

**NOTICE - EQUITY SHAREHOLDERS****ADITYA BIRLA NUVO LIMITED**

Registered Office : Indian Rayon Compound, Veraval, Gujarat - 362 266, India
Tel. No. : +91-2876-243257
CIN : L17199GJ1956PLC001107
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Website : www.adityabirlanuvo.com

**MEETING OF THE EQUITY SHAREHOLDERS
WHICH INCLUDES PUBLIC SHAREHOLDERS
OF**

ADITYA BIRLA NUVO LIMITED

*(convened pursuant to final order dated 6th 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 | : | 11.30 a.m. (1130 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. 1/230-232/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 Nuvo 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 Nuvo 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 (WHICH INCLUDES
PUBLIC SHAREHOLDERS) OF THE APPLICANT COMPANY**

To,

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

NOTICE is hereby given that by a final Order dated 6th 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 11.30 a.m. (1130 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.

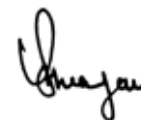
TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (*as defined in the Notes below*), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) electronic voting system (through tablet/computer) or ballot or polling paper at the venue of the meeting to be held on 10th April 2017.

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, an Independent Director of the Applicant Company and in his absence, Mr. B.R. Gupta, an Independent Director of the Applicant Company, and in his absence, Mrs. Pinky Mehta, the Chief Financial Officer 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 or Registered Foreign Portfolio Investors (“**RFPI**”) or Foreign Institutional Investors (“**FII**”), 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/RFPI/FII 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/RFPI/FII 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/RFPI/FII, 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 11.30 a.m. (1130 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. In compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of voting by postal ballot and e-voting so as to enable the equity shareholders, which includes the Public Shareholders (*as defined below*), to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme shall be carried out through (i) postal ballot or e-voting and (ii) electronic voting system (through tablet/computer) or ballot or polling paper at the venue of the meeting to be held on 10th day of April 2017.
8. The quorum of the meeting of the equity shareholders of the Applicant Company shall be 30 (thirty) equity shareholders of the Applicant Company, present in person.
9. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
10. 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.
11. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from National Securities Depository Limited (“NSDL”)/ Central Depository Services (India) Limited (“CDSL”) in respect of such joint holding, will be entitled to vote.
12. 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.
13. Equity shareholders (which includes Public Shareholders) holding equity shares 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.
14. 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/CDSL, whose names appear in the register of members/list of beneficial owners as received from NSDL/CDSL 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
15. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/CDSL 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 (which include Public Shareholders) as on Saturday, the 4th day of March 2017. Persons who are not equity shareholders of the Applicant Company as on the cut-off date i.e. 4th day of March 2017 should treat this notice for information purposes only.
16. The voting by the equity shareholders (including the Public 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.
17. 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.

18. Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 (“**SEBI Circular**”) issued by the Securities and Exchange Board of India (“**SEBI**”), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through postal ballot and e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The aforesaid notice sent to the equity shareholders (which includes Public Shareholders) of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term “**Public**” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “**Public Shareholders**” shall be construed accordingly. In terms of SEBI Circular the Applicant Company has provided the facility of voting by postal ballot and e-voting to its Public Shareholders.

NCLT, by its Order, has, inter alia, held that since the Applicant Company is directed to convene a meeting of its equity shareholders, which includes Public Shareholders, and the voting in respect of the equity shareholders, which includes Public Shareholders, is through postal ballot and e-voting, the same is in sufficient compliance of SEBI Circular.
19. 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.
20. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot or e-voting) in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.
21. The Applicant Company has engaged the services of Karvy Computershare Private Limited (“**Karvy**”) for facilitating e-voting. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note 34 below.
22. 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.
23. 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.
24. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected by the scrutinizer.
25. The vote on postal ballot cannot be exercised through proxy.
26. There will be only 1 (one) postal ballot form for every registered folio/client ID irrespective of the number of joint equity shareholders.
27. 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). In case, shares are jointly held, this form should be completed and signed by the first named equity shareholder and, in his/her absence, by the next named equity shareholder. Holder(s) of Power of Attorney (“**PoA**”) on behalf of an equity shareholder may vote on the postal ballot mentioning the registration number of the PoA registered with the Applicant Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorisation giving the requisite authority to the person voting on the postal ballot form.
28. 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.
29. The scrutinizer will submit his combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders, which includes Public 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 will also submit a separate report with regard to the result of the postal ballot and e-voting in respect of Public shareholders. 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 including the separate results of the postal ballot and e-voting exercised by

the Public Shareholders 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, besides being communicated to BSE Limited and National Stock Exchange of India Limited.

30. The equity shareholders of the Applicant Company (which includes Public Shareholders) 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) (which includes Public 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.
31. 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.
32. 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 (which includes Public 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.
33. Any queries/grievances in relation to the voting by postal ballot or e-voting may be addressed to Mr. Ashok Malu, Company Secretary of the Applicant Company at A-4, Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai – 400 030, or through email to abnlsecretarial@adityabirla.com. Mr. Ashok Malu, 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.

34. 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 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided to its equity shareholders (which include Public 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 (which include Public 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 Nuvo 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.abnl@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. 1/230-232/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 Nuvo 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 Nuvo 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, passed by the Hon'ble National Company Law Tribunal, Bench at Ahmedabad (the "**NCLT**"), in CA (CAA) NO. 1/230-232/NCLT/AHM/2017 ("**Order**"), a meeting of the equity shareholders of Aditya Birla Nuvo Limited (hereinafter referred to as the "**Applicant Company**" or the "**Transferor Company**" or "**ABNL**" 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 11.30 a.m. (1130 hours), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Composite Scheme of Arrangement between ABNL and Grasim Industries Limited (hereinafter referred to as the "**Transferee Company**" or "**Demerged Company**" or "**Grasim**" as the context may admit) and Aditya Birla Financial Services Limited (hereinafter referred to as the "**Resulting Company**" or "**ABFSL**" as the context may admit) 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 30 (thirty) equity shareholders present in person. Further in terms of the said Order, NCLT, has appointed Mr. S.C. Bhargava, an Independent Director of the Applicant Company and in his absence, Mr. B. R. Gupta, an Independent Director of the Applicant Company and in his absence, Mrs. Pinky Mehta, Chief Financial Officer of the Applicant Company as 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 11.30 a.m. (1130 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 and e-voting. Circular No. CIR/CFD/CMD/16/2015 dated 30th day of November 2015 ("**SEBI Circular**") issued by the Securities and Exchange Board of India ("**SEBI**"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through postal ballot or e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes Public Shareholders)

to the Scheme by way of voting through postal ballot and e-voting, no separate procedure for voting through postal ballot and e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The notice sent to the equity shareholders (which includes Public Shareholders) of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term “Public” shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “Public Shareholders” shall be construed accordingly.

NCLT, by its Order, has, inter alia, held that since the Applicant Company is directed to convene a meeting of its equity shareholders, which includes Public Shareholders, and the voting in respect of the equity shareholders, which includes Public Shareholders, is through postal ballot and e-voting, the same is in sufficient compliance of SEBI Circular.

The scrutinizer appointed for conducting the postal ballot and e-voting process will however submit his separate report to the Chairman of the Applicant Company after completion of the scrutiny of the postal ballot including e-voting submitted/cast by the Public Shareholders so as to announce the results of the postal ballot and e-voting exercised by the Public Shareholders of the Applicant Company. In terms of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through postal ballot or e-voting) in favour of the resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.

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. 1/230-232/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, creaped, 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, alkalis, 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.
- 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.

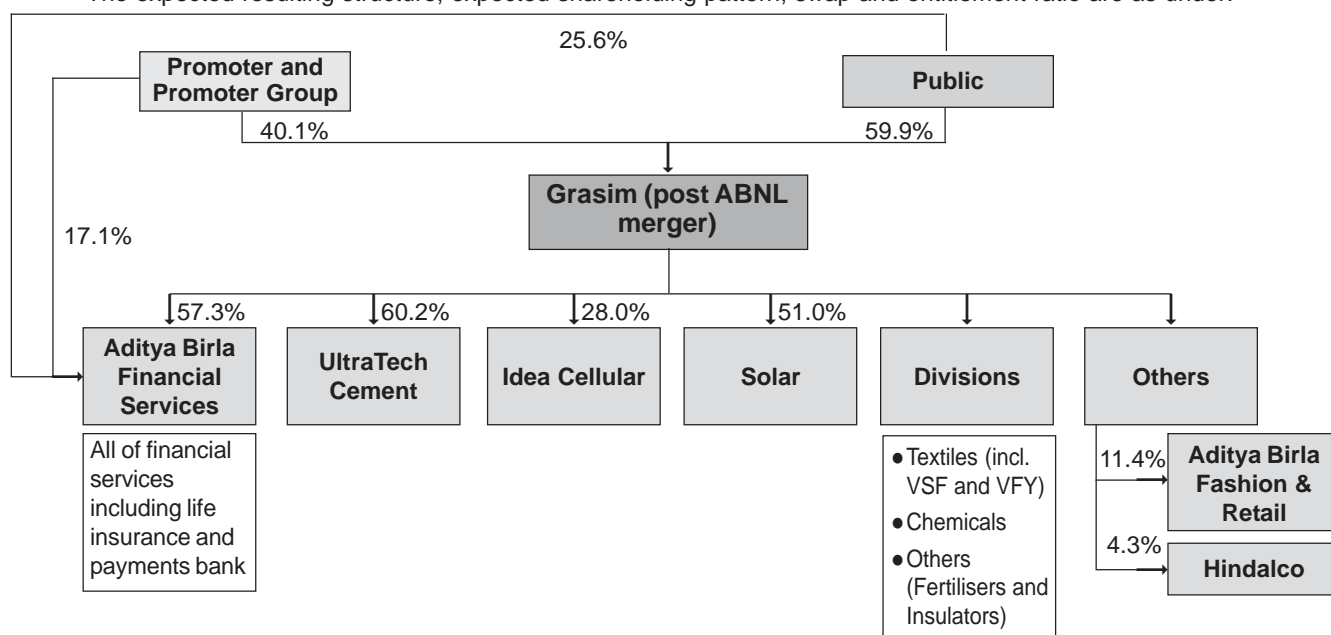
Description and Rationale for the Scheme

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 by ABFSL to the equity shareholders of Grasim;
- listing of the equity shares of ABFSL on BSE and NSE; and
- 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, (“**Fairness Opinion**”) 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. A copy of the Fairness Opinion is enclosed as **Annexure 3**. 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 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

35. BSE has been 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. Copies of the observation letters, both dated 16th day of November 2016, received from BSE and NSE, respectively, are enclosed as **Annexures 4 and 5**.
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. A copy of the complaints report submitted by ABNL to BSE and NSE, both dated 8th day of September 2016 is enclosed as **Annexure 6**.
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.

- 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 relatable 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 7**.
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 8**, **Annexure 9** and **Annexure 10**, 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 11**, **Annexure 12** and **Annexure 13**, 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 II-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 Shivdtt 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 Ganapati 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.

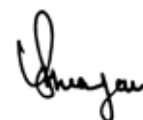
67. The following documents will be open for inspection by the equity shareholders of the Applicant Company at its registered office at Indian Rayon Compound, Veraval, Gujarat - 362 266, India, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) up to the date 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 ABNL to its shareholders/creditors, 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/creditors of ABNL.
- 69. After the Scheme is approved, by the equity shareholders, secured creditors and unsecured creditors (including debentureholders) of ABNL, 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