

Auditors' Report on non-applicability of conditions under Paragraph (I)(A)(9)(b) of Annexure I of Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities Exchange Board of India ("SEBI")

To,
The Board of Directors,
Grasim Industries Limited
Aditya Birla Centre,
S. K. Ahire Marg, Worli,
Mumbai - 400030

1. This Certificate is issued in accordance with the terms of the Master Engagement Agreement (the "MEA") dated October 30, 2017.
2. The accompanying undertaking approved by the Board of Directors in its meeting held on 12 November, 2020 (the "undertaking") stating the reasons for non-applicability of conditions under paragraph (I)(A)(9)(b) of Annexure I of circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by the Securities Exchange Board of India ("SEBI") (hereinafter referred to as "Circular") has been prepared by management of Grasim Industries Limited (the "Company") pursuant to the requirements of Para (I)(A)(9)(c) of Annexure I of the circular in connection with its proposed Scheme of Arrangement between Grasim Industries Limited (the "Transferor") and Indorama India Private Limited and their respective members and the creditors (hereinafter referred to as "the Scheme").
3. The attached undertaking, is prepared by the Company and is required to be submitted by the Company to BSE Limited, National Stock Exchange of India Limited, applicable National Company Law Tribunals, Registrar of Companies, Gwalior and Office of Regional Director, North Western Region Ministry of Corporate Affairs and such other authorities as may be directed by NCLT and has been initialed by us for identification purposes.

Management's Responsibility

4. The responsibility for the preparation of the undertaking and its compliance with the requirements of the circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant laws and regulations in connection with the Scheme is that of the Board of Directors of the Companies involved.

Auditor's Responsibility

5. Pursuant to the Circular, our responsibility is to provide reasonable assurance on the following reporting criteria:
 - a. whether the requirements in Paragraph (I)(A)(9)(b) of Annexure I of the Circular are applicable to the proposed Scheme.



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FOR GRASIM INDUSTRIES LIMITED

HUTOKSHI WADIA
COMPANY SECRETARY

Grasim Industries Limited
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6. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
- Read the Scheme and relevant guidelines to determine whether the requirements in Para (I)(A)(9)(a) read with Para (I)(A)(9)(b) of Annexure I of the Circular are applicable to the Company.
 - Read the attached Undertaking prepared by the Company.
 - Our examination did not extend to any aspects of a legal or propriety nature covered in the Proposed Scheme.

Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity as the statutory auditors of any financial statements of the Company.

7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics Issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on our examination and according to the information and explanations given to us, read with paragraph 6 above, in our opinion, the requirements in Para (I)(A)(9)(b) of Annexure I of the Circular are not applicable to the Scheme.



Restriction on Use

10. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose given in paragraph 2 above. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Vijay Maniar
Partner

Membership Number: 36738
UDIN: 20036738AAAAFZ4278
Place: Mumbai
Date: November 30, 2020



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Undertaking under Para (I)(A)(9)(c) of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended) ("SEBI Circular") in respect of the proposed Scheme of Arrangement.

1. This is in connection with the proposed Scheme of Arrangement ("Scheme") between Grasim Industries Limited (hereinafter referred to as "Transferor Company"), and Indorama India Private Limited (hereinafter referred to as "Transferee Company") and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Scheme") and pursuant to SEBI Circular. Whereas SEBI has mandated in the SEBI Circular all listed Companies to ensure that the Scheme submitted to Hon'ble NCLT for sanction, shall be acted upon in certain cases as mentioned in Para I(A)(9)(b) of Annexure I of the SEBI Circular if the votes cast by public shareholders in favour of the scheme are more than the votes cast by the public shareholders against the scheme.
2. The SEBI Circular further provides that in cases where the scheme does not fall within the cases mentioned in Para I(A)(9)(b) of Annexure I of the SEBI Circular, the listed entity shall furnish an undertaking certified by the auditor and duly approved by the Board of the Company, clearly stating the reasons for non-applicability of the aforesaid requirement. The Company hereby undertakes that the requirements of Para (I)(A)(9)(b) of Annexure I of the SEBI Circular pertaining to approval by majority of public shareholders are not applicable to the Company for following reasons:

A. Paragraph (I)(A)(9)(b)(i)

Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity:



Grasim Industries Limited

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Regd. Office : P.O. Birlagram, Nagda - 456331 (M.P.)



Not Applicable: as per the proposed Scheme, no shares are proposed to be allotted. The Divestment Business Undertaking in its entirety shall stand transferred to and vested in the Transferee Company as a 'going concern' on a Slump Sale basis, for a lump sum consideration as set out hereinafter, subject to the provisions of this Scheme.

B. Paragraph (I)(A)(9)(b)(ii)

Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

Not Applicable: the proposed Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of Grasim Industries Limited.

C. Paragraph (I)(A)(9)(b)(iii)

Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.

Not Applicable: The proposed Scheme does not involve acquisition by Grasim Industries Limited either, directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of Grasim. Also, the proposed Scheme does not involve merger of Grasim Industries Limited with its subsidiary.





D. Paragraph (I)(A)(9)(b)(iv)

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;

Not Applicable: The Scheme does not involve any reduction in the voting shares of the pre-scheme public shareholders, as the transfer does not involve any issue of shares and is for a lump sum cash consideration.

E. Paragraph (I)(A)(9)(b)(v)

Where the scheme involves transfer of whole or substantially the whole of the Undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares;

For the purpose of this clause, the expression "substantially the whole of the undertaking" in any financial year shall mean twenty per cent or more of value of the company in terms of consolidated net worth or consolidated total income during previous financial year as specified in Section 180(1)(a)(ii) of the Companies Act, 2013.

Not Applicable: The Scheme does not involve transfer of whole or substantially the whole the Undertaking of Grasim Industries Limited as the value of Divestment Business Undertaking is less than twenty per cent of the value of the Company in terms of consolidated net worth or consolidated total income during previous financial year as specified in Section 180(1)(a)(ii) of the Companies Act, 2013.

In view of the aforesaid, the requirement stated at Paragraph (I)(A)(9)(b) of the SEBI Circular is not applicable to the proposed Scheme.

For Grasim Industries Limited

Hutokshi Wadia
President & Company Secretary



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FOR GRASIM INDUSTRIES LIMITED

HUTOKSHI WADIA
COMPANY SECRETARY

Grasim Industries Limited

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CERTIFIED TRUE EXTRACT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON 12TH NOVEMBER 2020

“RESOLVED FURTHER THAT the undertaking on non-applicability of paragraph I(A)(9)(b) of Annexure I of the SEBI Scheme Circular and the draft auditor certificate, certifying the said undertaking, be and is hereby approved.”

**CERTIFIED TRUE COPY
FOR GRASIM INDUSTRIES LIMITED**

**HUTOKSHI WADIA
PRESIDENT & COMPANY SECRETARY
ACS 5761
A/2 ADITYA BIRLA CENTRE
S.K. AHIRE MARG, WORLI, MUMBAI-400030**

Date of Issue: 27th November 2020



Grasim Industries Limited

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