



## **Grasim Industries Limited**

Registered Office: Birlagram, Nagda 456331 (M.P.)

### **FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS**

The Hon'ble High Court of Madhya Pradesh, Bench Indore, vide its Order dated 31<sup>st</sup> March 2010 and the Hon'ble High Court of Gujarat, vide its Order dated 6<sup>th</sup> May 2010, have approved the Scheme of Arrangement ("Scheme") u/s 391 to 394 of the Companies Act, 1956 between Grasim Industries Limited ("Grasim" or "the Company") and Samruddhi Cement Limited ("Samruddhi") and their respective shareholders and creditors for demerger of the cement business of the Company and transfer / vesting of the said undertaking in favour of Samruddhi, with effect from 1<sup>st</sup> October 2009 (Appointed Date).

In terms of the Scheme, Samruddhi is required to issue and allot to each member of Grasim whose name is recorded in the register of members and records of the depository as members of Grasim on the Record Date, equity shares of Samruddhi in the ratio of 1 (one) equity share of the face value of Rs.5 (Rupees Five) each credited as fully paid up for every 1 (one) equity share of Rs.10 (Rupees Ten) each fully paid up, held by such member in Grasim.

Grasim had fixed 28<sup>th</sup> May, 2010 as the Record Date to determine its shareholders who would be entitled to the shares of Samruddhi as aforesaid, pursuant to the Scheme.

Accordingly, Samruddhi has, on 4<sup>th</sup> June, 2010, allotted equity shares to the shareholders of Grasim in the ratio of 1 (one) Equity share of Rs.5 (Rupees Five) each of Samruddhi for every 1 (one) Equity share of Rs.10 (Rupees Ten) each of Grasim, held as on the Record Date.

This communication is being issued for general guidance of the shareholders of Grasim in relation to the method of calculation and apportionment of the cost of acquisition of Grasim's shares between the shares of Grasim and Samruddhi as per the provisions of the Income Tax Act, 1961. The same is based on an Expert's opinion obtained by the Company.

For the purpose of determining the post demerger cost of acquisition of the equity shares of Grasim and the cost of equity shares of Samruddhi under the Income Tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of acquisition of Grasim's shares in the following manner:

Name of the Company	% of Cost of Acquisition of Grasim's Shares
Grasim Industries Limited	43.23%
Samruddhi Cement Limited	56.77%
Total	100.00%

The Company has been advised that as per Section 47(vii) of the Income tax Act, 1961 the issue of shares by Samruddhi in the scheme of demerger to the shareholders of Grasim in consideration of demerger of the Undertaking will not be regarded as transfer. Accordingly, the date of acquisition of

shares of Grasim will be deemed to be the date of acquisition for the equity shares of Samruddhi too.

*This communication is merely for the general guidance of the shareholders, and should not be considered as a substitute for any independent opinion that the shareholders may obtain. The concerned regulatory, statutory or judicial authority, including any assessing officer / appropriate appellate authority, could take a different view. The Company takes no express or implied liability in relation to this guidance.*

**Ashok Malu**  
**Company Secretary**  
**Grasim Industries Limited**

Mumbai, 4<sup>th</sup> June, 2010