

Dec 2016

1.1 PROPERTY, PLANT & EQUIPMENTS AND OTHER INTANGIBLE ASSETS (Summarised)

Property, Plant & Equipments		
Freehold Land		186.30
Leasehold Land		143.65
Leasehold Improvements		1.27
Buildings		879.32
Plant and Equipment		5,419.75
Furniture and Fixtures		16.26
Vehicles		60.33
Office Equipment		18.94
Salt pans, reservoir and condensers		0.37
Railway Sidings		6.83
Total Tangible Assets		6,733.02
Other Intangible Assets		
Computer Software		2.83
Value of License		25.10
Technical Knowhow		1.67
Trade Mark		0.06
Total Intangible Assets		29.66
Total		6,762.68

1.2 NON-CURRENT INVESTMENTS

	Face Value	Total Nos.	
Long-Term, Fully Paid up			
Trade Investments			
Investments in Equity Instruments			
Subsidiaries : Carried at Cost			
UltraTech Cement Limited #	₹ 10	165,335,150	2,636.25
Samradhhi Swastik Trading and Investments Limited	₹ 10	6,500,000	6.50
Sun God Trading and Investments Limited	₹ 10	53,900	0.05
Grasim Bhiwani Textiles Limited	₹ 10	20,050,000	60.05
Aditya Birla Chemical (Belgium) BVBA	EURO 1	6,198	0.05
			2,702.90
Joint Ventures : Carried at Cost			
AV Group NB Inc., Canada, Class 'A' Shares of aggregate value of Canadian Dollar 38.25 Million	WPV	204,750	183.04
Birla Jingwei Fibres Co. Limited, China, Shares of aggregate value of RMB 174.53 Million	WPV	-	117.40
Birla Lao Pulp and Plantations Company Limited, Laos	US\$ 1000	19,520	95.71
Provision for Diminution			(55.43)
Bhubaneswari Coal Mining Limited	₹ 10	33,540,000	33.54
AV Terrace Bay Inc., Canada	CAD 1	28,000,000	156.36
Aditya Group AB, Sweden	SEK 1000	50	274.89
			775.51
Associates : Carried at Fair Value through Other Comprehensive Income			
Aditya Birla Science & Technology Company Private Limited (Formerly known as Aditya Birla Science & Technology Company Limited)	₹ 10	7,799,500	12.28
			12.28
Others : Carried at Fair Value through Other Comprehensive Income			
Thai Rayon Public Company Limited, Thailand #	Thai Baht 1	13,988,570	108.68
P.T. Indo Bharat Rayon Co. Limited, Indonesia	US\$ 100	5,000	275.70
Aditya Birla Ports Limited	₹ 10	50,000	0.05
			384.43



GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016
Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore		
	As at 31st Dec 2016		
1.2 NON-CURRENT INVESTMENTS... (Contd.)			
Investments in Preference Shares : Carried at Fair Value through Profit and Loss	Face Value	Total Nos.	
Joint Ventures			
6% Cumulative Redeemable Retractable, Non-voting Preferred Shares of AV Group NB Inc., Canada of aggregate value of Canadian Dollar 6.75 Million	WPV	6,750,000	20.46
Redeemable Preference Shares of Aditya Group AB, Sweden of aggregate value of USD \$ Million	WPV	160,000	47.13
Others			
3.50% Cumulative Redeemable Preference Shares of Aditya Birla Health Services Limited	₹ 100	2,500,000	20.94
11% Cumulative Redeemable Non Convertible Preference Shares of TANFAC Industries Limited	₹ 100	5,00,000	0.69
			<u>89.22</u>
Other Investments			
Investments in Equity Instruments : Carried at Fair Value through Other Comprehensive Income			
Associates			
Idea Cellular Limited #	₹ 10	171,013,894	1,264.65
Others			
Aditya Birla Navo Limited #	₹ 10	3,345,816	430.62
Larsen & Toubro Limited #	₹ 2	2,631,869	355.14
Hindalco Industries Limited #	₹ 1	54,542,475	845.68
Indophill Textile Mills Inc., Philippines	Peso 10	422,496	3.30
Birla International Limited - Isle of Man	CHF 100	2,500	3.95
JSW Steel (Salav) Limited (Formerly known as Welspun Maxsteel Limited)	₹ 10	1,400,000	0.10
Aditya Birla Fashion & Retail Ltd	₹ 10	17,398,243	239.57
			<u>1,878.36</u>
Investments in Bonds : Carried at Fair Value through Other Comprehensive Income #			
Housing and Urban Development Corporation Limited - Tax Free Bond - 8.10% 2022	₹ 1000	195,000	20.96
Indian Railway Finance Corporation Limited - Tax Free Bond - 7.18% 2023	₹ 1000	400,000	41.47
Indian Railway Finance Corporation Limited - Tax Free Bond - 7.34% 2028	₹ 1000	600,000	64.03
National Highways Authority of India - Tax Free Bond - 8.20% 2022	₹ 1000	147,238	15.88
Power Finance Corporation Limited - Tax Free Bond - 8.20% 2022	₹ 1000	119,546	12.90
11.5% L&T Finance Perpetual Bond 2021	₹ 10,00,000	112	12.20
State Bank of India - 9.50% Bond 2025	₹ 10,000	107	0.12
			<u>167.56</u>
Investments in Debt Schemes of various Mutual Funds : Carried at Fair Value through Profit and Loss #	₹ 10	386,600,692	436.31
Total			<u>7,711.22</u>
WPV - Without Par Value			
# Quoted Investments			
1.2.1 Aggregate Book Value of:			
Quoted Investments			6,484.46
Unquoted Investments			<u>1,226.76</u>
			<u>7,711.22</u>
Aggregate Market Value of Quoted Investments			6,484.46
Aggregate provision for diminution in value of investments			55.43



GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

1.3 NON-CURRENT- LOANS

(Unsecured, Considered Good unless otherwise stated)

Security Deposits *	78.59
Loans to Related Parties	52.23
Other Loans (Loan to Employees, etc.)	6.58
Total	137.40

* Includes deposit of ₹ 5.25 Crore given to Aditya Birla Management Corporation Pvt. Limited (ABMCPL), Directors of which include Directors of the Company. The Company is one of the Promoter members of ABMCPL, a company limited by guarantee, which has been formed to provide a common pool of facilities and resources to its members, with a view to optimise the benefits of specialisation and minimise cost to each member. The Company's share of expenses, under the common pool, has been accounted for under the appropriate heads.

1.3.1 Details of Loan to Related Parties (including Current Loans)

Name of Company	Maximum Balance Outstanding during the Year	Amount Outstanding
Subsidiaries		
Aditya Birla Chemicals (Belgium)	0.11	0.09
Grasim Bhiwani Textiles Limited	24.91	17.05
Joint Ventures		
AV Group NB, Canada	35.76	34.01
Associates		
Aditya Birla Science & Technology Company Private Limited	11.83	11.35
	72.61	62.50

Loans have been utilised for meeting their business requirements

1.4 OTHER NON-CURRENT FINANCIAL ASSETS

Fixed Deposit with maturity more the 12 month

	2.22
--	------

Total	2.22
--------------	-------------

1.5 OTHER NON-CURRENT ASSETS

Capital Advances	63.87
Security Deposit	2.02
Others Advances	0.80
Total	66.69

1.6 INVENTORIES

(Valued at lower of cost and net realisable value, unless otherwise stated)

	In Hand	In Transit	Total
Raw materials	521.14	436.86	958.00
Work-in-progress	30.72	-	30.72
Finished goods	376.83	80.79	457.62
Stock-in-trade	0.56	-	0.56
By-Products	9.34	2.28	11.62
Stores and Spare parts (including Loose Tools)	123.68	1.03	124.71
Fuel	99.92	16.42	116.34
Others (mainly Packaging Material, Waste and Scrap etc)	17.05	-	17.05
Total	1,179.24	537.38	1,716.62



GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

1.7 CURRENT INVESTMENTS

Investments in Equity Instruments

Joint Venture : Carried At Cost or Fair Value, whichever is less

Aditya Birla Elyaf Sanayi Ve Ticaret Anonim Sirketi, Turkey
(Face Value TRY 10, Nos.16,665)

0.47

Investments in Debentures : Carried at Fair value through Other

Comprehensive Income

Housing Development Finance Corporation Ltd- NCD
(Face Value ₹ 10 Lacs, Nos.10)

1.01

Other Investments : Carried at Fair value through Profit or Loss

Investments in Units of Debt Schemes of various Mutual Funds (641,994,595 units)

1,485.52

1,487.00

1.7.1 Aggregate Book Value of:

Quoted Investments

1,314.18

Unquoted Investments

172.821,487.00

1.7.2 Aggregate Market Value of Quoted Investments

1,314.18

Aggregate provision for diminution in value of investments

-

1.7.3 Current Investments includes current portion of Long-Term Investments at Fair Value as defined in Ind AS 109: Financial Instruments

68.96

1.8 TRADE RECEIVABLES

Considered Good

1,211.76

Considered Doubtful

7.28

Less: Provision for Doubtful Debts

7.28

Total

1,211.76

(Above includes Secured ₹ 5.78 Cr)

1.9 CASH AND CASH EQUIVALENTS

Balances with Banks

38.60

Cash and Cheques on Hand

0.22

FD with Banks (Less than 3 Months)

0.01

Total

38.83

1.10 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Unclaimed Dividend

16.51

FD with Banks (More than 3 Months upto 12 Months)

1.13

Other Earmarked Balances with Banks

0.11

Total

17.75

1.11 CURRENT- LOANS

Unsecured (Considered Good)

Security Deposits

39.64

Loans to Related Parties

10.27

Other Loans (Loan to Employees, etc.)

7.99

Total

57.90

GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore
1.12 CURRENT FINANCIAL ASSETS- OTHERS	
Interest Accrued on Investments	5.22
Others (Insurance Claim Receivable, Forward Covers etc)	1.11
Total	6.33

1.13 OTHER CURRENT ASSETS	
Balances with Government and Other Authorities	91.40
Advance to Related Party	0.17
Advances to Suppliers	125.26
Interest Subsidy on TUF Loan	39.78
Assets held for Disposal	3.72
Others (Prepaid Exp., DEPB duty drawback, Receivable from Mutual Fund, etc.)	79.28
Total	339.61

1.13.1 Details of Advances to Related Parties

	Maximum Balance Outstanding during the Year	Amount Outstanding
Grasim Bhiwani Textiles Limited	0.14	0.14
UltraTech Cement Limited	0.07	0.03
	<u>0.21</u>	<u>0.17</u>

1.14 SHARE CAPITAL

1.14.1 Authorised	
59,750,000 Equity Shares of ₹ 2 each	119.50
Redeemable Cumulative Preference Shares of ₹ 100 each	
150,000 15 % "A" Series	1.50
100,000 8.57 % "B" Series	1.00
300,000 9.30 % "C" Series	3.00
50,000 11 %	0.50
	<u>125.50</u>
1.14.2 Issued & Subscribed & Fully Paid up Capital	93.36
46,679,7060 Equity Shares of ₹ 2 each fully paid-up	
Share Capital Suspense	0.01
74,395 Equity Shares of ₹ 2 each to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under Scheme of Arrangement without payment being received in cash	
Total	<u>93.37</u>

1.14.3 Reconciliation of the Number of Equity Shares Outstanding (including Share Capital Suspense)

	Number of Shares	
Outstanding as at the beginning of the year*	466,804,925	93.36
Issued during the year under Employee Stock Option Scheme	66,530	0.01
Outstanding as at 31st December 2016	<u>466,871,455</u>	<u>93.37</u>

* The equity shares of the Company have been sub-divided from one (1) equity share of face value Rs.10 each fully paid up to five (5) equity shares of face value ₹ 2 each fully paid up effective from 8th October, 2016

1.14.4 List of Shareholders holding more than 5% shares in the Equity Share Capital of the Company

	No. of Shares	% Holding
Turquoise Investments and Finance Private Limited	29,541,705	6.33%
Trapti Trading and Investments Private Limited	27,389,315	5.87%
Life Insurance Corporation of India	28,969,049	6.21%

1.14.5 Equity Shares of ₹ 2 each represented by Global Depository Receipts (GDRs) (GDR holders have no voting rights)	48,630,674	10.42%
--	------------	--------

1.14.6 There is no change in the rights, preferences and restrictions attached to Equity Shares



GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

1.15 OTHER EQUITY

	Reserve and Surplus				Other Comprehensive Income		Employee Share Options Outstanding	Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Debt Instruments through OCI	Equity Instruments through OCI		
As at 31st December 2016								
Opening Balance as at 31st March, 2016	44.99	9,889.08	38.93	2,578.31	3.39	2,890.11	17.64	15,462.45
Profit for the Nine months ended 31st Dec 2016	-	-	-	1,244.51	-	-	-	1,244.51
Dividend (including Corporate Dividend Tax) pertaining to FY 15-16	-	-	-	(220.84)	-	-	-	(220.84)
Other Comprehensive Income for the Year (Refer Note 2.9)	-	-	-	(6.98)	3.63	(47.44)	-	(80.79)
Movement related to ESCOS	3.04	-	-	-	-	-	3.73	6.77
Closing Balance as at 31st December, 2016	48.03	9,889.08	38.93	3,595.00	7.02	2,842.67	21.37	16,442.10

1.16 NON-CURRENT LIABILITIES- BORROWINGS

Rupee Term Loans from Banks- Secured	446.71
Deferred Sales Tax Loan- Unsecured	7.32
Total	454.03

1.16.1 Nature of Security, Repayment Terms and Break-up of Current and Non-Current:

	Current *	Non-Current
Secured Long-Term Borrowings:		
(a) Rupee Term Loan secured by first charge on the fixed assets, both present and future, of the Company located at Nagda (Staple Fibre, Chemical and Engineering & Development Divisions), Kharach (Staple Fibre Division) and Harihar (Staple Fibre and Pulp Divisions) Quarterly ballooning repayment from April 2010, over 8 years	52.50	13.12
(b) Rupee Term Loan secured by first charge on the Plant and Machinery, both present and future, of the Company located at Vilayat (Staple Fibre Division) Quarterly ballooning repayment from April 2014, over 5 years	191.25	402.75
(c) Rupee Term Loan secured by exclusive charge on certain specific fixed assets of Nagda (Staple Fibre Division) Quarterly ballooning repayment from May 2016, over 5 years	3.91	30.84
Total Secured Borrowings (I)	247.66	446.71
Unsecured Long-Term Borrowings:		
(a) Deferred Sales Tax Loans (Commercial Tax Department) - Repayable in six annual installments starting from 31st May, 2012	10.89	-
(b) Industrial Investment Promotion Scheme - 2012 (At Amortised Cost) - Repayable on 22nd May 2022	-	0.59
- Repayable on 7th August 2023	-	3.26
- Repayable on 25th December 2023	-	3.47
Total Unsecured Borrowings (II)	10.89	7.32
Total Borrowings (I + II)	258.55	454.03

* Amount disclosed as Current maturities of long-term debts under the head 'Other Current Financial Liabilities' (Note 1.21)



GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016
 Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore
1.17 NON- CURRENT OTHER FINANCIAL LIABILITIES	
Security and Other Deposits	2.62
Total	<u>2.62</u>
1.18 NON- CURRENT PROVISIONS	
Provision for Employee Benefits	71.46
Total	<u>71.46</u>
1.19 OTHER NON- CURRENT LIABILITIES	
Deferred Interest Income-Sales Tax Loan	5.15
Others (Contractor Workman Gratuity, OYCS, etc.)	23.49
Total	<u>28.64</u>
1.20 CURRENT LIABILITIES- BORROWINGS	
Loans repayable on demand from Banks	
Secured	
Working Capital Borrowings - Rupee Loans	15.67
Unsecured	
Working Capital Borrowings - Foreign Currency Loans	67.95
Total	<u>83.62</u>
1.21 CURRENT- OTHER FINANCIAL LIABILITIES	
Current Maturities of Long-term Debt (Note 1.16.1)	258.55
Interest accrued but not due on Borrowings	6.18
Unpaid Dividends	16.61
Others (Retention Money, Provision for Interest, Capex Creditors, etc.)	139.32
Total	<u>420.66</u>
1.22 OTHER CURRENT LIABILITIES	
Statutory Liabilities	133.45
Accrued Expenses (Brokerage and Discount, Employees Benefits Payable, etc.)	230.94
Deferred Interest Income-Sales Tax Loan(Current)	0.68
Others (Advance from Customers, Provision for Renewable Power Obligation, etc.)	159.26
Total	<u>524.33</u>
1.23 CURRENT PROVISIONS	
Provision for Employee Benefits	16.47
Provision for Assets Transfer cost	72.12
Other Short Term Provisions	1.97
Total	<u>90.56</u>



GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

	₹ in Crore
2.1 OTHER OPERATING REVENUES	
Export Incentives	34.39
Scrap Sales (Net)	23.91
Miscellaneous Operating Receipts (Power Sales, Rent Received, etc.)	31.97
Total	90.27
2.2 OTHER INCOME	
Dividend from Equity Investments	188.57
Dividend from Debt Mutual Funds	7.64
Interest Income (Bank and Other Accounts, CDs, Bonds, etc.)	105.87
Profit/(Loss) on Sale of Investment	12.23
Mark to Market Gain on Debt Mutual Funds	101.57
Miscellaneous Receipts - Non Operating	27.61
Total	443.49
2.3 COST OF MATERIALS CONSUMED	
Opening Balance	964.28
Add: Purchases	3,437.52
Less: Sales	2.28
Closing Balance	958.00
	3,441.52
2.4 PURCHASES OF STOCK-IN-TRADE	
Chemicals	42.55
Total	42.55
2.5 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS	
Opening Stock	441.94
Finished Goods	381.45
Stock in Trade	5.61
By-Products	16.54
Process Stock	33.48
Waste/Scrap	4.86
Less: Closing Stock	505.44
Finished Goods	457.62
Stock in Trade	0.56
By-Products	11.62
Process Stock	30.72
Waste/Scrap	4.92
Less : (Increase) / Decrease in Excise Duty on Stocks	(10.11)
Total	(53.39)
2.6 EMPLOYEE BENEFITS EXPENSES	
Salaries, Wages And Bonus	434.83
Contribution to Provident and Other Funds	26.89
Welfare Expenses	25.26
Expenses on Employee Stock Option Scheme	4.56
Total	491.54



GRASIM INDUSTRIES LIMITED

NOTES FORMING PART OF THE SUPPLEMENTARY ACCOUNTING STATEMENT FOR THE NINE MONTHS ENDED 31st December 2016

Supplementary Accounting Statement for the Nine months ended 31st December 2016 (Unaudited)

₹ in Crore

2.7 OTHER EXPENSES

2.7.1 Manufacturing Expenses

Consumption of Stores, Spare Parts and Components and Incidental Expenses	129.90
Consumption of Packing Material	81.46
Repairs to Plant and Machinery, buildings	107.92
Others (Chlorine Disposal expenses, etc.)	51.96

2.7.2 Administration, Selling And Distribution Expenses

Selling and Distribution Expenses (Commission to Agents, Brokerage, Advertisement and Sales Promotion Exp.)	54.64
Directors' Fees	0.23
Directors' Commission	5.72
Exchange Rate Difference (Net)	34.38
Auditors Fees	0.77
Other General Charges (Rent, Rates & Taxes, R&D exp., Insurance, Other Repairs, etc.)	217.18
Total	684.16

2.8 FINANCE COSTS

Interest Expenses	48.63
Other Borrowing Costs	0.24
Exchange Loss on Foreign Currency Borrowing	0.23
Interest Expense-Deferred Sales Tax Loan	0.25
Total	49.35

2.9 OTHER COMPREHENSIVE INCOME (NET OF TAX)

Items that will not be Reclassified to Profit and Loss

Remeasurement of Defined Benefit Plans	(6.98)
Equity Instrument through Other Comprehensive Income	(47.44)
	(54.42)

Items that will be Reclassified to Profit and Loss

Debt Instrument through Other Comprehensive Income	3.63
Total	(50.79)

3.1 Aggregate Amount of Contingent Liabilities as on 31st December 2016 (Includes Disputed Liabilities/

Claims not Acknowledged as Debts related to Excise Duty/Cenvat Credit/Service Tax ₹ 79.91 Crore, Annual minimum guarantee charges and fuel surcharge demanded by State Electricity Board ₹ 60.22 Crore, Various claims in respect of disputed liabilities of discontinued business in earlier years ₹ 26.58 Crore, Custom Duty ₹ 11.28 Crore, Others ₹ 43.89 Crore)

221.88

3.2 The Company has adopted Indian Accounting Standards (Ind AS) from 1st April, 2016. Accordingly, the above statements are drawn in accordance with Ind AS.



Annexure 9

Aditya Birla Financial Services Limited

Regd. Office: Indian Rayon Compound, Veraval, Gujarat - 362266

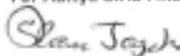
CIN: U67120GJ2007PLC058890

Supplementary Unaudited Accounting Statements for the period ended December 31, 2016

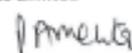
Balance Sheet as at December 31, 2016

		(Amount in ₹)
		As at
		December 31, 2016
		Note No.
EQUITY AND LIABILITIES		
(A) Shareholders' Funds		
Share Capital	1	25,925,716,954
Reserves and Surplus	2	7,544,628,040
	Sub-Total - (A)	<u>33,470,344,994</u>
(B) Current Liabilities		
Trade Payables	3	183,452,474
Other Current Liabilities	4	11,316,356
Short-term Provisions	5	18,873,489
	Sub-Total - (B)	<u>213,642,319</u>
	TOTAL (A)+(B)	<u>33,683,987,313</u>
ASSETS		
(C) Non-Current Assets		
Fixed Assets		
Tangible Assets	6	22,567,256
Intangible Assets	7	14,480,016
Capital Work-in-Progress		8,364,646
		<u>45,411,918</u>
Non-Current Investments	8	32,925,021,688
Long-term Loans and Advances	9	78,397,757
	Sub-Total - (C)	<u>33,048,831,363</u>
(D) Current Assets		
Current Investments	10	453,611,915
Cash and Bank Balances	11	6,751,472
Short-term Loans and Advances	12	15,946,375
Other Current Assets	13	158,846,188
	Sub-Total - (D)	<u>635,155,950</u>
	TOTAL (C)+(D)	<u>33,683,987,313</u>

For Aditya Birla Financial Services Limited



Shriram Jagetiya
Director
DIN: 01638250



Pinky Mehta
Director
DIN: 00020429

Date : February 8, 2016

Place : Mumbai



Aditya Birla Financial Services Limited

Regd. Office: Indian Rayon Compound, Veraval, Gujarat - 362266

CIN: U67120GJ2007PLC058890

Supplementary Unaudited Accounting Statements for the period ended December 31, 2016

Statement of Profit and Loss for the period ended December 31, 2016

		(Amount in ₹)
	Note No.	Period Ended December 31, 2016
Revenue from Operations	14	83,692,554
Other Income	15	312,168
Total Revenue		84,004,722
Expenses		
Employee Benefits Expenses	16	139,082,361
Other Expenses	17	20,471,980
Total Expenses		159,554,341
Profit/(Loss) Before Depreciation/Amortisation, Interest and Tax (PBDIT)		(75,549,619)
Depreciation and Amortisation Expenses	18	1,413,972
Profit/(Loss) Before Tax		(76,963,591)
Provision Tax Expenses		-
Profit/(Loss) For The Year		(76,963,591)
Basic Earnings Per Share (Rs.)		(0.10)
Diluted Earnings Per Share (Rs.) (Face Value of Rs. 10/- each)	19	(0.10)

For Aditya Birla Financial Services Limited

Shriram Jagetiya
Director
DIN: 01638250Pinky Mehta
Director
DIN: 00020429

Date : February 8, 2016

Place : Mumbai



Aditya Birla Financial Services Limited

Regd. Office: Indian Rayon Compound, Veraval, Gujarat - 362266

CIN: U67120SJ2007PLC058880

Supplementary Unaudited Accounting Statements for the period ended December 31, 2016

Cash Flow Statement for the period ended December 31, 2016

(Amount in ₹)

Particulars	Period Ended December 31, 2016	
A Cash Flow From Operating Activities		
Profit/ (Loss) before tax		(78,563,501)
Adjustments for:		
Depreciation and Amortisation Expenses	1,413,972	
(Gain)/Loss on Sale of Investments	(3,511,914)	
(Gain)/Loss on Fixed Assets Sold	(129,328)	
Interest Income - others	(182,840)	
Interest Income from Subsidiaries	(376,662)	
Dividend Income	(79,803,978)	
		(82,590,750)
Operating Profit / (Loss) Before Working Capital Changes		(159,594,941)
Adjustments for:		
Decrease/(Increase) in Loans and Advances	7,031,627	
Decrease/(Increase) in Other Assets	23,629,363	
Increase/(Decrease) in Trade Payables	57,285,352	
Increase/(Decrease) in Other Liabilities	8,628,189	
Increase/(Decrease) in Provisions	(13,327,375)	
		78,247,136
Cash Generated From Operations		(81,347,805)
Income Taxes Refund/ (Paid)		(26,918,838)
Net Cash (Used in)/From Operating Activities		(108,266,643)
B Cash Flow From Investing Activities		
Sale/(Purchase) of Current Investments (Net)	(450,300,001)	
Purchase of fixed assets	(35,251,185)	
Acquisition of Additional Shares/Investment in Subsidiary	(2,133,559,579)	
Proceeds received from Private Equity fund on redemption of units	578,468,596	
Interest Received - Others	182,840	
Interest Received from Subsidiaries	376,662	
Dividend Income received from Subsidiary Companies	79,803,979	
		(2,166,479,088)
Net Cash Flow From Investing Activities		(2,166,479,088)
C Cash Flow From Financing Activities		
Proceeds from Issue of Shares (including Securities Premium)	2,250,169,538	
		2,250,169,538
Net Cash Flow From Financing Activities		2,250,169,538
D Net Increase/ (Decrease) in Cash And Cash Equivalents (A+B+C)		(24,539,793)
Cash And Cash Equivalents at the beginning of the year		81,291,265
Cash And Cash Equivalents at the end of the year		56,751,472
Note:		
Cash and cash equivalents includes		
Cash in hand		
Cash at bank		56,751,472
		56,751,472

For Aditya Birla Financial Services Limited

Shrikanth Jagtap

Shrikanth Jagtap
Director
DIN: 01638250

Pinky Mehta

Pinky Mehta
Director
DIN: 00020429

Date: February 8, 2016
Place: Mumbai



Aditya Birla Financial Services Limited

Regd. Office: Indlan Rayon Compound, Veraval, Gujarat - 362266

CIN: U67120GJ2007PLC058890

Note Nos. 1-19 annexed to and forming part of the Supplementary Unaudited Accounting Statements for the period ended December 31, 2016

(Amount in ₹)

As at
December 31, 2016

NOTE 1

SHARE CAPITAL

Authorized:

1,00,00,00,000 (Previous Year 1,00,00,00,000) Equity Shares of Rs. 10/- each	10,000,000,000
3,00,00,00,000 (Previous Year 3,00,00,00,000) Preference Shares of Rs. 10/- each	30,000,000,000
	<u>40,000,000,000</u>

Issued, Subscribed & Paid-up

EQUITY SHARE CAPITAL

79,89,67,535 (Previous Year 79,60,10,000) Equity Shares of Rs.10/- each fully paid up	7,989,675,350
1,99,92,465 (Previous Year Nil) Equity Shares of Rs.10/- each partly paid up Rs. 7.75 each	154,941,604
	<u>8,144,616,954</u>

Issued, Subscribed & Paid-up

PREFERENCE SHARE CAPITAL

30,70,00,000 (Previous Year 33,65,00,000) 0.01% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid up	3,070,000,000
1,47,11,10,000 (Previous Year 1,47,11,10,000 of which 20,00,00,000 were partly paid up) 6% Non Convertible Non Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up	14,711,100,000
	<u>17,781,100,000</u>
	<u>25,925,716,954</u>

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Sr. No.	Description	As at December 31, 2016	
		Equity Shares	Preference Shares
1	No. of Shares outstanding at the beginning of the year	796,010,000	1,807,610,000
2	Allotment of shares during the period of which 1,50,92,465 were partly paid up	20,000,000	-
3	Conversion of preference shares into equity shares during the period	2,950,000	(29,500,000)
4	No. of Shares outstanding at the end of the period	818,960,000	1,778,110,000

(b) **Terms/Right Attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential holders. The distribution will be in proportion to the number of the equity shares held by the shareholders.

(c) **Term of Conversion/Redemption of Preference Shares**

A) 0.01% Non-Cumulative Compulsorily Convertible Preference Shares ("NCCPS") shall:

- On expiry of 5 (five) years from the date of allotment every 10 (ten) fully paid-up preference share shall be compulsorily converted into 1 (one) equity share of Rs. 10/- each, fully paid-up at a premium of Rs. 90/- per share.
- The equity shares to be issued as above shall rank pari passu in all respects including with respect to dividend with the then existing fully paid up equity shares of the Company, subject to the provisions of the Memorandum and Articles of Association of the Company.
- The dividend rate on these preference shares shall be 0.01% p.a.



Aditya Birla Financial Services Limited

Regd. Office: Indian Rayon Compound, Verava, Gujarat - 362266
CIN: U67120GJ2007PLC058898

B) 6% Non-Convertible Non-Cumulative Redeemable Preference Shares ("NCNCRPS") shall:

- carry a preferential right vis-a-vis Equity Shares of the Company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.
- be Non-participating in surplus funds.
- be Paid dividend on a non-cumulative basis.
- carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.
- be Redeemable after a period of 5 years from date of issue/allotment.

(d) Shares in the Company held by each shareholder holding more than 5 per cent shares and the number of shares held are as under:

i) Equity Shares

Sr. No.	Name of Share Holder	As at December 31, 2016	
		No of Shares held	% of total paid-up equity share capital
1	Aditya Birla Nuvo Limited (with nominees)	818,652,465	99.00%

ii) Preference Shares

S. No.	Name of Share Holder	As at December 31, 2016	
		No of Shares held	% of total paid-up preference share capital
1	Aditya Birla Nuvo Limited	1,778,110,000	100.00%



Aditya Birla Financial Services Limited

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(Amount in ₹)

	As at December 31, 2016
NOTE: 2	
RESERVES & SURPLUS	
A) Securities Premium Account	
Opening Balance as per last Audited Financial Statement	7,110,000,000
Addition:	
Allotment of Equity Shares	1,395,152,584
Conversion of Preferences Shares	265,500,000
	(A) 8,770,652,584
B) (Deficit) in the Statement of Profit and Loss	
Opening Balance as per last Audited Financial Statement	(1,149,060,953)
Addition:	
Loss for the Year	(76,963,591)
	(B) [1,226,024,544]
Total (A) + (B)	7,544,628,040

NOTE: 3**TRADE PAYABLES**

Trade Payables for Salaries, Wages, Bonus and Other Employee Benefits	183,452,474
	183,452,474

* There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st December, 2016, and no interest payment made during the year to any Micro, Small and Medium Enterprises. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE: 4**OTHER CURRENT LIABILITIES**

Statutory Dues	10,873,107
Employee Deposit	104,175
Advance Received towards Share Application	339,074
	11,316,356

NOTE: 5**SHORT-TERM PROVISIONS**

Provisions for Employee Benefits	
Leave Encashment	23,857,284
Gratuity (Funded)	(4,983,795)
	18,873,489



Aditya Birla Financial Services Limited

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NOTE: 6

(Amount in ₹)

TANGIBLE ASSETS

	Furnitures & Fixtures	Office Equipment	Vehicles	Total
Gross Block				
As at April 1, 2016	95,500	9,431,310	9,897,779	19,424,589
Additions	-	5,617,614	14,033,368	19,650,982
Deletions	-	-	2,581,617	2,581,617
As at December 31, 2016	95,500	15,048,924	21,349,530	36,493,954
Accumulated Depreciation				
As at April 1, 2016	20,845	7,684,892	3,727,354	11,433,091
For the year	17,064	1,480,745	2,220,376	3,718,185
Deletions	-	-	1,224,578	1,224,578
As at December 31, 2016	37,909	9,165,637	4,723,152	13,926,698
Net Block as at December 31, 2016	57,591	5,883,287	16,626,378	22,567,256

NOTE: 7

INTANGIBLE ASSETS

(Amount in ₹)

	Computer Software	Total
Gross Block		
As at April 1, 2016	3,508,750	3,508,750
Additions	13,783,753	13,783,753
Deletions	-	-
As at December 31, 2016	17,292,503	17,292,503
Accumulated Amortisation		
As at April 1, 2016	90,958.00	90,958
For the year	2,721,529	2,721,529
Deletions	-	-
As at December 31, 2016	2,812,487	2,812,487
Net Block as at December 31, 2016	14,480,016	14,480,016



Aditya Birla Financial Services Limited

Regd. Office: Indian Rayon Compound, Veraval, Gujarat - 362266
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(Amount in ₹)

As at
December 31, 2016

NOTE: \$

INVESTMENTS : NON-CURRENT

Trade Investments Valued at Cost, except otherwise stated

Investment in

Equity Instruments

Quoted

Subsidiaries

Aditya Birla Money Limited

Less : Diminution in investment of Aditya Birla Money Limited

Face
Value

Number

2,483,028,000
124,151,400

2,358,876,600

Unquoted

Subsidiaries

Aditya Birla Capital Advisors Private Limited

Aditya Birla Financial Shared Services Limited

Aditya Birla Customer Services Limited

Aditya Birla Trustee Company Private Limited

Aditya Birla Insurance Brokers Limited

Aditya Birla Finance Limited

Aditya Birla Money Mart Limited

Aditya Birla Housing Finance Limited

Birla Sun Life Asset Management Company Limited

Birla Sun Life Trustee Company Private Limited

Aditya Birla Health Insurance Co. Limited

ABCAP Trustee Company Private Limited

Aditya Birla Wellness Private Limited

10 3,500,000
10 50,000
10 16,866,271
10 50,000
10 1,350,054
10 529,293,311
10 100,000
10 333,050,000
10 9,179,980
10 10,170
10 51,225,001
10 10,000
10 867,000

35,000,250
500,000
711,098,369
500,250
3,000,120
22,350,621,510
361,129
4,176,647,500
337,099,052
153,540
512,250,010
100,000
25,010,000

Total Equity Shares Investment

(A)

30,511,218,330

Preference Shares

Unquoted

Subsidiaries

0.001% Compulsory Convertible Cumulative Preference Shares of Aditya Birla Customer Services Limited

0.01% Redeemable Non Convertible Non Cumulative Preference Shares of Aditya Birla Money Limited

0.01% Redeemable Non Convertible Cumulative Preference Shares Aditya Birla Money Mart Limited

10 4,695,938
100 1,000,000
10 100,000

599,999,998
300,000,000
300,000

Total Preference Shares Investment

900,299,998

Private Equity Fund

Investment in Aditya Birla Private Equity - Fund I

Investment in Aditya Birla Private Equity - Sunrise Fund

95.76 8,462,087
100 2,032,155

810,287,798
203,215,562

Total Private Equity Fund Investment

(C)

1,013,503,360

Debentures

0.1% Compulsory Convertible Debentures (CCD) :

Aditya Birla Money Mart Limited

Aditya Birla Finance Limited

100 2,600,866
100 2,399,134

260,086,500
239,913,500

Total Debentures Investment

(D)

500,000,000

Grand Total

(A)+(B)+(C)+(D)

32,925,021,688



Aditya Birla Financial Services Limited

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(Amount in ₹)

As at
December 31, 2016**NOTE: 9****LONG-TERM LOANS AND ADVANCES**

(Unsecured Considered Good, Except Otherwise Stated)

Security Deposits	1,500,000
Loans & Advances to Related Parties	-
Advance Tax [Net of Provision Rs. 24,298,852 (March 31, 2016 Rs. 24,298,852)]	76,897,757
Loans and Advances to Employees	-
	<u>78,397,757</u>

NOTE: 10**CURRENT INVESTMENTS**

Unquoted

Investment in Mutual Fund

Birla Sunlife Cash Plus - Growth [Units - 1,775,891 (March 31, 2016 Units - Nil)]

453,611,915

453,611,915**NOTE: 11****CASH AND BANK BALANCES**

Cash & Cash Equivalents

Balances with Banks in Current Accounts

6,751,472

Total

6,751,472**NOTE: 12****SHORT-TERM LOANS AND ADVANCES**

(Unsecured, Considered Good, Except Otherwise Stated)

Security Deposits

15,946,375

Total

15,946,375**NOTE: 13****OTHER CURRENT ASSETS**

Advances/Receivables from Related parties

155,686,102

Prepaid Expenses

3,160,086

Total

158,846,188

Aditya Birla Financial Services Limited
 Regd. Office: Indian Rayon Compound, Veraval, Gujarat - 362266
 CIN: U67120GJ2007PLC058890

	(Amount in ₹)
	Period Ended December 31, 2016
NOTE: 14	
REVENUE FROM OPERATIONS	
Profit/(Loss) Sale of Mutual Funds	3,511,914
Interest Income from Subsidiaries	376,662
Dividend from Subsidiaries	79,803,978
	<u>83,692,554</u>
NOTE: 15	
OTHER INCOME	
Interest Income - Others	182,840
Gain/(Loss) Sale of Fixed Assets	129,328
	<u>312,168</u>
NOTE: 16	
EMPLOYEE BENEFIT EXPENSES	
Salaries and Wages	114,706,397
Contribution to Provident and Other Funds	23,743,761
Staff Welfare Expenses	632,203
	<u>139,082,361</u>
NOTE: 17	
OTHER EXPENSES	
Rent	4,618,168
Repairs and Maintenance :	
Buildings	369,676
Others	527,054
Insurance	197,429
Rates and Taxes	2,956,739
Advertisement	409,769
Legal and Professional Fees	4,197,367
Printing and Stationery	299,505
Travelling and Conveyance	2,260,904
Communication Expenses	197,008
Bank Charges	50,604
Auditors' Remuneration (Refer Note 25)	757,993
Electricity Charges	753,345
Miscellaneous Expenses	2,866,420
	<u>20,471,980</u>
NOTE: 18	
DEPRECIATION AND AMORTISATION EXPENSES	
Depreciation of Tangible Assets	835,121
Amortisation of Intangible Assets	578,851
	<u>1,413,972</u>



Aditya Birla Financial Services Limited

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(Amount in ₹)

Period Ended
December 31, 2016

Note: 19

Earnings Per Share (EPS)

The Following Reflects The Profit And Share Data Used In The Basic And Diluted EPS Computation

Basic

Earnings Per Share (EPS) is Calculated as Under:

Net Profit / (Loss) As Per The Statement of Profit and Loss	(76,963,591)
Less: Preference Dividend and Tax Thereon	-
Net Profit For EPS	(76,963,591)
Weighted Average Number of Equity Shares for Calculation of Basic EPS	806,091,837
Basic EPS (Rs.)	(0.10)
(Face Value of Rs. 10/- Each)	
Diluted EPS (Rs.)	(0.10)



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ADITYA BIRLA FINANCIAL SERVICES LIMITED

Registered Office: Indian Rayon Compound, Veraval - 362 266, Gujarat, India
CIN : U67120GJ2007PLC058890 • Tel: +91-2876-243257
E Mail: nuvo.cfd@adityabirla.com • website: www.adityabirlanuvo.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH AT AHMEDABAD
CA (CAA) NO. 3/230-232/NCLT/AHM/2017**

In the matter of the Companies Act, 2013;
And
In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;
And
In the matter of Aditya Birla Financial Services Limited;
And
In the matter of Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors;

Aditya Birla Financial Services Limited, }
a Company incorporated under the provisions of the }
Companies Act, 1956 and having its registered office }
at Indian Rayon Compound, Veraval, Gujarat-362 266. }

...Applicant Company

EQUITY SHAREHOLDERS
FORM OF PROXY

[As per Form MGT -11 and Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E – mail ID	
Folio No./ DPID and Client ID*	

*applicable in case of shares held in electronic form

I / We, being the member (s) of shares of the above named Company, hereby appoint:

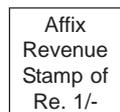
- Name:
Address:
E – mail ID: Signature:, or failing him;
- Name:
Address:
E – mail ID: Signature:, or failing him;
- Name:
Address:
E – mail ID: Signature:

as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at the registered office of Aditya Birla Financial Services Limited at the Auditorium, Indian Rayon Compound, Veraval - 362 266, Gujarat, on Monday, the 10th day of April, 2017 at 10.00 a.m. (1000 hours) for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors (the "Scheme") and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here, if 'for', insert 'FOR', if 'against', insert 'AGAINST', and in the later case, strike out the words below after 'the Scheme') the said arrangement embodied in the Scheme, either with or without modification(s)*, as my/our proxy may approve. (*Strike out whatever is not applicable)

Signed this _____ day of _____ 2017

Signature of Shareholder (s) _____

Signature of Proxy Holder (s) _____



(Signature across the stamp)

Notes:

1. The form of proxy must be deposited at the registered office of Aditya Birla Financial Services Limited at Indian Rayon Compound, Veraval - 362 266, Gujarat, at least 48 (forty-eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted
5. Proxy need not be a shareholder of Aditya Birla Financial Services Limited
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a shareholder, blind or incapable of writing, would be accepted if such shareholder has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the shareholder before he attached his signature or mark.
8. The proxy of a shareholder who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the shareholder in the language known to him, and gives the shareholder's name in English below the signature.



ADITYA BIRLA FINANCIAL SERVICES LIMITED

Registered Office: Indian Rayon Compound, Veraval - 362 266, Gujarat, India
CIN : U67120GJ2007PLC058890 • Tel: +91-2876-243257
E Mail: nuvo.cfd@adityabirla.com • website: www.adityabirlanuvo.com

EQUITY SHAREHOLDERS

ATTENDANCE SLIP

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL
MEETING OF THE EQUITY SHAREHOLDERS ON MONDAY THE 10TH DAY OF APRIL 2017 AT 10.00 A.M.**

I/We hereby record my/our presence at the meeting of the Equity Shareholders of Aditya Birla Financial Services Limited, convened pursuant to the final order dated 6th day of February 2017, as rectified vide order dated 14th day of February 2017 of the NCLT at the registered office of the Applicant Company at Auditorium, Indian Rayon Compound, Veraval, Gujarat-362 266, India, on Monday, the 10th day of April 2017 at 10.00 a.m. (1000 hours).

Name and Address of the Equity Shareholder

(IN BLOCK LETTERS) : _____

Signature : _____

Reg. Folio No. : _____

Client ID : _____

D. P. ID : _____

No. of Shares : _____

Name of the Proxy*

(IN BLOCK LETTERS) : _____

Signature : _____

(*To be filled in by the Proxy in case he/she attends instead of the shareholder)

Notes:

1. Equity shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Equity shareholders who come to attend the meeting are requested to bring their copy of the Scheme with them.
3. Equity shareholders who hold shares in dematerialised form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.

Route Map for the venue of the meeting

