

STRICTLY PRIVATE AND CONFIDENTIAL

March 11, 2024

To, The Board of Directors, Aditya Birla Capital Limited, One World Centre, Tower-1, 18th Floor, Jupiter Mill Compound, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013, Maharashtra, India.	The Board of Directors, Aditya Birla Finance Limited, Indian Rayon Compound, Veraval – 362 266, Gujarat, India
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Dear Sirs,

Sub: Fairness Opinion on fair ratio of entitlement for the Non-convertible Debenture Holders of Aditya Birla Finance Limited on proposed amalgamation of Aditya Birla Finance Limited with Aditya Birla Capital Limited as recommended by the Registered Valuer

There is a proposal before the Boards of Directors of Aditya Birla Finance Limited (“the Amalgamating Company or ABFL”) and Aditya Birla Capital Limited (“the Amalgamated Company or ABCL”), collectively referred to as the “Companies”, to merge Aditya Birla Finance Limited, being a wholly owned subsidiary of the Amalgamated Company (“Proposed Amalgamation”), under a scheme of amalgamation under section 230-232 of Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as “the Scheme”). Upon the merger equity shares of the Amalgamating Company would stand cancelled.

Further, in connection with the Proposed Amalgamation, the NCD holders of Amalgamating Company will become NCD holders of Amalgamated Company with exactly the same terms and conditions.

Considering the above, the Management of the Companies (“the Management”) vide engagement letter dated March 08, 2024 (“Engagement Letter”) has engaged Inga Ventures Private Limited (“Inga”), to provide a fairness opinion to the Board of Directors of ABCL and ABFL on the fair ratio of entitlement of NCDs to be vested in the Amalgamated Company for the NCD holders of the Amalgamating Company pursuant to the Proposed Amalgamation recommended by the Valuer, viz. Bansi S. Mehta & Co, Chartered Accountants (“BSM” or “Valuer”) under their report issued dated March 11, 2024 (“Fair Entitlement Ratio Report / Valuation Report”)

Company Background and Purpose

Aditya Birla Capital Limited is incorporated under the Companies Act, 1956 with corporate identity number: L67120GJ2007PLC058890 and has its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat, India. The equity shares of the Amalgamated Company are listed on BSE Limited and National Stock Exchange of India Limited and the global depository shares of the Amalgamated Company are listed on the Luxembourg Stock Exchange. The Amalgamated Company is a systemically important non-deposit taking core investment company (NBFC-CIC) registered with the RBI in terms of the certificate of registration issued by the RBI., The Amalgamated Company is presently a core investment company and through its subsidiaries and associate companies is offering end-to-end



1



investing and financing solutions to a wide range of customers across the country. The Amalgamated Company's product portfolio meets the varied financial requirements of a wide range of customers, such as the salaried and self-employed individuals, High Net-worth Individuals ("HNIs"), ultra HNIs, micro-enterprises, micro, small and medium enterprises ("MSME"), and large and mid-corporates and has business interests including that of non-banking financial institution, housing finance, asset management, broking life and health insurance through its subsidiaries/ associate companies across India.

Aditya Birla Finance Limited is incorporated under the Companies Act, 1956 with corporate identity number: U65990GJ1991PLC064603 and has its registered office at Indian Rayon Compound, Veraval – 362 266, Gujarat, India. The Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company. The Amalgamating Company is registered with Reserve Bank of India (RBI) as non-deposit taking systemically important Non - Banking Financial Company (NBFC - ICC). The Amalgamating Company, *inter alia*, is offering end-to-end lending, financing and distributing financial products to retail, HNIs, ultra HNI, MSME and corporate customers across India. The Amalgamating Company is also engaged in the business of distribution of financial products such as mutual funds, insurance products, etc.

The proposal also envisages, *inter alia*, amalgamation of ABFL with ABCL, whereby the NCD holders of Amalgamating Company will become NCD holders of Amalgamated Company with exactly the same terms.

The Valuer has arrived at a fair entitlement ratio for NCDs (Fair Entitlement Ratio) as follows:

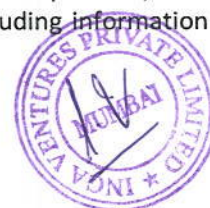
For every 1 (One) NCD of Amalgamating Company, 1 (one) NCD of Amalgamated Company of equivalent face and paid-up value, coupon rate, tenure, redemption price and quantum and nature of security offered etc.

ABCL and ABFL in terms of the Engagement Letter have requested us to issue our independent opinion as to the fairness of the Fair Entitlement Ratio recommended by the Valuer ("Fairness Opinion").

Source of Information

For arriving at the opinion set forth below, we have received from the Management and any information available in the public domain:

1. Fair Entitlement Ratio Report for NCDs issued by the Valuer;
2. Draft Scheme of Amalgamation;
3. Credit rating report of existing NCDs of Amalgamating Company and for the debt of the Amalgamated Company;
4. Terms of existing NCDs of Amalgamating Company;
5. Limited Reviewed Financials of the Amalgamated Company and the Amalgamating Company for the period ended December 31, 2023;
6. Audited Financial Statements of the Amalgamating Company and the Amalgamated Company for the year ended March 31, 2023
7. Other relevant information and documents for the purpose of this engagement;
8. Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern, income- tax position, contingent liabilities, undertakings and other relevant information and data, including information in the public domain;





9. Such other information and explanations as required and which have been provided by the Management including Management Representations;
10. Such other Information received during discussion with the Valuer

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Companies for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and, have not verified the accuracy and/or the completeness of the same from our end.

We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Companies and its related parties (holding company / subsidiary / associates / joint ventures etc.) and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies and other related entities which forms part of the group.

We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by Companies on an "as is" basis for the purposes of this Fairness Opinion. We are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims.

We have assumed that there are no circumstances that could materially affect the business or financial prospects of Companies and other related entities which forms part of the group.

We understand that the Management, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining any and all necessary regulatory or other consents, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the Scheme. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving Companies, other related entities which forms part of the group or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatsoever and make no recommendation at all as to the Companies underlying decision to effect the Proposed Amalgamation. We also do not provide any recommendation to the holders of equity shares or secured or unsecured creditors of the Companies with respect to the Proposed Amalgamation. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of ABCL will trade following the announcement of the Proposed Amalgamation or as to the financial performance of ABCL and ABFL following the consummation of the Proposed Amalgamation. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders / investors should buy, sell or hold any stake in ABCL or ABFL or any of its related parties.





Our report is not, nor should it be construed as opining or certifying the compliance of the proposed transaction with the provisions of any law including companies, competition, taxation (including transfer pricing) and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Amalgamation

Conclusion

Consideration of Factors for opining on the recommendation of fair entitlement ratio for NCDs:

- The Proposed Amalgamation contemplates the merger of Amalgamating Company with Amalgamated Company.
- Pursuant to the Scheme, the NCDs of the Amalgamating Company shall be vested with the Amalgamated Company on same terms, including the coupon rate, tenure, ISIN, redemption price, quantum, and nature of security. It may be noted that these would also be listed NCDs.
- Further, it is understood from the Management that the credit ratings of existing NCDs of Amalgamating Company and the NCDs of the Amalgamated Company will be identical.
- In view of the above, the economic interest of the NCD holders of Amalgamating Company would remain unchanged in the Amalgamated Company.

Hence, based on the foregoing considerations, examination of the Fair Entitlement Ratio Report/Valuation Report, such other information / undertakings / representations provided to us by the Management and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned hereinabove and to the best of our knowledge and belief, we are of the opinion that the recommendation made by the Valuer of the Fair ratio of entitlement for the NCDs is fair and reasonable.

The fair ratio of entitlement for NCDs is as under:

For every 1 (One) NCD of Amalgamating Company 1 (one) NCD of Amalgamated Company of equivalent face and paid-up value, coupon rate, tenure, redemption price and quantum and nature of security offered etc.

Distribution of the Fairness Opinion

This Fairness Opinion is provided solely for the benefit of the Board of Directors of ABCL and ABFL and is for the purpose of submission to the Stock Exchanges and SEBI under the SEBI Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022, as amended from time to time. Further, the Fairness Opinion may be disclosed on the website of ABCL, ABFL and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/or creditors of the ABCL, if required. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Inga's prior written consent.

However, ABCL and ABFL may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to ABCL or ABFL (as applicable) promptly intimating Inga in writing about receipt of such request from the regulatory authority. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the





same. Neither this Fairness Opinion nor its contents may be referred to or quoted to / by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

In no circumstances however, will Inga or its management, directors, officers, employees, agents, advisors, representatives and controlling persons of Inga accept any responsibility or liability including any pecuniary or financial liability to any third party.

Yours truly,

For Inga Ventures Private Limited

S Venkatesh



S Venkatesh

Partner