GRASIM INDUSTRIES LIMITED

Registered office: Birlagram, Nagda 456 331, District Ujjain, Madhya Pradesh
CIN: L17124MP1947PLC000410
Tel: 07366-246760; Fax: 07366-244114; email: shares@adityabirla.com; website: www.grasim.com

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF GRASIM INDUSTRIES LIMITED
AND
POSTAL BALLOT AND E-VOTING

Day	Wednesday
Date	10th June, 2015
Time	11.30 a.m.
Venue	Grasim Club, Birlagram, Nagda - 456 331, District Ujjain, Madhya Pradesh

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IN THE HIGH COURT OF MADHYA PRADESH, BENCH AT INDORE
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 7 OF 2015

In the matter of the Companies Act, 1956;
And
In the matter of application under Sections 391 to 394 of the Companies Act, 1956;
And
In the matter of Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors.

Grasim Industries Limited, a company incorporated under the Gwalior Companies Act (1 of Samvat 1963) and now deemed to be incorporated under the Companies Act, 1956/2013 as an "existing company" and having its registered office at Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh } …Applicant Company

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

To,

The Equity Shareholders of Grasim Industries Limited ("Applicant Company"):

TAKE NOTICE that by an Order made on 22nd April, 2015 in the abovementioned Company Petition, the Hon'ble High Court of Madhya Pradesh, Bench at Indore has directed that a meeting of the Equity Shareholders of the Applicant Company, be convened and held at **Grasim Club, Birlagram, Nagda 456331, District Ujjain, Madhya Pradesh** on **Wednesday, 10th June, 2015 at 11.30 a.m.** to transact the following Special Business:

To consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 391 to 394 of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company for approval of the proposed amalgamation embodied in the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors **("Scheme"):**

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble High Court of Jharkhand and Hon'ble High Court of Madhya Pradesh, Bench at Indore, 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 the Hon'ble High Court of Jharkhand and Hon'ble High Court of Madhya Pradesh, Bench at Indore or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (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 to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries 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 arrangements 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 Hon'ble High Court of Jharkhand and Hon'ble High Court of Madhya Pradesh, Bench at Indore while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be held at **Grasim Club, Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh** on **Wednesday, 10th June, 2015 at 11.30 a.m. (11.30 hours),** at which place, day, date and time you are requested to attend.

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 Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh not later than 48 hours before the time of the aforesaid meeting.

The Hon'ble High Court has appointed Mr. Ramesh Chhazed, Advocate, failing him, Ms. Seema Sharma, Advocate, to be the Chairman of the said meeting or at any adjournment(s) thereof.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy, Attendance Slip, Observation Letters issued by BSE Limited and National Stock Exchange of India Limited, Fairness Opinion issued by Axis Capital Limited and the Complaints Report are enclosed.

sd/-

Ramesh Chhazed
Chairman appointed for the meeting

Place: Indore
Dated this 2nd day of May, 2015.
CIN: L17124MP1947PLC000410

Registered Office: Birlagram,
Nagda - 456331
District Ujjain, Madhya Pradesh

Notes:

1. All alterations made in the Form of Proxy should be initialled.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or in the case of a body corporate, by an Authorised Representative under Section 113 of the Companies Act, 2013) at the Equity Shareholders' meeting. The Authorised Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting, provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate, under Section 113 of the Companies Act, 2013, authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the time fixed for the meeting.
3. Foreign Institutional Investors (FIIs) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the time fixed for the meeting.
4. A registered equity shareholder of the Applicant Company entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company.
5. Registered equity shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.
6. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.

Encl.: As above

GRASIM INDUSTRIES LIMITED

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CIN: L17124MP1947PLC000410
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NOTICE OF POSTAL BALLOT AND E-VOTING TO THE SHAREHOLDERS OF THE COMPANY

NOTICE PURSUANT TO SECTION 110 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, CLAUSE 35B OF THE EQUITY LISTING AGREEMENTS WITH BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND SEBI CIRCULARS BEARING NOS. CIR/CFD/DIL/5/2013 DATED 4th FEBRUARY, 2013 AND CIR/CFD/DIL/8/2013 DATED 21st MAY, 2013 ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI")

Dear Shareholder(s),

NOTICE is hereby given to you to consider, and, if thought fit, approve the proposed Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors ("**the Scheme**"). Circulars bearing No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD/DIL/8/2013 dated 21st May, 2013, issued by SEBI (together referred to as "**SEBI Circulars**") requires the Scheme to be put for voting by public shareholders through postal ballot and e-voting and provides that "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 against it." This notice is given in terms of the said SEBI Circulars for consideration of the following resolution by postal ballot and e-voting pursuant to Section 110 of the Companies Act, 2013 read with relevant Rules:

To consider, and, if thought fit, to pass, with or without modification(s) the following resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble High Court of Jharkhand and Hon'ble High Court of Madhya Pradesh, Bench at Indore, 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 the Hon'ble High Court of Jharkhand and Hon'ble High Court of Madhya Pradesh, Bench at Indore or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors (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 to exercise its powers including the powers conferred by this Resolution), the proposed amalgamation embodied in the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors ("**Scheme**") 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 amalgamation 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 Hon'ble High Court of Jharkhand and Hon'ble High Court of Madhya Pradesh, Bench at Indore while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

The Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 11th February, 2015 have approved the Scheme, subject to approval by the requisite majority of the shareholders and creditors of the Applicant Company as may be required, and subject to the sanction of the Hon'ble High Court of Madhya Pradesh, Bench at Indore and of such other authorities as may be necessary.

By an Order made on 22nd April, 2015, in Company Petition No. 7 of 2015, the Hon'ble High Court of Madhya Pradesh, Bench at Indore, has directed that a meeting of the equity shareholders of the Applicant Company ("**Court Convened Meeting"**) be convened and held on 10th June, 2015 at 11.30 a.m. (11.30 hours) at the Registered Office of the Company at Grasim Club, Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh, for the purpose of considering and, if thought fit, to approve with or without modification(s), the proposed amalgamation embodied in the Scheme.

In addition to the Court Convened Meeting, the Applicant Company also seeks the approval of its equity shareholders to the Scheme by way of postal ballot and e-voting pursuant to the applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Clause 35 B of the Listing Agreements executed by the Applicant Company with the Stock Exchanges, SEBI Circulars and under relevant provisions of the applicable laws.

It is clarified that votes may be cast by shareholders by postal ballot/e-voting and also at the Court Convened Meeting. Exercising their right to vote by postal ballot/e-voting does not disentitle a shareholder from exercising their right to vote at the Court Convened Meeting as provided in the notice of Court Convened Meeting. Further, exercise of votes through postal ballot is not permitted through a proxy.

Kindly note that each equity shareholder can opt for only one mode of voting, i.e., either by Postal Ballot Form or e-voting. If you opt for e-voting, then do not vote by Postal Ballot and vice-versa. In case of shareholders exercising their right to vote *via* both modes, i.e. postal ballot as well as e-voting, then voting done through postal ballot shall prevail and e-voting of that shareholder shall be treated as invalid.

Notes:

1. The Explanatory Statement under Section 393 of the Companies Act, 1956 (which may also be treated as Explanatory Statement under Section 102 of the Companies Act, 2013) with the rationale for proposing the Resolution stated in the Notice above is annexed hereto.
2. The accompanying Postal Ballot Form is being posted to the address of the equity shareholders registered with the Applicant Company whose names appear in the Register of Members of the Applicant Company as provided to the Applicant Company by the Depositories. The shareholders who have registered their e-mail IDs for receipt of documents in electronic mode have been sent the Notice of Postal Ballot by e-mail.
3. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the shareholders as on the cut-off date, i.e. 24th April, 2015.
4. The material 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 on all working days between 10.00 a.m. to 12 noon up to the last date for receipt of the Postal Ballot Form.
5. Shareholders can seek duplicate Postal Ballot Form from Share Department, Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh.
6. Voting through electronic means:

   The Applicant Company has engaged National Securities Depository Limited ("NSDL") to provide e-voting facilities to the shareholders of the Applicant Company to exercise votes on the business given in Notice, through electronic voting system to those shareholders holding shares as on 24th April, 2015 being the cut-off date fixed for determining voting rights of shareholders and entitled to participate in the e-voting process. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 24th April, 2015.

   The Postal Ballot Form, along with instructions for voting/e-voting are enclosed The Applicant Company has appointed Mr. Ashish Garg, Practicing Company Secretary, (Membership No. FCS 5181 & CP No. 4423) as Scrutinizer for conducting the postal ballot/e-voting process, in a fair and transparent manner.
7. You are requested to read the instructions carefully and return the Postal Ballot Form duly completed in the enclosed self-addressed, postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on Saturday, 6th June, 2015. Postal ballots received after this date will be treated as invalid. Alternatively, you may cast your votes by responding electronically (e-voting) in the manner described in the said instructions. The e-voting period commences from Friday, 8th May, 2015 at 9.00 a.m. and ends on Saturday, 6th June, 2015 at 5.30 p.m. During this period, the shareholders of the Applicant Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 24th April, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting on Saturday, 6th June, 2015 at 5.30 p.m. Responses received after this date and time will be treated as invalid.
8. The Scrutinizer will submit his report on completion of scrutiny and the results of Postal Ballot shall be announced at the Registered office of the Company on Monday, 8th June, 2015. The results and scrutinizer's report will also be uploaded on the website of the Company www.grasim.com.

For Grasim Industries Limited

sd/-

Hutokshi Wadia
Senior Vice President & Company Secretary

Place: Mumbai
Dated this 2nd day of May, 2015.
CIN: L17124MP1947PLC000410

Registered Office: Birlagram,
Nagda - 456331
District Ujjain, Madhya Pradesh

IN THE HIGH COURT OF MADHYA PRADESH, BENCH AT INDORE
COMPANY PETITION NO. 7 OF 2015

In the matter of the Companies Act, 1956;
-And-
In the matter of application under Sections 391 to 394 of the Companies Act, 1956;
-And-
In the matter of Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors.

Grasim Industries Limited, a Company incorporated under the Gwalior Companies Act (1 of Samvat 1963) and now deemed to be incorporated under the Companies Act, 1956/2013 as an "existing company" and having its registered office at Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh } …Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF GRASIM INDUSTRIES LIMITED

In this statement, Grasim Industries Limited is referred to as the "**Applicant Company**" or "**Transferee Company"**, Aditya Birla Chemicals (India) Limited is referred to as the "**Transferor Company**" and the Applicant/Transferee Company and Transferor Company are hereinafter collectively referred to as "**the Companies**". The other definitions contained in the enclosed Scheme of Amalgamation ("**Scheme**") will also apply to this Explanatory Statement. The following statement as required under Section 393 of the Companies Act, 1956, and Section 102 of the Companies Act, 2013 sets forth the details of the proposed Scheme, its effects and, in particular, any material interests of the Directors in their capacity as members.

1. Pursuant to an order dated 22nd April, 2015, passed by the Hon'ble High Court of Madhya Pradesh, Bench at Indore, in the Company Petition referred to above, a meeting of the equity shareholders of Grasim Industries Limited, the Applicant Company above named, is being convened for the purpose of considering and, if thought fit, approving, with or without modification, the amalgamation proposed under the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors, under Sections 391 to 394 of the Companies Act, 1956 ("**Act**").

2. Additionally, in terms of Clause 5.16 of Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 as revised by Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013, the said Scheme shall also be subject to the approval of Public Shareholders (i.e. Equity Shareholders other than those forming part of Promoter and Promoter Group) by passing a Resolution through Postal Ballot / e-voting, as specified in the Notice of Postal Ballot forming part of this Notice.

3. A copy of the Scheme setting out the terms and conditions of the amalgamation, inter alia, providing for amalgamation of the Transferor Company with the Applicant Company which has been duly approved by the Audit Committee and the Board of Directors of the Applicant Company at its meeting held on 11th February 2015, is attached to this Explanatory Statement.

4. BACKGROUND OF THE COMPANIES

4.1 Grasim Industries Limited

a) Grasim Industries Limited, the Applicant Company, was incorporated on 25th August, 1947 under the Gwalior Companies Act (1 of Samvat 1963) under the name of "Gwalior Rayon Silk Mfg. (Wvg.) Company Limited", and commenced operations in the year 1950. Thereafter, the name "Gwalior Rayon Silk Mfg. (Wvg.) Company Limited" was changed to "Grasim Industries Limited" with effect from 22nd July, 1986.

b) The registered office of the Applicant Company is situated at Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh, India.

c) The objects of the Applicant Company are set out in its Memorandum of Association. The Applicant Company is primarily engaged in the manufacture and sale of viscose staple fibre, chemicals, textiles and cement (through its subsidiaries). The main objects, inter alia, along with the serial numbers as stated in its Memorandum of Association, are set out hereunder:

"3.(a) To carry on all or any of the following business, namely: manufacturers of artificial silk fibres, yarns and fabrics, other varieties of synthetic fibres and yarns fabrics such as, nylons etc., cotton spinners 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 material 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 and dealers in machinery together with accessories, equipments, 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, fertilizers, 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 acids, alkalies, fertilizers 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 fertilizer, 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, all and colour men, imports, 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, photographical, surgical and scientific apparatus and materials and to manufacturer, refine, manipulate, import and deal in salts and marine materials and other derivatives, bye-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 issued 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."

d) The details of the authorised, issued, subscribed and paid-up share capital of the Applicant Company are set out in the Scheme. The equity shares of the Applicant Company are listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). The Global Depository Receipts representing the underlying equity shares of the Applicant Company are listed on the Luxembourg Stock Exchange.

4.2 Aditya Birla Chemicals (India) Limited

a) Aditya Birla Chemicals (India) Limited, the Transferor Company, was originally incorporated on 20th July, 1976 under the provisions of the Companies Act, 1956 under the name of "Bihar Caustic & Chemicals Limited". Thereafter, on 14th January, 2009, the name "Bihar Caustic & Chemicals Limited" was changed to "Aditya Birla Chemicals (India) Limited".

b) The registered office of the Transferor Company is situated at Garhwa Road, P.O. – Palamau, Jharkhand – 822 124, India.

c) The objects of the Transferor Company are set out in its Memorandum of Association. The Transferor Company is *inter alia* engaged in the business of manufacture of Chlor Alkali and allied chemicals. The main objects, inter alia, along with the serial numbers as stated in the Memorandum of Association, are set out hereunder:

"i. To carry on business as manufacturers, exporters, importers, buyers and sellers of and dealers in all Chemicals and in particular Soda Ash, Caustic Soda, Sulphuric Acid, Super Phosphate, Ammonium Chloride, Benezine Hexachloride, Zinc Chloride, Calcium Chloride, D—Calcium Phosphate, Alcohol, Chlorine, Chlorine products, both organic and inorganic such as polyvinyl Chloride carbonetetra-chloride, trichloro-ethylene, perchloroethylene Ethylene dichloride, carbon disulphide, Barium Chloride, Aluminum trichloride and Titanium tetrachloride etc. metallic chlorides, Hypochlorides, alkali acids, cordials, drugs, tannins, essences and pharmaceuticals, photo-graphical, sizing, medical, chemical industrial and other allied preparations and articles of any nature and kinds whatsoever, mineral and other waters, cements, oils, paints pigments and varnishes compounds drugs, dyes, stuff organic or mineral intermediates, paint and colour varnishes.

ii. *To manufacture, buy, sell, import, deal in and carry on business in casein, Hydrochloric acid, Bleaching Powder, sodium silicate lime, copper sulphate, alum, urea and phenol formaldehyde, synthetic resin, PVC resin, synthetic and other resin glues, Chlorinated paraffin wax, Chlorinated rubber, and other chemicals and ingredients for the manufacture of glue, cement or bonding materials.*

iii. *To manufacture, produce, refine, process, formulate, mix or prepare mine or otherwise acquire, buy, sell, exchange, distribute, trade, deal in, import and export any and all kinds of chemicals, fertilizers, linden, pesticides, manures, their mixtures, and formulation and any and all Classes and kinds of chemicals, sources, materials ingredients, mixtures, derivatives and compounds thereof and any 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 fertilizers, and agricultural and industrial chemicals of all kinds, and industrial and other preparations of or products arising from or required in the manufacturing, refining of any kind of fertilizer, their mixture and formulations."*

d) The details of the authorised, issued, subscribed and paid-up share capital of the Transferor Company are set out in the Scheme. The equity shares of the Transferor Company are listed on the BSE and NSE.

5. BACKGROUND OF THE SCHEME

a) The Applicant Company is a flagship company of the Aditya Birla Group and ranks among India's largest private sector companies. It started as a textiles manufacturer and as on date its core businesses are manufacture and sale of viscose staple fibre, chemicals, textiles and cement (through its subsidiaries).

b) The Transferor Company was set up with the objective of catering to the Caustic Soda requirements of its Group companies. Today, the business of the Transferor Company comprises of manufacture of Chlor-Alkali and other allied chemicals.

c) The Scheme provides for the amalgamation of the Transferor Company with the Applicant Company and issuance of equity shares by the Applicant Company to the shareholders of the Transferor Company in consideration of the amalgamation as set out in the Scheme and consequent transfer of all the assets and liabilities of the Transferor Company to the Applicant Company.

d) On this Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and without any further act by the parties to the Scheme. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Bihar & Jharkhand.

6. RATIONALE OF THE SCHEME

The rationale for the proposed amalgamation of the Transferor Company with the Applicant Company is, inter alia, as follows:

a) The nature of the business of the Transferor Company and the Chemical business of the Applicant Company is similar to each other. Upon amalgamation, the combined entity will have geographically diversified manufacturing operations spread across the country.

b) The proposed amalgamation will enable better and efficient management, control and running of the businesses to attain operational efficiencies, cost competitiveness, create synergies and will be beneficial for capitalizing on the growth opportunities to the fullest extent.

c) The proposed amalgamation and vesting of the Transferor Company into the Applicant Company, with effect from the Appointed Date (as defined hereinafter), is in the interest of the shareholders, creditors, employees and other stakeholders, of both the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders and afford the advantages of synergies of their businesses.

d) The amalgamation of the Transferor Company with the Applicant Company will combine the business activities and operations of the Transferor Company and the Applicant Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961 including Section 2(1B) thereof or any amendments thereto.

7. CORPORATE APPROVALS FOR THE SCHEME

a) The Board of Directors of the Applicant Company has taken into account the independent recommendations of the Audit Committee, the recommendations of the Share Exchange Ratio provided by Walker Chandiok & Co LLP, Chartered Accountants and the Fairness Opinion provided by Axis Capital Limited in relation to the Share Exchange Ratio.

b) Based on the aforesaid advice/opinion and on the basis of independent judgment and evaluation, the Board of Directors of the Applicant Company has come to the conclusion that the Share Exchange Ratio is fair and reasonable and has approved the same at its meeting held on 11th February, 2015.

8. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are as follows:

a) "**Appointed Date**" means 1st April, 2015 or such other date as may be agreed by the Transferor Company and the Applicant Company and approved by the High Court(s) or directed by or imposed by the High Court(s).

b) "**Effective Date**" means the last of the dates, if applicable, on which the certified or authenticated copies of the order(s) sanctioning the Scheme passed by the High Courts or any other appropriate authority, as the case maybe, is/are filed with the Registrar of Companies, Bihar & Jharkhand and the Registrar of Companies, Madhya Pradesh.

c) "**Record Date**" shall be the date or dates to be fixed by the Board of the Applicant Company for the purpose of determining the names of the equity shareholders of the Transferor Company for issue of shares of the Applicant Company pursuant to the Scheme, upon amalgamation of the Transferor Company with the Applicant Company.

d) With effect from the Appointed Date, i.e., 1st April, 2015 and upon the Scheme becoming effective, the Undertaking (as defined in the Scheme) of the Applicant Company shall, pursuant to the sanction of the Scheme by the High Court(s) and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, be and stand transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act, deed, instrument, matter so as to become, as and from the Appointed Date, the Undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme, more particularly provided in Clause 3 of the Scheme.

e) The "**Undertaking**" (as defined in the Scheme) means and includes the entire business, all the undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Transferor Company, on a going concern basis, together with all its assets, rights, licenses and liabilities and shall include (without limitation):

i. All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether situated in India or abroad, including but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), jetty, salt works, including those described in the Schedule 1 thereto, plant and machinery, D.G. Sets, equipments, buildings and structures, offices, residential and other premises, capital work-in-progress, furniture, fixtures, vehicles, office equipments, computers, appliances, accessories, power lines, stocks and inventory, leasehold assets and other properties, guesthouses, godowns, warehouses, railway lines and sidings, water pipelines, depots, power generation undertakings including the power plants, fly ash handling systems, cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments of all kinds (including shares, scrips, stocks, bonds, debentures stocks, units, or securities of all kind and nature), claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, licensee and licensor rights, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, 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 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 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 and approvals of whatsoever nature including but not limited to benefits of tax exemptions/benefits and/or exemption entitlements, all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax credit ("MAT"), etc. and under indirect taxes such as CENVAT credit, 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 Transferor Company as on the Appointed Date;

ii. All agreements, rights, contracts (including but not limited to agreements with respect to immoveable and movable properties being used by the Transferor Company by way of leasehold, license or any other rights or privileges or other arrangements), bids, tenders, letters of intent, expressions of interest, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals & exemptions and benefits, subsidies, income tax benefits and exemptions including the right to deduction under Section 80IA of the Income Tax Act, 1961 in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the amalgamation pursuant to this Scheme does not take place, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations and that may be required to carry on the operations of the Transferor Company;

iii. Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Appropriate Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

iv. All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;

v. All Employees engaged by the Transferor Company at various locations;

vi. All the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company as on the Appointed Date; and

vii. All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes 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 Transferor Company.

f) The Scheme also provides for:

i. the transfer of contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature relating to the Undertaking;

ii. the transfer of all licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits and privileges enjoyed or conferred upon or held or availed of by the Transferor Company in relation to the Undertaking;

iii. the transfer of all debts, liabilities, duties and obligations of the Transferor Company in relation to the Undertaking;

iv. the transfer of all employees engaged in the Undertaking to the Applicant Company on the same terms and conditions on which they are engaged in the Undertaking;

v. the payment of Consideration by the Applicant Company to the shareholders of the Transferor Company in the form and manner set out in the Scheme. All suits, cause of actions, appeals, petitions, complaints, applications or other legal proceedings of whatsoever nature by or against the Transferor Company pending on the Effective Date may be continued and enforced by or against the Applicant Company as effectually and in the same manner and to the same extent as the same would or might have continued, prosecuted and enforced by or against the Transferor Company, In the absence of the Scheme.

g) Upon the Scheme becoming effective, the authorized share capital of the Transferor Company will get merged with that of the Applicant Company without payment of any additional fees and duties as the said fees have already been paid. The authorized share capital of the Applicant Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed or paid under the Act.

h) Upon the Scheme coming into effect, the Transferor Company shall be dissolved without being wound up.

i) The Scheme is conditional upon and subject to the approvals and/or sanctions laid down in the Scheme.

Please note that the features set out above are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

9. CAPITAL STRUCTURE PRE AND POST AMALGAMATION

a) Pre and post amalgamation capital structure of the Applicant Company is as follows:

		Pre-Amalgamation as on 31st March, 2015		Post-Amalgamation (based on Shareholding as on 31st March, 2015)	
		No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
A	**Authorised Share Capital:**				
	Equity Shares of Rs.10/- each	9,50,00,000	95,00,00,000	11,95,00,000	119,50,00,000
	15% redeemable cumulative Preference Shares " A" Series of Rs.100/- each	1,50,000	1,50,00,000	1,50,000	1,50,00,000
	8.57% redeemable cumulative Preference Shares " B" Series of Rs.100/- each	1,00,000	1,00,00,000	1,00,000	1,00,00,000
	9.30% redeemable cumulative Preference Shares " C" Series of Rs.100/- each	3,00,000	3,00,00,000	3,00,000	3,00,00,000
	11% redeemable cumulative Preference Shares of Rs.100/- each	-	-	50,000	50,00,000
	Total Authorised Share Capital		**100,50,00,000**		**125,50,00,000**
B	**Issued, Subscribed & Paid Up Share Capital:**				
	Equity Shares of Rs.10/- each	9,18,52,185	91,85,21,850	9,33,13,841	93,31,38,410
	Total Issued, Subscribed & Paid Up Share Capital	**9,18,52,185**	**91,85,21,850**	**9,33,13,841**	**93,31,38,410**

b) The pre-amalgamation capital structure of the Transferor Company is mentioned in the Scheme. On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and without any further act by the parties to this Scheme.

10. PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

Pursuant to Clause 24(h) of the Listing agreement executed with the Stock Exchanges, the Pre and Post Amalgamation (expected) shareholding pattern of the Applicant Company and the Pre amalgamation shareholding pattern of the Transferor Company are given below:

a) The Pre and Post-Amalgamation shareholding pattern of the Applicant Company is as follows:

Sr. No.	Category	Pre-Amalgamation Shareholding (as on 31st March, 2015)		Post-Amalgamation Shareholding (based on Shareholding as on 31st March, 2015)	
		No. of equity shares	As a % of total equity capital	No. of equity shares	As a % of total equity capital
(A)	**Shareholding of Promoter and Promoter Group**				
(1)	**Indian**				
(a)	Individuals/ Hindu Undivided Family	1,33,372	0.15	1,33,372	0.14
(b)	Bodies Corporate	2,32,96,096	25.36	2,41,19,220	25.85
	Sub-Total (A) (1)	**2,34,29,468**	**25.51**	**2,42,52,592**	**25.99**
(2)	**Foreign**	-	-	-	-
	Sub-Total (A) (2)	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group A= (A)(1)+(A)(2)	**2,34,29,468**	**25.51**	**2,42,52,592**	**25.99**

Sr. No.	Category	Pre-Amalgamation Shareholding (as on 31st March, 2015)		Post-Amalgamation Shareholding (based on Shareholding as on 31st March, 2015)	
		No. of equity shares	As a % of total equity capital	No. of equity shares	As a % of total equity capital
(B)	**Public Shareholding**				
(1)	**Institutions**				
(a)	Mutual Funds / UTI	70,12,141	7.63	70,12,235	7.51
(b)	Financial Institutions / Banks	1,82,354	0.20	1,82,731	0.20
(c)	Central Government/ State Government(s)	-	-	1,27,000	0.14
(d)	Insurance Companies	83,64,047	9.11	83,64,047	8.96
(e)	Foreign Institutional Investors	2,09,62,850	22.82	2,11,67,725	22.68
	Sub-Total (B)(1)	**3,65,21,392**	**39.76**	**3,68,53,738**	**39.49**
(2)	**Non-Institutions**				
(a)	**Bodies Corporate**	62,77,852	6.83	63,11,889	6.76
(b)	**Individuals**				
(i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	83,41,422	9.08	86,06,206	9.22
(ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	7,79,330	0.85	7,79,330	0.84
(c)	**Any Other (specify)**				
(i)	Overseas Body Corporate	26,22,613	2.86	26,22,613	2.81
(ii)	Non Resident Indians	5,91,332	0.64	5,97,583	0.64
(iii)	Clearing Member	-	-	1,115	0.00
	Sub-Total (B)(2)	**1,86,12,549**	**20.26**	**1,89,18,736**	**20.27**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**5,51,33,941**	**60.02**	**5,57,72,473**	**59.76**
	Total (A)+(B)	**7,85,63,409**	**85.53**	**8,00,25,065**	**85.75**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**				
(1)	Promoter and Promoter Group	48,02,304	5.23	48,02,304	5.15
(2)	Public	84,86,472	9.24	84,86,472	9.10
	Total (C)	**1,32,88,776**	**14.47**	**1,32,88,776**	**14.25**
	Grand Total (A)+ (B)+(C)	**9,18,52,185**	**100.00**	**9,33,13,841**	**100.00**

b) The Pre-amalgamation shareholding pattern of the Transferor Company is as follows:

Sr. No.	Category	Pre-Amalgamation Shareholding (as on 31st March, 2015)	
		No. of equity shares	As a % of total equity capital
(A)	**Shareholding of Promoter and Promoter Group**		
(1)	**Indian**		
(a)	Individuals/ Hindu Undivided Family	-	-
(b)	Bodies Corporate	1,31,69,987	56.31
	Sub-Total (A) (1)	**1,31,69,987**	**56.31**
(2)	**Foreign**	-	-
	Sub-Total (A) (2)	**-**	**-**
	Total Shareholding of Promoter and Promoter Group A = (A)(1)+(A)(2)	**1,31,69,987**	**56.31**
(B)	**Public Shareholding**		
(1)	**Institutions**		
(a)	Mutual Funds/UTI	1,500	0.01

Sr. No.	Category	Pre-Amalgamation Shareholding (as on 31st March, 2015)	
		No. of equity shares	As a % of total equity capital
(b)	Financial Institutions/Banks	6,028	0.03
(c)	Central Government/ State Government(s)	20,32,000	8.69
(d)	Foreign Institutional Investors	32,78,000	14.02
	Sub-Total (B)(1)	**53,17,528**	**22.74**
(2)	**Non-Institutions**		
(a)	**Bodies Corporate**	5,44,590	2.33
(b)	**Individuals**		
(i)	Individual shareholders holding nominal share capital up to Rs. 1 lakh	28,14,054	12.03
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	14,22,488	6.08
(c)	**Any Others (Specify)**		
(i)	Non Resident Indians	1,00,011	0.43
(ii)	Clearing Member	17,842	0.08
	Sub-Total (B)(2)	**48,98,985**	**20.95**
	Total Public Shareholding B = (B)(1)+(B)(2)	**1,02,16,513**	**43.69**
	Total (A) + (B)	**2,33,86,500**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**		
(1)	Promoter and Promoter Group	-	-
(2)	Public	-	-
	Total (C)	**-**	-
	Grand Total (A)+ (B)+(C)	**2,33,86,500**	**100.00**

11. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Directors and Key Managerial Personnel (KMP) of the Applicant Company and the Transferor Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective companies, or to the extent the said directors/ KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the companies. Save as aforesaid, none of the directors, managing director or the manager or KMP of the Applicant Company or the Transferee Company has any material interest in the Scheme. The shareholding of the present Directors and KMP of the Applicant Company and the Transferor Company, as on 31st March, 2015, is as under:

Shareholding of Directors and KMP of Applicant Company:

Name of Director	Position	Equity Shares held in	
		Applicant Company	Transferor Company
Mr. Kumar Mangalam Birla	Chairman	23,915	-
Mrs. Rajashree Birla	Director	72,280	-
Mr. M.L. Apte	Director	130	-
Mr. B.V. Bhargava	Director	357	-
Mr. R.C. Bhargava	Director	227	-
Mr. N. Mohan Raj	Director	100	-
Mr. Cyril Shroff	Director	137	-
Mr. O.P. Rungta	Director	127	-
Dr. Thomas Connelly	Director	100	-
Mr. Shailendra K. Jain	Director	12,999	-
Mr. K.K. Maheshwari	Managing Director	5,797	-
Mr. Adesh Kumar Gupta	Whole Time Director	980	-
Mrs. Hutokshi Wadia	Company Secretary	-	-

Shareholding of Directors and KMP of Transferor Company:

Name of Director	Position	Equity Shares held in	
		Transferor Company	Applicant Company
Mr. A.K. Agarwala	Director	8,512	954
Mr. Biswajit Choudhuri	Director	100	-
Mr. L.S. Naik	Director	-	-
Mr. J.C. Chopra	Director	-	-
Mr. G.M. Dave	Director	-	-
Mr. P.P. Sharma	Director	-	-
Mrs. Preeti Gupta	Director	-	-
Mr. K.C. Jhanwar	Managing Director	-	500
Mr. Akash Mishra	Company Secretary	5	-
Mr. H. K. Panda	C.F.O.	2	-

12. APPROVALS

a) Pursuant to the circular number CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with circular number CIR/CFD/DIL/8/2013 dated 21st May, 2013, both issued by the Securities and Exchange Board of India ("SEBI Circulars") read with Clause 24(f) of the Listing Agreement, the Applicant Company had filed necessary applications before the stock exchanges seeking their no-objection to the Scheme. The Applicant Company has received Observation Letters, both dated 7th April, 2015, from BSE and NSE, conveying their no-objection to the Scheme. Copies of the aforesaid observation letters are enclosed herewith.

b) As required by the SEBI Circular, the Applicant Company has filed the Complaints Report (indicating NIL complaint) with BSE and NSE on 17th March, 2015. After filing of the Complaints Report, the Applicant Company has received NIL complaints. A copy of the aforementioned Complaints Report is enclosed herewith.

c) Further in compliance to the SEBI Circulars, the public shareholders are also entitled to Postal Ballot including e-voting for the approval sought to the proposed Scheme of Amalgamation. In terms of the SEBI Circulars, the approval to the Scheme of Amalgamation under postal ballot including e-voting shall be deemed to have been approved provided that the Scheme is approved by a simple majority of the public shareholders participating through postal ballot including e-voting.

13. GENERAL

a) The rights and interests of the shareholders and creditors (secured and unsecured) of either of the companies will not be prejudicially affected by this Scheme as the Applicant Company, post this Scheme, will be able to meet its liabilities as they arise in the ordinary course of business.

b) Except to the extent of the shares held by the Directors and KMP stated in Clause 11 above, none of the Directors and KMP of the Applicant Company or their respective relatives is in any way connected or interested in the aforesaid resolution.

c) The latest unaudited accounts for the quarter ended 31st December, 2014 of the Applicant Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the amalgamation will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.

d) There are no winding up proceedings pending against the Applicant Company as of date.

e) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 in respect of the Applicant Company.

f) In the event of any of the sanctions and approvals referred to in this Scheme not being obtained and/or this Scheme not being sanctioned by the Hon'ble High Court(s) or such other competent authority and/or the order or orders not being passed as aforesaid before 31st December, 2016 or such other date as may be agreed by the respective Board of Directors of the Applicant Company and the Transferor Company, the Scheme shall stand revoked, cancelled and be of no effect.

g) Inspection of the following documents may be had by the Equity Shareholders of the Applicant Company at the Registered Office of the Applicant Company on any working day (except Saturdays) prior to the date of the meeting between 11:00 am and 1:00 pm:

(i) Copy of the Order dated 22nd April 2015 of the Hon'ble High Court of Madhya Pradesh, Bench at Indore passed in Company Petition No. 7 of 2015 directing the convening of the meeting of the Equity Shareholders of the Applicant Company;

(ii) Papers and proceeding of the Company Petition No. 7 of 2015;

(iii) Memorandum and Articles of Association of the Applicant Company and the Transferor Company;

(iv) Audited Financial Statements of the Applicant Company and the Transferor Company for the last three financial years ended 31st March, 2014, 31st March, 2013 and 31st March, 2012;

(v) Unaudited financial statement of the Applicant Company and the Transferor Company as on 31st December, 2014;

(vi) Register of Directors' Shareholdings of the Applicant Company;

(vii) Copy of the Observation Letters, both dated 7th April, 2015, received from BSE and NSE;

(viii) Copy of the Complaints Reports both dated 17th March, 2015 filed with BSE Limited and National Stock Exchange of India Limited;

(ix) Valuation Report dated 11th February, 2015 of Walker Chandiok & Co. LLP; and

(x) Fairness Opinion dated 11th February, 2015 issued by Axis Capital Limited.

h) A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh.

sd/-

Ramesh Chhazed
Chairman appointed for the meeting

Place: Indore
Dated this 2nd day of May, 2015.
CIN: L17124MP1947PLC000410

Registered Office: Birlagram,
Nagda- 456 331
District Ujjain, Madhya Pradesh

SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)
OF
ADITYA BIRLA CHEMICALS (INDIA) LIMITED
WITH
GRASIM INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This scheme of amalgamation (herein after referred to as the "**Scheme**") provides for the amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013 (to the extent notified and applicable).

DESCRIPTION OF THE TRANSFEROR AND THE TRANSFEREE COMPANY

Aditya Birla Chemicals (India) Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. L24100JH1976PLC001255 and having its registered office at Garhwa Road, P.O.- Rehla, Palamau, Jharkhand 822124 ("**Transferor Company**") and is *inter alia* engaged in the business of manufacture of Chlor Alkali and allied chemicals. The equity shares of the Transferor Company are listed on BSE Limited and the National Stock Exchange of India Limited.

Grasim Industries Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda, District Ujjain, Madhya Pradesh 456331 ("**Transferee Company**") and is *inter alia* engaged in the business of manufacture of viscose staple fibre, chemicals and cement (through its subsidiary). The equity shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.

RATIONALE

The rationale for the proposed amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited is, inter alia, as follows:

(a) The nature of the business of the Transferor Company and the Chemical business of the Transferee Company is similar to each other. It is considered desirable to amalgamate the Transferor Company into the Transferee Company to integrate and consolidate the chemical businesses in a single entity. The combined entity will have geographically diversified manufacturing operations spread across the country. The proposed amalgamation will enable better and efficient management, control and running of the businesses to attain operational efficiencies, cost competitiveness, create synergies and will be beneficial for capitalizing on the growth opportunities to the fullest extent.

(b) The proposed amalgamation and vesting of the Transferor Company into the Transferee Company, with effect from the Appointed Date, is in the interest of the shareholders, creditors, employees and other stakeholders, of both the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders and afford the advantages of synergies of their businesses.

(c) The amalgamation of the Transferor Company with the Transferee Company will combine the business activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

GENERAL

This Scheme is divided into the following parts:

(a) Part I of the Scheme deals with definitions and interpretations, and sets out the share capital of the Transferor Company and the Transferee Company;

(b) Part II of the Scheme deals with the amalgamation of the Transferor Company with the Transferee Company; and

(c) Part III of the Scheme deals with the dissolution of the Transferor Company and the general terms and conditions applicable to the Scheme.

PART I

1. DEFINITIONS AND INTERPRETATIONS

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

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

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

"**Appointed Date**" means 1st April 2015 or such other date as may be agreed by the Transferor Company and the Transferee Company and approved by the High Court(s) or directed by or imposed by the High Court(s).

"**Appropriate Authority**" means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including but not limited to Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Competition Commission of India, National Company Law Tribunal (to be constituted under the Companies Act, 2013), Reserve Bank of India and the High Courts.

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

"BSE" means the BSE Limited.

"**Effective Date**" means the last of the dates, if applicable, on which the certified or authenticated copies of the order(s) sanctioning the Scheme passed by the High Courts or any other appropriate authority, as the case maybe, is/are filed with the Registrar of Companies, Bihar & Jharkhand and the Registrar of Companies, Madhya Pradesh.

"Employees" mean all the employees of the Transferor Company as on the Effective Date.

"**High Court**" means the Hon'ble High Court of Jharkhand having jurisdiction in relation to the Transferor Company and the Hon'ble High Court of Madhya Pradesh, Bench at Indore having jurisdiction in relation to the Transferee Company and "**High Courts**" shall mean both of them.

It is hereby clarified that in the event that the provisions of the Companies Act, 2013 pertaining to scheme(s) of arrangement(s) become applicable and effective for the purposes of this Scheme, all reference to the High Court(s) shall be deemed to include reference to the National Company Law Tribunal to be constituted under the Companies Act, 2013.

"**NSE**" means the National Stock Exchange of India Limited.

"**Parties**" means the Transferor Company and the Transferee Company, collectively.

"**Party**" means the Transferor Company or the Transferee Company, individually.

"**Record Date**" shall be the date or dates to be fixed by the Board of the Transferee Company for the purpose of determining the names of the equity shareholders of the Transferor Company for issue of shares of the Transferee Company pursuant to this Scheme, upon amalgamation of the Transferor Company with the Transferee Company.

"**Scheme**", "**the Scheme**", "**this Scheme**" means this scheme of amalgamation in its present form submitted to the respective High Courts or any other Appropriate Authority in the relevant jurisdictions with any modification(s) thereof made under Clause 15 of the Scheme or as directed by the High Courts or any other Appropriate Authority and accepted by the Parties.

"**SEBI**" means the Securities and Exchange Board of India.

"**SEBI Circulars**" shall mean the circulars issued by the SEBI, being Circular CIR/CFD/DIL/5/ 2013 dated 4th February 2013 and Circular CIR/CFD/DIL/8/2013 dated 21st May 2013 and any amendments thereof.

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

"**Transferor Company**" means Aditya Birla Chemicals (India) Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. L24100JH1976PLC001255 and having its registered office at Garhwa Road, P.O. - Rehla, Palamau, Jharkhand - 822124.

"Transferee Company" means Grasim Industries Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda, District Ujjain, Madhya Pradesh - 456331.

"**Undertaking**" shall mean and include the entire business, all the undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Transferor Company, on a going concern basis, together with all its assets, rights, licenses and liabilities and shall include (without limitation):

(a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether situated in India or abroad, including but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), jetty, salt works, including those described in the Schedule 1 hereto, plant and machinery, D.G. Sets, equipments, buildings and structures, offices, residential and other premises, capital work-in-progress, furniture, fixtures, vehicles, office equipments, computers, appliances, accessories, power lines, stocks and inventory, leasehold assets and other properties, guesthouses, godowns, warehouses, railway lines and sidings, water pipelines, depots, power generation undertakings including the power plants, fly ash handling systems, cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments of all kinds (including shares, scrips, stocks, bonds, debentures stocks, units, or securities of all kind and nature), claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, licensee and licensor rights, goodwill, other intangibles, industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, 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 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 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 and approvals of whatsoever nature including but not limited to benefits of tax exemptions/benefits and/or exemption entitlements, all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax credit ("**MAT**"), etc. and under indirect taxes such as CENVAT credit, 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 Transferor Company as on the Appointed Date;

(b) All agreements, rights, contracts (including but not limited to agreements with respect to immoveable and movable properties being used by the Transferor Company by way of leasehold, license or any other rights or privileges or other arrangements), bids, tenders, letters of intent, expressions of interest, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals & exemptions and benefits, subsidies, income tax benefits and exemptions including the right to deduction under Section 80IA of the Income Tax Act, 1961 in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the amalgamation pursuant to this Scheme does not take place, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations and that may be required to carry on the operations of the Transferor Company;

(c) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Appropriate Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;

(d) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;

(e) All Employees engaged by the Transferor Company at various locations;

(f) All the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company as on the Appointed Date;

(g) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes 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 Transferor Company.

(h) Right to any claim not preferred or made by the Transferor Company in respect of any refund of tax, duty, cess or other charge, including erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any Applicable Law, act or rule or Scheme made by the Appropriate Authority, and in respect of set-off, carry forward and unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under Income Tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or outside India.

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

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 **words denoting singular shall include plural and vice versa;**

1.2.2 **reference in the Scheme to "coming into effect of this Scheme" or "upon scheme becoming effective" shall mean from the Effective Date;**

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

1.2.4 **references to the word "include" or "including" shall be construed without limitation;**

1.2.5 **a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;**

1.2.6 **unless otherwise defined, the reference to the word "days" shall mean calendar days;**

1.2.7 **references to dates and times shall be construed to be references to Indian dates and times;**

1.2.8 **reference to a document includes an amendment or supplement to, or replacement or novation of, that document;**

1.2.9 **word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and**

1.2.10 **References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).**

2. SHARE CAPITAL

2.1 The share capital of the Transferor Company as on 10th February, 2015 is as under:

Authorised Share Capital	**Amount (Rs.)**
2,45,00,000 equity shares of Rs. 10 each	24,50,00,000
50,000 11% redeemable cumulative preference shares of Rs. 100 each	50,00,000
Total	**25,00,00,000**
Issued, Subscribed and Fully Paid Up Share Capital	**Amount (Rs.)**
2,33,86,500 equity shares of Rs. 10 each	23,38,65,000
Total	23,38,65,000

There has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company till the date of approval of the Scheme by the Board on 11th February, 2015.

2.2 The share capital of the Transferee Company as on 10th February, 2015 is as under:

Authorised Share Capital	**Amount (Rs.)**
9,50,00,000 equity shares of Rs. 10 each	95,00,00,000
1,50,000 15% redeemable cumulative preference shares of Rs.100 each	1,50,00,000
1,00,000 8.57% redeemable cumulative preference shares of Rs.100 each	1,00,00,000
3,00,000 9.3% redeemable cumulative preference shares of Rs.100 each	3,00,00,000
Total	**100,50,00,000**

Issued, Subscribed and Fully Paid up Share Capital	Amount in (Rs.)
9,18,52,185* equity shares of Rs. 10 each	91,85,21,850
Share Capital Suspense: 14,879 equity Shares of Rs. 10 each to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash	1,48,790
Total	91,86,70,640

* Includes 1,30,23,739 equity shares represented by GDRs.

There has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company till the date of approval of the Scheme by the Board on 11th February, 2015.

The Transferee Company has outstanding employee stock options under its Existing Stock Option Schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Transferee Company.

2.3 **Date of taking effect**

The Scheme, though operative from the Appointed Date, shall come into effect on the Effective Date.

PART II

SCHEME OF AMALGAMATION

3. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

3.1 Upon the Scheme becoming effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Undertaking, the 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 Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the Transferor Company or any part thereof. Provided however, any reference in any security documents or arrangements to which the Transferor Company is a party and under which the assets of the Transferor Company stand offered as security for any financial assistance or obligation, shall be construed as reference to the assets pertaining to the Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of this Scheme. Provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to Transferor Company, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

Provided that for the purpose of giving effect to the vesting order passed under Sections 391 to 394 of the Act in respect of this Scheme, the Transferee Company shall at all times be entitled to get effected the change in the title and the appurtenant legal right(s) upon the vesting of such properties (including all the immovable properties) of the Transferor Company in accordance with the provisions of Section 391 to 394 of the Act, at the office of the respective Registrar of Assurances or any other Appropriate Authority, where any such property is situated.

3.2 With respect to the assets forming part of the Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date.

3.3 With respect to the assets of the Undertaking other than those referred to in Clause 3.2 above, 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 pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any leasehold properties in relation to the Undertaking shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.

3.4 Without prejudice to the aforesaid, upon the Scheme coming into effect and with effect from the Appointed Date, the Undertaking, including all immoveable property (including but not limited to the land, jetty, salt works, buildings, offices, factories, sites,

laboratories and other immovable property described in Schedule I hereto, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to land, buildings, factories, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties. The mutation and/or substitution of the ownership or the title to, or interest in the immovable properties shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company by the appropriate governmental authorities and third parties pursuant to the sanction of the Scheme by the High Courts and upon the Scheme being effective in accordance with the terms hereof without any further act or deed to be done or executed by the Transferor Company and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

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

3.5 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme; and in accordance with the provisions of relevant laws, consents, permissions, licences, 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 shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Company, be transferred to and vest in Transferee Company.

3.6 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect on or immediately before the Effective Date 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 a novation agreement in relating 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 coming into effect of this Scheme.

3.7 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, to be carried out or performed.

3.8 In so far as the various incentives, tax exemption and benefits, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Transferor Company are concerned as on the Appointed Date, including income tax benefits and exemptions including the right to deduction under Section 80IA 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 on and from the Effective Date.

3.9 Upon the coming into effect of this Scheme, 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 and stand transferred to and vested in and/or deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

3.10 (a) All debts, liabilities, duties and obligations of the Transferor Company as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of the Transferor Company which may

accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Transferee Company.

(b) Where any of the liabilities and obligations attributed to the Transferor Company on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been, for and on behalf of the Transferee Company. Where after the Appointed Date and prior to the Effective Date, the Transferor Company has taken any further loans, liabilities or obligations, such further loans, liabilities or obligations shall also be deemed to have been, for and on behalf of the Transferee Company, and the Transferee Company will assume liability for the same.

(c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Bihar & Jharkhand at Ranchi, Jharkhand and Registrar of Companies, Madhya Pradesh at Gwalior, Madhya Pradesh to give formal effect to the above provisions.

(d) 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 Appointed Date, come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company and the Transferee Company, from the Appointed Date.

(e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company and the Transferee Company from the Appointed Date.

(f) 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 Appointed Date 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 Appointed Date will also be transferred to the account of and belong to the Transferee Company.

(g) 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 Appointed Date shall also belong to and be received by the Transferee Company.

(h) 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 of the Union and State Governments, including but not limited to advances recoverable in cash or kind or for value, and deposits with any government/other authority or any third party/ entity, shall be available to and vest in the Transferee Company.

(i) 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 Transferor Company, shall upon coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.

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 having sanctioned this Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

3.11 Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes, from the Appointed Date.

3.12 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept

stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.

3.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of the Scheme.

3.14 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company, manufactured and/ or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) may be raised in the name of the Transferee Company after the Effective Date.

4. PERMITS, CONSENTS AND LICENSES

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, 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 Appointed Date, 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 law. Upon the Effective Date 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 Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and or permit and / or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

5. EMPLOYEES

(a) Upon the Scheme coming into effect and with effect from the Appointed Date, 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. 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.

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

6. LEGAL PROCEEDINGS

6.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called "the **Proceedings**") by or against the Transferor Company be pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted 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, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.

6.2 The transfer and vesting of the Undertaking under the Scheme and the continuance of the proceedings by or against the Transferee Company under Clause 6.1 above shall not affect any transaction or proceeding already completed by the Transferee Company on and after the Appointed Date and till the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

7. CONSIDERATION

7.1 Upon the Scheme becoming effective and in consideration of the amalgamation of the Transferor Company into the Transferee Company, including the transfer and vesting of the Undertaking in the Transferee Company pursuant to provisions of this Scheme, the Transferee Company shall, without any further act, deed, issue and allot to each member of the Transferor Company, whose name is recorded in the register of members of the Transferor Company and whose names appear as the beneficial owners of the shares of the Transferor Company in the records of the depositories (or to such of their respective heirs, executors, administrators or other legal representatives, or successors in title as may be recognized by the Board of Directors of the Transferee Company), as on the Record Date in accordance with the terms of the Scheme and without any further application, act, deed, payment, consent or instrument, 1 (one) fully paid up equity share of Rs. 10 (Rupees Ten) each of the Transferee Company each credited as fully paid up for every 16 (sixteen) fully paid up equity shares of Rs. 10 (Rupees Ten) each held by such member or his/her/its heirs, executors, administrators or successors in the Transferor Company ("**New Equity Shares**"). The ratio in which equity shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company is referred to as the "**Share Exchange Ratio**".

7.2 The New Equity Shares issued and allotted in terms of Clause 7.1 shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading as on the Effective Date, including the Stock Exchanges. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws or regulations for complying with the formalities of the Stock Exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange(s). The New Equity Shares to be issued and allotted as provided in Clause 7.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari-passu in all respects with the then existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits.

7.3 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.

7.4 The Transferee Company shall apply for listing of the equity shares issued in terms of Clause 7.1 above on the Stock Exchanges in terms of the SEBI Circulars, upon the receipt of the order of High Court and in compliance of the SEBI Circulars.

7.5 Unless otherwise determined by the Board of the Transferee Company, the allotment of equity shares in terms of Clause 7.1 shall be done within the prescribed statutory period from the Effective Date.

7.6 The equity shares to be issued pursuant to this Scheme by the Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of High Court or otherwise, be held in abeyance by Transferee Company.

7.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company at its sole discretion, shall be empowered in appropriate cases, prior to or even after the Record Date, as the case may be, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.

7.8 The issue and allotment of the New Equity Shares to the shareholders of the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 of the Companies Act, 2013 and any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.

7.9 Upon the coming into effect of this Scheme and upon the New Equity Shares being issued and allotted as provided in this Scheme, the equity shares of the Transferor Company, both in dematerialized form and in physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company.

7.10 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to their accounts with the depository participants are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued New Equity Shares in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company; and if such option is not exercised by such shareholders, the New Equity Shares shall be issued to them in physical form.

7.11 The Transferee Company shall obtain prior approval of Appropriate Authorities before issuing New Equity Shares to non-resident shareholders of the Transferor Company, if required.

PART III
GENERAL PROVISIONS

8. COMBINATION OF AUTHORISED CAPITAL

8.1 Upon the Scheme becoming effective, 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 instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

8.2 Consequently, the Memorandum and Articles of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and 14 of the Companies Act, 2013 and Section 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, as set out below:

(a) The authorised share capital of the Transferee Company is Rs. 125,50,00,000 (Rupees One hundred twenty five crores and fifty lakhs) divided into 11,95,00,000 (eleven crores ninety five lakhs) equity shares of Rs. 10 (Rupees Ten) each, 1,50,000 (one lakh fifty thousand) 15% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series “A”, 1,00,000 (one Lakh) 8.57% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series “B”, 3,00,000 (three lakhs) 9.3% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series “C” and 50,000 (fifty thousand) 11% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each.

(b) Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 61 of the Companies Act, 2013 and Section 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, as the case may be, and be replaced by the following clause:

"*The Authorised Share Capital of the Company is Rs. 125,50,00,000 (Rupees One hundred twenty five crores and fifty lakhs) divided into 11,95,00,000 (eleven crores ninety five lakhs) equity shares of Rs. 10 (Rupees Ten) each, 1,50,000 (one lakh fifty thousand) 15% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "A", 1,00,000 (one lakh) 8.57% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "B", 3,00,000 (three lakhs) 9.3% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "C" and 50,000 (fifty thousand) 11% redeemable cumulative 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.*"

(c) Clause 3 of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Section 14 of the Companies Act, 2013 and Section 394 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, as the case may be, and be replaced by the following clause:

"*The Authorised Share Capital of the Company is Rs. 125,50,00,000 (Rupees One hundred twenty five crores and fifty lakhs) divided into 11,95,00,000 (eleven crores ninety five lakhs) equity shares of Rs. 10 (Rupees Ten) each, 1,50,000 (one lakh fifty thousand) 15% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "A", 1,00,000 (one lakh) 8.57% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "B", 3,00,000 (three lakhs) 9.3% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "C" and 50,000 (fifty thousand) 11% redeemable cumulative 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 the Company and the legislative provisions for the time being in force.*"

8.3 It is clarified that upon approval of the Scheme by the High Courts, the Transferee Company shall not be required to seek separate consent/ approval of its shareholders for the alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Companies Act, 1956.

9. DIVIDENDS

9.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period ending 31st March, 2015 consistent with the past practice. Any other dividend shall be recommended/ declared only by the mutual consent of the Parties.

9.2 On and from the Effective Date, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.

9.3 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 member of the Transferor Company and/or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Company and/or the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and/or the Transferee Company as the case may be.

10. ACCOUNTING TREATMENT IN THE BOOKS AND FINANCIAL STATEMENTS OF THE TRANSFEREE COMPANY

On the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:

(a) On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of account with effect from the Appointed Date.

(b) The Amalgamation of the Transferor Company shall be accounted for in the books of account of the Transferee Company in accordance with "Pooling of Interests Method" of accounting as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India, as notified under Section 133 of the Companies Act, 2013.

(c) All assets and liabilities, including reserves, of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as recorded in the books of account of the Transferor Company.

(d) The balance in the reserves & surplus account of the Transferor Company shall be transferred to the corresponding reserves in the Transferee Company. In other words, identity of reserves of Transferor Company shall be preserved.

(e) The balance of the Profit and Loss Account of the Transferor Company shall be aggregated with the balance of the Profit and Loss Account of the Transferee Company.

(f) The difference between the share capital of the Transferor Company and face value of New Equity Shares issued by the Transferee Company in terms of Clause 7.1 above to the shareholders of the Transferor Company shall be adjusted in the Capital Reserves of the Transferee Company.

(g) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

(h) All inter-corporate deposits, loans and advances, outstanding balances or other obligations between the Transferor Company and the Transferee Company shall be cancelled and there shall be no further obligation/ outstanding in that behalf.

11. BUSINESS AND PROPERTY IN TRUST AND CONDUCT OF BUSINESS FOR THE TRANSFEREE COMPANY

Unless otherwise stated hereinunder, with effect from the Appointed Date and up to and including the Effective Date:

11.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Undertaking of the Transferor Company for and on account of, and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said Undertaking with utmost prudence until the Effective Date.

11.2 With effect from the date of the Board meeting of the Transferee Company and the Transferor Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the Board of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company. It is clarified that if such matters are sought to be undertaken outside of the ordinary course of business, the same may be undertaken with the prior written consent of any of the persons authorised by the Board of the Transferee Company.

11.3 All the profits and income accruing or arising to the Transferor Company and losses, costs, charges, expenditure arising or incurred by the Transferor Company (including taxes, if any, accruing or paid in relation to any profits or income) shall, for all purposes, be treated and be deemed to be and accrue as the profits, income, losses, MAT Credit, costs, charges or expenditure (including taxes), as the case may be, of the Transferee Company.

11.4 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall not, without the prior consent in writing of any of the persons authorised by the Board of the Transferee Company, undertake (i) any material decision in relation to its business and affairs and operations; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business or change the capacity of facilities.

11.5 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall not vary the terms and conditions of employment of any of its employees, without the prior consent in writing of any of the persons authorised by the Board of the Transferee Company, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to such date.

11.6 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall not, without the prior written approval of any of persons authorised by the Board of the Transferee Company, make any change in its capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division, consolidation or re-organisation, or in any other manner.

11.7 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferee Company shall be entitled to depute its employees and/or representatives to the office(s) of the Transferor Company to ensure compliance with the provisions of this Scheme.

11.8 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and

sanctions which the Transferee Company may require to carry on the business of the Transferor Company and to give effect to the Scheme.

11.9 Notwithstanding anything stated in this Scheme, upon the Scheme becoming effective, and if required, the Transferee Company is authorized to execute all such deeds and documents, whatsoever, that may be required and/or ought to have been executed by the Transferor Company, as if the Transferor Company was in existence.

12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

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

13. DISSOLUTION OF THE TRANSFEROR COMPANY

On this Scheme becoming effective, the Transferor Company shall stand dissolved without winding up and without any further act by the parties to the Scheme. On and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Bihar & Jharkhand.

14. APPLICATIONS/PETITIONS TO THE HIGH COURT AND APPROVALS

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

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

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

15.1 The Transferor Company and the Transferee Company, through their respective Boards or such other person or persons, as the respective Boards may authorize, including any committee or sub-committee thereof may, in their full and absolute discretion, make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations: (i) which the respective Boards of the Transferor Company and the Transferee Company or any other person or persons, committee or sub-committee which the respective Board may authorize, as the case may be, deem fit, (ii) which the High Courts, Stock Exchanges(s), SEBI and any other Appropriate Authority may deem fit to suggest / impose / direct, and (iii) effect any other modification or amendment which the High Courts and any other Appropriate Authority may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

15.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and/or the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

16. Upon the coming into effect of this Scheme, the Transferee Company shall be entitled to file/ revise its Income Tax returns, TDS Certificates, TDS returns, wealth tax returns and other statutory returns to the extent required. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of Tax Deducted at Source, credit of foreign tax paid/ withheld, etc., if any, as may be required consequent to the implementation of the Scheme.

17. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

18. CONDITIONS PRECEDENT

18.1 The Scheme is conditional on and subject to:

(a) The sanction or approval of the Competition Commission of India and other sanctions and approvals (as may be required by law) in respect 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;

(b) Approval of the Scheme by the requisite majority of each class of members of the Transferor Company and the Transferee Company, as required under the Act and as may be directed by the High Courts;

(c) The sanctions and orders of each of the High Courts, under Sections 391 to 394 of the Act, being obtained by the Transferor Company and the Transferee Company;

(d) The Parties complying with other provisions of the SEBI Circulars, including seeking approval of the members of the Parties through postal ballot and e-voting. 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 against it as required under the SEBI Circulars;

(e) Requisite approval / no objection certificates from the Appropriate Authority(ies) required under Applicable Law, being obtained pursuant to the Scheme, for the transfer and vesting of the estate, assets, title, interest and other rights in the immoveable properties of the Transferor Company set out in Clause 3.4 above, in favour of the Transferee Company, unless this condition is waived by the Board of the Transferee Company; and

(f) Certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the relevant Registrar of Companies having jurisdiction.

18.2 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 Transferee Company may have under or pursuant to all appropriate and Applicable Law.

18.3 On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee 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 set out in this Scheme, related matters and this Scheme itself.

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

19.1 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Courts, and/or the order or orders not being passed as aforesaid on or before 31st December 2016 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Boards, the Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

19.2 The Transferor Company and/or the Transferee Company acting through their respective Board shall each be at liberty to withdraw from this Scheme, in case (i) any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them; or (ii) they are of the view that coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity post-amalgamation.

19.3 In the event of revocation / withdrawal under Clauses 18.1 and 18.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

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

20. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of the Transferor Company and the Transferee Company respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne and paid solely by the Transferee Company. Stamp duty on the orders of the High Courts, if any and to the extent applicable, shall also be borne and paid by the Transferee Company.

SCHEDULE 1 LIST OF IMMOVEABLE PROPERTIES

SL NO	Location of the Property	Approximate Area (in Acre)
1.	Rehla, Ghordiha & Belchampa, Jharkhand	201.54
2.	Renukoot, Uttar Pradesh	376.88
3.	Karwar, Karnataka	262.69
4.	Singach, Gujarat	3026.41
5.	Veraval, Gujarat	0.041
6.	*Ganjam, Odisha	141.40
7.	*Pundi, Andhra Pradesh	1610.87

*The lands referred above are subject matter of the Business Transfer Agreement dated 8th September, 2014 executed between Jayshree Chemicals Limited and the Transferor Company. The said Agreement is pending completion of condition precedents and thereafter will go for closing.

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
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Corporate Identity Number : U67120MH2005PLC155188

BSE EXPERIENCE THE NEW

DCS/AMAL/LP/24(f)/005/2015-16 April 07, 2015

The Company Secretary
Grasim Industries Limited
Birlagram ,Nagda ,
Madhya Pradesh, 456331.

Sub: Observation letter regarding the Scheme of Arrangement involving amalgamation of Aditya Birla Chemicals (India) Limited with the Company.

We are in receipt of Scheme of arrangement involving amalgamation of Aditya Birla Chemicals (India) Limited with the Company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter April 06, 2015 has inter alia given the following comment(s) on the draft scheme of amalgamation:

- ***Company to ensure that additional information submitted with respect to revised post scheme of arrangement shareholding pattern of Grasim Industries Limited as submitted to BSE vide the Company's letter dated March 09,2015 is displayed from the date of receipt of this letter on the websites of the Company***

- ***Company shall duly comply with various provisions of the Circulars."***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
e. Status of compliance with the Observation Letter/s of the stock exchanges;
f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable;
g. Complaints Report as per Annexure II of this Circular.
h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager

Lalit Phatak
Asst. Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/21199 April 07, 2015

The Company Secretary
Grasim Industries Limited
A/2, Aditya Birla Centre,
S.K. Ahire Marg, Worli
Mumbai - 400030

Kind Attn.: Mrs. Hutokshi Wadia

Madam,

Sub: Observation letter for draft Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors

This has reference to draft Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited ("Transferor Company") with Grasim Industries Limited ("Transferee Company") and their respective shareholders and creditors submitted to NSE vide your letter dated February 24, 2015.

Based on our letter reference no Ref: NSE/LIST/19458 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated April 06, 2015, has given following comments on the draft Scheme of Amalgamation:

"a) The Company to ensure that additional information viz. revised post scheme of arrangement shareholding pattern of Grasim Industries Limited submitted vide letter dated March 09, 2015 after filing the draft scheme with the stock exchange is displayed from the date of receipt of this letter on the websites of the listed company.

b) The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

The validity of this "Observation Letter" shall be six months from April 07, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

NSE
Signer : Patel Kamlesh
Date: Tue, Apr 7, 2015 12:23:41 GMT+05:30
Location: NSE

AXIS CAPITAL

CONFIDENTIAL

11th February 2015

The Board of Directors
Grasim Industries Limited
Birlagram, Nagda, Ujjain,
Madhya Pradesh 456331

Dear Members of the Board:

I. Engagement Background

We understand that the Board of Directors ("Board") of Grasim Industries Limited ("GIL" or "Company" or "Transferee Company") is considering the amalgamation of ABCIL ("ABCIL" or "Transferor Company") with GIL through a Scheme of Amalgamation (herein after referred to as the "Scheme") under section 391-394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and/or the Companies Act, 2013 (to the extent notified and applicable).

The Scheme envisages an amalgamation of ABCIL with GIL as per the terms and conditions more fully set forth in the Scheme to be placed before the Board for their approval.

In consideration of the amalgamation of ABCIL with GIL pursuant to the Scheme, for every 16 equity shares of the face value of Rs. 10/- each and fully paid held by the shareholders of the Transferor Company, the Transferee Company shall issue and allot 1 equity shares of the face value of Rs. 10/- each fully paid up (hereinafter referred to as the **"Share Exchange Ratio"**).

In connection with the aforesaid, you requested our Fairness Opinion (**"Opinion"**) as of the date hereof, as to the fairness of the Share Exchange Ratio to the Equity Shareholders of the Transferor Company.

AXIS CAPITAL

II. Basis of Opinion

In the Rationale of the Scheme as explained to us by the management of the Transferee Company, given that the nature of the business of the Transferor Company and the Transferee Company is similar to each other, for optimum growth and development of the respective businesses of the Transferor Company and the Transferee Company, it is considered desirable and expedient to integrate the said businesses by amalgamating the Transferor Company into the Transferee Company. The proposed amalgamation, will enable better and more economic and efficient management, control and running of the businesses of the companies concerned and will assist in the exploitation and realization of the potential of business of the Transferor Company and that of the Transferee Company to the fullest extent. The proposed amalgamation is likely to enhance significantly the values and synergies for both Transferee Company as well as the Transferor Company and for all the stakeholders.

A brief history of each of the aforesaid companies is as under –

Grasim Industries Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda, Ujjain, Madhya Pradesh 456331 and is inter alia engaged in the business of manufacture of viscose staple fibre, grey cement, white cement, chemicals and textiles. The equity shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.

Aditya Birla Chemicals (India) Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No L24100JH1976PLC001255 and having its registered office at Garhwa Road, P.O.- Rehla, Palamau, Jharkhand 822124 and is inter alia engaged in the business of manufacture of chlor alkali and allied chemicals. The equity shares of the Transferor Company are listed on BSE Limited and the National Stock Exchange of India Limited.

The key features of the Scheme and other information provided to and relied upon by us for framing an Opinion on Share Exchange Ratio are as under:

1. The Transferee and Transferor Company are listed public companies. Amalgamation is to be carried out under section 391 to 394 of the Companies Act, 1956 read with other applicable provisions of the Companies Act, 1956 and/or the Companies Act, 2013 (to the extent notified and applicable).

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2. As consideration for the amalgamation, only shares in the Transferee Company shall be issued to all the shareholders of the Transferor Company.

3. On the record date, all shareholders of the Transferor Company will be entitled to receive shares in the Transferee Company.

4. The Transferee Company will issue 1 shares for every 16 shares held by the shareholders of ABCIL

5. Share Exchange Ratio is based on the report dated February 11, 2015 submitted by Walker Chandiok & Co LLP ("Valuer") appointed by the Board.

6. The appointed date for the amalgamation of ABCIL with GIL is the opening business hours of April 1, 2015

We have taken the foregoing facts (together with the other facts and assumptions set forth in section III of this Opinion) into account when determining the meaning of "fairness" for purposes of this Opinion.

III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Transferee Company and Transferor Company including the report on the Share Exchange Ratio prepared by Walker Chandiok & Co LLP and a Draft of the Scheme of Amalgamation and review of the historical financials of ABCIL and GIL; and business information available in public domain. We have also reviewed the listed stock price data of both the Transferor Company and the Transferee Company.

We have relied upon the accuracy and completeness of all information, documents, data and explanations provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Transferor Company or the Transferee Company and / or its subsidiaries. In particular, we do not express any opinion as to the value of any asset of the Transferor Company or the Transferee Company and / or its subsidiaries.



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

We do not express any opinion as to the price at which shares of the Transferor Company and/or the Transferee Company may trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Transferor Company, Transferee Company and / or its subsidiaries and their respective shareholders.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Transferor Company, Transferee Company and / or its subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory including all SEBI regulations or accounting matters, as to which we understand that the Transferor Company and Transferee Company have obtained such advice as it deemed necessary from qualified professionals.

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the amalgamation of the Transferor Company and Transferee Company as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance matters, shareholders rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Scheme of Amalgamation other than the fairness, from financial point of view, of the Share Exchange Ratio.

We have in the past provided, and may currently or in the future provide, investment banking services to the Transferor Company or Transferee Company and/or its subsidiaries or their

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respective affiliates that are unrelated to the proposed Scheme, for which services we have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Ltd. may invest in securities of the Transferor Company or Transferee Company and / or its subsidiaries group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the Transferee Company in connection with its consideration of the Scheme and for none other, subject to confidential information not being shared with such affiliates. Neither Axis Capital Ltd., nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

The fee for our services is not contingent upon the results of the proposed amalgamation. This Opinion is subject to the laws of India.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, and our independent analysis and evaluation of information available we are of the opinion that, as of the date hereof, Share Exchange Ratio is fair to the Equity shareholders of the Transferee Company.

Very truly yours,

For Axis Capital Ltd.

Lalit Ratadia
Managing Director – M&A Advisory

ADITYA BIRLA
GRASIM

Complaints Report as on 17th March, 2015

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	**Nil**
2.	Number of complaints forwarded by Stock Exchange	**Nil**
3.	Total Number of complaints/comments received (1+2)	**Nil**
4.	Number of complaints resolved	**Nil**
5.	Number of complaints pending	**Nil**

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	**Not applicable**		
2.			
3.			

For Grasim Industries Limited

Hutokshi Wadia
Company Secretary

Place Mumbai
Date 17th March, 2015

GRASIM INDUSTRIES LIMITED MUMBAI

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

Telephone +91 22 66525000, 24995000
Fax +91 22 66525114, 24995114

Website www.grasim.com
E-mail grasimcfd@adityabirla.com
CIN L17124MP1947PLC000410

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

IN THE HIGH COURT OF MADHYA PRADESH, BENCH AT INDORE
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 7 OF 2015

In the matter of the Companies Act, 1956;
-And-
In the matter of application under Sections 391 to 394 of the Companies Act, 1956;
-And-
In the matter of Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors.

Grasim Industries Limited, a company incorporated under the Gwalior Companies Act (1 of Samvat 1963) and now deemed to be incorporated under the Companies Act, 1956/2013 as an "existing company" and having its registered office at Birlagram, Nagda-456331, District Ujjain, Madhya Pradesh } } } }

…Applicant Company

FORM OF PROXY

I/We,_____, the undersigned Equity Shareholder/s of Grasim Industries Limited, the Applicant Company, do hereby appoint Mr./ Ms._____ of_____ and failing him/ her Mr./ Ms. _____ of_____ as my/our proxy, to act for me/us at the Court convened meeting of the Equity Shareholders of the Applicant Company to be held on Wednesday, the 10th day of June, 2015 at Grasim Club, Birlagram, Nagda-456 331, District Ujjain, Madhya Pradesh at 11:30 a.m. (11.30 hours), for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors (the "**Scheme**") and at such meeting and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name _____ (here, 'if for', insert '**FOR**'; 'if against', insert '**AGAINST**', and in the latter case, strike out the words "*either with or without modification*" after the word 'Scheme') the said Scheme, *either with or without modification**, as my/our proxy may approve.

** Strike out what is not necessary.*

Dated this _____ day of _____ 2015

Name:_____

Address:_____

_____

Affix One Rupee Revenue Stamp

(Signature)

No. of shares held: _____

(For Demat holding)
DP Id. _____ Client Id. _____

(For Physical holding)
Folio No. _____

Signature of Shareholder(s) :	Sole holder / First holder	-	_____
	Second holder	-	_____
	Third holder	-	_____
Signature of Proxy:		-	_____

NOTES:
1. Proxy need not be a member.
2. Alterations, if any, made in the Form of Proxy should be initialled.
3. Proxy must be deposited at the registered office of the Applicant Company at Birlagram, Nagda-456 331, District Ujjain, Madhya Pradesh, not later than FORTY EIGHT hours before the scheduled time of the commencement of the said meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.

GRASIM INDUSTRIES LIMITED

Registered office: Birlagram, Nagda 456 331, District Ujjain, Madhya Pradesh
CIN: L17124MP1947PLC000410
Tel: 07366-246760; Fax: 07366-244114; e-mail: shares@adityabirla.com; website: www.grasim.com

Attendance Slip

NOTE: Shareholders attending the meeting in Person or by Proxy or through Authorised Representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the meeting hall.

I hereby record my presence at the meeting of the Equity Shareholders of the Company, convened pursuant to the Order dated 22nd April, 2015 of the High Court of Madhya Pradesh, Bench at Indore, at Grasim Club, Birlagram, Nagda-456 331, District Ujjain, Madhya Pradesh, on Wednesday, the 10th day of June, 2015 at 11.30 a.m. (11.30 hours).

Name and Address of the Equity Shareholder (in block letters) : _____

Folio No. : _____

DP ID No.* : _____

Client ID No.* : _____

No. of Share(s) held : _____

_____ _____

Full name of the Equity Shareholder / Proxy (in block capitals) | Signature

*Applicable for Shareholders holding Shares in dematerialised form.

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