ADITYA BIRLA
GRASIM

12th August 2016

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

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

Dear Sir,

The Company, vide its letter dated 11th August 2016, had earlier informed that the Boards of Directors of Grasim Industries Limited ("Grasim"), Aditya Birla Nuvo Limited ("ABNL"), ABNL's wholly owned subsidiary Aditya Birla Financial Services Limited ("ABFSL") at their respective meetings held on 11th August 2016, approved the merger of ABNL into Grasim and the subsequent demerger & listing of the financial services business through a composite scheme of arrangement ("Scheme").

The Company shall be filing an application in the prescribed format under regulation 37 of SEBI LODR along with the draft Scheme, in due course.

In relation to the said Scheme, the Company is making following additional disclosure.

**Step 1 : Merger of Aditya Birla Nuvo Ltd. (ABNL) Into Grasim Industries Ltd. (Grasim)**

| | **Number of shares (in Million)** |
|---|---|
| Outstanding Equity Shares of Grasim of face value of Rs. 10 each (as on 30th June 2016) (A) | 93.35 |
| Outstanding Equity Shares of ABNL of face value of Rs. 10 each (as on 30th June 2016) (B) | 130.22 |
| Equity Shares held by Grasim in ABNL (C) | 3.35 |
| New equity shares to be issued by Grasim to ABNL's shareholders as per the Swap ratio (3 equity shares of Grasim for every 10 equity shares of ABNL) (D = 3/10*B) | 39.07 |
| Less : Cancellation of stock to be issued in lieu of Grasim's holding in ABNL (E = 3/10*C) | 1.00 |
| New equity shares to be issued by Grasim to ABNL (F = D - E) | 38.06 |
| **[I] Resultant equity share base of post-merger Grasim [Face value of Rs. 10 each] (G = A + F)** | **131.41** |

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(Contd. .. 2..)

**Step 2 : De-Merger of Financial Services business into Aditya Birla Financial Services Ltd. (ABFSL)**

| | Number of shares (in Million) |
|---|---|
| Outstanding Equity Shares of ABFSL of face value of Rs. 10 each (as on 30th June 2016) (H) | 816.01 |
| Add : Issue of new equity shares by ABFSL to ABNL pursuant to conversion / infusion (I) | 416.23 |
| Resultant equity shares of ABFSL post issue (J = H + I) | 1,232.24 |
| New equity shares to be issued by ABFSL to post-merger Grasim's shareholders as per the Swap ratio (7 equity shares of ABFSL for every 1 equity share of post-merger Grasim) (K = 7/1*G) | 919.88 |
| **[II] Resultant equity share base of ABFSL (post de-merger) [Face value of Rs. 10 each] (L = J + K)** | **2,152.12** |

Note: Pursuant to the proposed sub division of the face value of equity shares of Grasim from Rs. 10 each to Rs. 2 each, the swap ratios will be adjusted accordingly.

Thanking you,

Yours faithfully,

**Hutokshi Wadia**
**President & Company Secretary**

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