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NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD

CP (CAA) 32/NCLT/AHM/2017
In CA(CAA) No. 2/NCLT/AHM/2017


Coram: Present: Hon'ble Mr. BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD
BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 01.06.2017

Name of the Company: Grasim Industries Ltd.

Section of the Companies Act: Section 230-232 of the Companies Act, 2013


S.NO. NAME (CAPITAL LETTERS) DESIGNATION REPRESENTATION SIGNATURE

1. Pranjat Buch Advocate Petitioner 
for Singhi & Co.
2.

ORDER

Learned Advocate Mr. Pranjat Buch present for Petitioner.

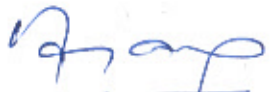
Common Order pronounced in open Court. Vide separate sheet.


BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Dated this the 1st day of June, 2017.

TRUE COPY




06/06/17
Asstt. Registrar
NCLT Ahmedabad Bench
Ahmedabad

**NATIONAL COMPANY LAW TRIBUNAL,
AHMEDABAD BENCH
AHMEDABAD**

CP (CAA) No. 31/NCLT/AHM/2017
IN
CA (CAA) No. 1/NCLT/AHM/2017
WITH
CP (CAA) No. 32/NCLT/AHM/2017
IN
CA (CAA) No. 2/NCLT/AHM/2017
WITH
CP (CAA) No. 33/NCLT/AHM/2017
IN
CA (CAA) No. 3/NCLT/AHM/2017

CORAM: SRI BIKKI RAVEENDRA BABU, MEMBER JUDICIAL
(Date: 1st day of June, 2017)

In the matter of: -

1. Aditya Birla Nuvo Limited,
a company incorporated under
the provisions of the
Companies Act, 1956 and
having its registered office at
Indian Rayon Compound,
Veraval, Gujarat- 362 266.

... Petitioner Company
(Transferor Company)
2. Grasim Industries Limited,
a company incorporated
under the provisions of the
Gwalior Companies Act, (1 of
Samvat 1963) and having its
registered office at Birlagram,
Nagda, District Ujjain,
Madhya Pradesh- 456 331.

... Petitioner Company
(Demerged Company)
3. Aditya Birla Financial
Services Limited,
a company incorporated
under the provisions of the
Companies Act, 1956 and
having its registered office at
Indian Rayon Compound,
Veraval, Gujarat- 362 266.

... Petitioner Company
(Resulting Company)

Appearance:



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1. Mr. Mihir Joshi, Senior Advocate, Mr. Sandeep Singhi and Mr. Pranjal Buch, advocates, for M/s. Singhi & Co., Advocates, for the Petitioner Companies.
2. Mr. Pratik Acharya, Advocate, for the Official Liquidator, Gujarat High Court, in all the matters.

COMMON FINAL ORDER

(Date:01.06.2017)

1. Heard Mr. Mihir Joshi, Senior Advocate on behalf of the Petitioner Companies and learned Advocate, Mr. Pathik Acharya, appearing for the Official Liquidator.
2. These are the petitions filed by the three Petitioner Companies for sanctioning of the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited, Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors (Scheme).
3. The Petitioner of the CP (CAA) No. 31/NCLT/AHM/2017, i.e., Aditya Birla Nuvo Limited, had filed an application before this Tribunal being CA(CAA) No. 1/NCLT/AHM/2017 for the requisite directions for holding and convening separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors (including debenture holders) of the said Company. This Tribunal vide its order dated 6.2.2017, inter alia, directed convening and holding of the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors (including debenture holders) of the said Company.
4. The Petitioner of the CP (CAA) No. 32/NCLT/AHM/2017, i.e., Grasim Industries Limited, had filed an application



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before this Tribunal being CA(CAA) 2/NCLT/AHM/2017 for the requisite directions for holding and convening separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the said Company. This Tribunal vide its order dated 6.2.2017 and as rectified vide order dated 14.2.2017, inter alia, directed convening and holding of the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the said Company.

5. The Petitioner of the CP (CAA) No. 33/NCLT/AHM/2017, i.e., Aditya Birla Financial Services Limited, had filed an application before this Tribunal being CA(CAA) 3/NCLT/AHM/2017 for dispensing with the convening and holding of the meetings of the Equity Shareholders and Preference Shareholders of the Petitioner Company. This Tribunal vide its order dated 6.2.2017 and as rectified by order dated 14.2.2017, inter alia, directed convening and holding of the meetings of the Equity Shareholders and Preference Shareholders of the said Company.

6. The Petitioner of CP (CAA) No. 33/NCLT/AHM/2017 after passing of the order dated 6.2.2017 and as rectified by order dated 14.2.2017, filed an application being IA 34 of 2017 in CA (CAA) No. 3/NCLT/AHM/2017 (IA 34 of 2017), inter alia, invoking the inherent powers of this Tribunal under rule 11 of the National Company Law Tribunal, Rules, 2016 and sought modification of the order dated 6.2.2017, inter alia, on the ground that (i) 30,70,00,000 – 0.01% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- each (CCPS) were converted to equity shares of the face value of Rs. 10/- each on 16.2.2017; (ii) 1,47,11,10,000 – 6% Non-Convertible Non-



Cumulative Redeemable Preference Shares of Rs. 10/- each (NCNCRPS) were redeemed on 2.3.2017. It was further contended that as before the cut-off date i.e. 4.3.2017, there were no preference shareholders, the question of convening of the meeting of the erstwhile preference shareholders of Aditya Birla Financial Services Limited did not arise.

7. This Tribunal passed an order dated 16.3.2017 in the said IA 34 of 2017, inter alia, observing that the said aspect of change of shareholding pattern can be brought on record by Aditya Birla Financial Services Limited at the time of filing of the petition or by the Chairman appointed for the said meetings while filing the Chairman's report and, accordingly, disposed of the said IA No. 34 of 2017.
8. Notice of meetings was sent individually to the Equity Shareholders, Secured Creditors and Unsecured Creditors (including debenture holders) of the Petitioner Company of CP (CAA) No. 31/NCLT/AHM/2017, i.e., Aditya Birla Nuvo Limited, pursuant to the order dated 6.2.2017, together with a copy of the Scheme, a copy of the Explanatory Statement required to be furnished under Section 230-232 read with Section 102 of the Companies Act, 2013 and the prescribed Form of Proxy, amongst others to the Equity Shareholders as on 4.3.2017 and to the Secured Creditors and Unsecured Creditors (including debenture holders) as on 31.1.2017, respectively, being the cut-off dates for the purpose of sending the aforesaid notices. The notice of meetings was also advertised as directed by this Tribunal vide its order dated 6.2.2017 in English daily, "Indian Express", all Editions and Gujarati daily, "Sandesh",



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Rajkot Edition on 8.3.2017. Mr. S.C. Bhargava, the Chairman of the meetings has already filed the requisite affidavit dated 28.3.2017 in respect of service of notices and appearance of advertisements of the said notice amongst others. The arrangement embodied in the Scheme was approved by more than the requisite statutory majority by the Equity Shareholders (which includes Public Shareholders) either in person or by proxy or, through postal ballot, e-voting and through voting at the venue; by requisite statutory majority by the public shareholders in accordance with the SEBI Circular dated 30.11.2015 and unanimously by the Secured Creditors and Unsecured Creditors (including debenture holders) of the said Company at the meetings held on 10.4.2017. The Chairman's report dated 12.4.2017 has also been filed before this Tribunal along with the CP (CAA) No. 31/NCLT/AHM/2017.

9. Notice of meetings was sent individually to the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Petitioner of CP (CAA) No. 32/NCLT/AHM/2017, i.e., Grasim Industries Limited, pursuant to the order dated 6.2.2017 and as rectified by order dated 14.2.2017, together with a copy of the Scheme, a copy of the Explanatory Statement required to be furnished under Section 230-232 read with Section 102 of the Companies Act, 2013 and the prescribed Form of Proxy, amongst others to the Equity Shareholders as on 28.2.2017 and to the Secured Creditors and Unsecured Creditors as on 31.1.2017, respectively, being the cut-off dates for the purpose of sending the aforesaid notices. The notice of meetings was also advertised as directed by this Tribunal



vide its order dated 6.2.2017 and as rectified by order dated 14.2.2017 in English daily, "Indian Express", all Editions and Hindi daily, "Nai Dunia", Indore Edition on 4.3.2017. Mr. Shailendra K. Jain, the Chairman of the meetings has already filed the requisite affidavit dated 29.3.2017 in respect of service of notices and appearance of advertisements of the said notice amongst others. The arrangement embodied in the Scheme was approved by more than the requisite statutory majority by the Equity Shareholders (which includes Public Shareholders) either in person or by proxy, through postal ballot, e-voting and through voting at the venue; by requisite statutory majority by the public shareholders in accordance with the SEBI Circular dated 30.11.2015 and unanimously by the Secured Creditors and Unsecured Creditors of the said Company at the meetings held on 6.4.2017. The Chairman's report dated 10.4.2017 has also been filed before this Tribunal along with the CP (CAA) No. 32/NCLT/AHM/2017.

10. Notice of meeting was sent individually to the Equity Shareholders of the Petitioner of CP (CAA) No. 33//NCLT/AHM/2017, i.e., Aditya Birla Financial Services Limited, pursuant to the order dated 6.2.2017 as rectified by order dated 14.2.2017 and order dated 16.3.2017 passed in IA 34 of 2017, together with a copy of the Scheme, a copy of the Explanatory Statement required to be furnished under Section 230-232 read with Section 102 of the Companies Act, 2013 and the prescribed Form of Proxy, amongst others to the Equity Shareholders as on 4.3.2017, being the cut-off date for the purpose of sending the aforesaid notices. The notice of meeting was also



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advertised as directed by this Tribunal in English daily, "Indian Express", all Editions and Gujarati daily, "Sandesh", Rajkot Edition on 8.3.2017. Mr. S.C. Bhargava, the Chairman of the meeting of the equity shareholders has already filed the requisite affidavit dated 28.3.2017 in respect of service of notice and appearance of advertisements of the said notice amongst others. The arrangement embodied in the Scheme was approved unanimously by the Equity Shareholders of the said Company at the meeting held on 10.4.2017. The Chairman's report dated 12.4.2017 has also been filed before this Tribunal along with the CP (CAA) No. 33/NCLT/AHM/2017.

11. The Petitioner Companies thereafter filed the present petitions seeking sanction of the Scheme.
12. The Petitioner in CP (CAA) No. 33/NCLT/AHM/2017, i.e. Aditya Birla Financial Services Limited, filed an affidavit dated 27.4.2017, inter alia, stating that the change in shareholding pattern of Aditya Birla Financial Services Limited has not changed the voting rights of Aditya Birla Nuvo Limited in Aditya Birla Financial Services Limited, so as to in any manner impact the results of the voting and that the equity shareholders of Aditya Financial Services Limited, namely, Aditya Birla Nuvo Limited and its nominees, have approved and agreed to the resolution approving the Scheme unanimously.
13. This Tribunal by its orders dated 4.5.2017 passed in CP (CAA) No. 31/NCLT/AHM/2017 to CP (CAA) No. 33/NCLT/AHM/2017, admitted the aforesaid Company



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Petitions, while observing that the aspect of change in shareholding pattern of Aditya Birla Financial Services Limited will be considered at the stage of final hearing after hearing statutory authorities and objection from public, if any. This Tribunal further directed issuance of notice of hearing of petition to (i) the Regional Director and (ii) Registrar of Companies, Gujarat/Madhya Pradesh. This Tribunal further directed issuance of notice of hearing of petition to Mr. Mukesh Mohan Chandiramani (holding 8 equity shares in Aditya Birla Nuvo Limited as on 4.3.2017 and 15 equity shares in Grasim Industries Limited as on 28.2.2017, respectively) in CP (CAA) No. 31/NCLT/AHM/2017 and in CP (CAA) No. 32/NCLT/AHM/2017. This Tribunal also directed publication of notice of hearing of the petitions in English daily, "Indian Express", All Editions and in Gujarati daily, "Sandesh", Rajkot Edition in respect of CP (CAA) No. 31/NCLT/AHM/2017 and CP (CAA) No. 33/NCLT/AHM/2017 and in English daily, "Indian Express", All Editions and in Hindi daily, "Nai Dunia", Indore Edition in respect of CP (CAA) No. 32/NCLT/AHM/2017.

14. Pursuant to the order dated 4.5.2017 passed by this Tribunal, the Petitioners of CP (CAA) No. 31/NCLT/AHM/2017 and CP (CAA) No. 33/NCLT/AHM/2017 have published the notices of hearing of the petitions in English daily, "Indian Express", All Editions and in Gujarati daily, "Sandesh", Rajkot Edition on 6.5.2017. Further, the Petitioner of CP (CAA) No. 32/NCLT/AHM/2017 has also published the notice of hearing of the petition in English daily, "Indian Express",



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All Editions and in Hindi daily, "Nai Dunia", Indore Edition on 6.5.2017. The affidavits of service, on behalf of Aditya Birla Nuvo Limited and Aditya Birla Financial Services Limited, both dated 9.5.2017 and of Grasim Industries Limited dated 10.5.2017, have been filed confirming the publication of the notices in the newspapers as directed and also the notices of hearing of the petitions being served upon the concerned statutory authorities and the proof of notices being served upon Mr. Mukesh Mohan Chandiramani in CP (CAA) No. 31/NCLT/AHM/2017 and in CP (CAA) No. 32/NCLT/AHM/2017.

15. In response to the notice to the Regional Director, Ministry of Corporate Affairs, the Regional Director has filed common representation dated 30.3.2017. In paragraph 2 (b) of the said common representation it is mentioned by the Regional Director that Aditya Birla Nuvo Limited and Grasim Industries Limited should comply with of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30.11.2015. In paragraph 2 (c) of the said common representation it is mentioned by the Regional Director that this Tribunal be pleased to direct Grasim Industries Limited to ensure about the compliances of FEMA and RBI guidelines.

16. Learned Senior Advocate, Mr. Joshi, stated that one of the Petitioner Companies, namely Aditya Birla Nuvo Limited, has filed necessary affidavit in reply dated 13.4.2017 to the common representation dated 30.3.2017 filed by the Regional Director. The Petitioner Company, i.e. Aditya Birla Nuvo Limited in paragraph 3 of its reply has, inter alia, stated that the Petitioner Company and Grasim



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Industries Limited have complied with the said SEBI Circular. In light of the aforesaid, this Tribunal is of the view that the observations of the Regional Director at paragraph 2(b) of the common representation stand satisfied.

17. In respect of the observations made by the Regional Director at paragraph 2(c) of the common representation, the Petitioner Company in paragraph 4 of its reply has, inter alia, stated that under the Scheme, the Petitioner Company is not required to obtain any prior permission of FEMA or RBI for allotting shares in terms of the Scheme, to its foreign shareholders. It is further stated that the Petitioner Company shall obtain the necessary approval from RBI, as may be required under the law and as envisaged in the Scheme. It is further stated that the Petitioner Company had also sent a notice under Section 230(5) of the Companies Act, 2013 to RBI to which the Petitioner Company has not received any representation from RBI. In light of the same, the observations of the Regional Director at paragraph 2(c) of the common affidavit stand answered.

18. In response to the notice to the Official Liquidator in the aforesaid Petitions, the Official Liquidator, Madhya Pradesh has filed his representation dated 31.3.2017 in CP(CAA) No. 32//NCLT/AHM/2017 to which Grasim Industries Limited has filed its affidavit dated 13.4.2017.

19. In respect of the observations made by the Official Liquidator, Madhya Pradesh in paragraph 15 of the representation, in paragraph 3 of the reply, it is stated that the Scheme is, inter alia, in compliance with Section 2(1B)



of the Income Tax Act, 1961 and it was further stated that Grasim Industries Limited undertakes to discharge the Income Tax/Service Tax and other taxes, if any, in accordance with the law, after implementation of the Scheme.

20. In respect of the observations made by the official Liquidator, Madhya Pradesh in paragraph 16 of the representation, in paragraph 4 of the reply, it is stated that Grasim Industries Limited shall preserve its books of accounts, papers and records and the same shall not be disposed of without prior permission of the Central Government.
21. In respect of the observations made by the official Liquidator, Madhya Pradesh in paragraph 17 of the representation, in paragraph 5 of the reply, it is stated that Grasim Industries Limited has already produced a copy of the certificate of the Statutory Auditor of Grasim Industries Limited, as Annexure "Z" in CA (CAA) No. 2/NCLT/AHM/2017, inter alia, stating that the accounting treatment proposed in the Scheme is in compliance with the provisions of the Section 133 of the Companies Act, 2013.
22. In respect of the observations made in paragraph 19 of the representation, it is submitted in paragraph 7 of the reply that the Scheme nowhere prescribes with regard to absolving the statutory liability of Grasim Industries Limited.
23. In response to the notice to the Official Liquidator in the aforesaid Petitions, the Official Liquidator, Gujarat has



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filed his representation dated 4.4.2017 in CP (CAA) No. 31 of 2017, to which Aditya Birla Nuvo Limited has filed its affidavit dated 20.4.2017.

24. In respect of the observations made by the Official Liquidator, Gujarat, in paragraph 14 of the representation, in paragraph 3 of the reply, it is stated that the Chairman appointed for the meetings, which were convened on 10.4.2017, has already filed his affidavit of service on 28.3.2017 in CA (CAA) No. 1 of 2017 before this Tribunal. It is further stated that the Chairman has also filed his report dated 12.4.2017 in CA (CAA) No. 1 of 2017, declaring the results of the meetings convened on 10.4.2017.

25. In respect of the observations made by the official Liquidator, Gujarat in paragraph 16 of the representation, in paragraph 5 of the reply it is stated that Grasim Industries Limited shall preserve the books of accounts, papers and records of Aditya Birla Nuvo Limited and shall not be disposed of without the prior permission of the Central Government.

26. In respect of the observations made at paragraph 18 of the representation, it is submitted in paragraph 7 of the reply that the Scheme nowhere prescribes with regard to absolving the statutory liability of Aditya Birla Nuvo Limited.

27. In respect of the observations made at paragraph 20 of the representation, it is submitted in paragraph 9 of the reply that Aditya Birla Nuvo Limited shall file necessary



form with the concerned Registrar of Companies, once the order sanctioning the Scheme is passed by this Tribunal.

28. In response to the notice to the Official Liquidator in the aforesaid Petitions, the Official Liquidator, Gujarat, has filed his representation dated 4.4.2017 in CP (CAA) No. 33/NCLT/ AHM/2017 to which Aditya Birla Financial Services Limited has filed its affidavit dated 20.4.2017.

29. In respect of the observations made by the Official Liquidator, Gujarat in paragraph 14 of the representation, in paragraph 3 of the reply, it is stated that the Chairman appointed for the meetings, which were convened on 10.4.2017, has already filed his affidavit of service on 28.3.2017 in CA (CAA) No. 3 of 2017 before this Tribunal. It is further stated that the Chairman has also filed his report dated 12.4.2017 in CA (CAA) No. 3 of 2017, declaring the results of the meeting convened on 10.4.2017.

30. In respect of the observations made by the official Liquidator, Gujarat, in paragraph 15 of the representation, in paragraph 4 of the reply, it is stated that Aditya Birla Financial Services Limited shall preserve its books of accounts, papers and records and shall not be disposed of without the prior permission of the Central Government.

31. In respect of the observations made by the official Liquidator, Gujarat, in paragraph 16 of the representation, in paragraph 5 of the reply, it is stated that the provisions of Section 232(7) of the Companies Act, 2013 nowhere contemplates filing of certain documents before the



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sanction of the Scheme. However, Aditya Birla Financial Services Limited shall file necessary forms with the concerned Registrar of Companies after the Scheme is sanctioned by this Tribunal.

32. In respect of the observations made at paragraph 18 of the representation, it is submitted in paragraph 7 of the reply that the Scheme nowhere prescribes with regard to absolving the statutory liability of Aditya Birla Financial Services Limited.
33. Pursuant to the Notice under Section 230(5) of the Companies Act, 2013, Reserve Bank of India has addressed a letter to Grasim Industries Limited, inter alia, giving their No-objection" to the Scheme.
34. Pursuant to the notice of hearing issued to Mr. Mukesh Mohan Chandiramani in CP (CAA) Nos. 31 and 32 of 2017, the said person did not appear before this Tribunal and, therefore, the contents his letters dated 28.3.2017 and 27.3.2017 in CP (CAA) No. 31 of 2017 and in CP (CAA) No. 32 of 2017, respectively, need not be looked into for the purpose of sanctioning the Scheme.
35. This Tribunal, while admitting the CP(CAA) No.33 of 2017 filed by Aditya Birla Financial Services Limited (ABFSL), observed that whether non-convening of meeting of preference shareholders by ABFSL, as directed by this Tribunal in CA(CAA) No.3 of 2017, would have any effect on the implementation of the Scheme or not could be considered at the stage of final disposal of the petition. In this connection, an affidavit of the Company Secretary of



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the petitioner-company is filed. A perusal of the said affidavit shows that ABFSL is a wholly owned subsidiary of Aditya Birla Nuvo Limited (ABNL). It is stated in the affidavit that, as envisaged in the Scheme and with a view to ensure simple capital structure, ABFSL, before the cut-off date of 4th March, 2017, (a) converted the CCPS held by ABNL into equity shares on 16th February, 2017; (b) redeemed the NCNCRPS held by ABNL on 2nd March, 2017; and (c) made a rights issue of its equity shares on 16th February, 2017. It is also stated in the affidavit that, ABNL Investment Limited, a wholly owned subsidiary of ABNL, transferred its equity shares held by it in ABFSL to ABNL on 6th February, 2017. Since ABFSL is a wholly owned subsidiary of ABNL, even the conversion of preference shares into equity shares did not make any change insofar as the result of the meeting of equity shareholders of ABFSL. Similarly, the redemption of NCNCRPS held by ABNL also may not have any effect on the Scheme and it has nothing to do with the result of the meeting. Coming to the rights issue by ABFSL it is contemplated in the Scheme in clause 20.13, it is stated by the learned counsel for the petitioners that Article 14(1) of the Articles of Association of ABFSL empowers the Board or the Company to issue rights shares. It is also stated by the petitioner-company that in the Board meeting held on 11th August, 2016, it was decided to issue rights shares to the existing shareholders of ABNL, the holding company of ABFSL. The said rights issue was there in the draft scheme approved by the Board. It is stated that all necessary formalities in regard to issuance of rights shares have been complied by the petitioner-company. Therefore, this Tribunal is of the view that the



above said aspects would not come in the way of sanctioning of the Scheme.

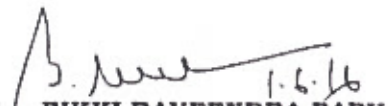
36. Considering the entire facts and circumstances of the case and on perusal of the Scheme and the proceedings, it appears that the requirements of the provisions of sections 230-232 of the Companies Act, 2013 are satisfied. The Scheme is genuine and *bona fide* and in the interest of the shareholders and creditors. I, therefore, accordingly allow the Company Petitions and approve the Scheme. The Scheme, which is at "Annexure J" to the respective Company Petitions, is hereby sanctioned and it is declared that the same shall be binding on Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders, creditors and all persons concerned under the Scheme. It is hereby directed that Aditya Birla Nuvo Limited, on Effective Date 1 shall stand dissolved without winding up. Prayers made in the respective Company Petitions are hereby granted.

37. The petitions are allowed accordingly. Fees of Official Liquidator, Gujarat, are quantified at Rs. 15,000/-, each in CP (CAA) No. 31/NCLT/AHM/2017 and in CP (CAA) No. 33/NCLT/AHM/2017. The said fees would be paid by Aditya Birla Nuvo Limited and Aditya Birla Financial Services Limited, respectively. Fees of Official Liquidator, Madhya Pradesh are quantified at Rs. 10,000/- in CP (CAA) No. 32/NCLT/ AHM/2017. The said fees would be paid by Grasim Industries Limited.



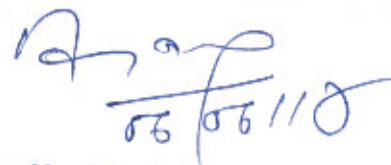
38. Filing and issuance of drawn up orders are dispensed with. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with the Scheme immediately.

39. These Company Petitions are disposed of accordingly.


BIKKI RAVEENDRA BABU
MEMBER JUDICIAL

Pronounced by me in open court
on this 1st day of June, 2017.

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Asstt. Registrar
NCLT Ahmedabad Bench
Ahmedabad



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7/6/17

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH, AT AHMEDABAD

CP (CAA) No. 31/NCLT/AHM/2017

CONNECTED WITH

CA (CAA) 1/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

In the matter of Aditya Birla Nuvo Limited;

And

In the matter of the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors;

Aditya Birla Nuvo Limited,
a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Indian Rayon Compound, Veraval, Gujarat- 362 266.

.... Petitioner Company

TRUE COPY

Asstt. Registrar
07/06/17

**Asstt. Registrar
NCLT Ahmedabad Bench
Ahmedabad**



**CERTIFIED TRUE COPY
FOR GRASIM INDUSTRIES LIMITED**

Hutokshi Wadia

**HUTOKSHI WADIA
COMPANY SECRETARY**

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH, AT AHMEDABAD

CP (CAA) No. 32/NCLT/AHM/2017

CONNECTED WITH

CA (CAA) 2/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

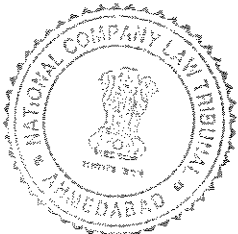
In the matter of Grasim Industries Limited;

And

In the matter of the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors;

Grasim Industries Limited,
a company incorporated under the provisions of the Gwalior Companies Act (1 of Samvat 1963) and having its registered office at Birlagram, Nagda, District Ujjain, Madhya Pradesh- 456 331.

.... **Petitioner Company**



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,

BENCH, AT AHMEDABAD

CP (CAA) No. 33/NCLT/AHM/2017

CONNECTED WITH

CA (CAA) 3/NCLT/AHM/2017

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 - 232 read with other relevant provisions of the Companies Act, 2013;

And

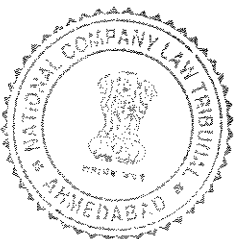
In the matter of Aditya Birla Financial Services Limited;

And

In the matter of the Composite Scheme of Arrangement between Aditya Birla Nuvo Limited and Grasim Industries Limited and Aditya Birla Financial Services Limited and their respective shareholders and creditors;

Aditya Birla Financial Services Limited,
a company incorporated under the
provisions of the Companies Act, 1956 and
having its registered office at Indian Rayon
Compound, Veraval, Gujarat- 362 266.

.... Petitioner Company



COMPOSITE SCHEME OF ARRANGEMENT

BETWEEN

ADITYA BIRLA NUVO LIMITED

AND

GRASIM INDUSTRIES LIMITED

AND

ADITYA BIRLA FINANCIAL SERVICES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)

A. PREAMBLE

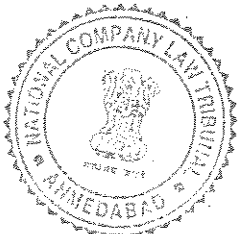
This composite scheme of arrangement (hereinafter referred to as the "Scheme"), *Inter alia*, provides for:

- (a) amalgamation of Aditya Birla Nuvo Limited with Grasim Industries Limited pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013 (to the extent notified and applicable); and
- (b) subject to satisfactory fulfillment of (i) above i.e., upon amalgamation of Aditya Birla Nuvo Limited with Grasim Industries Limited becoming effective, demerger of the financial services business of Grasim Industries Limited, the Demerged Undertaking (as defined hereinafter), and transfer of the same to Aditya Birla Financial Services Limited pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013 (to the extent notified and applicable).

B. DESCRIPTION OF THE TRANSFEROR COMPANY, THE TRANSFEREE COMPANY/ THE DEMERGED COMPANY AND THE RESULTING COMPANY

Aditya Birla Nuvo Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No.

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L17199GJ1956PLC001107 and having its registered office at Indian Rayon Compound, Veraval, Gujarat – 362 266 ("Transferor Company"). The Transferor Company is a diversified conglomerate with various business interests including manufacturing of fertilizers, viscose filament yarn, chemicals, insulators, textiles, etc., financial services and telecom. The equity shares of the Transferor Company are listed on BSE Limited and the National Stock Exchange of India Limited. The financial services business is a division of the Transferor Company which is engaged in the activity of fund based lending, making, holding and nurturing investments in financial services sector ("financial services business").

Grasim Industries Limited is a public company, limited by shares, incorporated under the provisions of Gwalior Companies Act (1 Samvat 1963) and now deemed to be incorporated under the Companies Act, 2013 under Corporate Identity No. L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda, District Ujjain, Madhya Pradesh – 456 331 ("Transferee Company" or "Demerged Company") and has business interests including manufacturing of viscose staple fibre, textiles, chemicals and cement. The equity shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited and the Demerged Company GDRs (as defined hereinafter) are listed on the Luxembourg Stock Exchange.

Aditya Birla Financial Services Limited is a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U67120GJ2007PLC058890 and having its registered office at Indian Rayon Compound, Veraval, Gujarat – 362 266 ("Resulting Company"). The Resulting Company is a systemically important non-deposit taking core investment company registered with the Reserve Bank of India and has business interests including that of non-banking financial institution, housing finance, asset management, brokerage, wealth advisory and health insurance. The entire share capital of the Resulting Company is directly and indirectly held by the Transferor Company.

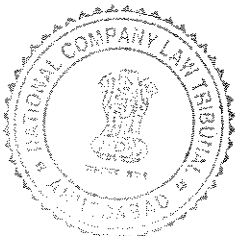
C. RATIONALE

- (a) The proposed restructuring will create a large and well diversified company, having a portfolio of leading manufacturing and services businesses with healthy mix of steady cash flows and long-term growth opportunities.
- (b) The Demerged Company will be participating in high growth financial services business and tap opportunities available in a low penetrated market with support from its strong balance sheet.
- (c) The proposed demerger of the financial services business to the Resulting Company will unlock value for the shareholders, attract investors and provide better flexibility in accessing capital.
- (d) It is believed that this Scheme will create enhanced value for shareholders and allow a focused growth strategy which would be in the best interests of all the stakeholders. The restructuring proposed by this Scheme will also provide flexibility to the investors to select investments which best suit their investment strategies and risk profile.

D. GENERAL

This Scheme is divided into the following parts:

- (a) Part I of the Scheme deals with definitions and interpretations, and sets out the share capital



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of the Transferor Company, the Transferee Company/ Demerged Company and the Resulting Company;

- (b) Part II of the Scheme deals with the amalgamation of the Transferor Company with the Transferee Company;
 - (c) Part III of the Scheme deals with the demerger of the Demerged Undertaking from the Demerged Company as a going concern and transfer to and vesting into the Resulting Company; and
 - (d) Part IV of the Scheme deals with the general terms and conditions applicable to the Scheme.
- E. In light of the foregoing and, subject to the approval of the Securities Exchange Board of India, to simultaneously achieve listing of the Resulting Company and procure compliance with the minimum public shareholding requirement under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Demerged Company and the Resulting Company propose that the Demerged Undertaking be transferred to and vested in the Resulting Company by way of demerger undertaken through this Scheme under the provisions of Sections 391 to 394 and other relevant provisions of the Act.
- F. The arrangement under this Scheme will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and /or the Companies Act, 2013 (to the extent notified and applicable). The amalgamation of the Transferor Company with the Transferee Company/ Demerged Company and demerger of the Demerged Undertaking shall be in compliance with the provisions of Section 2(1B) and Section 2(19AA) of the Income-tax Act, 1961, respectively.

PART I

1. DEFINITIONS AND INTERPRETATIONS

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

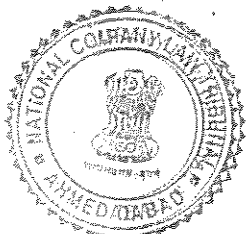
"ABNL ESOS 2006" means Employee Stock Options Scheme-2006, established as per the Employee Stock Option Scheme by the Transferor Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

"ABNL ESOS 2013" means Employee Stock Options Scheme-2013, established as per the Employee Stock Option Scheme, including restricted stock units granted to its employees, by the Transferor Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

"ABNL ESOPs" means ABNL ESOS 2006 and ABNL ESOS 2013, collectively.

"ABNL SARs" means stock appreciation rights granted by the Transferor Company.

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



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

"Appropriate Authority" means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Foreign Investment Promotion Board, Registrar of Companies, Competition Commission of India, National Company Law Tribunal, Insurance Regulatory and Development Authority of India, Reserve Bank of India and the High Courts.

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

"BSE" means the BSE Limited.

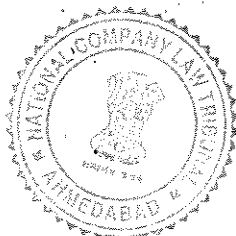
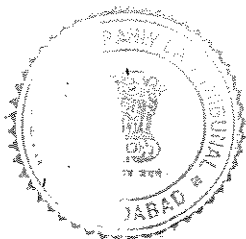
"BSL" means Birla Sun Life Insurance Company Limited, a public limited company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U99999MH2000PLC128110 and having its registered office at One Indiabulls Centre, Tower 1, 16th Floor, Jupiter Mill Compound, 841, S. B. Marg, Elphinstone Road, Mumbai, Maharashtra - 400 013.

"Demerged Company" or "Transferee Company" means Grasim Industries Limited, a public company, limited by shares, incorporated under the provisions of Gwalior Companies Act (I Samvat 1963) and now deemed to be incorporated under the Companies Act, 2013, under Corporate Identity No. L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda, District Ujjain, Madhya Pradesh - 456 331.

"Demerged Company GDRs" means global depository receipts issued by the Transferee Company/ Demerged Company pursuant to the issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (including any statutory modifications, re-enactment or amendments thereof for the time being in force) and other Applicable Laws, and where relevant shall include the underlying equity shares related thereto.

"Demerged Undertaking" shall mean the financial services business engaged in the activity of fund based lending, making, holding and nurturing investments in financial services sector together with all its undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wheresoever situated, of the Demerged Company, in relation to and pertaining to the financial services business, as on the Effective Date 2 (as defined hereinafter) and shall include (without limitation):

- a) all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, equity shares, preference shares and other securities of associate / subsidiary/ joint venture companies (excluding investment in equity and preference shares of the Resulting



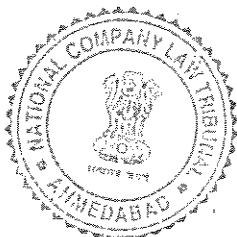
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Company), plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, freehold, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by Applicable Law, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to the financial services business;

- b) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company pertaining to the financial services business;
- c) all employees of the Demerged Company engaged in or in relation to the financial services business along with all benefits under employment including gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits of such employees;
- d) all the debts, liabilities, duties and obligations including contingent liabilities of the Demerged Company in relation to the financial services business; and
- e) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the financial services business of the Demerged Company.

"Effective Date 1" means opening of business hours of the business day from last of the dates on which the conditions specified in Clause 26.1 and Clause 26.3 are complied with. The Effective Date 1 shall be the appointed date for Part II of the Scheme.



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"Effective Date 2" means opening of business hours of the last of the dates on which the conditions specified in Clause 26.2 and Clause 26.3 are complied with or after two days of Effective Date 1, whichever is later. The Effective Date 2 shall be the appointed date for Part III of the Scheme.

"Employees" means all the employees of the Transferor Company, Transferee Company/ Demerged Company and/ or Resulting Company, as the case may be, as on the Effective Date 1 and/ or Effective Date 2, in relation to Part II and/ or Part III of this Scheme, respectively.

"Grasim ESOS 2006" means Employee Stock Options Scheme-2006, established as per the Employee Stock Option Scheme by the Transferee Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

"Grasim ESOS 2013" means Employee Stock Options Scheme-2013, including restricted stock units, established as per the Employee Stock Option Scheme by the Transferee Company under the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended.

"Grasim ESOPs" means Grasim ESOS 2006 and Grasim ESOS 2013, collectively.

"High Court" means the Hon'ble High Court of Gujarat at Ahmedabad, having jurisdiction in relation to the Transferor Company and the Resulting Company and the Hon'ble High Court of Madhya Pradesh, Bench at Indore, having jurisdiction in relation to the Transferee Company/ Demerged Company and "High Courts" shall mean both of them. In the event that the provisions of the Companies Act, 2013 pertaining to scheme(s) of arrangement(s) become applicable and effective for the purposes of this Scheme, all reference to the High Court(s) shall be deemed to include reference to the National Company Law Tribunal.

"LSE" means the Luxembourg Stock Exchange.

"NCDs" means the Non-Convertible Debentures issued by the Transferor Company.

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

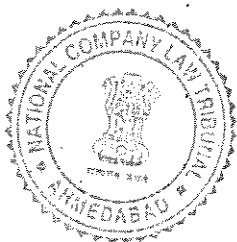
"Parties" means the Transferor Company, the Transferee Company/ Demerged Company and the Resulting Company, collectively, as the case may be.

"Party" means the Transferor Company, the Transferee Company/ Demerged Company or the Resulting Company, individually.

"Record Date 1" shall be the date to be fixed by the Board of the Transferee Company, for the purpose of determining the equity shareholders of the Transferor Company for issue of New Equity Shares (as defined in Clause 7.1), pursuant to this Scheme.

"Record Date 2" shall be the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company, for the purpose of determining the equity shareholders of the Demerged Company for issue of Resulting Company New Equity Shares (as defined in Clause 20.1 below), pursuant to this Scheme.

"Remaining Undertaking" means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.



"Resulting Company" means Aditya Birla Financial Services Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U67120GJ2007PLC058890 and having its registered office at Indian Rayon Compound, Veraval, Gujarat – 362 266.

"Scheme" or "the Scheme" or "this Scheme" means this composite scheme of arrangement in its present form submitted to the respective High Courts or any other Appropriate Authority in the relevant jurisdictions with any modification(s) thereof made under Clause 25 of the Scheme or as directed by the High Courts or any other Appropriate Authority and accepted by the Parties.

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

"SEBI Circular" shall mean the circular issued by the SEBI, being Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, and any amendments thereof.

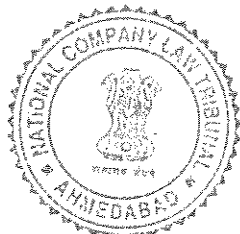
"Stock Exchanges" means BSE and NSE, as may be applicable.

"Transferor Company" means Aditya Birla Nuvo Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. L17199GJ1956PLC001107 and having its registered office at Indian Rayon Compound, Veraval, Gujarat – 362 266.

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

1.2 In this Scheme, unless the context otherwise requires:

- 1.2.1 words denoting singular shall include plural and vice versa;
- 1.2.2 any reference to any Section of Companies Act, 1956, if so required and applicable, would mean corresponding Section of Companies Act, 2013;
- 1.2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.2.4 references to the word "include" or "including" shall be construed without limitation;
- 1.2.5 a reference to an article, clause, section, paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;
- 1.2.6 unless otherwise specified, the reference to the word "days" shall mean calendar days;
- 1.2.7 references to dates and times shall be construed to be references to Indian dates and times;
- 1.2.8 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;



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- 1.2.9 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;
- 1.2.10 reference in this Scheme to the date of "coming into effect of this Scheme or effectiveness of this Scheme" shall mean Effective Date 1 or Effective Date 2, as the case may be;
- 1.2.11 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
- 1.2.12 references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

2. SHARE CAPITAL

2.1 The share capital of the Transferor Company as on July 31, 2016 is as under:

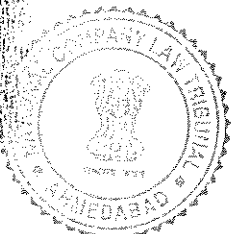
Authorised Share Capital	Amount (Rs)
17,50,00,000 Equity Shares of Rs 10 each	175,00,00,000
5,00,00,000 Redeemable Preference Shares of Rs 100 each	5,00,00,000
Total	180,00,00,000
Issued Share Capital	Amount (Rs)
13,02,79,180 Equity Shares of Rs 10 each	130,27,91,800
Total	130,27,91,800
Subscribed and Fully Paid Up Share Capital	Amount (Rs)
13,02,24,146 Equity Shares of Rs 10 each, fully paid-up	130,22,41,460
Total	130,22,41,460

The equity shares of the Transferor Company are listed on BSE and NSE.

The Transferor Company has outstanding employee stock options under its existing stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Transferor Company.

2.2 The share capital of the Transferee Company/ Demerged Company as on July 31, 2016 is as under:

Authorised Share Capital	Amount (Rs)
11,95,00,000 equity shares of Rs 10 each	119,50,00,000
1,50,000, 15% "A" Series Redeemable Cumulative Preference Shares of Rs 100 each	1,50,00,000
1,00,000, 8.57% "B" Series Redeemable Cumulative Preference Shares of Rs 100 each	1,00,00,000
3,00,000, 9.30% "C" Series Redeemable Cumulative Preference Shares of Rs 100 each	3,00,00,000
50,000, 11% Redeemable Cumulative Preference Shares of Rs 100 each	50,00,000
Total	125,50,00,000



Issued, Subscribed and Fully Paid up Share Capital	Amount (Rs)
9,33,48,202 equity shares of Rs 10 each	93,34,82,020
Share Capital Suspense 14,879 equity shares of Rs 10 each to be Issued as fully paid up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement	1,48,790
Total	93,36,30,810

The equity shares of the Transferee Company/Demerged Company are listed on BSE and NSE and the Demerged Company GDRs are listed on the LSE. The Issued and paid-up share capital includes 1,24,78,970 equity shares represented by 1,24,78,970 Demerged Company GDRs as on July 31, 2016.

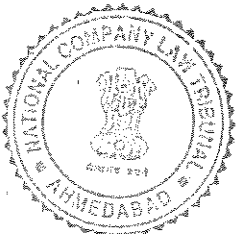
The Transferee Company/Demerged Company has outstanding employee stock options under its existing stock option schemes, the exercise of which may result in an increase in the issued and paid-up share capital of the Transferee Company/ Demerged Company.

With effect from October 8, 2016, the equity share of Transferee Company/Demerged Company having a face value of Rs 10 each fully paid-up have been sub-divided into 5 (Five) equity shares of the face value of Rs 2 each fully paid-up. Accordingly, the share capital of the Transferee Company/ Demerged Company as on October 8, 2016 is as under:

Authorised Share Capital	Amount (Rs)
59,75,00,000 equity shares of Rs 2 each	119,50,00,000
1,50,000, 15% "A" Series Redeemable Cumulative Preference Shares of Rs 100 each	1,50,00,000
1,00,000, 8.57% "B" Series Redeemable Cumulative Preference Shares of Rs 100 each	1,00,00,000
3,00,000, 9.30% "C" Series Redeemable Cumulative Preference Shares of Rs 100 each	3,00,00,000
50,000, 11% Redeemable Cumulative Preference Shares of Rs 100 each	50,00,000
Total	125,50,00,000
Issued, Subscribed and Fully Paid up Share Capital	Amount (Rs)
46,67,84,060 equity shares of Rs 2 each	93,35,68,120
Share Capital Suspense 74,395 equity shares of Rs 2 each to be issued as fully paid up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement	1,48,790
Total	93,37,16,910

The equity shares of the Transferee Company/Demerged Company are listed on BSE and NSE and the Demerged Company GDRs are listed on the LSE.

Maximum number of GDRs that can be issued under Gaslm GDR Program is 6,71,80,645 represented by equal number of underlying equity shares of Rs. 2 each. The Issued and paid-up share capital as on October 8, 2016 includes 4,80,26,255 equity shares of Rs. 2 each represented by 4,80,26,255 GDRs of the Demerged Company



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2.3 The share capital of the Resulting Company as on July 31, 2016 is as under:

Authorised Share Capital	Amount (Rs)
1,00,00,00,000 equity shares of Rs 10 each	1000,00,00,000
3,00,00,00,000 preference shares of Rs 10 each	3000,00,00,000
Total	4000,00,00,000
Issued, Subscribed and Paid up Share Capital	
79,60,10,000 equity shares of Rs 10 each fully paid up	796,01,00,000
2,00,00,000 equity shares of Rs 10 each partly paid up (Paid up amount Rs 3.25 per share)	6,50,00,000
33,65,00,000, 0.01% Non cumulative compulsorily convertible preference shares of Rs 10 each fully paid up	336,50,00,000
147,11,10,000, 6% Non convertible non cumulative redeemable preference shares of Rs 10 each fully paid up	1471,11,00,000
Total	2610,12,00,000

The equity shares of the Resulting Company are not listed on any stock exchange in India. The Resulting Company proposes to issue additional shares and issuance of such shares may result in an increase in the issued, subscribed and paid up share capital of the Resulting Company.

PART II

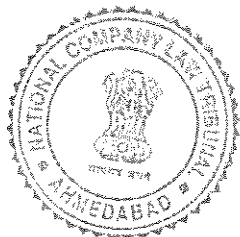
AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

3. TRANSFER OF ASSETS AND LIABILITIES

3.1 Upon Part II of the Scheme becoming effective and with effect from the Effective Date 1 and pursuant to the provisions of Section 394 and other applicable provisions of the Act, if any, and in accordance with provisions of Section 2(1B) of the Income-tax Act, 1961, the Transferor Company along with all its assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of the Transferor Company shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company as a going concern so as to become as and from the Effective Date 1, the assets, liabilities, etc. of the Transferee Company by virtue of, and in the manner provided in this Scheme.

3.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon Part II of the Scheme becoming effective and with effect from the Effective Date 1:

3.2.1 subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the assets and liabilities, the Transferor Company shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been, transferred to, and vested in, the Transferee Company, so as to become, on and from the Effective Date 1, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act and in accordance with the provisions of Section 2(1B) of the Income-tax Act, 1961, subject however, to all charges, liens, mortgages, then affecting the Transferor



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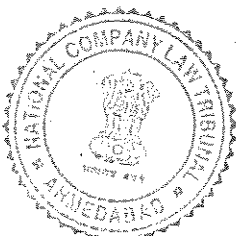
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Company or any part thereof; provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to Transferor Company, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

- 3.2.2 with respect to the assets of the Transferor Company that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Effective Date 1.
- 3.2.3 subject to Clause 3.2.4 below, with respect to the assets of the Transferor Company other than those referred to in Clause 3.2.2 above, whether or not the same is held in the name of the Transferor Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act, with effect from the Effective Date 1. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any leasehold properties of the Transferor Company shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.
- 3.2.4 without prejudice to the aforesaid, all the immovable property (including but not limited to the land, buildings, offices, factories, sites, laboratories and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Company, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immovable property) shall stand transferred to and be vested in the Transferee Company, as successor to the Transferor Company, without any act or deed to be done or executed by the Transferor Company and/or the Transferee Company. For the purpose of giving effect to the vesting order passed under Section 394 of the Act in respect of this Scheme, the Transferee Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Transferee Company pursuant to the sanction of the Scheme by the High Courts and upon the effectiveness of Part II of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Transferor Company and/or the Transferee Company. It is clarified that the Transferee Company shall be entitled to engage in such

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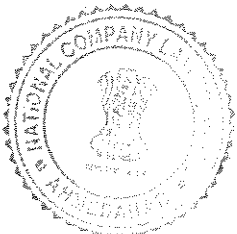
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correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

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

- 3.2.5 notwithstanding anything contained in this Scheme, the immovable properties of the Transferor Company situated within the State of West Bengal, Uttar Pradesh, Delhi (NCRT), Maharashtra and such other states as the Board of the Transferee Company may determine, whether owned or leased, for the purpose *inter alia* of payment of stamp duty, and vesting unto the Transferee Company and if the Board of the Transferee Company so decide, the concerned parties, whether executed before or after the Effective Date 1, shall execute and register or cause so to be done, separate deeds of conveyance or deed of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the payment of stamp duty, shall be deemed to be conveyed at a consideration being the fair market value of such properties (arrived at by a government approved independent valuer). The execution of such conveyance shall form an integral part of the Scheme.
- 3.2.6 for the avoidance of doubt, it is clarified that upon the effectiveness of Part II of this Scheme and in accordance with the provisions of relevant applicable laws, all consents, permissions, licenses, certificates, authorities (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Transferor Company, and the rights and benefits under the same, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets, trade formulae, and other intellectual property rights of whatsoever nature and all other interests relating to the goods or services being dealt with by the Transferor Company, shall be transferred to and vest in the Transferee Company.
- 3.2.7 subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, subsisting or having effect on or immediately before the Effective Date 1, to which the Transferor Company is a party shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into novation agreement(s) in relation to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the effectiveness of Part II of this Scheme.
- 3.2.8 without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the assets and liabilities of the Transferor Company occurs by

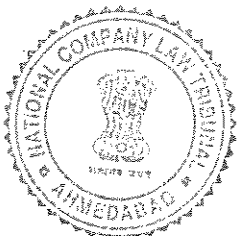


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virtue of this Scheme, the Transferee Company may, at any time after Part II of the Scheme coming into effect, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.

- 3.2.9 In so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges of whatsoever nature enjoyed, granted by any Appropriate Authority, or availed of and/or entitled to, by the Transferor Company are concerned as on the Effective Date 1, including Income tax benefits, deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions with effect from the Effective Date 1.
- 3.2.10 all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be transferred to, and vested in, and/or deemed to have been so transferred to, and vested in, the Transferee Company, so as to become on and from the Effective Date 1, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 3.2.10.
- 3.2.11 If and to the extent there are loans, deposits or balances or other outstanding interest between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Effective Date 1, come to an end and suitable effect shall be given in the books of the Transferee Company.
- 3.2.12 with effect from the Effective Date 1, there would be no accrual of income or expense on account of any transactions, including *inter alia* any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company and the Transferee Company.
- 3.2.13 any tax liabilities under the Income-tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause 3.2 referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Transferor Company's accounts made as on the date immediately preceding the Effective Date 1 shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as

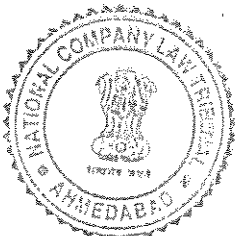


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on the date immediately preceding the Effective Date 1 will also be transferred to the account of and belong to the Transferee Company.

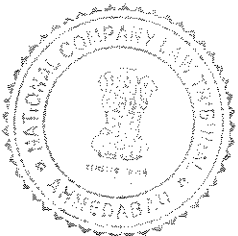
- 3.2.14 any refund under the Tax Laws due to the Transferor Company consequent to the assessment and which have not been received by the Transferor Company as on the date immediately preceding the Effective Date 1 shall also belong to and be received by the Transferee Company.
- 3.2.15 without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Company is entitled to in terms of the applicable Tax Laws, including but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to and vest in the Transferee Company.
- 3.2.16 without prejudice to the foregoing provisions of this Clause 3.2, upon the effectiveness of Part II of this Scheme, all debentures, bonds, notes or other debt securities and other instruments of like nature (whether convertible into equity shares or not), including the NCDs of the Transferor Company, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act shall, without any further act, instrument or deed, become the debt securities of the Transferee Company on the same terms and conditions except to the extent modified under the provisions of this Scheme and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it was the issuer of such debt securities, so transferred and vested. If the debt securities (including the NCDs) are listed on any stock exchange, the same shall, subject to applicable law and regulations, be listed and/or admitted to trading on the relevant stock exchanges in India where the debt securities were listed and/or admitted to trading, on the same terms and conditions, subject to the requirements, if any, imposed by the Stock Exchanges, unless otherwise modified in accordance with applicable law.
- 3.2.17 with respect to the investments made by the Transferor Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests, memberships in other companies, whether quoted or unquoted, by whatever name called, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Effective Date 1.
- 3.2.18 it is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies etc, the Transferor Company shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the High Court(s) having sanctioned this Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise the same, stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.



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- 3.2.19 on and from the Effective Date 1, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferor Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 3.2.20 for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date 1 and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date 1 shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company; if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposit of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued by or against the Transferee Company after the coming into effect of Part II of the Scheme.
- 3.2.21 for avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company, manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date 1, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of the Transferee Company after the Effective Date 1.
- 3.2.22 without prejudice to the provisions of this Clause 3.2, and upon the effectiveness of Part II of this Scheme, the Transferor Company and the Transferee Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the concerned Registrar of Companies; to give formal effect to the above provisions.
- 3.2.23 upon the effectiveness of Part II of this Scheme, the Transferee Company shall be entitled to file / revise Income Tax returns, TDS Certificates, TDS returns, wealth tax



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returns and other statutory returns to the extent required for itself and on and/ or behalf of the Transferor Company, as the case may be. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax including minimum alternate tax, credit of tax deducted at source, credit of foreign tax paid/ withheld, etc., if any, for and / or on behalf of the Transferor Company, as may be required consequent to the implementation of Part II of the Scheme.

3.2.24 any reimbursement of subsidy or receipt of differential subsidy of earlier years from the concerned Appropriate Authority and which has not been received by the Transferor Company as on the date immediately preceding the Effective Date 1 shall also belong to and be received by the Transferee Company.

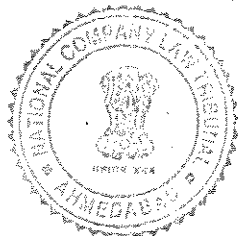
4. PERMITS, CONSENTS AND LICENSES

4.1 Upon Part II of this Scheme becoming effective, all the licenses, permits, consents, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by, and all rights and benefits that have accrued to, the Transferor Company, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to, and vest in, or be deemed to have been transferred to, and vested in, and be available to, the Transferee Company so as to become as and from the Effective Date 1, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.

4.2 Upon the Effective Date 1 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, easements, rehabilitation schemes, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and/or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

5. EMPLOYEES

5.1 On and from the Effective Date 1, the Transferee Company undertakes to engage all the Employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company, or to the government provident fund in relation to the employees of the Transferor Company who are



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not eligible to become members of the provident fund maintained by the Transferee Company. In relation to those Employees who are not covered under the provident fund trust of the Transferor Company, and for whom the Transferor Company is making contributions to the government provident fund, the Transferee Company shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees.

- 5.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.

Notwithstanding the aforesaid, the Board of Directors of the Transferee Company, if it deems fit and subject to applicable laws, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge with other similar funds of the Transferee Company.

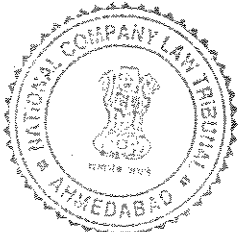
- 5.3 It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and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

5.4 Employee stock benefits

- 5.4.1 upon the effectiveness of Part II of this Scheme, the ABNL ESOPs and the ABNL SARs shall automatically stand cancelled. Further and simultaneously with the cancellation of ABNL ESOPs and ABNL SARs, the Transferee Company shall issue such employees, holding options, restricted stock units and stock appreciation rights, under the ABNL ESOPs and/ or ABNL SARs, and such employees shall receive stock options, restricted stock units and/ or stock appreciation rights, as the case may be, on the terms and conditions not less favourable, either under (i) Grasim ESOPs or (ii) a distinct and separate employee incentive plan of the Transferee Company formed and organized for granting incentives to such employees ("Grasim Stock Option Plan - New").

- 5.4.2 to implement the above provisions of this Scheme, the Transferee Company shall issue stock options, stock appreciation rights and/or restricted stock units, as the case may be, to such employees of the Transferor Company, on the basis of the Share Exchange Ratio in the following manner:

- 5.4.2.1. for every 100 (one hundred) options, whether vested or unvested, granted under ABNL ESOPs, the eligible employees of the Transferor Company shall be issued 150 (one hundred and fifty) options under the Grasim ESOPs or the Grasim Stock Option Plan - New;



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5.4.2.2. for every 100 (one hundred) restricted stock units, whether vested or unvested, granted to eligible employees under the ABNL ESOPs, such eligible employees shall be issued 150 (one hundred and fifty) restricted stock units under the Grasim ESOPs or the Grasim Stock Option Plan - New;

5.4.2.3. each new option issued to the employees under the Grasim ESOPs or Grasim Stock Option Plan - New, as the case may be, shall have an exercise price per equity share of the Transferee Company equal to the quotient of the exercise price under the respective ABNL ESOPs divided by the Share Exchange Ratio (rounded up to the nearest higher whole rupee);

5.4.2.4. for ABNL SARs, whether vested or unvested, granted to eligible employees of the Transferor Company, such employees shall be issued stock appreciation rights granted by the Transferee Company, as per the Share Exchange Ratio or Grasim ESOPs in lieu of ABNL SARs on the terms which shall not be less favourable to such ABNL SAR holders.

5.4.3 fractional entitlements, if any, arising pursuant to the applicability of the Share Exchange Ratio as above shall be rounded off to the nearest higher integer.

5.4.4 the grant of options/stock appreciation rights to the eligible employees of the Transferor Company pursuant to Clause 5.4.2 of this Scheme shall be effected as an integral part of the Scheme and the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to Grasim ESOPs or Grasim Stock Option Plan - New including without limitation for the purposes of creating the Grasim Stock Option Plan - New and/or modifying the Grasim ESOPs (including increasing the maximum of number of equity shares that can be issued consequent to the exercise of the stock option granted under the Grasim ESOPs and/or modifying the exercise price of the stock option under the Grasim ESOPs), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under any Applicable Law, including, without limitation, Section 62 of the Act or, the Companies (Share Capital and Debenture) Rules, 2014.

5.4.5 It is hereby clarified that in relation to the options granted by the Transferee Company to the eligible employees of the Transferor Company, the period during which the options granted by the Transferor Company were held by or deemed to have been held by such eligible employees shall be taken into account for determining the minimum vesting period required under the Applicable Law or agreement or deed for stock options granted under the Grasim Stock Option Plan - New or the Grasim ESOPs, as the case may be.

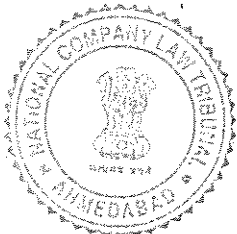
5.4.6 the Boards of the Transferor Company and the Transferee Company or any of the committee(s) thereof, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause 5.4 of the Scheme.

6. PROCEEDINGS

If any suit, cause of actions, appeal or other legal, taxation, quasi-judicial, arbitral, administrative, or other proceedings of whatever nature, under any Applicable Law (hereinafter referred to as the "proceedings") by or against the Transferor Company be

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pending on the Effective Date 1, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the amalgamation or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended, and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date 1, the Transferee Company may initiate any Proceedings for and on behalf of the Transferor Company.

7. CONSIDERATION

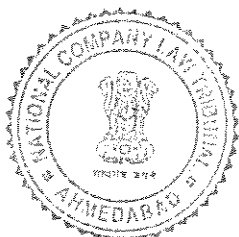
7.1 Upon the effectiveness of Part II of this Scheme and in consideration of the amalgamation of the Transferor Company with the Transferee Company, including the transfer and vesting of the assets and liabilities of the Transferor Company in the Transferee Company pursuant to provisions of this Scheme, the Transferee Company shall, without any further act or deed, issue and allot to each member of the Transferor Company, whose name is recorded in the register of members and the records of the depository as members of the Transferor Company on the Record Date 1, 15 (fifteen) equity shares of Rs 2 (Indian Rupees Two) each of the Transferee Company credited as fully paid up for every 10 (ten) equity shares of Rs 10 (Indian Rupees Ten) each held by such shareholder ("New Equity Shares"). No shares shall be issued by the Transferee Company in respect of the shares held by the Transferee Company in the Transferor Company.

The ratio in which the New Equity Shares of the Transferee Company are to be issued and allotted to the shareholders of the Transferor Company pursuant to Part II of this Scheme is referred to as the "Share Exchange Ratio".

7.2 The New Equity Shares to be issued and allotted as provided in Clause 7.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari-passu* in all respects with the then existing equity shares of the Transferee Company after the Record Date 1 including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

7.3 The Transferee Company shall apply for listing of the New Equity Shares on the Stock Exchanges in terms of the SEBI Circular and Applicable Laws. The New Equity Shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading, as per the Applicable Law. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated Stock Exchange.

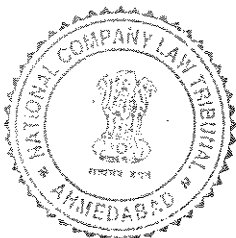
7.4 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions, and issue and allot consolidated equity shares *in lieu* thereof directly to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.



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- 7.5 Upon the effectiveness of Part II of this Scheme, equity shares held by the Transferee Company in the Transferor Company shall be cancelled pursuant to this Scheme.
- 7.6 Unless otherwise determined by the Board of the Transferee Company, the allotment of New Equity Shares in terms of Clause 7.1 shall be done within the prescribed statutory period from the Effective Date 1.
- 7.7 The New Equity Shares issued and/ or allotted pursuant to Clause 7.1, in respect of the equity shares of the Transferor Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Transferee Company.
- 7.8 The New Equity Shares issued pursuant to Clause 7.1, which the Transferee Company is unable to allot due to Applicable Laws (including, without limitation, the non receipt of approvals of an Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Transferee Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Transferee Company including to enable allotment and sale of such New Equity Shares to a trustee as mentioned in Clause 7.4 above and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Transferor Company, in proportion to their entitlements, as per the process prescribed in Clause 7.4. If the above cannot be effected for any reason, the Transferee Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Transferee Company and / or the Depository shall execute such further documents and take such further actions as may be necessary or appropriate in this regard to enable actions contemplated therein.
- 7.9 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company at its sole discretion, shall be empowered in appropriate cases, prior to or even after the Record Date 1; as the case may be, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Effective Date 1 in order to remove any difficulties in relation to the new shares after the Part II of this Scheme becomes effective and the Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transition period.
- 7.10 In the event that the parties restructure their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio and the stock options, restricted stock units and / or share appreciation rights as per Clause 5.4, shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 7.11 The issue and allotment of the New Equity Shares to the shareholders of the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.
- 7.12 Upon the effectiveness of Part II of this Scheme and upon the New Equity Shares being issued and allotted as provided in this Scheme, the equity shares of the Transferor Company,



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both in dematerialized form and in physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date 1. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company.

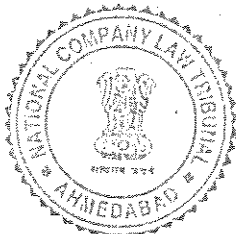
- 7.13 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to their accounts with the depository participants are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued New Equity Shares in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date 1, by giving a notice in writing to the Transferee Company; and if such option is not exercised by such shareholders, the New Equity Shares shall be issued to them in physical form.
- 7.14 The New Equity Shares to be issued *in lieu* of the shares of the Transferor Company held in the unclaimed suspense account shall be issued to the unclaimed suspense account created for shareholders of the Transferee Company.

8. REORGANISATION OF AUTHORISED CAPITAL

- 8.1 Upon the effectiveness of Part II of this Scheme, the authorised share capital of the Transferor Company will get merged with that of the Transferee Company without payment of any additional fees and duties as the said fees have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or further resolution under Section 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 8.2 Consequently, Clause 5 of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Sections 13 of the Companies Act, 2013 and Section 394 of the Companies Act, 1956 and other applicable provisions of the Act, as set out below:

"The Authorised Share Capital of the Company is Rs. 305,50,00,000 (Rupees three hundred and five crore fifty lakhs) divided into 1,47,25,00,000 (one hundred and forty seven crores and twenty five lakhs) equity shares of Rs. 2 (Rupees two) each, and 11,00,000 (eleven lakhs) redeemable preference shares of Rs. 100 (Rupees one hundred) each with power to classify or reclassify, increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company, and the legislative provisions for the time being in force."

- 8.3 Article 3 of the Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified, amended or substituted pursuant to Section 14 of the Companies Act, 2013 and Section 394 of the Companies Act, 1956 and other applicable provisions of the Act, as the case may be, as set out below:



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"The Authorized Share Capital of the Company shall be such as specified in Clause 5 of the Memorandum of Association."

8.4 It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of the Transferee Company as required under Sections 13, 14, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Act.

9. DIVIDENDS

9.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31st March, 2017 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Parties.

9.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Company and/or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Company and/or the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and/or the Transferee Company as the case may be.

10. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEE COMPANY

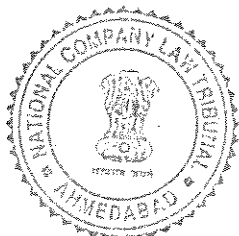
Upon the effectiveness of Part II of this Scheme:

10.1 The Transferee Company shall account for the amalgamation (including in respect of transfer of assets and liabilities of Transferor Company, issuance of shares to shareholders of Transferor Company and difference, if any, between the value of net assets and shares issued) in its books in accordance with principles as laid down in the applicable Indian Accounting Standards, including, IndAS 103, the applicable provisions of the Act, and generally accepted accounting principles in India; and

10.2 Inter-company holdings and balances, if any, between the Transferor Company and the Transferee Company, shall stand cancelled, and shall be accounted in accordance with Clause 10.1.

11. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY UNTIL THE EFFECTIVE DATE 1

11.1 With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company undertakes to carry on the business and activities with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Transferee Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof, provided that the Board of the Transferor Company shall be permitted to enter into transactions for disposal of assets and/



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or undertaking, with third parties on arms-length basis.

- 11.2 The Transferor Company and/or the Transferee Company shall not, except as may be expressly required or permitted under this Scheme or pursuant to exercise of stock options and restricted stock units granted as of the date of filing of this Scheme with the High Court(s), make any change in their respective 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 and/or convertible debentures or otherwise), decrease, reduction, reclassification, consolidation, re-organization, or in any other manner which may, in any way, affect the respective Share Exchange Ratio, except with the prior approval of the Board of the Transferee Company and/or the Transferor Company, respectively.
- 11.3 With effect from the date of approval of this Scheme by the respective Boards of the Transferor Company and the Transferee Company, the Transferor Company shall notify the Transferee Company in writing as soon as reasonably practicable of any matter, circumstance, act or omission which is or may be a breach of this Clause 11.
- 11.4 On or before the Effective Date 1, compulsorily convertible preference shares issued by the Resulting Company (33,65,00,000 in number) and held by the Transferor Company, shall be converted into 3,36,50,000 equity shares of Rs 10 (Indian Rupees Ten) each fully paid-up of the Resulting Company and issued to the Transferor Company, in accordance with the terms and conditions of its issuance.

12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

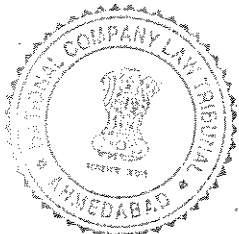
Upon the effectiveness of Part II of this Scheme, the resolutions of the Transferor Company, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date 1, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

13. ALTERATION OF THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEE COMPANY

On and from the Effective Date 1, the objects of the Transferee Company shall be deemed to have been altered by adding new clauses, in the objects clause (Clause 3) of the Memorandum of Association of the Transferee Company, which shall stand inserted immediately after existing clause 3(d), and shall read as under:

3(e): To carry on the business of manufacturing, buying, selling, marketing, trading, importing, exporting, distributing, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in cellulose, viscose rayon yarns and fibres, synthetic fibres and yarns, staple fibre yarns and such other fibres or fibrous materials, transparent paper and auxiliary chemical products, allied products, by-products or substances or substitutes for all or any of them or yarn or yarns for textile or other use as the company may deem necessary expedient or practicable.

3(f): To carry on the business of manufacturing, buying, selling, marketing, trading, importing, exporting, distributing, processing, exchanging, converting, altering, twisting or otherwise handling or dealing in insulators, fertilizers and chemicals of all types, and their by-



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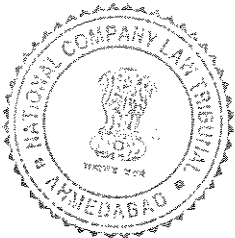
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products and derivatives (including raw materials, value added products) and mixtures thereof.

3(g). To manufacture and deal in all kinds of cotton, linen, silk, worsted and woollen goods and goods made of jute, hemp, flax, cellulosic fibres, metallic fibres, glass fibres, protein fibres, rubber fibres, rayons, polyesters, all kinds of synthetic polymers and other fibres or fibrous substances, natural or otherwise; to purchase cotton or all other fibrous materials either in the raw or manufactured state, to gird, comb, prepare, spin, double, twist, wind, bleach, dye, finish and do other processes, connected with or incidental to the general manufacture of the same; to manufacture and deal in all kinds of yarn and thread including covered elastic thread and covered rubber thread from any or all of the said fibres or fibrous substances, required for any of the purposes or weaving, sewing, knitting, embroidery, tapestry, hosiery, texturizing and all other special purposes in which any or all such yarns and threads could be used, to weave or otherwise manufacture, buy and sell and deal in all kinds of fabric whether textile, filter, knitted, looped, bonded or otherwise made out of the said yarns or fibres; to manufacture and deal as a wholesaler, retailer, distributor, exporter, broker, trader, agent, franchisee etc. in all kinds of garments, dresses, hosiery etc. made from out of the said yarns, fibres and fabrics for every kind of use; to make vitriol, bleaching and dyeing materials; to operate as dyers, printers, bleachers, finishers and dressers; to purchase material for and to purchase or manufacture blocks, spools, bobbins, cones, boxes, tickets, labels, wrappers, show cards, machines, tools and other appliances required in and connected with the said business; and to trade in, deal in, sell and dispose of the articles purchased and manufactured by the Company and to carry on any other operations and activities of whatsoever kind and nature in relation or incidental to hereinabove.

3(h). To promote, design, construct, establish, operate, lease, maintain electricity generating station(s) and to carry on all or any of the business of procurers, procurers, generators, energy storage systems, suppliers, sellers, distributors, transformers, converters, transmitters, producers, manufacturers, processors, developers, lessors, stores, licensors and license carriers, importers and exporters of, and dealers in, electricity, power and/or energy produced or generated by wind, solar, hydro, thermal, atomic, nuclear, biomass, coal, lignite, gas, ocean energy, geothermal or any other form and any products or by-products derived there from and any products or by-products derived therefrom including steam, water, oil, gas, wind, vapour, fly ashes and any other business connected with electricity, power, energy, heat, solar, wind, hydro wave, tidal, geothermal, biological and nuclear either for self-consumption or otherwise and to install in any premises or plant and to operate, use, inspect, maintain, service, repair, replace, refurbish and remove meters or other devices for assessing the quality and/or quantity of suppliers of electricity, gas and other substances and forms of energy and for other purposes connected with such suppliers and to do anything that an electricity generator, electricity supplier or electricity transmitter is empowered, enabled or required to do under or by virtue of, or under license or under any Power Purchase Agreement(s) (PPAs) with government agency(ies) and/or authority(ies), non-government agency(ies) and/or authority(ies), private party(ies), and/or any other agency(ies) and/or authority(ies) public and/or private or exemption granted under any enactment or statutory instrument.

3(i). To carry on business of designing, engineering, manufacturing, producing, processing, generating, accumulating, distributing, operating, testing, transferring, preserving, trading in, hedging and to sell, supply electricity power or any other energy from conventional/non-conventional/Renewable energy sources on a commercial basis and to design, construct, lay down, establish, operate, and maintain power, energy generating stations including



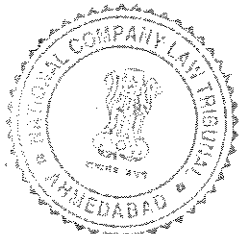
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buildings, structures, works, transmission lines, substation bay equipment, machinerles, equipment, cables, and to undertake or carry on the business of managing, owning, controlling, erecting, commissioning, operating, running, leasing or transferring to third person(s), power plants, plants based on conventional or non-conventional energy sources, solar energy plants, wind energy plants, mechanical, electrical, hydel, tidal, wave energy, thermal, oil, gas, air, sea energy, diesel oil, heavy furnace oil, naphtha, bio-mass, bio-gas, coal, fuel cell, civil engineering works and similar projects and supply of electricity to participating industries, State Electricity Boards, and other boards for industrial, commercial, domestic, public and other purpose and also to provide regular services for repairing and maintenance of all distribution and supply lines and renewal energy sources, waste treatment plants of all kinds and equipment thereof in india and outside india and also manufacturing, procuring, dealing in all ancillary products like transformer, battery, cable, structural steel, civil work, inverter etc., required for or capable of being used in connection with above industry.

3(j). To carry on the business of researching, designing, developing, manufacturing, processing, generating, accumulating, representing, distributing, stocking, transferring, marketing, selling, servicing, supplying, engineering, contracting, erecting, commissioning, merchandising, managing, maintaining, leasing, utilizing and renting as developers, researchers, engineers, manufacturers, producers, consultants, importers, exporters, buyers, sellers, assemblers, hirers, repairers, dealers, distributors, stockiest, wholesalers, retailers, jobbers, traders, agents, brokers, representatives, collaborators, partners and advisors for all, any and every kind and types of plants, systems, equipment, items, devices, products, machines, parts, components, spares, hardware, assembles and sub-assembles related to generation, use, application and utilization of renewable energy resources like solar, wind, tidal, bio-mass, geothermal natural gas, hydrogen, methane of all, any and every kind and type including photovoltaic cells, and modules, Concentrated Solar Power, Fuel cells, windmills, wave motion generators, biogas distribution and utilizing systems with battery storage, transformers, inverters, charge controllers, instrumentation and auto-switching, water heaters and steam generators, incinerators, organic and inorganic waste management systems, boilers, vacuum tubes, radiators, water coolers, lighting products, energy collectors, energy accumulators, energy pumps, heat pumps, water distillation and desalination plants and systems, refrigeration plants and cold storage plants and systems, air heating, air cooling and air conditioning plants and systems, heat exchangers, insulating systems, including insulating materials, evaporators, condensers and absorption systems, absorption, adsorption and desiccant coolers, chillers and systems, air circulating, air suction and delivery fans and systems, air filtration systems, solar light pipes, guides and vents, renewable energy control instrumentation and systems, humidification and dehumidification plants and systems, renewable energy based household, consumer, educational and novelty products.

3(k). To carry on business of planning, establishing, developing, manufacturing, buying, selling, supplying, operating, managing, advising and providing services of every description and kind including but not limited to telecommunication towers, telecommunication systems and related infrastructure, systems and mechanical, electrical and electronic machinery, equipment, apparatus and devices, including surveying the site for feasibility, engineering, construction, erection, installation, commissioning, alteration, repair, takeover of the site for complete operation, and generating, producing, refining, receiving, improving, buying, selling, reselling, acquiring, using, transmitting, accumulating, employing, distributing, developing, handling, managing, advising, supplying, maintenance, providing energy management services through diversified conventional or non-conventional power sources, general housekeeping, caretaker services, security, site optimization, supply of hydrogen and other incidental products, and all other related, concerned and consequential



services as required in this respect, whether covered hereinabove or not, including arrangement and provision of any of the abovementioned services by any other party(ies) on hire, rental, commission based or any other system and to carry on the above services in India and/or abroad for and on behalf of the Company as well as for others and to apply for and obtain registration as required.

3(l). To carry on business of engineering, procurement, construction, general engineers, mechanical engineers, process engineers, civil engineers, general mechanical and civil contractors for power plant, solar plant; and to enter into contracts and joint ventures in relation to and to erect, construct, supervise, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons, works of all descriptions, including plants of all descriptions, factories, mills, refineries, pipelines, gas works, electrical works, power plants, water works, water treatment plants and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in or acquire interest in companies carrying on the above business."

It is hereby clarified that for the purposes of this Clause 13, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the alteration of the memorandum of association under this Clause 13 and that no further resolution under Section 13 of the Act, would be required to be separately passed. The Transferee Company shall file the requisite e-forms with the Registrar of Companies for alteration of its Memorandum of Association.

14. DISSOLUTION OF THE TRANSFEROR COMPANY

Upon the effectiveness of Part II of this Scheme, the Transferor Company shall stand dissolved without winding up. On and from the Effective Date 1, the name of the Transferor Company shall be struck off from the records of the concerned Registrar of Companies.

PART III

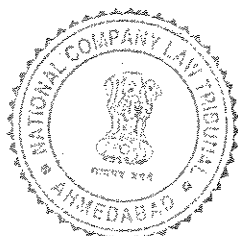
DEMERGER OF THE DEMERGED UNDERTAKING

15. TRANSFER OF ASSETS AND LIABILITIES

15.1 Subject to implementation of Part II of this Scheme and with effect from the Effective Date 2, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Demerged Undertaking, the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to, and vested in the Resulting Company on a going concern basis, so as to become on and from the Effective Date 2, the estate, assets, rights, title, interest and authorities of the Resulting Company, pursuant to Section 394(2) of the Act and all other applicable provisions, if any, of the Act and in accordance with the provisions of Section 2(19AA) of the Income-tax Act, 1961.

15.2 Without prejudice to the generality of Clause 15.1 above, on and from the Effective Date 2:

15.2.1 the Demerged Undertaking including all its assets, properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and wheresoever situated shall, pursuant to the provisions of Section 394 and other



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applicable provisions, if any, of the Act, and pursuant to the order of the High Court sanctioning this Scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Effective Date 2, be and stand transferred to and vested in the Resulting Company as a going concern.

15.2.2 without prejudice to the generality of Clause 15.2.1 above, with respect to the assets forming part of the Demerged Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Demerged Company without any further act or execution of an instrument with the intent of vesting such assets with the Resulting Company.

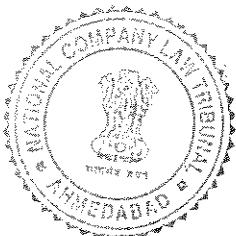
15.2.3 without prejudice to the aforesaid, the Demerged Undertaking, including all immovable property, whether or not included in the books of the Demerged Company, whether freehold or leasehold (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) of the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. For the purpose of giving effect to the vesting order passed under Section 394 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfill all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the High Courts and upon the effectiveness of Part III of this Scheme in accordance with the terms hereof without any further act or deed to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Effective Date 2 and until the owned property, leasehold property and related rights thereto, license / right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded effected and or perfected, in the record of the appropriate Authority, in favor of the Resulting Company, the Resulting Company is deemed to be authorized to carry on business in the name and style of the Demerged Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

15.2.4 with respect to the assets of the Demerged Undertaking other than those referred to in Clause 15.2.2 above, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of Section 394 of the Act. All the rights, title and interests of the Demerged Company in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to

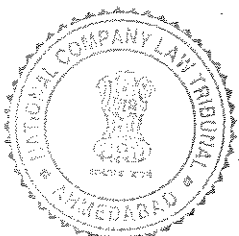
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and vested in the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required. The execution of such documents shall form an integral part of the Scheme.

- 15.2.5 the consents, permissions, licenses, certificates, authorisations (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets, trade formulae, and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company in relation to the Demerged Undertaking, be transferred to, and vest in, the Resulting Company.
- 15.2.6 subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party subsisting or having effect on or immediately before the Effective Date 2 shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.
- 15.2.7 without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time on or after the Effective Date 2, in accordance with the provisions hereof, if so required under any applicable law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.
- 15.2.8 In so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any appropriate authority, or availed of by the Demerged Company, in relation to or in connection with the Demerged Undertaking, are concerned as on the Effective Date 2, including income tax deductions, recognitions and exemptions under applicable provisions of the Income-tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions on and from the Effective Date 2.



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15.2.9 all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of each of the Demerged Undertaking) of the Demerged Company as on the Effective Date 2 and relating to the Demerged Undertaking ("Transferred Liabilities") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date 2 and shall become the debts, liabilities, loans, obligations and duties of the Resulting Company which shall meet, discharge and satisfy the same. The term "Transferred Liabilities" shall include:

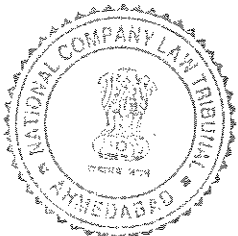
15.2.9.1. the liabilities which arise out of the activities or operations of the Demerged Undertaking;

15.2.9.2. the specific loans or borrowings (including debentures raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and

15.2.9.3. In cases other than those referred to in Clauses 15.2.9.1 or 15.2.9.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger bear to the total value of the assets of the respective Demerged Company immediately prior to the Effective Date 2.

15.2.10 In so far as any encumbrance in respect of Transferred Liabilities is concerned, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Undertaking are concerned, the encumbrance, if any, over such assets relating to the Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities;

15.2.11 any tax liabilities under Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Demerged Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes/duties/levies/cess (hereinafter in this Clause 15.2 referred to as "Tax Laws") to the extent not provided for or covered by tax provision in the Demerged Company's accounts, in relation to or in connection with the Demerged Undertaking, made as on the date immediately preceding the Effective Date 2 shall be transferred to the Resulting Company. Any surplus in the provision for taxation/ duties/ levies account as on the date immediately preceding the Effective Date 2 in relation to the Demerged Undertaking will also be transferred to the account of and belong to the



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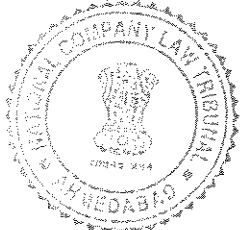
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Resulting Company.

- 15.2.12 any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Effective Date 2 as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by the Resulting Company.
- 15.2.13 without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Demerged Company, in relation to or in connection with the Demerged Undertaking, is entitled to in terms of the applicable Tax Laws, including, but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to, and vest in, the Resulting Company.
- 15.2.14 all debentures, bonds, other debt securities and other instruments of like nature (whether convertible into equity shares or not) including non-convertible debentures issued to/held by the Demerged Company, in relation to or in connection with the Demerged Undertaking, shall upon coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company.
- 15.2.15 with respect to the investments made by the Demerged Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Effective Date 2 pursuant to the provisions of Section 394 of the Act.

It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies etc, in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the High Court having sanctioned this Scheme under Sections 391 to 394 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 15.2.16 on and from the Effective Date 2, and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.



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15.2.17 for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, It is clarified that with effect from the Effective Date 2 and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable Instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Effective Date 2 shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable Instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after Part III of this Scheme coming into effect.

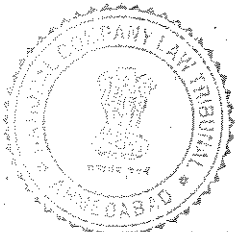
15.2.18 without prejudice to the provisions of the foregoing Clauses of this Clause 15.2, and upon the effectiveness of Part III of this Scheme, the Demerged Company and the Resulting Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat at Ahmedabad and Registrar of Companies, Madhya Pradesh at Gwalior, Madhya Pradesh to give formal effect to the above provisions.

15.2.19 the Resulting Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates, pertaining to the Demerged Undertaking.

16. PERMITS, CONSENTS AND LICENSES

16.1 All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Effective Date 2, the estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.

16.2 Upon the Effective Date 2 and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special



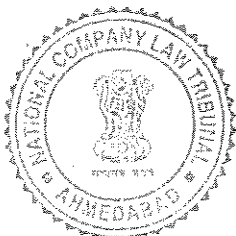
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status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favor of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and under the relevant license and or permit and / or approval, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

17. EMPLOYEES

- 17.1 Upon the effectiveness of Part III of this Scheme and with effect from the Effective Date 2, the Resulting Company undertakes to engage all the employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by the Demerged Company without any interruption of service as a result of transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the employees of the Demerged Company who are not eligible to become members of the provident fund maintained by the Resulting Company. In relation to those Employees who are not covered under the provident fund trust of the Resulting Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such Employees.
- 17.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.
- 17.3 It is clarified that save as expressly provided for in this Scheme, the employees of the Demerged Company who become employees of the Resulting Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the other employees of the Resulting Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Resulting Company), unless otherwise determined by the Resulting Company. The Resulting Company undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Demerged Company with any employee of the Demerged Company who are engaged in or in relation to the Demerged Undertaking.
- 17.4 The transfer and vesting of the Demerged Undertaking under the Scheme and the continuance of the Proceedings by or against the Resulting Company under Clause 19 below shall not affect any transaction or proceeding already completed by the Demerged Company relating to the Demerged undertaking till the Effective Date 2 to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on



behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

18. EMPLOYEE STOCK BENEFITS

18.1 Upon Part III of the Scheme becoming effective, employees of the Demerged Company (Irrespective of whether they continue to be employees of the Demerged Company) holding options, restricted stock units, and / or stock appreciation rights (whether vested or unvested) under the Grasim Stock Option Plan - New and / or under Grasim ESOPs ("Part III Eligible Employees") as on the Effective Date 2 ("Grasim Existing Options"), shall continue to hold such Grasim Existing Options on the respective existing terms and conditions as has been prior to the Effective Date 2, except for such modifications as may be required to give effect to this Clause 18.

18.2 Immediately upon Part III of the Scheme becoming effective, the Grasim Existing Options shall continue, subject to such adjustments towards the demerger of the Demerged Undertaking, as may be deemed appropriate by the relevant committee of the Board of Demerged Company in accordance with the provisions of the Grasim Existing Options. It is clarified that the options, restricted stock units, and/or stock appreciation rights granted under and pursuant to the provisions of Clause 5.4.2 of this Scheme would continue and the exercise price of such options, restricted stock units, and/or stock appreciation rights may be suitably adjusted in order to provide for reduction in intrinsic value of the Demerged Company pursuant to the demerger of the Demerged Undertaking.

18.3 The Boards of the Demerged Company and the Resulting Company shall together decide the manner in which difference in the intrinsic value created pursuant to the demerger of the Demerged Undertaking is to be compensated to the Grasim Existing Option holders. It is clarified that such compensation can be either by issue of new options, restricted stock units and/or stock appreciation rights by the Demerged Company to the Grasim Existing Option holders or by the Resulting Company by adopting a new incentive plan ("ABFS Incentive Scheme").

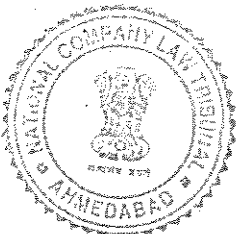
18.4 Subject to Applicable Laws, the adjustments to the exercise price per Grasim Existing Option, entitlement of the employees of the Demerged Company towards additional options, restricted stock units, and/or stock appreciation rights, proposed under Clauses 18.1 and 18.2, shall be appropriately reflected in the accounts of the Demerged Company.

18.5 The adjustments to the Grasim Stock Option Plan - New and / or Grasim ESOPs, and the creation of the ABFS Incentive Scheme, allotment of options, restricted stock units and/or stock appreciation rights under the ABFS Incentive Scheme, shall be effected as an integral part of the Scheme and the consent of the shareholders of the Parties to the Scheme shall be deemed to be their consent in relation to all matters pertaining to the Grasim Stock Option Plan - New and / or Grasim ESOPs, and the creation of the ABFS Incentive Scheme, including without limitation, for the purposes of creating the ABFS Incentive Scheme, modifying the Grasim Stock Option Plan - New and / or Grasim ESOPs, modifying the exercise price of the Grasim Existing Options and all related matters, and no further approval of the shareholders of the Parties would be required in this connection under any Applicable Law, including, without limitation, Section 62 of the Companies Act, 2013 or the Companies (Share Capital and Debenture) Rules, 2014.

18.6 The Board of Directors of the Resulting Company has in-principle approved that, upto 1.5% (one and a half percent) of the fully diluted paid up capital of the Resulting Company, post

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demerger, shall be allocated towards future stock option scheme to be framed in compliance with Applicable Laws.

18.7 The Boards of Directors of the Demerged Company and the Resulting Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of Clause 18.

19. PROCEEDINGS

19.1 If any Proceedings by or against the Demerged Company be pending, in relation to or in connection with the Demerged Undertaking, on the Effective Date 2, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Effective Date 2, the Resulting Company may initiate any Proceedings for and on behalf of the Demerged Company for matters relating to or in connection with the Demerged Undertaking. The Resulting Company shall have all Proceedings initiated by or against the Demerged Company with respect to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

20. CONSIDERATION

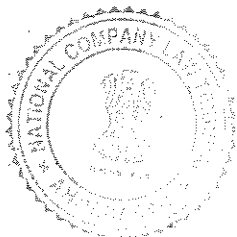
20.1 Upon the effectiveness of Part III of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members and records of the depository as members of the Demerged Company, on the Record Date 2, 7 (seven) equity shares of Rs 10 (Indian Rupees Ten) each of Resulting Company credited as fully paid up for every 5 (five) equity share of Rs 2 (Indian Rupees Two) each held by such shareholder in the Demerged Company ("Resulting Company New Equity Shares"). The ratio in which equity shares of the Resulting Company are to be issued and allotted to the shareholders of the Demerged Company is referred to as the "Share Entitlement Ratio (Demerger)". It is clarified that no cash consideration shall be paid by the Resulting Company to the Demerged Company or its shareholders.

20.2 The Resulting Company New Equity Shares to be issued and allotted as provided in Clause 20.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari-passu* in all respects with the then existing equity shares of the Resulting Company after the Record Date 2 including with respect to dividend, bonus entitlement, rights' shares' entitlement, voting rights and other corporate benefits.

20.3 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a trustee nominated by the Board of the Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds

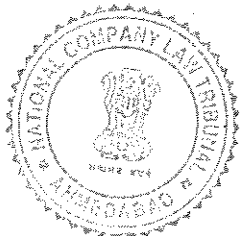
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(after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements.

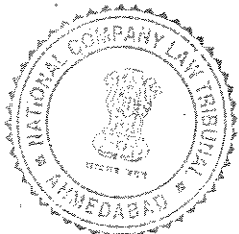
- 20.4 The Resulting Company New Equity Shares to be issued pursuant to Clause 20.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of the Demerged Company. In the event that such notice has not been received by the Resulting Company in respect of any of the shareholders of the Demerged Company, the Resulting Company New Equity Shares shall be issued to such shareholders in dematerialized form provided that the shareholders of the Resulting Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Company has received notice from any shareholder that Resulting Company New Equity Shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/hers/its account with a depository participant or other confirmations as may be required or if the details furnished by any shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue Resulting Company New Equity Shares in physical form to such shareholder or shareholders.
- 20.5 The Resulting Company New Equity Shares issued and/ or allotted pursuant to Clause 20.1, in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- 20.6 The Resulting Company New Equity Shares issued pursuant to Clause 20.1, which the Resulting Company is unable to allot due to Applicable Laws (including, without limitation, the non receipt of approvals of an Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Resulting Company including to enable allotment and sale of such Resulting Company New Equity Shares to a trustee as mentioned in Clause 20.3 above and thereafter make distributions of the net sales proceeds in lieu thereof (after the deduction of taxes and expenses incurred) to the eligible shareholders of the Demerged Company, in proportion to their entitlements as per the process specified in Clause 20.3 above. If the above cannot be effected for any reason, the Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Resulting Company and / or the Depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.
- 20.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of the Demerged Company shall be empowered prior to or even subsequent to the Record Date 2, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date 2, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company after Part III of the Scheme is effected. The Board of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the transition period.



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- 20.8 The issue and allotment of the Resulting Company New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under section 62 of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
- 20.9 The Resulting Company shall apply for listing of its equity shares including those issued in terms of Clause 20.1 above on BSE and NSE in terms of and in compliance of the SEBI Circular.
- 20.10 The Resulting Company New Equity Shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange.
- 20.11 In the event that the Parties restructure their equity share capital by way of share split / consolidation / Issue of bonus shares during the pendency of the Scheme, the Share Entitlement Ratio (Demerger) shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 20.12 There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date 2 and the listing which may affect the status of the approvals received from the Stock Exchanges.
- 20.13 Notwithstanding anything contained under the Scheme, on or before the Effective Date 2, the Resulting Company be and is hereby permitted to issue additional equity shares/ convertible instruments to (i) the Transferor Company aggregating to upto 38,25,80,000 (Thirty eight crore twenty five lakh eighty thousand) fully paid up equity shares of Rs 10 (Indian Rupees Ten) each of the Resulting Company on rights basis and; (ii) one or more financial investors not being promoter(s) or persons acting in concert with the promoters of the Parties, aggregating to not more than 5% of the fully diluted share capital of the Resulting Company, by way of preferential allotment at fair value to be determined by an independent valuer, in accordance with the provisions of Applicable Law. It is clarified that, for the purposes of computing the minimum public shareholding requirement of 25% (twenty five per cent) under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 and the SEBI Circular, the equity shares/ convertible instruments so issued to such financial investors shall be excluded while computing the minimum public shareholding requirement of 25% (twenty five per cent). The equity shares so issued to the Transferor Company and such financial investors shall rank *pari-passu* with the existing equity shares and the Resulting Company New Equity Shares.
- 20.14 Upon coming into effect of Part III of this Scheme and issuance of shares in the Share Entitlement Ratio (Demerger) by the Resulting Company pursuant to provisions of Clause 20.1 above, the Resulting Company shall issue to the depository of the Demerged Company in relation to the Demerged Company GDRs ("Resulting Company Depository"), shares of the Resulting Company in accordance with the Share Entitlement Ratio (Demerger). Subject to Clause 20.15 below, the Resulting Company Depository shall hold such shares of the Resulting Company on behalf of the holders of the Demerged Company GDRs.
- 20.15 The Resulting Company shall enter into appropriate arrangements with the Resulting Company Depository appointed by the Resulting Company pursuant to a deposit agreement to be entered into between the Resulting Company and the Resulting Company Depository ("Resulting Company Depository Agreement"), for issuance of GDRs representing such shares ("Resulting Company GDRs"), subject to the provisions of Clauses 20.18, on pro-rata

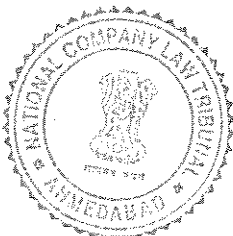


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basis to holders of GDRs, in accordance with the deposit agreement entered into between the Demerged Company and its depository ("Deposit Agreement").

- 20.16 The Resulting Company, the Resulting Company Depository, the Demerged Company and/or the existing depository of the Demerged Company shall execute such further documents and take such further actions as may be deemed necessary or appropriate by the Resulting Company and/or the Demerged Company and the Resulting Company Depository.
- 20.17 The Resulting Company GDRs issued pursuant to Clause 20.14 above shall have right to issue voting instructions and shall be listed on the LSE. The Resulting Company shall take such additional steps and do all such acts, deeds and things as may be necessary for purposes of listing the Resulting Company GDRs.
- 20.18 The Resulting Company GDRs and the equity shares underlying the Resulting Company GDRs may not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and the Resulting Company may elect, in its sole discretion, to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof or any other exemption that the Resulting Company may elect to rely upon. In the event the Resulting Company elects to rely upon an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof, the sanction of the High Courts to this Scheme will be relied upon for the purpose of qualifying the issuance and distribution of the Resulting Company GDRs and the equity shares of the Resulting Company, including, without limitation, the equity shares underlying the Resulting Company GDRs, for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.
- 20.19 Notwithstanding anything contained herein, if the Board of the Resulting Company determines that it is unable to issue the Resulting Company GDRs due to applicable laws (including, without limitation, the non receipt of approvals of an appropriate authority as required under applicable law), it may elect, in its sole discretion and subject to receipt of such approvals as may be required, to enter into suitable arrangements which may include arrangements with the depository for providing for issuance of equity shares by the Resulting Company to the Resulting Company Depository, which represent the entitlement of the holders of the Demerged Company GDRs. If the above cannot be effected for any reason, the Resulting Company and the Demerged Company shall ensure that this does not delay implementation of the Scheme; and shall, in consultation with each other, take all such actions as may be necessary, including sale of such number of shares, which represent the entitlement of the holders of the Demerged Company GDRs, and thereafter, to remit net sales proceeds (after deduction of applicable taxes and expenses incurred), without delay to the effectiveness or implementation of the Scheme. The Resulting Company, the Demerged Company and/or the Resulting Company Depository shall execute such further documents and take such further actions as may be necessary or appropriate in this behalf to enable the actions contemplated herein.
- 20.20 The Resulting Company New Equity Shares to be issued *in lieu* of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for shareholders of the Resulting Company.
21. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY
- 21.1 Accounting treatment in the books of the Demerged Company



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Upon the effectiveness of part III of this Scheme, in accordance with the applicable accounting standards, Companies Act, 2013 and generally accepted accounting principles in India:

21.1.1 The value of all assets and liabilities pertaining to the Demerged undertaking which cease to be assets and liabilities of the Demerged Company shall be reduced by the Demerged Company at their carrying values; and

21.1.2 The difference i.e. the excess or shortfall, as the case may be, of the value of transferred assets over the transferred liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to the Scheme shall be adjusted to the reserves of the Demerged Company.

21.2 Accounting treatment in the books of the Resulting Company

Upon the effectiveness of Part III of this Scheme and with effect from the Effective Date 2:

21.2.1 the Resulting Company shall record transferred assets and liabilities pertaining to the Demerged Undertaking at the respective carrying values as appearing in the books of Demerged Company;

21.2.2 the Resulting Company shall issue shares to the shareholders of the Demerged Company as per Clause 20 of this Scheme. These shares shall be issued and recorded at face value and accordingly the aggregate face value of the shares to be issued shall be credited to the Resulting Company's share capital account; and

21.2.3 the difference, if any, between the value of assets and value of liabilities pertaining to the Demerged Undertaking, after adjusting the amount credited as share capital as per Clause 21.2.2 above, shall be accounted in accordance with the applicable accounting standards, the Act and generally accepted accounting principles in India.

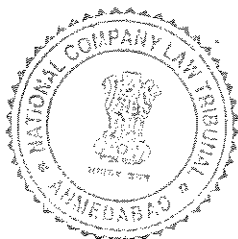
22. CONDUCT OF BUSINESS BY THE DEMERGED COMPANY PERTAINING TO DEMERGED UNDERTAKING UNTIL THE EFFECTIVE DATE 2

With effect from Effective Date 1 till Effective Date 2, the Demerged Company undertakes to carry on the business and activities of the Demerged Undertaking with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Resulting Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof.

23. REMAINING UNDERTAKING

23.1 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.

23.2 All proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date 2 or which may be instituted at any time thereafter, and relating to the Remaining Undertaking of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the remaining business) shall be continued and enforced against the Demerged Company.



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- 23.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 23.2 above relating to the Remaining Undertaking, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 23.4 If proceedings are taken against the Demerged Company in respect of matters referred to in Clause 23.2 above relating to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company, against all liabilities and obligations incurred by the Demerged Company in respect thereof.

PART IV

GENERAL PROVISIONS

24. APPLICATIONS/ PETITIONS TO THE HIGH COURT AND APPROVALS

- 24.1 The Parties shall dispatch, make and file all applications and petitions under Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Act before the High Courts, under whose jurisdiction, the registered offices of the respective Parties are situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law and for dissolution of the Transferor Company without being wound up.
- 24.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Transferee Company/Demerged Company/ Resulting Company may require to own the assets and/ or liabilities of the Transferor Company/ Demerged Undertaking and to carry on the business of the Transferor Company/ Demerged Undertaking.

25. MODIFICATIONS/AMENDMENTS TO THE SCHEME

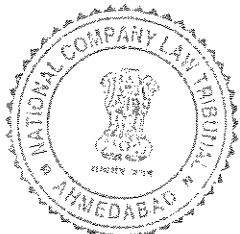
- 25.1 The Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, through their respective Boards, acting collectively, in their full and absolute discretion, may make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations:

25.1.1 which they may deem fit; or

25.1.2 which the High Courts, Stock Exchanges(s), SEBI and any other Appropriate Authority may deem fit to suggest / impose / direct; or

25.1.3 effect any other modification or amendment which the High Courts and any other Appropriate Authority may deem fit;

and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith or in regard to its implementation or in any matter connected therewith (including any question, doubt or



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difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company, the Transferee Company/Demerged Company or the Resulting Company, as the case may be) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

- 25.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorised person of the Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.
- 25.3 If, upon the Scheme becoming effective and upon the transfer and vesting of the assets and liabilities of the Transferor Company into the Transferee Company, and Demerged Undertaking into the Resulting Company, as the case may be, and pursuant to the provisions of Applicable Law, the Transferee Company and/or the Resulting Company is not permitted under the Applicable Law to carry on the certain business or hold assets, licenses, etc, transferred and vested pursuant to this Scheme, the Board of the Transferee Company and/or the Resulting Company, as the case may be, shall be permitted and/or entitled to divest such business or assets, license, in the manner as it may be deemed appropriate by its Board. The consent received by the relevant company under the Scheme shall be deemed to be the consent received from the shareholders of such company under the provisions of Section 180 of the Companies Act, 2013 and that no separate resolution to that would be required to be passed in this regard.

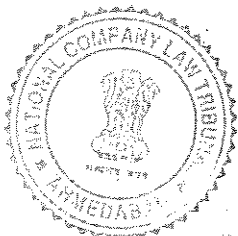
26. CONDITIONS PRECEDENT

26.1 Part II of this Scheme is conditional on and subject to:

- 26.1.1 the sanction or approval of the Appropriate Authorities including Competition Commission of India and other sanctions and approvals (as may be required by Applicable Law) in respect of Part II of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and
- 26.1.2 certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction for the Transferor Company and the Transferee Company in relation to Part II of this Scheme.

26.2 Part III of this Scheme is conditional on and subject to:

- 26.2.1 the sanction or approval of the Appropriate Authorities including Foreign Investment Promotion Board and other sanctions and approvals (as may be required by Applicable Law) in respect of Part III of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
- 26.2.2 the Transferor Company shall have transferred shares held in BSLI to the Resulting



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Company, for a cash consideration, in accordance with the provisions of Applicable Law; and

26.2.3 certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the concerned Registrar of Companies having jurisdiction by the Demerged Company and the Resulting Company in relation to Part III of this Scheme.

26.3 Other conditions precedent for this Scheme:

26.3.1 approval of the Scheme by the requisite majority of each class of shareholders of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, as applicable or as may be required under the Act and as may be directed by the High Courts;

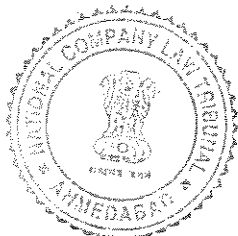
26.3.2 the Parties, as the case may be, complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Parties through postal ballot and e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders, of the Transferor Company and the Transferee Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957; and

26.3.3 the sanctions and orders of each of the High Courts, under Sections 391 to 394 of the Companies Act, 1956 being obtained by the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company.

26.4 It is hereby clarified that submission of the Scheme to the High Court; and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company may have under or pursuant to all appropriate and Applicable Law.

26.5 The effectiveness of: (a) Part II of the Scheme shall be subject to the satisfaction or waiver (if capable of waiver) by the Board of the Transferor Company and the Transferee Company, of the conditions precedent as stated in Clause 26.1 and 26.3, at or prior to Effective Date 1; and (b) Part III of the Scheme shall be subject to the satisfaction or waiver (if capable of waiver) by the Board of the Demerged Company and the Resulting Company, of the conditions precedent as stated in Clause 26.2 and 26.3, at or prior to Effective Date 2. Notwithstanding what is stated in this Clause 26.5: (x) Part I and Part IV of this Scheme shall be effective from the date of approval of this Scheme by the Boards of the Transferor Company, the Transferee Company and the Resulting Company; (y) Clause 11 shall be effective from the date of approval of this Scheme by the Boards of the Transferor Company and the Transferee Company until the Effective Date 1; and (z) Clause 22 shall be effective from the Effective Date 1 until the Effective Date 2.

26.6 On the approval of this Scheme by the shareholders of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the amalgamation and demerger, as the case may be, set out in this Scheme, related matters and this Scheme itself.



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

27.1 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Courts, and/or the order or orders not being passed as aforesaid on or before 31 December 2017 or within such further period or periods as may be agreed upon between the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company through their respective Boards, the Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

27.2 The Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company acting through their respective Board shall each be at liberty to withdraw from this Scheme, (I) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (II) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.

27.3 In the event of revocation/withdrawal under Clauses 27.1 and 27.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Company, the Transferee Company/Demerged Company and/or the Resulting Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

27.4 Each part in the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme.

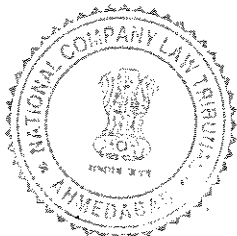
27.5 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company, the Transferee Company/Demerged Company and the Resulting Company through their respective Boards, affect the validity or implementation of the other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

27.6 In case where the Transferee Company and/ or the Resulting Company are not permitted to carry on the business or hold assets, licenses, etc. of the Transferor Company and/ or the Demerged Company, respectively, then the Board of Directors of the respective companies shall be permitted to divest such business, assets, liabilities, etc. as per Applicable Law.

28. COSTS, CHARGES AND EXPENSES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne by the respective Parties, as the case may be.

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In view of paragraph no. 38 of the final order dated 1st June 2017, passed by the Hon'ble NCLT in CP (CAA) No. 31/NCLT/AHM/2017 with CP (CAA) No. 32/NCLT/ AHM/ 2017 with CP (CAA) No. 33/NCLT/AHM/2017, the Scheme is hereby authenticated.

Registrar

This day of June 2017

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[Handwritten Signature]
07/06/17

**Asstt. Registrar
NCLT Ahmedabad Bench
Ahmedabad**

