Ambuja Cement

AMBUJA CEMENTS LIMITED

Regd.Office : P.O. Ambujanagar, Taluka-Kodinar, Dist. Gir Somnath, Gujarat-362 715

Corporate Office : Elegant Business Park, MIDC Cross Road 'B', Off Andheri-Kurla Road, Andheri (E), Mumbai - 400 059

To,

The Shareholders,
Ambuja Cements Limited

The Board of Directors of the Company had, at its meeting held on July 24, 2013, unanimously approved the purchase of 1,36,56,92,423 (One Hundred Thirty Six Crores Fifty Six Lakhs Ninety Two Thousand Four Hundred and Twenty Three) equity shares constituting 24% (Twenty Four Percent) of the equity share capital of Holcim (India) Private Limited ("**HIPL**") with face value of Rs.10 (Rupees Ten Only) per share from Holderind Investments Ltd ("**Holderind**") for consideration of Rs.25.63 (Rupees Twenty Five and Sixty Three Paise Only) per share aggregating to Rs. 35,00,26,96,801.49 (Rupees Three Thousand Five Hundred Crores Twenty Six Lakhs Ninety Six Thousand Eight Hundred and One and Forty Nine Paise Only), in accordance with the terms and conditions agreed by the Company with HIPL and Holderind.

At this meeting, the Board of Directors of the Company had also discussed and unanimously approved a proposal to Amalgamate HIPL with the Company pursuant to a Scheme of Amalgamation between HIPL and the Company and their respective Shareholders and Creditors under Sections 391-394, read with Section 100 and other applicable provisions, if any, of the Companies Act, 1956 (**"Scheme"**). Pursuant to the Scheme, the Company will hold 50.01% (Fifty point Zero One Percent) of the Equity Share Capital of ACC Limited.

The Company seeks the approval of the Members for acquiring shares of HIPL from Holderind and the Amalgamation of HIPL with the Company by way of postal ballot pursuant to the requirements under circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India ("**SEBI Circular**"), conditions laid down in the Observation Letters dated September 17, 2013, issued by the National Stock Exchange of India Limited and BSE Limited pursuant to the SEBI Circular and the Listing Agreement (collectively referred to as "**Observation Letters**") and under relevant provisions of applicable laws.

The Audit Committee and the Board of Directors have approved the purchase of shares of HIPL as an inter-linked transaction with the amalgamation of HIPL into the Company, i.e., the same will be consummated only upon and subject to all the conditions precedent to the amalgamation, including approval of the Public Shareholders (as defined in the Explanatory Statement) and the relevant High Courts, having been satisfied.

The Resolutions being placed before the Members seek their approval for both the steps required for the consummation of the transaction. Both the Resolutions (under Item no.1 & 2) are interlinked and

even if approval of the requisite majority of Public Shareholders is granted for one of the Resolutions but not for the other, neither of the Resolutions will be acted upon.

The Resolutions along with the Explanatory Statement are set out in the accompanying "Notice of Postal Ballot" for your consideration. A Postal Ballot Form is also enclosed.

The Company has appointed Mr. Surendra Kanstiya, Proprietor of M/s Surendra Kanstiya & Associates, Company Secretary in wholetime practice as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Further, the approval of the Members will also be sought for the Scheme under sections 391 to 394 of the Companies Act, 1956 at the meeting of the members to be convened as per the directions of the Hon'ble High Court of Gujarat.

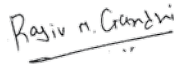
In terms of the SEBI Circular, read with the Observation Letters, each of the purchase of shares of HIPL and the Scheme shall be acted upon only if the votes cast by the Public Shareholders in favour of each of them are more than the number of votes cast by the Public Shareholders against it.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before Tuesday, 19th November, 2013. Ballot forms received after the said date will be treated as if the reply from such Shareholders has not been received.

In compliance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and the Listing Agreement, the members may cast their votes either through Postal Ballot Form or through Electronic Form (e-voting). The instructions for voting in either of the two modes are set out in the Postal Ballot Form sent along with this notice.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the postal ballots and the results of the postal ballot will be announced at the Registered Office of the Company at P.O. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat 362 715, on Thursday, 21st November, 2013.

By Order of the Board
For **Ambuja Cements Limited**



Date: 15th October, 2013
Place: Mumbai

Rajiv Gandhi
Company Secretary

Ambuja Cement

AMBUJA CEMENTS LIMITED

Regd.Office : P.O. Ambujanagar, Taluka-Kodinar, Dist. Gir Somnath, Gujarat-362 715

Corporate Office : Elegant Business Park, MIDC Cross Road 'B', Off Andheri-Kurla Road, Andheri (E), Mumbai - 400 059

NOTICE OF POSTAL BALLOT

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution through Postal Ballot) Rules, 2011 and other applicable provisions of the Companies Act, 1956, circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India ("**SEBI Circular**") and other relevant provisions of applicable laws (including the Companies Act, 2013) for the approval of the Public Shareholders (as defined in the Explanatory Statement) of the Company to the following Resolutions:

Item No. 1

Approval for the purchase of 1,36,56,92,423 (One Hundred Thirty Six Crores Fifty Six Lakhs Ninety Two Thousand Four Hundred and Twenty Three) equity shares of Holcim (India) Private Limited from Holderind Investments Ltd at a price of Rs. 25.63 per share

To consider and if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Circular No CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013 issued by the Securities and Exchange Board of India, the observation letters issued by each of the National Stock Exchange of India Limited and the BSE Limited dated September 17, 2013 and relevant provisions of applicable laws and subject to the approval of the Shareholders to the resolution set out in Item no. 2 of this Notice, the purchase of 1,36,56,92,423 (One Hundred Thirty Six Crores Fifty Six Lakhs Ninety Two Thousand Four Hundred and Twenty Three) shares of Holcim (India) Private Limited, constituting 24% (Twenty Four Percent) of its equity share capital by the Company from Holderind Investments Ltd, for consideration of Rs. 25.63 (Rupees Twenty Five and Sixty Three Paise Only) per share aggregating to Rs. 35,00,26,96,801.49 (Rupees Three Thousand Five Hundred Crores Twenty Six Lakhs Ninety Six Thousand Eight Hundred and One and Forty Nine Paise Only) in accordance with the terms and conditions agreed by the Company with Holcim (India) Private Limited and Holderind Investments Ltd, be and is hereby approved."

Item No. 2

Approval of the Scheme of Amalgamation between Holcim (India) Private Limited and the Company

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

"**RESOLVED THAT** pursuant to Circular No CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013 issued by the Securities and Exchange Board of India ("**SEBI**"), the Observation Letters issued by each of the National Stock Exchange of India Limited and the BSE Limited dated September 17, 2013 and relevant provisions of applicable laws and subject to the approval of the Shareholders to the Resolution set out in Item no. 1 of this Notice, the Amalgamation as embodied in the Scheme of Amalgamation of Holcim (India) Private Limited and the Company and their respective Shareholders and Creditors ("**Scheme**"), be and is hereby approved with/without any modifications and/or conditions, if any, which may be required and/or imposed by the Equity Shareholders/Secured and Unsecured Creditors in their respective Court Convened Meetings (if convened), Hon'ble High Court(s) while sanctioning the arrangement embodied in the Scheme or by any authorities under law.

RESOLVED FURTHER THAT Mr. Onne van der Weijde, Managing Director, Mr. Ajay Kapur, Dy. Managing Director & CEO, Mr. B L. Taparia, Director, Mr. Sanjeev Churiwala, CFO and Mr. Rajiv Gandhi, Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the arrangement embodied in the Scheme and to accept such modification and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Gujarat at Ahmedabad and the Hon'ble Delhi High Court at Delhi while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme."

By Order of the Board
For **Ambuja Cements Limited**

Rajiv n. Gandhi

Date: 15th October, 2013
Place: Mumbai

Rajiv Gandhi
Company Secretary

Notes:

1. Consideration and approval of the Public Shareholders by Postal Ballot is sought to the above Resolutions.

2. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 read with section 192A of the Companies Act, 1956, is annexed hereto. The said Resolutions and Explanatory Statement along with Postal Ballot Form are being sent to you for your consideration.

3. The Resolutions for approval of the Purchase of Shares of HIPL from Holderind and Amalgamation of Holcim (India) Private Limited with the Company as listed in item nos. 1 & 2 of the Notice would be deemed to be approved by the Public Shareholders in case the votes in favour of the Resolution are more than the votes cast against the Resolution.

4. The Company has appointed Mr. Surendra Kanstiya, Proprietor of M/s Surendra Kanstiya & Associates, Company Secretary in whole time practice, as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

5. This Notice is being sent to all the Members whose name appears in the Register of Members/ list of Beneficial Owners as received from National Securities Depository Services Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on Wednesday, 9th October, 2013.

6. You are requested to carefully read the instructions printed in the Form attached hereto, fill up the Form, give your assent or dissent on the Resolution at the end of the Form and return the duly completed and signed Form (no other form or photocopy thereof is permitted) in the enclosed self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the close of working hours (i.e. 6.00 p.m. IST) on Tuesday, 19th November, 2013. Envelope containing Postal Ballot, if sent by courier or by Registered Post at the expense of the Member will also be accepted. **However, the Ballot received after the stipulated day and time will be strictly treated as if no reply has been received from the Member.**

7. The Company is pleased to offer E-Voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-Voting is optional.

8. The procedure and instructions for E-Voting are as follows:

   i. Open your web browser during the voting period and log on to the e-voting website **www.evotingindia.com**

   ii. Now click on "Shareholders" to cast your votes

   iii. Now, select the Electronic Voting Sequence Number - "EVSN" alongwith "COMPANY NAME" from the drop down menu and click on "SUBMIT".

   iv. Now, fill up the following details in the appropriate boxes:

User-ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Folio Number registered with the Company
Password	Your Unique password is printed on the Postal Ballot Form
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department

   * Members who have not updated their PAN with the Company / Depository Participant are requested to use default number: 2368 in the PAN field or use physical Postal Ballot Form for voting.

v. After entering these details appropriately, click on "SUBMIT" tab.

vi. Members holding shares in Physical form will then reach directly to the voting screen.

vii. Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

viii. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.

ix. If you are holding shares in Demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing login id and password are to be used.

x. For Members holding shares in physical form, the password and default number can be used only for e-voting on the Resolutions contained in this Postal Ballot Notice.

xi. On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.

xii. Click on the Resolution File Link if you wish to view the entire Postal Ballot Notice.

xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

xv. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at kanstiyask@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

xvi. In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com, or shares@ambujacement.com.

9. Members have option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot and vice-a-versa. **However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid, notwithstanding whichever is cast first**.

10. In line with the "Green Initiative in the Corporate Governance" launched by the Ministry of Corporate Affairs allowing paperless compliances by recognizing emails as one of the modes of service of Notice/documents on the Shareholders and pursuant to Rule 3(a)(iii) of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the Company is sending this Notice electronically on the e-mail addresses as obtained from the Depositories / other sources to the Members. Such individual Member may exercise their voting electronically as per the procedure given above. In case a Member does not want to avail the electronic voting facility organized through CDSL, such Member may send a request for obtaining the Notice and Postal Ballot Form in physical form from M/s Sharepro Services (India) Pvt. Ltd., Registrar and Share Transfer Agents, 13, AB Samhita Warehousing Complex, 2nd floor, Near Sakinaka Telephone Exchange, Andheri - Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072. On receipt of such request, the Registrar and Share Transfer Agents will dispatch the same in physical form to enable the Member to send back the duly signed Postal Ballot by Tuesday, 19th November, 2013.

11. Upon completion of scrutiny of the Postal Ballot voting, the Scrutinizer will submit his report to the Chairman. The results will be announced by the Chairman or any other Director of your Company on Thursday, 21st November, 2013 at the Registered Office of your Company and the Resolution will be taken as passed effectively on the date of such declaration, if assented by the requisite majority. The date of declaration of the result by the Chairman or such other Director shall be deemed to be the date of the General Meeting convened in that behalf. The result of the Postal Ballot will be communicated to the Stock Exchanges where your Company's shares are listed and shall be published through a public notice in newspapers. The result will also be put up on the website of the Company i.e. www.ambujacement.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH SECTION 192A (2) OF THE COMPANIES ACT, 1956

For the purposes of this explanatory statement, the following terms shall have the following meaning:

- "**Company**" means Ambuja Cements Limited, a public company limited by shares incorporated in India under the Companies Act, 1956 and having its Registered Office at P.O. Ambujanagar, Taluka Kodinar, District Gir Somnath, Gujarat 362715;
- "**HIPL**" means Holcim (India) Private Limited, a private company limited by shares incorporated in India under the Companies Act, 1956 and having its Registered Office at Suite 304, Third Floor, DLF South Court, Plot A-1, Saket District Centre, Saket, Delhi 110017;
- "**Public**" shall have the meaning assigned to it in Rule 2(d) of the Securities Contract (Regulation) Rules, 1957 and "Public Shareholders" shall be construed accordingly;
- "**SEBI Circular**" means the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India;
- "**Share Exchange Ratio**" shall have the meaning assigned to it in the Scheme;
- "**Stock Exchanges**" means the National Stock Exchange of India Limited and BSE Limited;

In relation to Item No. 1 and 2

1. The Board of Directors of the Company have approved the following transaction as part of a two step inter-linked transaction, where,

(a) as a first step, the Company will purchase 1,36,56,92,423 (One Hundred Thirty Six Crores Fifty Six Lakhs Ninety Two Thousand Four Hundred and Twenty Three) equity shares of HIPL constituting 24% (Twenty Four Percent) of HIPL's share capital of the face value of Rs.10 (Rupees Ten Only) per share from Holderind Investments Ltd ("**Holderind**") for consideration of Rs.25.63 (Rupees Twenty Five and Sixty Three Paise Only) per share aggregating to Rs.35,00,26,96,801.49 (Rupees Three Thousand Five Hundred Crores Twenty Six Lakhs Ninety Six Thousand Eight Hundred and One and Forty Nine Paise Only) ("**Purchase**"); and

(b) thereafter, HIPL will be merged into the Company as contemplated in the scheme of amalgamation under Sections 391-394, read with Section 100 and other applicable provisions, if any, of the Companies Act, 1956. A copy of the same is enclosed as **Annexure I** to this Notice ("**Scheme**").

2. Both the Resolutions (under Item nos. 1 & 2) are interlinked and even if approval of the requisite majority of Public Shareholders is granted for one of the Resolutions but not for the other, neither of the Resolutions will be acted upon.

3. The proposal for the Purchase was placed before the Audit Committee of the Company at its meeting held on July 24, 2013. The Audit Committee of the Company evaluated the valuation of HIPL's shares recommended by each of BSR and Associates and Price Waterhouse & Co., both acting as independent chartered accountants. On the basis of their evaluations and its

own independent judgement, the Audit Committee has recommended that the Purchase be undertaken at the lower of the valuations, i.e., at the valuation recommended by BSR and Associates, which was Rs.25.63 (Rupees Twenty Five and Sixty Three Paise Only) per share.

4. The Board of Directors of the Company have taken into account the independent recommendations of the Audit Committee and the recommendations of the valuation of HIPL's shares provided by each of BSR and Associates and Price Waterhouse & Co. and have approved the purchase of shares of HIPL at Rs. 25.63 (Rupees Twenty Five and Sixty Three Paise Only) per share.

5. The Audit Committee and the Board of Directors of the Company have also considered the Share Exchange Ratio provided by BSR and Associates and Price Waterhouse & Co and the details of the same are set out in paragraph 20 of this Explanatory Statement.

6. Pursuant to the SEBI Circular for a scheme of arrangement which involves the listed company and any other entity involving Promoter, the listed company is required to ensure that the scheme submitted with the Hon'ble High Court for sanction, provides for voting by Public Shareholders through Postal Ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution. The Company confirms compliance with these conditions.

7. In the instant case, the Company is proposing to enter into the Scheme with HIPL, which is a Promoter of the Company. As part of the Scheme, Holderind, which is also a Promoter of the Company, being the shareholder of HIPL, shall be allotted shares in the Company. Therefore, the Company is approaching its Public Shareholders for approving the Scheme through voting by Postal Ballot and E-voting as required under the SEBI Circular.

8. The SEBI Circular also requires that the Scheme should provide that it shall be effective 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.

9. As required by the SEBI Circular, the Company has filed the Complaints Report (indicating NIL complaints) with the Stock Exchanges on August 23, 2013 and a copy of the same is enclosed as **Annexure II** to this Notice. After filing of the Complaints Report, the Company has received 10 complaints and the Company has responded to each of the aforementioned complaints.

10. The Company has received, in terms of Clause 24(f) of the Listing Agreement, Observation Letters from the Stock Exchanges dated September 17, 2013 conveying their No Objection for filing the Scheme with the High Court. Copies of the aforementioned observation letters are enclosed as **Annexure III** and **Annexure IV** to this Notice.

11. We would like to highlight to our Shareholders that our Audit Committee and the Board of Directors have approved the Purchase as an inter-linked transaction with the amalgamation of HIPL into the Company, i.e., the Purchase will be consummated only upon and subject to all the conditions precedent to the amalgamation, including approval of the Public Shareholders (per the SEBI Circular) and the relevant High Courts, having been satisfied. A specific condition precedent in this regard has also been included at Clause 5.1(c) of the acquisition agreement executed on July 31, 2013 between the Company, Holderind and HIPL.

12. The Observation Letters specify that the SEBI has noted that in the interest of Minority Shareholders and investors at large, the Agreement dated July 31, 2013 (i.e., the acquisition agreement between the Company, Holderind and HIPL in relation to the Purchase) has been treated as part of the Scheme of Arrangement for the purpose of compliance with SEBI Circular and further requires that public shareholder approval contemplated under the SEBI Circular be separately obtained for the same.

13. Please note that the consideration payable for the Purchase is within the limits specified under Section 372A of the Companies Act, 1956 and approval of Shareholders under the Companies Act, 1956 or any of the provisions notified under the Companies Act, 2013, as of the date of this Notice is not required.

14. In light of the above, the approval of the shareholders is being sought for both, the Purchase as well as the Scheme under separate Resolutions with each Resolution being conditional upon the other.

15. Please also note that the consummation of the purchase of shares of HIPL from Holderind and Amalgamation of HIPL with the Company are subject to the approval of the Members and all other approvals as may be required.

16. Benefits of the Transaction

16.1 The Company had liquid funds i.e. cash & cash equivalents of approximately Rs. 3800 crores as of 31st December, 2012 with no long term borrowings. For effective deployment of its cash, the management of the Company, as part of its strategy keeps evaluating various organic and inorganic investment opportunities in the cement business across the country.

16.2 ACC is the second largest cement company in India with a capacity of approximately 30 million tons. It has pan India presence with sizeable limestone reserves, top class brand reputation and a large marketing network. The consolidated financial results of ACC for the past 3 years are as under:

(Rs. In crores)

	2010	**2011**	**2012**
Sales Revenue	8261	10237	11358
EBIDTA	1901	2112	2460
Net Profit after Tax	1074	1290	1050

16.3 HIPL currently holds 50.01% equity shares in ACC which consequent upon the proposed amalgamation will vest with the Company. ACC thereupon will become a subsidiary company of the Company.

16.4 The proposed amalgamation therefore provides the Company a unique opportunity to acquire an excellent asset with top brand and well established marketing network at an attractive implied Enterprise Value of approximately US$ 115 per ton versus the cost of setting up a new green-field cement plant, which is in the range of US$ 130 – 150 per ton with a gestation period of 3 – 5 years for commissioning the plant.

16.5 Over the last few years both the companies, i.e. Ambuja and ACC have been working on a common platform for technical support, major procurement and IT functions. However, there are still many areas for further synergy potential. The proposed amalgamation will enable the companies to explore and implement opportunities for synergizing back-end functions such as supply chain and logistics, and to benefit from increased scale of operations.

16.6 The proposed transaction structure minimises the dilution in equity, which is the more expensive source of capital, through the usage of an optimum amount of surplus cash on the Company's Balance Sheet. The transaction thus allows a more efficient deployment of cash in productive assets.

17. The salient features of the Scheme are provided below:

17.1 The Scheme envisages the Amalgamation of HIPL into the Company with effect from April 1, 2013 (or such other date as may be determined by the Boards of Directors of HIPL and the Company and is the date with effect from which the Scheme shall, upon being sanctioned by the High Courts, be operative, being the **'Appointed Date'**).

17.2 **Background**

17.2.1 HIPL

(a) HIPL is a private company limited by shares incorporated in the year 2002 under the Companies Act, 1956, having its Registered Office at Suite 304, Third Floor, DLF South Court, Plot A-1 Saket District Centre, Saket, Delhi – 110017. HIPL was originally incorporated in the year 2002 under the name 'Holdcem Cements Private Limited' and its name was changed to 'Holcim (India) Private Limited' in the year 2005.

(b) The share capital structure of HIPL as on June 30, 2013 is as under:

A. Authorised Share Capital	**Amount in Rupees**
7,50,00,00,000 equity shares of Rs. 10 each*	75,00,00,00,000
Total	**75,00,00,00,000**

** Pursuant to the re-classification approved by the shareholders in the annual general meeting held on April 30, 2013.*

B. Issued, Subscribed and Paid Up Share Capital	**Amount in Rupees**
5,69,03,85,095 equity shares of Rs. 10/- each fully paid up	56,90,38,50,950
Total	**56,90,38,50,950**

(c) The shareholding pattern of HIPL as on June 30, 2013 is as under:

S. No.	**Name of Shareholder**	**Number of Shares**	**Percentage (%)**
1.	Holderind	5,69,03,85,094	99.999
2.	Dinesh Kothari (held for the beneficial interest of Holderind)	1	-
Total		**5,69,03,85,095**	**100**

HIPL, the Company and Holderind have entered into an agreement pursuant to which the Company will purchase 1,36,56,92,423 (One Hundred and Thirty Six Crores Fifty Six Lakhs Ninety Two Thousand Four Hundred and Twenty Three) shares of HIPL from Holderind. As on July 31, 2013, there are no other changes in the issued, subscribed and paid-up capital of HIPL.

17.2.2 The Company

(a) The Company is a public company limited by shares incorporated in the year 1981 under the Companies Act, 1956, having its Registered Office at P. O. Ambujanagar, Taluka Kodinar, Gir Somnath, Gujarat – 362715. The Company was originally incorporated in the year 1981 under the name 'Ambuja Cements Private Limited' as a private limited company. The Company changed its name to 'Ambuja Cements Limited' in 1983, thereafter to 'Gujarat Ambuja Cements Limited' in 1983 and finally to 'Ambuja Cements Limited' in 2007.

(b) The Company is engaged in the business of manufacturing and marketing of cement and clinker for domestic and export markets.

(c) The share capital structure of the Company as on June 30, 2013 is as under:

A. Authorised Share Capital	**Amount in Rupees**
2,50,00,00,000 Equity Shares of Rs. 2 each	5,00,00,00,000
15,00,00,000 Preference Shares of Rs. 10 each	1,50,00,00,000
Total	**6,50,00,00,000**

B. Issued, Subscribed & Paid up Share Capital*	**Amount in Rupees**
1,54,37,63,286 Equity Shares of Rs. 2 each fully paid up	3,08,75,26,572
Total	**3,08,75,26,572**

** This includes Equity Shares underlying 3,48,27,481 Global Depository Receipts of the Company.*

(d) The promoter shareholding pattern of the Company as on June 30, 2013, is as under:

S. No.	**Name of Shareholder**	**Number of Shares**	**Percentage (%)**
1.	Holderind	62,96,38,433	40.79
2.	HIPL	15,06,70,120	9.76
Total		**78,03,08,553**	**50.55**

- The Equity Shares of the Company are listed on the Stock Exchanges. The Global Depository Receipts issued by the Company are listed on the Euro MTF Platform of the Luxemburg Stock Exchange.
- As on June 30, 2013, the Company has outstanding (i) stock options exercisable into 85,74,425 Equity Shares of Rs. 2 each fully paid up; and (ii) tradable warrants kept in abeyance exercisable into 1,86,690 Equity Shares of Rs. 2 each fully paid up; and (iii) rights shares kept in abeyance exercisable into 1,39,830 Equity Shares of Rs. 2 each fully paid up.

17.3 Pursuant to the Scheme,

(a) all assets and liabilities of HIPL shall stand transferred to and become assets and liabilities of the Company;

(b) all Equity Shares of the Company held by HIPL will be cancelled and the Share Capital of the Company shall stand reduced to that extent;

(c) all Shareholders of HIPL (other than the Company and Mr. Dinesh Kothari) will receive shares of the Company as per the Share Exchange Ratio approved by the Board of Directors of HIPL and the Company (i.e., 10 (Ten) Equity Shares of Rs. 2 (Rupees Two Only) each of the Company, to be allotted and credited as fully paid-up to Shareholders of HIPL on the Record Date (to be fixed by the Board of Directors of the Company and HIPL), for every 74 (Seventy Four) equity shares of Rs. 10 (Rupees Ten) each held as fully paid-up by the Shareholders in HIPL);

(d) in case any shareholder's holding in HIPL is such that the shareholder becomes entitled to a fraction of an Equity Share of the Company, the Company shall not issue fractional share certificates to such shareholder and such fractional holding shall stand cancelled;

(e) upon effectiveness of the Scheme, HIPL shall stand dissolved without winding-up;

(f) pursuant to the Amalgamation of HIPL with the Company under the Scheme, the Company will acquire a 50.01% (Fifty Point Zero One Percent) shareholding in ACC Limited; and

(g) upon effectiveness of the Scheme, the Authorised Share Capital of the Company shall automatically increase, without any further act, instrument or deed on the part of the Company, by the authorised share capital of HIPL.

17.4 All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by HIPL and the Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of HIPL with the Company in pursuance of the Scheme shall be borne and paid by the Company. In the event that this Scheme fails to take effect within such period or periods as may be decided by HIPL and the Company, each of HIPL and the Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

17.5. The effectiveness of the Scheme is conditional upon and subject to the approvals and/ or sanctions laid down in Clause 23 of the Scheme.

18. In terms of Clause 24(h) of the Listing Agreement, the Pre and Post Amalgamation (expected) Capital Structure and Shareholding Pattern of the Company is provided in Annexure V to this Notice.

19. The equity Shareholders are requested to read the entire text of the Scheme, annexed to this Notice, to get better acquainted with the provisions thereof. As stated above, the aforesaid are only salient features thereof.

20. The proposal for the Amalgamation was placed before the Audit Committee of the Company at its meeting held on July 24, 2013. The Company has obtained a Joint Valuation Report from BSR and Associates and Price Waterhouse & Co., both acting as independent chartered accountants. The Joint Valuation Report recommended the Share Exchange Ratio of 10 (Ten) Equity Shares of the Company of Rs. 2 (Rupees Two Only) each fully paid up for every 74 (Seventy Four) equity shares of HIPL of Rs. 10 (Rupees Ten Only) each fully paid up. The Audit Committee of the Company took into account the recommendations on the Share Exchange Ratio by BSR and Associates and Price Waterhouse & Co., both acting as independent chartered accountants, and the Fairness Opinion provided by Axis Capital Limited, acting as the independent merchant banker providing the fairness opinion. On the basis of their evaluations and its own independent judgement, the Audit Committee has recommended the Scheme, including the Share Exchange Ratio to the Board of Directors of the Company. Copies of the aforementioned Joint Valuation Report and Fairness Opinion are enclosed as **Annexure VI** and **Annexure VII** to this Notice.

21. The Board of Directors of the Company have taken into account the independent recommendations of the Audit Committee, the recommendations of the Share Exchange Ratio provided by BSR and Associates and Price Waterhouse & Co. and the Fairness Opinion provided by Axis Capital Limited in relation to the Share Exchange Ratio.

22. Based on the aforesaid advice/ opinions and on the basis of their independent judgment and evaluation, the Board of Directors of the Company has come to the conclusion that the Valuation of HIPL shares and the Share Exchange Ratio are fair and reasonable and has approved the same at its meeting held on July 24, 2013.

23. In addition to the documents annexed to this explanatory statement, copies of the following documents are open for inspection at the Registered Office of the Company between 10.00 a.m. and 6.00 p.m. on any working day:

(a) Scheme of Amalgamation between the Company and HIPL and their respective Shareholders and Creditors.

(b) Memorandum and Articles of Association of the Company and HIPL.

(c) Annual report of the Company and HIPL for the year ended December 2012.

(d) Copy of the Valuation Report dated July 22, 2013 issued by M/s. BSR and Associates, Chartered Accountants in relation to the shares of HIPL.

(e) Copy of the Valuation Report dated July 22, 2013 issued by Price Waterhouse & Co., Chartered Accountants, in relation to the shares of HIPL.

(f) Copy of the Joint Valuation Report dated July 22, 2013 issued by M/s. BSR and Associates and Price Waterhouse & Co., Chartered Accountants.

(g) Copy of the Fairness Opinion dated July 22, 2013 issued by Axis Capital Limited.

(h) Copy of the Acquisition Agreement dated July 31, 2013 entered into between the Company, HIPL and Holderind for the purchase of shares of HIPL by the Company from Holderind.

(i) Complaints Report dated August 23, 2013.

(j) Observation Letters dated September 17, 2013 issued each by the National Stock Exchange of India Limited and BSE Limited, respectively.

24. Disclosure of interest

None of the Directors and the Key Managerial Personnel (as defined under Companies Act, 2013) and their Relatives have any interest in the purchase of shares from HIPL and the Scheme of Amalgamation between the Company and HIPL except as Shareholders in general of the respective companies, the extent of which is as stated below:

Sr. No.	Names	Shareholding in Ambuja	Shareholding in HIPL	Shareholding in Holderind	Shareholding in Holcim Ltd.
1	Mr. N.S.Sekhsaria, Chairman	1000	Nil	Nil	Nil
	Relatives of Mr. N.S. Sekhsaria	Nil	Nil	Nil	Nil
2	Mr. Paul Hugentobler, Vice Chairman	Nil	Nil	Nil	41,843
	Relatives of Mr. Paul Hugentobler	Nil	Nil	Nil	Nil
3	Mr. Bernard Fontana, Director	Nil	Nil	Nil	5,489
	Relatives of Mr. Bernard Fontana	Nil	Nil	Nil	Nil
4	Mr. Nasser Munjee, Director	Nil	Nil	Nil	Nil
	Relatives of Mr. Nasser Munjee	Nil	Nil	Nil	Nil
5	Mr. Rajendra P. Chitale, Director	Nil	Nil	Nil	Nil
	Relatives of Mr. Rajendra P. Chitale	Nil	Nil	Nil	Nil
6	Mr. Shailesh Haribhakti, Director	Nil	Nil	Nil	Nil
	Relatives of Mr. Shailesh Haribhakti	Nil	Nil	Nil	Nil
7	Dr.Omkar Goswami, Director	Nil	Nil	Nil	Nil
	Relatives of Dr. Omkar Goswami	Nil	Nil	Nil	Nil
8	Mr. Haigreve Khaitan, Director	Nil	Nil	Nil	Nil
	Relatives of Mr. Haigreve Khaitan	Nil	Nil	Nil	Nil
9	Mr. B.L. Taparia, Director	442,250	Nil	Nil	1,015
	Relatives of Mr. B.L. Taparia	Nil	Nil	Nil	Nil
10	Mr. Ajay Kapur, Dy. Managing Director & CEO	185,500	Nil	Nil	859
	Relatives of Mr. Ajay Kapur	15,60,600	Nil	Nil	183
11	Mr. Onne van der Weijde, Managing Director	Nil	Nil	Nil	3,178
	Relatives of Mr. Onne van der Weijde	Nil	Nil	Nil	Nil
12	Mr. Sanjeev Churiwala, CFO	50	Nil	Nil	601
	Relatives of Mr. Sanjeev Churiwala	Nil	Nil	Nil	Nil
13	Mr. Rajiv Gandhi, Company Secretary	2,000	Nil	Nil	Nil
	Relatives of Mr. Rajiv Gandhi	Nil	Nil	Nil	Nil

Annexure V

Pre Amalgamation Shareholding of Ambuja Cements Ltd. (as of 30th June, 2013)

Category Code	Category of Shareholders	Number of Shareholders	Total No. of shares	Number of shares held in demated form	Total shareholding as a percentage of total number of shares As a percentage of	
					(A+B)[1]	(A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	**Shareholding of Promoter and Promoter Group[2]**					
(1)	**Indian**					
(a)	Individuals/H.U.F	0	0	0	0.00	0.00
(b)	Cental/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	Employee Welfare Trust	0	0	0	0.00	0.00
	M&M Benfit Trust	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**0**	**0**	**0**	**0.00**	**0.00**
(2)	**Foreign**					
(a)	Non Resident Individuals/ Foreign Nationals	0			0.00	0.00
(b)	Bodies Corporate	2	780308553	780308553	51.71	50.55
(c)	Institutions	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	Sub Total (A)(2)	**2**	**780308553**	**780308553**	**51.71**	**50.55**
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**2**	**780308553**	**780308553**	**51.71**	**50.55**
(B)	**Public Shareholding[3]**					
(1)	**Institutions**					
(a)	Mutual Fund/UTI	100	15249287	15151142	1.01	0.99
(b)	Financial Institutions/Banks	49	3820623	3794366	0.25	0.25
(c)	Central/State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	99	138890429	138880679	9.21	9.00
(f)	Foreign Institutional Investors	376	443237758	443173483	29.38	28.71
(g)	Foreign Venture Cap. Inv	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**624**	**601198097**	**600999670**	**39.85**	**38.95**

Category Code	Category of Shareholders	Number of Shareholders	Total No. of shares	Number of shares held in demated form	Total shareholding as a percentage of total number of shares As a percentage of	
					(A+B)[1]	(A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(2)	**Non Institutions**					
(a)	Bodies Corporate	1989	6396516	5842754	0.42	0.41
(b)	Individuals					
	i) Holding nominal share capital upto Rs. 1 lakh	180061	95281322	77718052	6.31	6.17
	ii) Holding nominal share capital in excess of Rs. 1 lakh	71	9838868	9513158	0.65	0.64
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00
(d)	Any Other (specify)					
(d-i)	NRI (Non-Rep)	2514	1974238	1709148	0.14	0.13
(d-ii)	NRI (Rep)	2836	13161290	6441037	0.87	0.85
(d-iii)	Foreign National	3	64883	64883	0.00	0.00
(d-iv)	OCB	3	12870	3750	0.00	0.00
(d-v)	Trust	28	699168	699168	0.05	0.04
	Sub-Total (B)(2)	**187505**	**127429155**	**101991950**	**8.44**	**8.24**
	Total Public shareholding (B)=(B)(1)+(B)(2)	**188129**	**728627252**	**702991620**	**48.29**	**47.19**
	TOTAL (A)+(B)	**188131**	**1508935805**	**1483300173**	**100.00**	**97.74**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**					
1	Promoter and Promoter Group					
2	Public	6	34827481	34815481		2.26
	GRAND TOTAL (A)+(B)+(C)	**188137**	**1543763286**	**1518115654**		**100.00**

Note: None of the Shares belonging to the Promoter and Promoter Group category are under pledge.

Post Amalgamation of Shareholding of Ambuja Cements Ltd. (pls refer note below)

Category Code	Category of Shareholders	Number of Shareholders	Total No. of shares	Number of shares held in demated form	Total shareholding as a percentage of total number of shares As a percentage of	
					(A+B)[1]	(A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	**Shareholding of Promoter and Promoter Group[2]**					
(1)	**Indian**					
(a)	Individuals/H.U.F	0	0	0	0.00	0.00
(b)	Cental/State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	Employee Welfare Trust	0	0	0	0.00	0.00
	M&M Benfit Trust	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**0**	**0**	**0**	**0.00**	**0.00**
(2)	**Foreign**					
(a)	Non Resident Individuals/ Foreign Nationals	0			0.00	0.00
(b)	Bodies Corporate	1	1214056361	1214056361	62.21	61.12
(c)	Institutions	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	Sub_Total (A)(2)	**1**	**1214056361**	**1214056361**	**62.21**	**61.12**
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**1**	**1214056361**	**1214056361**	**62.21**	**61.12**
(B)	**Public Shareholding[3]**					
(1)	**Institutions**					
(a)	Mutual Fund/UTI	100	15249287	15151142	0.78	0.77
(b)	Financial Institutions/Banks	49	3820623	3794366	0.20	0.19
(c)	Central/State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	99	138890429	138880679	7.12	6.99
(f)	Foreign Institutional Investors	376	443237758	443173483	22.71	22.31
(g)	Foreign Venture Cap. Inv	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**624**	**601198097**	**600999670**	**30.81**	**30.27**

Category Code	Category of Shareholders	Number of Shareholders	Total No. of shares	Number of shares held in demated form	Total shareholding as a percentage of total number of shares As a percentage of	
					(A+B)[1]	(A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(2)	**Non Institutions**					
(a)	Bodies Corporate	1989	6396516	5842754	0.33	0.32
(b)	Individuals				0.00	0.00
	i) Holding nominal share capital upto Rs. 1 lakh	180061	104178267	77718052	5.34	5.24
	ii) Holding nominal share capital in excess of Rs. 1 lakh	71	9838868	9513158	0.50	0.50
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00
(d)	Any Other (specify)				0.00	0.00
(d-i)	NRI (Non-Rep)	2514	1974238	1709148	0.10	0.10
(d-ii)	NRI (Rep)	2836	13161290	6441037	0.67	0.66
(d-iii)	Foreign National	3	64883	64883	0.00	0.00
(d-iv)	OCB	3	12870	3750	0.00	0.00
(d-v)	Trust	28	699168	699168	0.04	0.04
	Sub-Total (B)(2)	**187505**	**136326100**	**101991950**	**6.99**	**6.86**
	Total Public shareholding (B)=(B)(1)+(B)(2)	**188129**	**737524197**	**702991620**	**37.79**	**37.13**
	TOTAL (A)+(B)	**188130**	**1951580558**	**1917047981**	**100.00**	**98.25**
(C)	Shares held by Custodians and against which Depository Receipts have been issued					
1	Promoter and Promoter Group					
2	Public	6	34827481	34815481		1.75
	GRAND TOTAL (A)+(B)+(C)	**188136**	**1986408039**	**1951863462**		**100.00**

Note: The Post Amalgamation Shareholding Pattern of the Company has been worked out assuming that:

(a) All the un-exercised stock options as on 30th June, 2013 exercisable into 85,74,425 Equity Shares of Rs. 2 each fully paid up are exercised;

(b) All tradable warrants kept in abeyance as on 30th June, 2013 exercisable into 1,86,690 Equity Shares of Rs. 2 each fully paid up are allotted; and

(c) All the rights shares kept in abeyance as on 30th June, 2013 exercisable into 1,39,830 Equity Shares of Rs. 2 each fully paid up are allotted

Annexure I

SCHEME OF AMALGAMATION

UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956

AMONGST

HOLCIM (INDIA) PRIVATE LIMITED … Transferor / Amalgamating Company

AND

AMBUJA CEMENTS LIMITED … Transferee / Amalgamated Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I – GENERAL

A. The Amalgamating Company is a private company limited by shares incorporated in the year 2002 under the Act (*as hereinafter defined*), having its registered office at Suite 304, Third Floor, DLF South Court, Plot A-1 Saket District Centre, Saket, Delhi – 110017. The Amalgamating Company was originally incorporated in the year 2002 under the name 'Holdcem Cements Private Limited' and its name was changed to 'Holcim (India) Private Limited' in the year 2005. The equity shares of the Amalgamating Company are not listed on any stock exchange in India. HIL (*as hereinafter defined*) and Mr. Dinesh Kothari are the only members of the Amalgamating Company. HIL holds 5,69,03,85,094 (Five Hundred and Sixty Nine Crores Three Lakhs Eighty Five Thousand and Ninety Four) equity shares of the Amalgamating Company of the face value of Rs.10/- (Rupees Ten Only) each. The remaining 1 (One) equity share of the Amalgamating Company of the face value of Rs.10/- (Rupees Ten Only) is held by Mr. Dinesh Kothari with the beneficial owner being HIL.

B. The Amalgamating Company is primarily engaged in the cement business, through its downstream investments in cement manufacturing ventures in India.

C. As on the date of filing of this Scheme (*as hereinafter defined*), the Amalgamating Company holds 9.76% (Nine Point Seven Six Percent) of the total issued and paid-up equity share capital of the Amalgamated Company.

D. The Amalgamated Company is a public company limited by shares incorporated in the year 1981 under the Act, having its registered office at P. O. Ambujanagar, Taluka Kodinar, Junagadh, Gujarat – 362715. The Amalgamated Company was originally incorporated in the year 1981 under the name 'Ambuja Cements Private Limited' as a private limited company. The Amalgamated Company changed its name to 'Ambuja Cements Limited' in 1983, thereafter to 'Gujarat Ambuja Cements Limited' in 1983 and finally to 'Ambuja Cements Limited' in 2007. The equity shares of the Amalgamated Company are listed on the National Stock Exchange of India Limited (**"NSE"**) and the BSE Limited (**"BSE"**) (collectively, the **"Stock Exchanges"**). The global depository receipts issued by the Amalgamated Company are listed on the Euro MTF Platform of the Luxemburg Stock Exchange.

E. The Amalgamated Company is engaged in the business of manufacturing and marketing of cement and clinker for domestic and export markets.

F. The rationale for the Amalgamating Company proposing the proposed amalgamation is that it will allow the shareholder of the Amalgamating Company to streamline its holding in India and benefit from the operational and other synergies between its group companies in India.

G. The rationale for the Amalgamated Company proposing the proposed amalgamation is set out below:

(i) the Amalgamating Company currently holds 50.01% (Fifty Point Zero One Percent) equity shares in ACC (*as hereinafter defined*) which consequent upon the proposed amalgamation will vest with the Amalgamated Company. ACC is amongst the leading cement companies in India;

(ii) The proposed Amalgamation will enable the Amalgamated Company to explore the opportunities of synergizing its several functions with ACC;

(iii) The Amalgamated Company will immensely benefit by way of sharing of best practices, coordination in several back end processes such as supply chain and logistic alignment, benefit from increased scale of operations, saving in fixed costs etc.;

(iv) This will thus enable the Amalgamated Company to realize huge potential savings and improve its revenue and margins. Further, the size of the profits and net worth of the consolidated business of the Amalgamated Company is likely to increase from the current levels consequent upon the proposed amalgamation; and

(v) The proposed amalgamation is likely to enhance significantly the values and synergies for both Amalgamated Company as well as ACC and for all the stakeholders.

H. Consequently, the Board of Directors (*as hereinafter defined*) of the Amalgamating Company and the Board of Directors of the Amalgamated Company have considered and proposed the amalgamation of the Amalgamating Company with the Amalgamated Company.

I. This Scheme provides for the amalgamation of the Amalgamating Company with the Amalgamated Company and cancellation of equity shares of the Amalgamated Company held by the Amalgamating Company and issuance of equity shares of the Amalgamated Company to shareholders of the Amalgamating Company in accordance with the Share Exchange Ratio, per the terms of this Scheme and pursuant to Sections 391 to 394, Section 100 and other relevant provisions of the Act, and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

J. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as defined and specified under Section 2(1B) of the Income Tax Act (*as hereinafter defined*). If any terms or provisions or parts of this Scheme is/are inconsistent with the provisions of Section 2(1B) of the Income Tax Act, the provisions of Section 2(1B) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(IB) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.

K. The amalgamation of the Amalgamating Company with the Amalgamated Company pursuant to this Scheme shall take place with effect from the Appointed Date (*as hereinafter defined*).

L. The Stock Exchanges have issued an observation letter as contemplated under the SEBI Circular (*as hereinafter defined*), indicating their 'no-objection' and including the comments received by them from the Securities and Exchange Board of India. The observation letters are provided as **Annexure I**.

M. This Scheme is divided into the following parts:

(i) **Part I,** which deals with the introduction and definitions, and sets out the share capital of the Amalgamating Company and the Amalgamated Company;

(ii) **Part II,** which deals with the amalgamation of the Amalgamating Company with the Amalgamated Company;

(iii) **Part III,** which deals with the cancellation of equity shares of the Amalgamated Company held by the Amalgamating Company and consequent reduction of capital of the Amalgamated Company;

(iv) **Part IV,** which deals with the dissolution of the Amalgamating Company; and

(v) **Part V,** which deals with the general terms and conditions applicable to this Scheme.

1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

"ACC" means ACC Limited, a public company limited by shares incorporated in India under the Act and having its registered office at Cement House, 121, Maharshi Karve Road, Mumbai – 400 020, India;

"Act" means the Companies Act, 1956 or any statutory modification or re-enactment or amendments thereof for the time being in force;

"Amalgamated Company / **Transferee Company"** means Ambuja Cements Limited;

"Amalgamating Company / **Transferor Company"** means Holcim (India) Private Limited;

"Appointed Date" means the opening of business on April 1, 2013, or such other date as may be determined by the Boards of Directors of the Amalgamating Company and the Amalgamated Company and is the date with effect from which this Scheme shall, upon being sanctioned by the High Courts, be operative;

"Audit Committee" means the audit committee of the Amalgamated Company, as constituted from time to time;

"Board of Directors" or **"Board"** in relation to each of the Amalgamating Company and the Amalgamated Company, as the case may be, means the board of directors of such company;

"BSE" has the meaning ascribed to it in paragraph D of **Part I** hereof;

"Complaints Report" means the report prepared in accordance with the SEBI Circular, setting out the complaints received in relation to the Scheme and the status of the same;

"Effective Date" means such date as the Amalgamating Company and the Amalgamated Company mutually agree being a date on the last of the dates or post the last of the dates on which all the conditions and matters referred to in sub-Clause 23(a) of the Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;

"Employees" means all the permanent employees of the Amalgamating Company as on the Effective Date;

"Encumbrance" means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **"Encumbered"** shall be construed accordingly;

"Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India, the Securities and Exchange Board of India and the Foreign Investment Promotion Board, or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

"High Courts" means the High Court of Judicature at New Delhi having jurisdiction in relation to the Amalgamating Company and the High Court of Gujarat having jurisdiction in relation to the Amalgamated Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the Act;

"HIL" means Holderind Investments Ltd., a company incorporated under the laws of Mauritius and having its registered office at Level 3B, 31 Cybercity, Ebene, Mauritius;

"Income Tax Act" means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

"Liabilities" means all debts and liabilities, both present and future comprised in the Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of the Amalgamating Company, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Amalgamating Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance;

"NSE" has the meaning ascribed to it in paragraph D of **Part I** hereof;

"Record Date" means the date to be fixed by the Board of Directors of the Amalgamated Company and the Amalgamating Company for the purpose of determining the equity shareholders (members) of the Amalgamating Company, to whom fully paid up equity shares of the Amalgamated Company will be allotted pursuant to this Scheme;

"Registrar of Companies" means the Registrar of Companies, New Delhi and/or the Registrar of Companies, Gujarat, as applicable;

"Scheme" means this scheme of amalgamation, pursuant to Sections 391 to 394 read with Section 100 and other applicable provisions, if any, of the Act, in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders/ creditors and sanctions from the High Courts and the regulatory authorities as may be required under the Act and under all applicable laws;

"SEBI Circular" means the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013 (which provides clarifications with respect to the aforementioned circular), both issued by the Securities and Exchange Board of India;

"Share Exchange Ratio" has the meaning ascribed to it in sub-Clause 18(a) hereof;

"Stock Exchanges" has the meaning ascribed to it in paragraph D of **Part I** hereof; and

"Undertaking" means all the undertakings and entire business of the Amalgamating Company as a going concern, including, 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) of the Amalgamating Company, whether or not recorded in the books of accounts of the Amalgamating Company including, without limitation, investments of all kinds (i.e., shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), furniture, fixtures, office equipment, computers, fixed assets, current assets, cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, receivables, advances or deposits paid by or deemed to have been paid by the Amalgamating Company, financial assets, vehicles, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and where-so-ever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company or in connection with or relating to the Amalgamating Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Amalgamating Company, whether in India or abroad;

(b) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, 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 Amalgamating Company;

(c) all contracts, agreements, memoranda of understanding, letters of intent, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, if any, whether written, oral or otherwise, to which the Amalgamating Company is a party to, or to the benefit of which the Amalgamating Company may be eligible;

(d) all intellectual property rights of any nature whatsoever, books, records, files, papers, software licenses (whether proprietary or otherwise), and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Amalgamating Company;

(e) all Liabilities, lien or security thereon, whether in Indian rupees or foreign currency and whether or not provided for in the books of account or disclosed in the balance sheet of the Amalgamating Company; and

(f) all Employees engaged by the Amalgamating Company.

1.2 All terms and words used but 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 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

1.3 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.

1.4 The headings herein shall not affect the construction of this Scheme.

1.5 The singular shall include the plural and vice versa; and references to one gender include all genders.

1.6 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.7 References to a person include any individual, firm, body corporate (whether incorporated or not), 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).

1.8 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.

1.9 Any reference to any statute or statutory provision shall include:

(a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

2. SHARE CAPITAL

(a) Amalgamating Company

• The share capital structure of the Amalgamating Company as on June 30, 2013 is as under:

A. Authorised Share Capital	**Amount in Rupees**
7,50,00,00,000 equity shares of Rs. 10 each*	75,00,00,00,000
Total	**75,00,00,00,000**

** Pursuant to the re-classification approved by the shareholders in the annual general meeting held on April 30, 2013*.

B. Issued, Subscribed and Paid Up Share Capital	**Amount in Rupees**
5,69,03,85,095 equity shares of Rs. 10/- each fully paid up	56,90,38,50,950
Total	**56,90,38,50,950**

• The shareholding pattern of the Amalgamating Company as on June 30, 2013 is as under:

S. No.	Name of Shareholder	Number of Shares	Percentage (%)
1.	HIL	5,69,03,85,094	99.999
2.	Dinesh Kothari	1 (held for the beneficial interest of HIL)	-
Total		**5,69,03,85,095**	**100**

• The Amalgamating Company, Amalgamated Company and HIL have entered into an agreement pursuant to which the Amalgamated Company will purchase 1,36,56,92,423 (One Hundred and Thirty Six Crores Fifty Six Lakhs Ninety Two Thousand Four Hundred and Twenty Three) shares of the Amalgamating Company from HIL. As on July 31, 2013, there are no other changes in the issued, subscribed and paid-up capital of the Amalgamating Company.

(b) Amalgamated Company

• The share capital structure of the Amalgamated Company as on June 30, 2013 is as under:

A. Authorised Share Capital	**Amount in Rupees**
2,50,00,00,000 Equity Shares of Rs. 2 each	5,00,00,00,000
15,00,00,000 Preference Shares of Rs. 10 each	1,50,00,00,000
Total	**6,50,00,00,000**
B. Issued, Subscribed & Paid up Share Capital*	**Amount in Rupees**
1,54,37,63,286 equity shares of Rs. 2 each fully paid up	3,08,75,26,572
Total	**3,08,75,26,572**

** This includes equity shares underlying 3,48,27,481 Global Depository Receipts of the Amalgamated Company.*

• The promoter shareholding pattern of the Amalgamated Company as on June 30, 2013, is as under:

S.No.	Name of Shareholder	Number of Shares	Percentage (%)
1.	HIL	62,96,38,433	40.79
2.	HIPL	15,06,70,120	9.76
Total		**78,03,08,553**	**50.55**

- The equity shares of the Amalgamated Company are listed on the NSE and the BSE. The global depository receipts issued by the Amalgamated Company are listed on the Euro MTF Platform of the Luxemburg Stock Exchange.
- As on June 30, 2013, the Amalgamated Company has outstanding (i) stock options exercisable into 85,74,425 (Eighty Five Lakh Seventy Four Thousand Four Hundred and Twenty Five) equity shares of Rs. 2 (Rupees Two Only) each fully paid up; and (ii) tradable warrants kept in abeyance exercisable into 1,86,690 (One Lakh Eighty Six

Thousand Six Hundred and Ninety) equity shares of Rs. 2 (Rupees Two Only) each fully paid up; and (iii) rights shares kept in abeyance exercisable into 1,39,830 (One Lakh Thirty Nine Thousand Eight Hundred and Thirty) equity shares of Rs. 2 (Rupees Two Only) each fully paid up.

PART II – AMALGAMATION OF THE AMALGAMATING COMPANY WITH THE AMALGAMATED COMPANY

Section 1 – Transfer

3. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Undertaking shall, pursuant to the sanction of the Scheme by the High Courts and pursuant to the provisions of Sections 391 to 394, Section 100 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Amalgamated Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Amalgamated Company by virtue of and in the manner provided in this Scheme.

4. Without prejudice to the generality of Clause 3 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,

Transfer of Assets

(a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided in the books of accounts, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company and/or be deemed to be transferred to and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Amalgamated Company.

(b) such of the assets and properties of the Amalgamating Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company and/or be deemed to stand transferred to the Amalgamated Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Amalgamated Company.

(c) such of the assets and properties comprised in the Undertaking (other than those referred to in sub-Clause 4(b) above) including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors,

receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company and/or deemed to have been transferred to and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Amalgamated Company.

Transfer of Permissions and Approvals

(d) all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, 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 Amalgamating Company enjoyed or conferred upon or held or availed of by the Amalgamating Company and all rights and benefits that have accrued or which may accrue to the Amalgamating Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company.

Transfer of Contracts

(e) all contracts, agreements, memoranda of understanding, letters of intent, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, if any, whether written, oral or otherwise, to which the Amalgamating Company is a party, or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern and shall continue in full force and effect on or against or in favour, as the case may be, of the Amalgamated

Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto or thereunder.

Transfer of Intellectual Property

(f) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Amalgamating Company, whether or not provided in books of accounts of the Amalgamating Company, shall under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Amalgamated Company.

(g) all intangible assets including various business or commercial rights, etc belonging to but not recorded in books of account of the Amalgamating Company shall be transferred to and vested with the Amalgamated Company. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of the Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.

Transfer of Corporate Approvals

(h) benefits of any and all corporate approvals as may have already been taken by the Amalgamating Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Amalgamated Company.

(i) the resolutions, if any, of the Amalgamating Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Amalgamated Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Amalgamated Company and shall constitute the aggregate of the said limits in the Amalgamated Company.

(j) such of the assets comprised in the Undertaking and which are acquired by the Amalgamating Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Amalgamated Company.

5. *Transfer of Liabilities*

Pursuant to the transfer of the Undertaking as provided in Clause 3 and 4 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,

(a) all the Liabilities, whether or not provided in the books of the Amalgamating Company, shall, under the provisions of Sections 391 to 394 of the Act and other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company, and the Amalgamated Company shall meet, discharge and satisfy the same.

(b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Amalgamating Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the Act and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the Liabilities of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company, and the Amalgamated Company shall meet, discharge and satisfy the same.

(c) any Liabilities of the Amalgamating Company as on the Appointed Date that are discharged by the Amalgamating Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Amalgamated Company.

(d) all loans raised and utilised, liabilities, duties and taxes and obligations incurred or undertaken by the Amalgamating Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Amalgamated Company and shall, under the provisions of Sections 391 to 394 and other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Amalgamated Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Amalgamated Company and to the extent they are outstanding on the Effective Date, the Amalgamated Company shall meet, discharge and satisfy the same.

(e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Amalgamating Company and the Amalgamated Company shall, under the provisions of Sections 391 to 394 of the Act and other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the

appropriate effect shall be given in the books of accounts and records of the Amalgamated Company.

6. *Encumbrances*

(a) upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Amalgamating Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Amalgamated Company. It being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Amalgamating Company which were earlier not Encumbered or the other assets of the Amalgamated Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

(b) any reference in any security documents or arrangements (to which the Amalgamating Company is a party) to the Amalgamating Company and its assets and properties, shall be construed as a reference to the Amalgamated Company and the assets and properties of the Amalgamating Company transferred to the Amalgamated Company pursuant to this Scheme.

(c) without prejudice to the foregoing provisions, the Amalgamated Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

(d) the provisions of this Clause 6 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

7. *Employees and Directors*

7.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date,

(a) all Employees, if any, of the Amalgamating Company shall, under the provisions of Sections 391 to 394 of the Act and other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for their transfer, become the employees of the Amalgamated Company.

(b) the Amalgamating Company does not have any provident fund, gratuity fund, superannuation fund, trusts, retirement fund or benefits or any other funds for the benefit of the Employees. The Amalgamated Company shall extend its own funds to the Employees and take necessary steps in this regard.

7.2 The terms and conditions of employment by the Amalgamated Company shall not be less favourable than those on which they are engaged by the Amalgamating Company and their employment will be without any interruption of or break in service as a result of the amalgamation of the Amalgamating Company with the Amalgamated Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Amalgamating Company and such benefits to which the Employees are entitled in the Amalgamating Company shall also be taken into account, and paid (as and when payable) by the Amalgamated Company.

7.3 Upon the coming into effect of this Scheme, the directors of the Amalgamating Company will not be entitled to any directorships in the Amalgamated Company by virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any directorship of a person who is already a director in the Amalgamated Company as on the Effective Date.

8. *Legal, Taxation and other Proceedings*

(a) all proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Amalgamating Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Amalgamating Company, as if this Scheme had not been made.

(b) upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Amalgamating Company, whether pending and/or arising on or before the Effective Date shall be continued and/or enforced by or against the Amalgamated Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Amalgamated Company.

(c) the Amalgamated Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Amalgamating Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company.

9. *Books and Records*

All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Amalgamating Company, to the extent possible and permitted under applicable laws, be handed over to the Amalgamated Company.

10. Without prejudice to the provisions of Clauses 3 to 9 above, with effect from the Appointed Date, all inter-party transactions between the Amalgamating Company and the Amalgamated Company shall be considered as intra-party transactions for all purposes.

11. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Amalgamated Company may, at any time after the coming into effect of the 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 or other writings or arrangements with any party to any contract or arrangement to which the Amalgamating Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company to be carried out or performed.

Section 2 – Conduct of Business

12. With effect from the Appointed Date and up to and including the Effective Date:

(a) the Amalgamating Company shall carry on and be deemed to have carried on all business

and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Amalgamated Company;

(b) all profits and income accruing or arising to the Amalgamating Company, and losses and expenditure arising or incurred by it for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Amalgamated Company;

(c) any of the rights, powers, authorities or privileges exercised by the Amalgamating Company shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Amalgamating Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Amalgamated Company;

(d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, taxes withheld/paid in a foreign country, indirect taxes, tax refunds) payable by or refundable to the Amalgamating Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Amalgamating Company) as the case may be, of the Amalgamated Company, and any advance income tax, unabsorbed tax losses and depreciation, etc., as would have been available to the Amalgamating Company on or before the Effective Date, shall be available to the Amalgamated Company upon the Scheme coming into effect; and

(e) the Amalgamating Company shall not without the concurrence of the Amalgamated Company alienate, charge or otherwise deal with any of its assets, except in the ordinary course of business.

13. From the date of filing of this Scheme with the High Courts and up to and including the Effective Date, except with the written consent of the Amalgamated Company, the Amalgamating Company shall not amend its memorandum of association or articles of association and shall not alter or substantially expand its business.

14. From the date of filing of this Scheme with the High Courts and up to and including the Effective Date, the Amalgamating Company and the Amalgamated Company shall not, except in respect of outstanding stock options that may be exercised in terms of the Amalgamated Company's employees stock option scheme(s) or tradeable warrants or outstanding global depository receipts of the Amalgamated Company that may be exercised, or shares which may be issued pursuant to the rights shares kept in abeyance, make any change in its capital structure in any manner either by any increase (including by way of issue of equity and/or preference shares on a rights basis or by way of a public issue, bonus shares and/or convertible debentures or otherwise), decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner which may, in any way, affect the Share Exchange Ratio, except with the prior approval of the Board of Directors of the Amalgamated Company and the Amalgamating Company respectively; provided that this Clause 14 shall not apply in the context of an issuance of equity shares by the Amalgamated Company or any cancellation of shares of the Amalgamating Company held by the Amalgamated Company pursuant to the coming into effect of this Scheme.

15. Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Amalgamating Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and subject to compliance with Clauses 12(e) and Clause 13, the Amalgamated Company accepts and adopts all acts, deeds and things made, done and executed by the Amalgamating Company.

16. Upon the Scheme coming into effect, the Amalgamating Company (if required) and the Amalgamated Company are expressly permitted to revise, its financial statements.

Section 3: Issue of Equity Shares by the Amalgamated Company

17. The provisions of this Section 3 of the Scheme shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

18. (a) Upon the coming into effect of the Scheme and in consideration of the transfer and vesting of the Undertaking in the Amalgamated Company by virtue of this Scheme, the Amalgamated Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Amalgamating Company (other than (i) the Amalgamated Company; and (ii) Mr. Dinesh Kothari since he is only entitled to fractional share), whose name is registered in the register of members of the Amalgamating Company on the Record Date or his/her/its legal heirs, executors or successors as the case may be, for every 74 (Seventy Four) equity shares of the face value of Rs. 10 (Rupees Ten Only) each (credited as fully paid-up) held by such member or his/her/its respective legal heirs, executors or successors in the Amalgamating Company, 10 (Ten) equity shares of the face value of Rs. 2 (Rupees Two Only) each (credited as fully paid up) of the Amalgamated Company. The ratio in which equity shares of the Amalgamated Company are to be issued and allotted to the members of the Amalgamating Company as set out above is herein referred to as the **"Share Exchange Ratio"**. It is hereby clarified that the conversion of any global depository receipts, exercise of any stock option, tradable warrant or allotment of rights shares shall not require any adjustments to the Share Exchange Ratio. It is further clarified that (I) the Amalgamated Company shall not be issued any shares in exchange for any shares held by it in the Amalgamating Company on the Record Date; and (II) since Mr. Dinesh Kothari is only entitled to fractional share for the share held by him in the Amalgamating Company on the Record Date, he shall not be issued any share for such share held in the Amalgamating Company on the Record Date.

(b) The Audit Committee of the Amalgamated Company has taken into account the recommendations on the Share Exchange Ratio by BSR and Associates and Price Waterhouse & Co., both acting as independent chartered accountants, and the fairness opinion provided by Axis Capital Limited, acting as the independent merchant banker. On the basis of their evaluations and its own independent judgement, the Audit Committee has recommended the Scheme, including the Share Exchange Ratio to the Board of Directors of the Amalgamated Company.

(c) The Board of Directors of the Amalgamated Company have taken into account the independent recommendations of the Audit Committee.

(d) The Board of Directors of the Amalgamating Company and the Amalgamated Company have taken into account the recommendations of the Share Exchange Ratio provided by BSR and Associates and Price Waterhouse & Co.

(e) The Board of Directors of the Amalgamated Company have also taken into account the fairness opinion provided by Axis Capital Limited in relation to the Share Exchange Ratio.

(f) The Boards of Directors of the Amalgamating Company and the Amalgamated Company based on the aforesaid advice/ opinions and on the basis of their independent judgment and evaluation have come to the conclusion that the Share Exchange Ratio is fair and reasonable and have approved the same at their respective meetings held on July 24, 2013.

(g) In case any member's holding in the Amalgamating Company is such that the member becomes entitled to a fraction of an equity share of the Amalgamated Company, the Amalgamated Company shall not issue fractional share certificates to such member and such fractional holding shall stand cancelled.

(h) As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised share capital of the Amalgamated Company shall automatically stand increased, without any further act, instrument or deed on the part of the Amalgamated Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of the Amalgamating Company.

(i) As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the capital clause of the Memorandum of Association of the Amalgamated Company shall, without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

"The authorised share capital of the Company is Rs. 81,50,00,00,000/- (Rupees Eight Thousand One Hundred and Fifty Crores Only) divided into 40,00,00,00,000 (Forty Thousand Crore) equity shares of Rs. 2/- (Rupees Two Only) each, and 15,00,00,000 (Fifteen Crores) preference shares of Rs. 10/- (Rupees Ten Only) each, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being, into several classes and to attach thereto such preferential, deferred, qualified guaranteed or special rights, privileges or conditions as may be determined by or accordance with the Articles of the Company for the time being and to vary, modify or abrogate any such rights, privileges, or conditions, in such manner as may be permitted by the Act or the Articles of the Company for the time being."

(j) As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the issued, subscribed and paid-up share capital of the Amalgamated Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with sub-Clause 18(a) above.

(k) It is hereby clarified that no further resolutions under Section 16, Section 31, Section 81(1A), Section 94, Section 100 or any other applicable provisions of the Act, shall be required to be passed by the Amalgamated Company separately in a general meeting for increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, for issue of shares to the members of the Amalgamating Company (except the Amalgamated Company and Mr. Dinesh Kothari) under this Scheme and for reduction of the share capital due to cancellation of shares and on the members of the Amalgamated Company approving this Scheme, it shall be deemed that they have given their consent to the said increase of the authorized capital, amendment of the capital clause of the Memorandum of Association, the issue of equity shares of the Amalgamated Company to the members of the Amalgamating Company (except the Amalgamated Company) in the

Share Exchange Ratio and reduction of the share capital due to cancellation of shares. The stamp duties and fees (including registration fee) paid on the authorized share capital of the Amalgamating Company shall be utilized and applied to the increased authorized share capital of the Amalgamated Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Amalgamated Company for increase in the authorized share capital to that extent.

(l) The shares issued to the members of the Amalgamating Company by the Amalgamated Company pursuant to sub-Clause 18(a) above shall be issued in dematerialised form by the Amalgamated Company, unless otherwise notified in writing by the members of the Amalgamating Company to the Amalgamated Company on or before such date as may be determined by the Board of Directors of the Amalgamated Company or a committee thereof. In the event that such notice has not been received by the Amalgamated Company, the shares shall be issued in dematerialised form provided that the members of the Amalgamating Company have an account with a depositary participant and the details thereof and such other confirmations as may be required are provided to the Amalgamated Company. It is only thereupon that the Amalgamated Company shall issue and directly credit the dematerialised shares to the account of such member with the shares of the Amalgamated Company. In the event that the Amalgamated Company has received notice that shares are to be issued in physical form or if members of the Amalgamating Company has not provided the requisite details relating to its account with a depositary participant or other confirmations as may be required, then the Amalgamated Company shall issue shares in physical form to such members of the Amalgamating Company.

(m) The equity shares issued and allotted by the Amalgamated Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Amalgamated Company.

(n) In the event of there being any pending share transfers, whether lodged or outstanding, of the shares of the Amalgamating Company, the Board of Directors of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in the Amalgamating Company and in relation to the shares issued by the Amalgamated Company after the effectiveness of the Scheme. The Board of Directors of the Amalgamated Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Amalgamated Company on account of difficulties faced in the transaction period.

(o) The equity shares of the Amalgamated Company issued in terms of this Scheme will be listed and/or admitted to trading on the Stock Exchanges where the shares of the Amalgamated Company are listed and/or admitted to trading. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges.

(p) The transfer of shares in the Amalgamating Company held by its shareholders is made in consideration of the allotment of shares of the Amalgamated Company.

PART III – REDUCTION OF CAPITAL OF THE AMALGAMATED COMPANY

19. Post allotment of shares by the Amalgamated Company in terms of Clause 18(a), the existing shareholding of the Amalgamating Company in the Amalgamated Company shall be cancelled

without any further act or deed, in accordance with provisions of Sections 100 to 103 of the Act and the order of the High Courts sanctioning the Scheme shall be deemed to be also the order under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Amalgamated Company, the Amalgamated Company shall not be required to add "And Reduced" as suffix to its name and the Amalgamated Company shall carry on its old name.

PART IV – DISSOLUTION OF THE AMALGAMATING COMPANY

20. Upon the coming into effect of the Scheme, the entire share capital of the Amalgamating Company shall, without any further act, deed or instrument, stand cancelled and the share certificates representing such shares shall, without any further act, deed or instrument, be deemed to be automatically cancelled, extinguished and of no effect and the the Amalgamating Company shall, without any further act, instrument or deed, stand dissolved without winding-up.

PART V – OTHER TERMS AND CONDITIONS

21. *Approval of Members of the Amalgamated Company*

The Amalgamated Company undertakes that the approval of the members of the Amalgamated Company of the Scheme shall be sought in a meeting of the members with voting occurring through postal ballot and e-voting as required under the Act and the SEBI Circular. The explanatory statement to the notice sent to the members for convening such meeting shall provide all requisite details as may be material for the members to consider whilst voting on the Scheme and shall enclose the joint valuation report obtained from BSR and Associates and Price Waterhouse & Co., fairness opinion obtained from Axis Capital Limited, the Complaints Report and the observation letters received from the Stock Exchanges as prescribed under the SEBI Circular.

22. *Accounting Treatment*

(a) The Amalgamated Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Amalgamating Company) and liabilities of the Amalgamating Company vested in it pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the Companies Accounting Standards Rules, 2006, as amended. Equity shares of the Amalgamated Company held by Amalgamating Company shall not be recorded by the Amalgamated Company as assets and shall be cancelled pursuant to Clause 19 of the Scheme.

(b) The Amalgamated Company shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the Equity Shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares.

(c) Investment in the share capital of the Amalgamating Company held by the Amalgamated Company shall stand cancelled.

(d) To the extent that there are inter-company loans, advances, deposits, balances, unpaid dividend or other obligations as between the Amalgamating Company and the Amalgamated

Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Amalgamated Company as well as Amalgamating Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.

(e) Excess, if any, of the consideration, viz., fair value of new shares issued and cost of shares in Amalgamating Company cancelled, over the fair value of Net Assets (including identifiable intangible assets, if any) taken over and recorded and the face value of Amalgamated Company shares cancelled will be recognized as Goodwill in accordance with AS 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Amalgamated Company which shall be available for issuance of bonus shares. However, recognition for such intangible assets will be restricted to an amount that does not create or increase any Capital Reserve arising at the date of the amalgamation. Fair value of new shares issued to the shareholder of Amalgamating Company, shall be allocated to assets (including intangible assets, if any, whether or not recorded by Amalgamating Company) and liabilities taken over and recorded by Amalgamated Company on the basis of their fair values as on the Appointed Date based on the valuation undertaken by Independent Valuer.

(f) The Board of Directors may adopt any other accounting treatment for the amalgamation which is in accordance with Accounting Standards notified under the Companies Accounting Standards Rules, 2006, as amended.

23. *Conditions to effectiveness of the Scheme*

(a) The Scheme is conditional upon and subject to:

(i) the Scheme being approved by the requisite majority of the members and/or creditors of the Amalgamating Company as required under the Act and the requisite orders of the High Courts, or dispensation having been received from the High Courts in relation to obtaining such consent from the members and/or creditors;

(ii) the Scheme being approved by the requisite majority of the members and/or creditors of the Amalgamated Company as required under the Act, and the requisite orders of the High Courts, or dispensation having been received from the High Courts in relation to obtaining such consent from the creditors;

(iii) the Scheme being approved by the majority of public shareholders (members) of the Amalgamated Company (by way of voting through postal ballot and e-voting) as required under the SEBI Circular, i.e. the votes cast by public shareholders in favour of the resolution are more than the number of votes cast by public shareholders against it;

(iv) receipt of in-principle listing approval from the Stock Exchanges for equity shares of the Amalgamated Company issued in terms of this Scheme;

(v) receipt of approval from the Foreign Investment Promotion Board for the Amalgamated Company to acquire shares of the Amalgamating Company (if required);

(vi) receipt of such other approvals and sanctions and approvals including sanction of any Governmental Authority, lessor or contracting party as may be required by law or contract in respect of the Scheme;

(vii) the High Courts having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to both the Amalgamating Company and the Amalgamated Company; and

(viii) the certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Gujarat and the Registrar of Companies, New Delhi.

(b) The Amalgamated Company (through its Board of Directors) and the Amalgamating Company (through its Board of Directors) may waive compliance of any conditions precedent to the effectiveness of this Scheme (as set out in Clause 23), as are capable of being waived, only if, and to the extent, required by the other Party. Any such waiver shall be binding on the Parties.

(c) In case any of the conditions in the Scheme are not satisfied or waived, then the Amalgamating Company and/or the Amalgamated Company shall be at liberty to withdraw the Scheme.

24. *Approvals and Consents*

(a) On the approval of the Scheme by the members of the Amalgamating Company and the Amalgamated Company, if required, in accordance with Section 391(1) of the Act, the members of these companies shall be deemed to have also resolved and accorded all relevant consents under the Act to the same extent the same may be considered applicable in relation to the amalgamation set out in this Scheme and related matters.

(b) It is clarified that notwithstanding the approval of the Scheme by the members of the Amalgamating Company and the Amalgamated Company in accordance with Section 391(1) of the Act, the Amalgamated Company shall, in terms of the SEBI Circular, require the Scheme to be approved by majority of the public shareholders (members) of the Amalgamated Company.

25. *Dividend*

(a) The Amalgamated Company and the Amalgamating Company shall be entitled to declare and pay dividends, whether interim or final, to their members in respect of the accounting period prior to the Effective Date.

(b) The holders of the shares of the Amalgamated Company and the Amalgamating Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

(c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Amalgamating Company and/or the Amalgamated Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Amalgamated Company and/or the Board of Directors of the Amalgamating Company, and subject to the approval, if required, of the members of the Amalgamating Company and the Amalgamated Company respectively.

26 *Applications*

(a) The Amalgamating Company and the Amalgamated Company shall make necessary applications before the High Courts for the sanction of this Scheme under Sections 391 to 394, Section 100 and other applicable provisions of the Act.

(b) The Amalgamated 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 Amalgamated Company may require to carry on the business of the Amalgamating Company.

27. *Modifications to the Scheme, Withdrawal of the Scheme and Other Matters*

The Amalgamating Company (by its Board of Directors) and the Amalgamated Company (by its Board of Directors), may, in their full and absolute discretion, jointly and as mutually agreed in writing:

(a) assent to any alteration(s) or modification(s) to this Scheme which a High Court and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to the International Financial Reporting Standards being made applicable to the Companies or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;

(b) give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law and subject to requisite approval of the High Courts);

(c) withdraw this Scheme prior to the Effective Date in any manner and at any time; or

(d) determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Amalgamating Company or not, on the basis of any evidence that they may deem relevant for this purpose.

28. *When the Scheme comes into operation*

The Scheme set out herein shall be effective from the Appointed Date but shall be operative from the Effective Date.

(a) The Scheme set out herein shall be effective from the Appointed Date but shall be operative from the Effective Date.

(b) With effect from the Effective Date, the Amalgamated Company shall carry on and shall be authorized to carry on the businesses of the Amalgamating Company. For the purposes of giving effect to the order of the High Courts under Section(s) 391 to 394, Section 100 and other applicable provisions of the Act, approving the Scheme, the Amalgamated Company shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Amalgamating Company in accordance with the provisions of the Section(s) 391 to 394 of the Act. The Amalgamated Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

(c) The Amalgamated Company shall be entitled to, amongst other, file/ or revise its income tax returns, TDS returns, wealth tax returns and other statutory returns, if required, credit for advance tax paid, tax deducted at source, claim for sum prescribed under Section

43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Amalgamated Company previously disallowed in the hands of Amalgamating Company under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Amalgamating Company as may be required consequent to implementation of this Scheme. Likewise the Amalgamated Company shall be entitled to file/ or revise its income tax returns, TDS returns, wealth tax returns and other statutory returns as may be required under the respective statute.

29. *Severability*

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 Amalgamating Company and the Amalgamated Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

30. *Costs*

Subject to the provisions of Clause 31 of the Scheme, all costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Amalgamating Company and the Amalgamated Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Amalgamating Company with the Amalgamated Company in pursuance of the Scheme shall be borne and paid by the Amalgamated Company.

31. *Long Stop*

In the event that this Scheme fails to take effect within such period or periods as may be decided by the Amalgamating Company and the Amalgamated Company, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter se between the parties or their members or creditors or employees or any other person. In such case, each of the Amalgamating Company and the Amalgamated Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
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EXPERIENCE THE NEW

Ref: DCS/AMAL/RT/24(f)/248/2013-14 September 17, 2013

The Company Secretary
Ambuja Cements Limited.
P. O. Ambujanagar,
Taluka Kodinar, Junagadh ,
Gujarat 362715

Dear Sir;

Sub: Observation letter regarding the Scheme of Amalgamation of Holcim (India) Private Limited with the company.

We refer to your draft Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 involving Scheme of Amalgamation of Holcim (India) Private Limited with the company.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

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 the e-mail dated September 16, 2013 has given the following comment(s) on the draft scheme of arrangement:

a) *" amalgamation of HIPL into ACL is a two part transaction, the first part is payment of cash consideration of Rs.3500 crores approximately (page 7 of the draft scheme of arrangement) through agreement dated July 31, 2013 and the second part is through the draft scheme of arrangement. Further, the agreement dated July31, 2013 shall not be acted upon unless the draft Scheme of Arrrangement is approved as is evident from the terms of clause 5 of the said agreement and submitted by the company vide letter dated August 30, 2013 forwarded by NSE vide letter dated September 02, 2013.*

b) *"the company shall duly comply with various provisions of the Circular." .*

c) *"In the interest of the minority shareholders and investors at large , the agreement dated july31, 2013(as mentioned in page 7 of the draft scheme of arrangement), has been treated as a part of the draft scheme of arrangement for the purpose of compliance with SEBI Circular CIR/CFD/DIL/5/2013 dated February 4, 2013 and clarificatory Circular CIR/CFD/DIL/8/2013 dated May 21, 2013.Accordingly, Para 7 of circular dated May 21, 2013 shall also be complied with separately for the said agreement dated July 31, 2013 and the draft scheme of Arrangement.*

d) *"the company shall duly comply with all the requirements as per Part A, Annexure I of the Circular CIR/CFD/DIL/5/2013 dated February 4, 2013 and clarificatory Circular CIR/CFD/DIL/8/2013 dated May 21, 2013.*

e) *"the Company is advised that all the information submitted by it including summary workings to the valuation report are disseminated from the date of this letter on the website of the company along with various documents submitted pursuant to the circular.*

f) "the company shall bring the above comments to the notice of the Hon'ble court appropriately.

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

The Exchange reserves its right to withdraw its No-objection/approval 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.

Yours faithfully,

Jayesh Ashtekar
Manager

Bhuvana Sriram
Deputy Manager

Annexure IV

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

September 17, 2013

Ref: NSE/LIST/216257-C

The Company Secretary
Ambuja Cements Limited
Elegant Business Park
D Block, MIDC Cross Road 'B'
Andheri Kurla Road,
Andheri (East)
Mumbai - 400 059.

Kind Attn.: Mr. Rajiv Gandhi

Dear Sir,

Sub.: Observation letter for Scheme of Amalgamation under sections 391 to 394 read with section 100 and other applicable provisions of the Companies Act 1956 amongst Holcim (India) Private Limited and Ambuja Cements Limited and their respective shareholders and creditors.

We are in receipt of the draft Scheme of Amalgamation under sections 391 to 394 read with section 100 and other applicable provisions of the Companies Act 1956 amongst Holcim (India) Private Limited and Ambuja Cements Limited and their respective shareholders and creditors.

We have perused the draft Scheme of Amalgamation and the related documents/details submitted by Ambuja Cements Limited including the confirmation of the Company Secretary that the Scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of Securities Laws or the Stock Exchange requirements.

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 vide its letter dated September 16, 2013 has given following comments on the draft scheme of amalgamation:

a) In the interest of minority shareholders and the investors at large, the agreement dated July 31, 2013 (as mentioned in Page 7 of draft Scheme of Arrangement), has been treated **"as a part of draft Scheme of Arrangement"** for the purpose of compliance with SEBI Circular CIR/CFD/DIL/5/2013 dated February 4, 2013 and clarificartory Circular CIR/CFD/DIL/8/2013 dated May 21, 2013. Accordingly, Para 7 of Circular dated May 21, 2013 shall also be complied with **separately** for the said agreement dated July 31, 2013 and the draft Scheme of Arrangement.

b) The company would be required to comply with all requirements as per Part A, Annexure I of the Circular CIR/CFD/DIL/5/2013 dated February 4, 2013 and clarificatory Circular CIR/CFD/DIL/8/2013 dated May 21, 2013.

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

c) The information submitted vide various letters from ACL including summary workings to valuation report are disseminated from the date of this letter on the website of the listed company along with various documents submitted pursuant to the Circular.

d) To ensure that the above comments are brought to the notice of Hon'ble Court appropriately.

Accordingly, we do 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 Company to file the Scheme with the Hon'ble High Court.

However, the Exchange reserves its right to withdraw this No-objection approval 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.

Yours faithfully,
For National Stock Exchange of India Limited

Patel K.M.

Kamlesh Patel
Manager

Annexure II

Ref:

Ambuja Cement

23rd August, 2013

To,

1.	**National Stock Exchange of India Ltd.** Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra – Kurla Complex Bandra (East) Mumbai – 400 051 **NSE Scrip Code: AMBUJACEM**	2.	**BSE Limited** Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street Fort Mumbai – 400 001 **BSE Scrip Code: 500425**

Dear Sir,

Re: Scheme of Amalgamation between Holcim (India) Private Limited, Ambuja Cements Limited and their respective shareholders and creditors under Sections 391 to 394, read with Section 100 and other applicable provisions of the Companies Act, 1956

&

Re: Our application under Clause 24(f) of the Equity Listing Agreement dated August 1, 2013

&

Re: Securities and Exchange Board of India circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 ("SEBI Feb 4 Circular") read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013

&

Re: Complaints Report

We refer to our letter dated August 1, 2013, submitting our application under Clause 24(f) of the equity listing agreement.

1. In accordance with Clause 5.15 of the SEBI Circular dated February 4, 2013, we hereby confirm that we have not received any complaints (either at our Registered Office or our Corporate Office or through e-mail). We further hereby confirm that our Registrar and Transfer Agent, Sharepro Services (India) Pvt. Ltd., has also not received any complaints in this regard.

2. We further confirm that we have not been forwarded any complaints by the National Stock Exchange of India Limited, BSE Limited or the Securities and Exchange Board of India in this regard.

3. We are hereby enclosing the complaints report indicating NIL complaints received on the draft scheme submitted with the application referred to at paragraph 1 above.

4. The complaints report will also be uploaded on the website of the Company, at https://www.ambujacement.com/scheme_amalgamation.php, as required under Clause 5.11 of the above mentioned SEBI Circular.

Thanking you,

Yours faithfully,

For **AMBUJA CEMENTS LIMITED**

Rajiv M. Gandhi

Rajiv Gandhi
Company Secretary and Compliance Officer

AMBUJA CEMENTS LTD

Encl.: a/a

Ambuja Cement

Complaints Report

(From August 1, 2013 to August 22, 2013)

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock exchanges	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/ pending)
1.	NIL	Not Applicable	Not Applicable
2.	NIL	Not Applicable	Not Applicable
3.	NIL	Not Applicable	Not Applicable

Thanking you.

Yours faithfully,

For **AMBUJA CEMENTS LIMITED**

Rajiv H. Gandhi

AMBUJA CEMENTS LTD

Rajiv Gandhi
Company Secretary and Compliance Officer

AMBUJA CEMENTS LIMITED
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