



**MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
GRASIM INDUSTRIES LIMITED**

CIN: L17124MP1947PLC000410

Regd. Office: P.O. Birlagram, Nagda – 456 331 (M.P.)

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**REGISTRAR, JOINT STOCK COMPANIES,
GWALIOR GOVERNMENT**

S.No. 7

JALBIHAR, LASHKAR
Gwalior, 25.8.1947

I hereby certify that pursuant to the provisions of the Gwalior Companies Act (I of Samvat 1963) the Memorandum of Association together with the Articles of Association of the Gwalior Rayon Silk Manufacturing (Weaving) Co. Ltd., Gwalior, has this day been filed and registered and the said Company is duly incorporated as a Company Limited by Shares.

Given under my hand and the seal of the said office this 25th of August Ninteen Hundred Forty Seven. A Fee Rs.1060/- received in Gwalior.

Dustavaji Stamps

Sd/-
Registrar,
Joint Stock Companies,
Gwalior Government

COMPANY NO. 410
FRESH CERTIFICATE OF INCORPORATION

CONSEQUENT ON CHANGE OF NAME

In the Office of the Registrar of Companies, Madhya Pradesh

In the matter of: **THE GWALIOR RAYON SILK MFG. (WVG.)
COMPANY LIMITED**

I hereby approve and signify in writing under section 21 of the Companies Act, 1956 (Act I of 1956) read with the Government of India, Department of Company Affairs, Notification No. G.S.R. 507 E dated the 24th June, 1985, the change of name of the Company from THE GWALIOR RAYON SILK MFG. (WVG.) COMPANY LIMITED.

TO : **GRASIM INDUSTRIES LIMITED**

And

I hereby certify that The Gwalior Rayon Silk Mfg. (Wvg.) Company Limited which was originally incorporated on 25.8.1947 under the Companies Act and under the name The Gwalior Rayon Silk Mfg. (Wvg.) Limited having duly passed the necessary resolution in terms of section 21/22(1)(a)/ 22(1)(b) of the Companies Act, 1956 the name of the company is this day changed to

GRASIM INDUSTRIES LIMITED, and this certificate is issued pursuant to section 23(1) of the said Act.

Given under my hand at GWALIOR this **TWENTY SECOND day of JULY One thousand nine hundred EIGHTY SIX.**

Sd/-
(S. KARMAKAR)
Registrar of Companies
Madhya Pradesh, Gwalior





GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Gwalior
3rd Floor, A'Block Sanjay Complex, Madhya Pradesh, India, 474009

Corporate Identity Number: L17124MP1947PLC000410

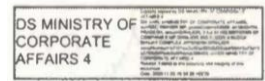
SECTION 13(1) OF THE COMPANIES ACT, 2013

Certificate of Registration of the Special Resolution Confirming Alteration of
Object Clause(s)

The shareholders of M/s GRASIM INDUSTRIES LTD having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 14-09-2020 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at null this Fifth day of November Two thousand twenty.



RAJPAL SINGH

Registrar of Companies
RoC - Gwalior

Mailing Address as per record available in Registrar of Companies office:

GRASIM INDUSTRIES LTD

BIRLAGRAM, NAGDA, UJJAIN, Madhya Pradesh, India, 456331



GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

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3rd Floor, A'Block Sanjay Complex, Madhya Pradesh, India, 474009

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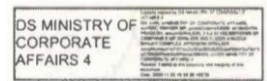
SECTION 13(1) OF THE COMPANIES ACT, 2013

Certificate of Registration of the Special Resolution Confirming Alteration of
Object Clause(s)

The shareholders of M/s GRASIM INDUSTRIES LTD having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on 22-02-2021 altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at null this Second day of March Two thousand twenty-one.



RAJPAL SINGH

Registrar of Companies
RoC - Gwalior

Mailing Address as per record available in Registrar of Companies office:

GRASIM INDUSTRIES LTD

BIRLAGRAM, NAGDA, UJJAIN, Madhya Pradesh, India, 456331

**MEMORANDUM OF ASSOCIATION
OF
GRASIM INDUSTRIES LIMITED**

1. The name of the Company is **"GRASIM INDUSTRIES LIMITED"**.
2. The Registered Office of the Company will be situated in Gwalior State.
3. The objects for which the Company is established are :
 1. To purchase or acquire from Messers. Birla Brothers Ltd., Gwalior Branch, the contracts for machinery, engine, boilers, mill wirghts work etc., entered into by them with manufacturers in England or elsewhere on such terms and conditions as may be agreed upon between Messers. Birla Brothers Ltd., Gwalior Branch, and the Directors of the Company.
 2. To purchase or acquire from Messers. Birla Brothers Ltd., Gwalior Branch, concessions which they may have acquired from the Gwalior Government or any other party or parties for any business or factories.
- 3.(a) To carry on all or any of the following business, namely : manufactures of artificial silk fibres, yarns and fabrics, other varieties of synthetic fibres and yarns fabrics such as, nylons etc., cotton spinners and doublers, flax, hemp, jute spinners linen and cloth manufacturers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers and makers of citriol, bleaching, dyeing materials and raw materials and chemicals required in the production of synthetic fibres and yarns
- (b) To purchase, comb, prepare, spin, dye and deal in artificial silk and other synthetic fibres and yarns, cotton, flax, hemp, jute, wool, silk and any fibrous substances.
- (c) To weave, knit and otherwise manufacture, buy and sell and deal in artificial silk and other synthetic fibres and yarns, linen, cloth and other goods and fabrics, whether textile, felted, netted or looped.
- (d) To cultivate, press, prepare, buy, sell and deal in seeds and vegetable produce of all kinds, and to manufacture and deal in oils and other products obtained from such produce.
- (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.
- (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-products and derivatives (including raw materials, value added products) and mixtures thereof.
- (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 grin, 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.

(h)[@]

To promote, design, construct, establish, operate, lease, maintain electricity generating station(s) and to carry on all or any of the business of procures, 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 quality 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.

(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 buildings, structures, works, transmission lines, substation bay equipment, machineries, 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, naptha, 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.

(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, assemblies and sub-assemblies 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.

(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.

(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.”

(m)^{##} To carry on the business as manufacturers, dealers, sellers, traders, importers, exporters in:

Paints, coatings, industrial coatings, powder coatings, auto-OEM coatings, wallpapers, specialty chemicals, white and colored cements and waterproofing materials, compounds, etc. of all types and all kinds, including their all kinds of formulation but not limited to emulsions, synthetic resins, polymers, rutile (titanium dioxide), monomer, surfactants, dispersing agents, biocides, driers, colorants, lacquers, enamels, textures, wood and metal finish, paints, varnishes, oils, distempers, alkyd resins, polyurethane resin, acrylics resins, melamine resins, epoxy resins, latex, all types of putty, dry colors, minerals, disinfectants, turpentine, all types of painting brushes, tools, implements etc. for painting jobs, paint / color mixing machines and/or tinting machines and its variants / equipment etc. and / or any other item or items that can be manufactured on own or through contract manufacturing or traded or is auxiliary in connection with the aforesaid

business.

- (n)^{##} To carry on the business as manufacturers, dealers, traders, sellers, importers, exporters in: -
- A All types of plastics, lattices and formulations, thereof including all kinds of rubber and plastics, products and goods;
 - B Styrene, butadiene and similar monomers, ethylene, alcohol, petroleum fractions and other chemical substances of all kinds, to manufacture compounds, synthetic and other substances, basic, intermediate or otherwise from chemical substances of all kinds;
 - C All kinds of plastic materials, polystyrene, vinyl chloride, polyvinyl chloride, methyl methacrylate, butyl acrylate, ethyl hexa acrylate, hydroxy ethyl methacrylate, polyethylene, polyolefines, vinyl acetate and copolymers of one or more of the above and/or other products, acrylics and polyesters, polycarbonate and polyethers, epoxy resins and compositions, silicon resins and compositions, P-F, U-F and other thermosetting resins and molding compositions, nylons, Rilsan and similar thermoplastics and molding compositions including refabricated sections and shapes, cellulosic plastics and other thermosetting and thermoplastic materials (of synthetic or natural origin), allied types of reagents, weedicides, pesticides, fungicides, and lakes, dyes, toners, perfumes and flavouring chemicals, rubber chemicals, plastic and resinous materials, adhesive and sealant compositions, plasticizers, surface active agents, coating resins, solvents, marine chemicals, synthetic fibres, and all types of Industrial chemicals, hormones, trace elements, etc;
 - D Petrochemical, industrial and other preparations and articles of any nature and kind whatsoever, waxes natural and synthetic, industrial solvents and pasting agents, antioxidants, accelerators, reinforcing agents, silica compounds, softeners, and special chemical substances, plasticizers and extenders, dyestuffs and intermediates, etc;
 - E All kinds of pigments, pigment emulsions, binder materials, thickeners, chemicals, dyes and manures;
 - F Biochemical, industrial and other preparations and articles, dyes, chemicals, acids, alkalis, colors, glues, gums, pasters, organic or mineral intermediates, compositions, paint and color grinders, preparatory articles of all kinds, laboratory reagents, and to carry on the business of chemists and oil and colormen;
 - G All types of containers (included but not limited to metallic and plastic containers), receptacles, boxes, cartons, cages, bins, tubes, crates, packing cases, cans, ball strapping systems and bags and fittings therefore, of every kind for holding, keeping, storing, shipping and handling the products which the Company is entitled to manufacture or deal in or any of them.

- (o)^{##} To carry on the business of home improvement, all types of painting services, water-proofing and chemical treatment services, and decor for interior and exterior furnishers & decorators including all types of services – direct or online, through self, partners, associates, contracts, etc., and other related services for home, offices, factories or any other building/wall.
- (p)^{##} To manufacture, process, produce, prepare, make, sell, service, contract (both service and material, etc.), purchase, store, import, export, trade, market, all types of items/products of exterior and interior decoration/ furnishing, wallpaper, wall cladding, textures, all types of building materials and/or linked services including flooring materials which includes tiles, wooden flooring, flooring laminates, industrial flooring, carpets, rugs, all types of roofing materials, shingles, insulation materials, construction chemicals, water proofing, prefabricated building materials and other building material and architectural work.
4. To carry on the business of buyers, sellers, dealers, exporters and importers of any goods or merchandise whatsoever and to transact all manufacturing or treating and preparing processes and mercantile business and to purchase and vend raw materials and manufactured articles.
- 4.A To carry on the trade or business of purchasing, hiring or otherwise acquiring and making, producing or manufacturing bicycles, tricycle, motor cycles together with accessories and spare parts, electric motors, toy motor cars and conveyance of all kinds whether for road, field or other traffic or purposes and all machinery, materials and things applicable or used as accessory thereto, and of selling, exchanging, and otherwise dealing in the same respectively.
- 4.B To carry on the business of iron founders, mechanical engineers, and manufacturers of agricultural implements and other machinery, tool-makers, brass founders, metal workers, mill-wrights, machinists, iron and steel converters, smiths, wood-workers builders, painters, metallurgists, electrical engineers, water supply engineers, gas-makers, and merchants, and to buy, sell manufacture, repair convert, alter, let on hire, and deal in machinery implements, rolling-stock, and hardware of all kinds and to carry on any other business (manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above, or otherwise calculated, directly or indirectly, to enhance the value of any of the company's property and rights for the time being.
- 4.C To carry on any business relating to the production and working of metals, and the production, manufacture, and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the company, or any contracts undertaken by the company, and either for the purpose only of such contracts or as an independent business.
- 4.D To undertake and execute any contracts for works involving the supply or use of any machinery, and to carry out any ancillary or other works comprised in such contracts.
- 4.E To manufacture, buy, sell, exchange, alter improve, manipulate, prepare

for market, and otherwise deal in all kinds of plant, machinery, apparatus, tools, utensils, substances, materials and thing necessary or convenient for carrying on any of the above specified businesses or proceedings, or usually dealt in by persons engaged in the like.

- 4.F To carry on business as manufacturers, importers & exporters of dealers in machinery, articles including electrical and engineering materials, goods, machinery and requisites and as Electrical, Mechanical and General Engineers and Contractors and as manufacturers and workers in materials of any other nature and kind.
- 4.G To carry on business of manufacturers, importers, exporters of and dealers in Rayon Machinery, ancillary plants, accessories, tools, appliances and apparatus thereto and also to carry on business of manufactures, importers, exporters of and dealers in machinery together with accessories, tools, appliances, apparatus and spare parts thereto, used in producing Rayon and other fibres and in particular Continuous Filament, Staple Fibre and Acetate.
- 4.H To carry on business of manufactures, importers, exporters of and dealers in machinery together with accessories, equipment's, tools, appliances, apparatus and spare parts used for manufacturer of chemicals and in particular chemicals required in Rayon Industry including Caustic Soda, Sulphuric Acid and Carbon Bisulphide.
- 4.I* To carry on business of manufacturers, importers, exporters, buyers, sellers, indentures and dealers in Pellets, Sponge Iron, Iron and Iron work, all types of Steels and metals, Iron masters and smelters, winning and working of minerals mines of all kinds and colliery proprietors and in all branches of such business.
- 4.J* (i) To carry on the business of manufacture, assemble, buy, sell, import, export, service, repair or otherwise deal in all types of electronics equipment viz. electronic communication, teletext, televideo, microwave and facsimile equipment, telecommunication and telematics equipment, all sorts of electrical and electronic wireless sets high frequency apparatus, radar equipment, sonar's oscilloscopes of all kinds and description, electronic and electrical products, industrial electronic devices electronic components, material for electronics, software procedures, peripheral products, modules, instruments, hardware and software system, all kinds of solid state devices, control system and allied equipment, aerospace and defence electronics, entertainment electronics, household electronics and such other electronic equipment, gadget items which may be developed and introduced in India and elsewhere.
- (ii) To carry on the business of manufacture, assemble, deal, buy sell, import, export all types of glass shells required for TV picture Tubes, cathode ray tubes, travelling ways tubes, image orthicons, plumbicons, fluorescent display tubes, gas filled indicator tubes, photo-electronic tubes and allied products.
- (iii) To carry on the business of manufacture, improve, assemble, prepare, design, develop, erect, install, equip, fabricate, repair, mend, anything and everything in electronics, electric gadgets and appliances, measuring and testing instruments, components, accessories and spares for control engineering, communication, defence and computer data processing applications that may be developed by invention, experiment and

- research.
- 4.K** To carry on the business of manufacturers, importers, exporters, buyers, sellers, indentures and dealers in the activities relating to formulations, product development, Research and Development, marketing and distribution for cosmetics, creams, perfumes, skin preparations, beauty specialities, perfumery compounds, toiletries, detergents and detergent intermediates, personal care and health care products and their ingredients.
- 4.L**# To manufacture, produce refine, process, formulate, mix or prepare, mine or otherwise acquire, buy, sell, exchange, distributes, trade, deal in, import and export any and all kinds of chemicals, including heavy chemicals of all grades and organic and inorganic chemicals, food processing aids or food processing chemicals, fertilisers, linden, pesticides, manures their mixtures and formulation and any and all Classes and kinds of chemicals, sources, chemical auxiliaries and analytical chemicals, mixtures, natural and synthetic and other derivatives and compounds and by-products thereof and any and all kinds of products of which any of the foregoing constitutes any ingredient or in the production of which any of the foregoing is used, including acids, alkalies, fertilisers and agricultural and industrial chemicals of all kinds and industrial and other preparation of, or products arising from or required in the manufacturing, refining of any kind of fertiliser, their mixture and formulation.
- 4.M** To purchase or otherwise acquire crude oils and manufacture, refine, treat, reduce distil, blend, smelt, store, hold, compress, bottle, pack, use, experiment with, exchange, transport, import, export, dispose off and generally deal in all kinds of petroleum and petroleum products, derivatives, co-products, by products, waste products, including specifically refinery gases, reformer gases, naphtha refermate special midelle distillate fractions, residual fuel oil and sluck wax except marketing of such formula petroleum products as are governed by the administered price scheme of the Government of India from time to time in force and are marketed and distributed through the public sector oil corporations.
- 4.N** To purchase or otherwise, acquire, assemble, install, construct, equip, repair, remodel, maintain, operate hold, own, control or administer, lease, rent, mortgage, sell, convey or otherwise dispose off any and all kinds of refineries, petrochemical plants, gas works, installations, plants, shops, laboratories, pipelines, pumping stations, tanks, repair shops, power houses, warehouses, terminals, office buildings and other buildings and structures, cars, rail road equipment, garages motor and road equipment, telephones and telegraph lines, transmission lines, wireless facilities, bridges, ports, docks, piers, wharves, marine equipment, steamers, tankers, tugs, barges and other vessels and such other machinery, apparatus, instruments, works, fixtures and appliances in so far as the same may appertain to or be useful in the conduct of the business of the Company.
- 4.O** To manufacture, process, produce, convert, buy sell, acquire, import, export, formulate, distribute, store, packaging, transport and generally deal in the following :
- (a) All petrochemicals and derivatives, co-products, by-products, waste-

- (b) products thereof, whether liquid, solid or gaseous;
 - (c) polymers, elastomers and copolymers formulations in all forms such as powder, flakes, granules or as processed goods;
 - (d) polymer processing chemicals of all types and for all purposes including specifically plasticides, antioxidants, colouring chemicals;
 - (e) reclaimed rubber and synthetic rubber of all types, grades, forms and copolymer formulations ;
 - (f) solvents of all types, grades and formulations and including specially polyamide fibres, polyester fibre, nylon, rayon polypropylene, polyvinyl acetate;
 - (g) synthetic detergents and detergent intermediates of all types and surface active agents ;
 - (h) pesticides, micronutrients and related intermediates of all types and formulations including specifically insecticides, fungicides; and refrigerants of all types.
- 5. To acquire and work mines, plantations, forests, lands licences, leases and other rights and privileges.
- 6. To purchase and hold in free or on lease or otherwise and to make advances on any land or lands and to purchase, acquire, hire, hold make and maintain roads, canals, watercourses, ferries, piers, wharves and otherways and to make, construct, purchase, acquire, hire, hold, improve, alter, manage, let, sell, exchange, barter and dispose of land leases, buildings, warehouses, works, railways sidings, tramways, ships, boats, aeroplanes, engines, machinery and apparatus whatsoever.
- 7. To erect, acquire, work, use, barter, exchange and otherwise deal with such mills, factories, workshops, buildings, houses and erections as may be expedient and to purchase or put into working order such machinery and other accessories as may from time to time be expedient
- 8. To carry on the business of warehousement and wharfingers.
- 9. To enter into any contract or arrangement or other dealing for the more efficient conduct of the traffic or business of the company or any part thereof.
- 10. To carry on the business of carriers by land, water or air.
- 11. To establish well-equipped laboratories and carry on analytical, experimental and other work or undertaking in relation to the general objects of the company.
- 11.(A) To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift of the public in any rural area and to incur any expenditure on any programme of rural welfare or development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. Without prejudice to the generality of the foregoing, "programme of rural development" shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development, and that the words, "rural area" shall include such areas as may be regarded as rural areas under Section 35CC of the Income-tax Act, 1961, or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional values as the Directors may think fit and divest the ownership of

any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institutions or Trusts established or operating under, by virtue of or pursuant to any law for the time being in force.

- 11.(B) To undertake, carry out, promote and sponsor or assist any activity for the promotion and growth of national economy and for discharging what the Directors may consider to be social and moral responsibilities of the Company to the Public or any section of the public as also any activity which the Directors consider likely to promote national welfare or social, economic or moral uplift of the public or any section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing, undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspapers etc, for organising lectures or seminars likely to advance these objects or for giving merit awards, for giving scholarships, loans or any other assistance to deserving students or other scholars or persons to enable them prosecute their studies or academic pursuits or researches and for establishing conducting, or assisting any institution, fund, trust, etc., having any one of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government of any Public Institution or such Trusts established or operating under, by virtue of or pursuant to any law for the time being in force.

- 11(C) To give donations and to advance and lend money to any person, institution, trust, fund etc., on such terms and conditions and with or without interest or at a concessional rate of interest as may seem expedient for the fulfilment of the objects contained in the above Sub-clauses 11A and 11 B.

12. To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the aforementioned business or any of them or calculated directly or indirectly to benefit the Company.
13. To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of this Company.
14. To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise or amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction capable of being carried or conducted so as directly or indirectly to benefit this Company and to lend money to or guarantee the contract of or otherwise assist any such person or company and to take or otherwise acquire shares and securities of any such company or in any otherwise company having objects altogether or in part similar to those of this Company and to sell, hold, re-issue with or without guarantee or otherwise deal with the same.
15. To sell, let exchange or otherwise deal with the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for share, debentures or securities of any other company having objects altogether or in part similar to those of this Company and if thought fit to distribute the same among the shareholders of this Company.

16. To promote any other company for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
17. To receive on deposit at interest or otherwise and to lend money or property or mortgage of immovable property on hypothecation or pledge of movable property or without security to such person and on such terms as may seem expedient and in particular to customers of and persons having dealing with the Company.
18. To purchase or otherwise acquire any patents, brevets d'invention, licence, concessions, monopolies and the like conferring and exclusive or non exclusive or limited right to use any invention which may seem capable of being used for any other purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit this Company and to use, exercise, develop or grant licences in respect of or otherwise turn to account to the property and rights so acquired.
19. To obtain provisional order of Act of Legislature of Parliament for enabling the Company to obtain all powers and authorities necessary or expedient to carry out or extend any of the objects of the Company or for any other purpose which may seem expedient and to oppose any proceedings or applications which seem calculated directly or indirectly to prejudice the Company's interest.
20. To enter into any arrangements with the Government of Gwalior or any local Government or with any authorities, municipal, local or otherwise, or with any Rajahs, zaminders, landholders or other persons that may seem conducive to the Company's objects or any of them and to obtain from such government or authority, Rajahs, zamindars, landholders or other persons any rights, privileges and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights privileges and concessions.
21. To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of Art or interest by publication of books and magazines or periodicals and by granting prizes, reward and donation.
22. To establish, join, support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences including technical institutions or colleges calculated to benefit employees or ex-employees of the Company or the dependants or connections of such persons or the public as also to facilitate training of technical personnel required for the company and to make payments towards insurance and to subscribe or guarantee money or pay a share of the profits for charitable or benevolent objects or for any exhibition or for any public general or useful object.
- 22.A. To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.
23. To distribute any of the property of the Company among the members in specie but so that no distribution amounting to a reduction in capital be made without the sanction of the court if requisite.
24. To make, accept, endorse, execute, and issue cheques, promissory notes, bills or exchange, bills of lading, debentures and other negotiable or transferable instrument.
25. To invest or deposit the moneys of the Company.
26. To guarantee the performance of contract.
27. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debenture of debenture-stock, perpetual or otherwise charged upon all or any of the

- company's property (both present and future) including its uncalled capital if any, and to apply, the same or any part thereof for all or any purposes of the Company and to purchase, redeem or pay off any such securities.
28. To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures or debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
 29. To establish agencies or branches in India or elsewhere and to under-take the management of any company or companies having objects altogether or in part similar to those of this Company and to take all necessary steps for registering the Company in any country as may be thought fit.
 30. To manage, let, mortgage, sell, underlet or otherwise turn to account, dispose off, or deal with all or any part of the real or immovable and personal or movable property and rights of the Company whenever and however acquired.
 31. And generally to do and perform all such other acts and things as may in the opinion of the Directors or the Managing Agents of the Company for the time being be incidental or conducive to the attainment of the above objects or any of them.
 - 31.A. To own, work, erect, install, maintain, equip, prepare, alter, add to or otherwise handle or deal in pulp and paper plants, flatures spinning mills, weaving mills or any other factories for pressing, ginning, carding, combing scouring, mixing, processing, twisting, throwing, bleaching, printing, dyeing, or finishing whether rayon, staple fibre, staple fibre yarn, raw silk, silk yarns waste, silks, cotton, flax, jute hemp, wool, hessian, linen, or any other textiles of any description and kind.
 - 31.B. To carry on the business of linen and carpet manufacturing and of dyeing, bleaching, printing, combing, preparing, spinning, weaving, manufacturing, selling, dyeing and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, silk, flax, hemp, jute, wool and other materials.
 - 31.C. To carry on the business of manufacturers of and dealers in chemicals of any nature and kind whatsoever and as wholesale and retail chemists, druggists, analytical and pharmaceutical chemists, dry salters, oil and colour men, importers, exporters, and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tanins, essences, pharmaceutical, sizing, medicinal, chemicals, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, soaps, cements, oils, fats, paints, varnishes, drugs, dyestuffs, chemicals, paints and colour grinders, makers of any proprietary articles of all kinds and of electrical, chemical, photographic, surgical and scientific apparatus and materials and to manufacturer, refine, manipulate, import and deal in salts and marine materials and other derivatives, bye-products and compounds, of any nature and kind whatsoever.
 - 31.D. To carry on the business of manufacturers of and dealers in all kinds and classes of pulp including sulphite and sulphate wood pulp, mechanical pulp and soda pulp and papers including transparent, vellum, writing, printing, glazed, absorbent, newsprinting, wrapping, tissue, cover, blotting, filter, bank or bond, badami, brown, buff or coloured cloth-lined, azurelaid, cream laid, grease or water proof hand-made parchment drawing craft, carbon, envelope and boxes and straw duplicates and triplicates boards and all kinds of articles in the manufacture of which in any form pulp paper or board is used and also to deal in any manufacture of artificial leather and plastics of

all varieties, grades and colour and any other articles, and things of a character similar or analogous to the foregoing or any of them or connected therewith.

- 31.E.# To carry on the business as Registrars to issue, Securities Transfer Agents, Commission Agents, brokers, financiers, promoters, capitalists, manufacturers, agents or representatives, shipping and clearing agents, of any person, firm or Company.
- 31.F. To train or pay for the training in India or abroad of any of the Company's employees or any candidate in the interests of or for furtherance of the Company's objects.
- 31.G. To pay for any properties, rights or privileges acquired by the Company in shares of this Company or partly in shares and partly in cash or otherwise and to give shares of this Company in exchange for shares or stock of any other Company.
- 31.H. To acquire the goodwill of any business within the objects of the Company, and any lands, privileges, rights, contracts, property or effects, held or used in connection therewith, and upon any such purchase to undertake the liabilities of any Company, association partnership or person.
- 31.I. To sell any patent rights or privileges belonging to the Company or which may be acquired by it, or by interest in the same, and grant licences for the use and practice of the same or any of them, and to let or allow to be used or otherwise deal with any inventions, patents or privileges in which the Company may be interested, and to do all such acts and things as may be deemed expedient for turning to account any inventions, patents and privileges in which the Company may be interested.
- 31.J. To undertake and execute any trust, the undertaking whereof may seem desirable either gratuitously or otherwise.
- 31.K. To place to reserve and distribute as dividend or bonus among the members or otherwise, to apply as the Company may from time to time think fit, any moneys received by way of premium on shares or debentures issued at a premium by the Company or any moneys received in respect of dividends accrued on forfeited shares or from unclaimed dividends.
- 31.L. To produce the incorporation, registration or other recognitions of the Company in any country, state or place in any part of the world and to establish and maintain local registers and branch places of business therein.
- 31 M To distribute in specie or otherwise as may be resolved any assets of the Company among its members and particularly the shares, debentures and other stocks of any other company taking over the whole or any part of the assets or liabilities of the Company.
- 32. To do all or any of the above things as principals, agents, contractors, trustees, insurers or otherwise and either alone or in conjunction with others.

And it is hereby declared that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority or partnership or other body of persons whether incorporated or not and whether domiciled in Gwalior or elsewhere, and the intention is that the objects set forth in each of the several paragraphs of this clause shall have the widest possible construction and shall in no wise be limited or restricted by reference to or inference from the terms of any paragraphs of this clause or the name of the Company.


MEMBER'S LIABILITY

- 4. The liability of the members is limited
- 5.\$ "The Authorised Share Capital of the Company is Rs. 423,50,00,000 (Rupees four hundred and twenty three crore fifty lakh) divided into

206,25,00,000 (two hundred and six crore and twenty five lakh) equity shares of Rs. 2 (Rupees two) each, and 11,00,000 (eleven lakh) 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 condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

- * Adopted in the Annual General Meeting held on 26.8.1989 and confirmed by the order of the Company Law Board, Western Region Bench, Bombay.
- ** Adopted in the General Meeting held on 17.8.1991 and confirmed by order of the Company Law Board Western Bench, Bombay.
- # Adopted in the Annual General Meeting held on 25.9.93 and confirmed by order dated 18.10.94 of the Company Law Board, Western Region Bench, Mumbai
- \$ Amended in the meeting of equity shareholders held on 10.06.15 and confirmed by order dated 09.10.2015 of the High Court of Madhya Pradesh, Bench at Indore
- @ Amended in the meeting of equity shareholders held on 06.04.17 and confirmed by order dated 01.06.2017 of the National Company Law Tribunal, Ahmedabad Bench, Ahmedabad
- \$ Further amended in the meeting of equity shareholders held on 06.04.17 and confirmed by order dated 01.06.2017 of the National Company Law Tribunal, Ahmedabad Bench, Ahmedabad
- **# Amended pursuant to the approval of the members obtained at the Annual General Meeting held on 14.09.2020.
- ## Altered pursuant to the approval of the members obtained at the Extraordinary General Meeting held on 22.02.2021.
- \$ Further amended by order dated 12.11.2020 as amended by order dated 28.01.2021 of the Hon’ble National Company Law Tribunal, Indore Bench, at Ahmedabad

We, the several persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, addresses and description of subscribers		Number of shares taken by each subscriber	Signatures, address and description of witnesses
1.	D.P. MANDELIA, P.O. Jiyajeerao Mills Gwalior Service	100 Ordinary	 Sd/- CHANDRA SINGH NEGI C/o Jiyajeerao Cotton Mills Limited Gwalior Service
2.	R.K. BIRLA P.O. Jiyajeerao, Mills Gwalior Service	100 “	
3.	SITARAM KHEMKA P.O. Jiyajeerao, Mills Gwalior Service	100 “	
4.	R.C. GANERIWAL P.O. Jiyajeerao Cotton Mills Limited Gwalior Service	10 “	
5.	T.D. LAKHOTIYA, P.O. Jiyajeerao Cotton Mills Limited Gwalior Service	10 “	
6	D.D. DADOO P.O. Jiyajeerao Cotton Mills Limited Gwalior Service	10 “	
7.	V.M. SHARMA P.O. Jiyajeerao Cotton Mills Limited Gwalior Service	10 “	
Total		340 Ordy. Shares	

Dated this 21st day of June 1947

GRASIM INDUSTRIES LIMITED

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ARTICLES OF ASSOCIATION OF GRASIM INDUSTRIES LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to the members' resolution passed at the Annual General Meeting of Grasim Industries Limited held on 6th September, 2014 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

Sr. No.	Heading	Provision
1.	Table 'F' to apply save as varied	The regulations contained in Table 'F' in Schedule I to the Companies Act, 2013 ("Table 'F'"), as are applicable to a public Company limited by shares, shall, except for the Regulation 20(a), 27, 48 and 76 of Table 'F' , apply to the Company so far as they are not inconsistent with any of the provisions contained in these regulations or modifications thereof. In case of any conflict between the provisions of these Articles and Table 'F', the provisions of these Articles shall prevail.
INTERPRETATION		
2.	Definitions	
	"Act"	means the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.
	"Annual General Meeting"	means the General Meeting referred to in sub- section 1 of Section 96 of the Act.
	"Articles" or "Articles of Association"	means these Articles of Association of the company or as altered or substituted from time to time.
	"Beneficial Owner"	shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.
	"Board of Directors" or "Board"	means the collective body of the Directors, for the time being, of the Company.
	"Debenture Holder(s)" or "Security holder(s)"	means a duly registered holder, for the time being of a debenture(s) or a security of the Company.

“Depositories Act”	means the Depositories Act,1996 and shall include any statutory modification(s) or re-enactment thereof for the time being in force.
“Depository”	means a Depository as defined in Section 2 of the Depositories Act,1996.
“Directors”	means a director appointed to the Board of a Company.
“Dividend”	includes any interim Dividend.
“Financial Year”	means the period commencing on April 1 of a calendar year and ending on March 31 of the next succeeding calendar year.
“Independent Director”	means a Director who fulfils the requirements of Section 149 of the Act and who is appointed as an Independent Director in accordance with the provisions of the Act.
“Month”	means a calendar Month.
“Office” or “Registered Office”	means the Registered Office for the time being of the Company.
“Person”	includes a partnership firm, an LLP, an Association of Persons, a corporation or an individual as the context may require.
“Preference Share”	means a share which carries or would carry a preferential right with respect to payment of Dividend and repayment of capital in the case of winding up of the Company and with such rights as are mentioned in the Act
“Regulation” or “Rule”	means the applicable regulation or rule for the time being in force prescribed under the Act as modified from time to time
“Seal” or “seal”	means the Common Seal of the Company.
“Share”	means an Equity Share or a Preference Share as the context may require
“Shareholder(s)” or “Member(s)”	means a duly registered holder(s) for the time being of a Share(s) issued by the Company and includes a subscriber(s) to the Memorandum and Articles of Association of the Company and also every Person holding Equity Share(s) and/or Preference Share(s) of the Company as also one whose name is entered as the Beneficial Owner of a Share of the Company in the records of the Depository;

“Singular or Plural”	Words importing a singular number shall include the Plural number and vice versa.
“writing” or “written”	means and includes words printed, lithographed, represented or reproduced in any mode in a visible form;
Expressions in the Articles to bear the same meaning as in the Act	Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

SHARE CAPITAL AND VARIATION OF RIGHTS

- 3.[§] Share Capital “The Authorized Share Capital of the Company shall be such as specified in Clause 5 of the Memorandum of Association.”
4. Further issue of Shares
- i. The Company may, in accordance with the Act and the Rules, issue further shares :
 - a. to persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
 - b. to employees under any scheme of employees’ stock option, subject to approval by the shareholders of the Company by way of a special resolution; or
 - c. to any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above, subject to approval by the shareholders of the Company by way of a special resolution.
 - ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

5. Sweat Equity Shares Subject to the provisions of the Act and other applicable provisions of law, the Company may with the approval of the Shareholders by a special resolution in general meeting issue sweat Equity Shares in accordance with such Rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.
6. Terms of issue of debentures Any debentures, debenture-stock or other Securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into Shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the general meeting by way of a special resolution.
7. Shares under control of Board Subject to the provisions of the Act and these Articles, the Shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of Shares all or any of the rights and privileges attached to each class may subject to the provisions of the Applicable Law of the Act be modified, varied or abrogated, with the consent in writing of the holders of not less than three fourths in nominal value of the issued Shares of that class or by means of a Special Resolution passed at a separate general meeting of the holders of the issued Shares of that class.

8. Directors may allot Shares otherwise than cash Subject to the provisions of the Act and these Articles, the Board may issue and allot Shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any Shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up Shares, as the case may be, if the price of such Shares is determined by the valuation report of a Registered Valuer and such issuance and allotment is approved by a special resolution of the Shareholders of the Company.
9. Kind of Share capital Without prejudice to the generality of what has been stated in these Articles, the Company may issue the following kinds of Shares in accordance with these Articles, the Act, the Rules and other Applicable Laws:
 1. Equity Share capital:
 - (a) with voting rights; and / or
 - (b) with differential rights as to Dividend, voting or otherwise in accordance with the Rules; and
 2. Preference Share capital.
10. Issue of Certificate
 - i. Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:
 - a. one certificate for all his shares without payment of any charges; or
 - b. several certificates, each for one or more of his shares, upon payment of such fees as prescribed under the Act or Rules made thereunder.
 - ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to first joint holder shall be sufficient delivery to all such holders.

11. Issue of new Share certificate in place of one defaced, lost or destroyed etc.
- (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of such fees as may be prescribed under the Act or Rules made thereunder.
- (ii) The provisions of foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other Securities including debentures (except where the Act otherwise requires) of the Company.

Provided that, notwithstanding what is stated above hereinabove, the Directors shall comply with such Rules or Regulations or requirements of any stock exchange or the Rules made under the act or the Rules made under the Securities Contracts (Regulation) Act, 1956 or any other Act or Rules applicable in this behalf.

Except as required by law, no Person shall be recognised by the Company as holding any Share or debenture upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any Share or debenture, as the case may be, except an absolute right to the entirety thereof in the registered holder.

12. Power to pay commission in connection with Securities issued
- The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection of the securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and Rules made there under.

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| 13. Rate of commission in accordance with the Rules | The rate or amount of the commission shall not exceed the rate or amount prescribed from time to time in the Act, and the Rules made there under. |
| 14. Mode of payment of commission | The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other. |
| 15. Variation of Members' rights | <p>a. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act.</p> <p>b. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p> |
| 16. Issue of further Shares not to affect rights of existing members | The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari-passu therewith. |
| 17. Power to issue redeemable Preference Shares | Subject to the provisions of the Applicable Law and subject to such conditions as may be prescribed thereunder, the Company shall have power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption. |

LIEN

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| 18. Company's lien on Shares | <p>i. The Company shall have a first and paramount lien—</p> <p style="padding-left: 40px;">a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p style="padding-left: 40px;">b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:</p> |
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Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

ii. The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares.

iii. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company lien, if any, on such shares.

19. As to enforcing lien by sale The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.

20. Validity of sale (i) To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof.
(ii) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

21. Application of proceeds of sale The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

22. Payment of residual money The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

23. Outsider's lien not to effect Company's lien In exercising its lien, the Company shall be entitled to treat the registered holder of any Share as the absolute owner thereof and accordingly shall not (except as ordered by a

court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such Share on the part of any other Person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

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| 24. Provisions as to lien to apply <i>mutatis mutandis</i> to debentures, etc. | The provisions of these Articles relating to lien shall <i>mutatis mutandis</i> apply to any other Securities including debentures of the Company. |
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SHARE CERTIFICATES

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| 25. Right of Directors to refuse sub-division | Notwithstanding anything contained in these Articles the Directors of the Company may in their absolute discretion refuse sub-division of physical share certificates or debenture certificates into denominations of less than the marketable lots except where such sub-division is required to be made to comply with a statutory provision or an order of a competent court of law. |
| 26. Issue of certificates, if required, in the case of dematerialised Shares/debentures/ other Securities and rights of Beneficial Owner of such Shares/debentures/ other Securities. | Notwithstanding anything contained herein, certificate, if required, for a dematerialised share, debenture and other security shall be issued in the name of the Depository, however, the Person who is the Beneficial Owner of such shares, debentures and other securities shall be entitled to all the rights as set out in these Articles. |

DEMATERIALIASATION OF SECURITIES

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| 27. Applicability of Depositories Act | In the case of transfer of Shares, debentures or other marketable Securities where the Company has not issued any certificate and where Shares and Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply. Provided that in respect of the Shares, debentures and other marketable Securities held by the Depository on behalf of a Beneficial Owner as defined in the Depositories Act, Section 89 of the Act shall not apply. |
| 28. Company entitled to dematerialise its Shares, debentures and other Securities | Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other Securities and to offer any shares, debentures or other Securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/ other Security |

holders with the details of members/ debenture holders/ other security holders holding Shares, debentures or other Securities both in re-materialised and dematerialised form in any media as permitted by the Act.

29. Option to hold Shares in electronic or physical form Every Person subscribing to or holding Securities of the Company shall have the option to receive security certificates in physical form or to hold the Securities in electronic form with a Depository or in such other mode as may be prescribed under the Act and Rules made thereunder. If a Person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the Security.
30. Beneficial Owner deemed as absolute owner Save as herein otherwise provided, the Company shall be entitled to treat the Person whose name appears as the Beneficial Owner of the Shares, debentures and other Securities in the records of the Depository as the absolute owner thereof as regards receipt of Dividends or bonus on Shares, interest/premium on debentures and other Securities and repayment thereof or for service of notices and all or any other matters connected with the Company and accordingly the Company shall not (except as ordered by the Court of competent jurisdiction or as by law required and except as aforesaid) be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such Shares, debentures or other Securities as the case may be, on the part of any other Person whether or not it shall have express or implied notice thereof.
31. Shares, debentures and other Securities held in electronic form In the case of transfer of Shares, debentures or other Securities where the Company has not issued any certificates and where such Shares, debentures or other Securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.
Provided that in respect of the Shares and Securities held by the Depository on behalf of a Beneficial Owner, provisions of the Depositories Act shall apply so far as applicable.
32. Information about transfer of Securities Every Depository shall furnish to the Company, information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws of the Depository and the Company in that behalf.

33. Provisions to apply to Shares in electronic form Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in electronic form so far as they apply to Shares in physical form subject however to the provisions of the Depositories Act.
- Provided that, nothing contained in these Articles shall apply to the transfer of Shares, debentures or other marketable Securities effected by the transferor and the transferee, both of whom are entered as Beneficial Owners in the record of the Depository.
34. Depository shall be deemed to be a registered owner Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner.
35. Depository as a registered owner shall not have any voting rights Save as otherwise provided herein above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;
36. Section 45 of the Act shall not apply Section 45 of the Act shall not apply to the Securities held with a Depository.
37. The register and index of Beneficial Owners by a Depository under the Depositories Act The register and index of Beneficial Owners by a Depository under the Depositories Act shall be deemed to be the register and index of Members and Security holders for the purposes of these Articles.
38. Rematerialize Shares held in Depositories Pursuant to the provisions of Depositories Act and the Rules framed there under, if any; the Company shall be entitled to rematerialize its Shares held in Depositories.

CALL ON SHARES

39. Board may make calls The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment.
40. Notice of call Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.

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| 41. Revocation or postponement of Call | A call may be revoked or postponed at the discretion of the Board. |
| 42. Call to take effect from date of resolution | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments. |
| 43. Liability of joint holders of Shares | The joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Shares held by them. |
| 44. Board may extend time for payment | The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour. |
| 45. When interest on call or installment payable | If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine. |
| 46. Board may waive interest | The Board shall be at liberty to waive payment of any such interest wholly or in part. |
| 47. Proof on trial of suit for money due on Shares | Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any call or other money claimed to be due to the Company in respect of any Shares, it shall be sufficient to prove that the name of the member in respect of whose Shares the money is sought to be recovered appears entered on the Register of Members as the holder of the Shares in respect of which such money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matter aforesaid shall be conclusive evidence of the debt. |
| 48. Sums deemed to be calls | Any sum which by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. |

49. Effect of non-payment of sums In case of non-payment of such sum, all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
50. Payment in anticipation of calls may carry interest The Board—
- a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and
 - b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate Company, as may be stipulated by the Board.
- Nothing contained in this clause shall confer on the member (a) any right to participate in profits or Dividends or (b) any voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable by him.
51. Installments on Shares to be duly paid If by the conditions of allotment of any Shares, the whole or part of the amount of issue price thereof, then every such installment shall, when due, be paid to the Company by the Person who, for the time being and from time to time, is or shall be the registered holder of the Share or the legal representative of a deceased registered holder.
52. Calls on Shares of same class to be on uniform basis All calls shall be made on a uniform basis on all Shares falling under the same class.
53. Partial payment not to preclude forfeiture Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such Shares as herein provided.
54. Provisions as to calls to apply *mutatis mutandis* to debentures etc. The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other Securities including debentures of the Company.
55. Board may decline to recognize instrument of transfer The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in Rules made under the Act;

TRANSFER OF SHARES

56. Transfer not to be registered except on production of instrument of transfer The Company shall not register a transfer of Shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the Shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the Shares or debentures.

Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit and proper.

Provided further that nothing in this Article shall prejudice any power of the Company to register as Shareholder or Debenture Holder any Person to whom the right to any Shares in, or debentures of, the Company has been transmitted by operation of law.

57. Legal representative A transfer of the Shares or other interest in the Company of a deceased member thereof made by his legal representative(s) shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.
58. Board may refuse to register Transfer The Board may, subject to the right of appeal conferred by the Act, decline to register—
- (a) the transfer of a Share, not being a fully paid Share, to a Person of whom they do not approve; or
 - (b) any transfer of Shares on which the Company has a lien.

- (c) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (d) the instrument of transfer is in respect of only one class of Shares.
59. Notice of refusal to be given to transferee If the Company refuses to register the transfer of any Share pursuant to these Articles, it shall within thirty days from the date on which the instrument of transfer was delivered to the Company send notice of refusal to the transferee.
60. No transfer to infant, etc. No transfer shall be made to a Person of unsound mind. However, transfer of fully paid up Shares can be made in the name of a minor if he is represented by his lawful guardian.
61. When transfers to be retained All instruments of transfer shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the Person depositing the same.
62. Power to close Register of Members or Debenture-holders The Company may, as required under the Act, close the register of members or the register of Debenture Holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time or as may be prescribed under the Act or Rules made thereunder.
63. Provisions as to transfer of Shares to apply *mutatis mutandis* to debentures, etc. The provisions of these Articles relating to transfer of Shares shall *mutatis mutandis* apply to any other Securities including debentures of the Company.
- 63A*&^ Deleted
- 63B*&^ Deleted
- 63C*&^ Deleted
- 63D*&^ Deleted

TRANSMISSION OF SHARES

64. Title to Shares on death of a member On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Persons recognised by the Company as having any title to his interest in the Shares.
65. Estate of deceased member liable Nothing in clause (66) shall release the estate of a deceased joint holder from any liability in respect of any Share which

- had been jointly held by him with other Persons.
66. Transmission Clause Any Person becoming entitled to a Share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the Share; or
 - (b) to make such transfer of the Share as the deceased or insolvent member could have made.
- Provided nevertheless that there shall not be any obligation on the Company or the Board to accept any indemnity.
67. Board's right unaffected The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the Share before his death or insolvency.
68. Nomination of Shares Notwithstanding anything contained in these Articles. every holder(s) of Shares in or holder(s) of debentures of the Company, holding either singly or jointly, may, at any time, nominate a Person in the prescribed manner to whom the Shares and/or the interest of the member in the capital of the Company or debentures of the Company shall vest in the event of his/her death. Such member may revoke or vary his/her nomination, at any time, by notifying the same to the Company to that effect. Such nomination shall be governed by the provisions of the Act or such other Regulations governing the matter from time to time.
69. Right to election of holder of Share If the Person so becoming entitled shall elect to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
70. Manner of testifying election If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of the Share.
71. Limitations applicable to notice All the limitations, restrictions and provisions of these Regulations relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

72. Claimant to be entitled to same Advantage A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the Share, until the requirements of the notice have been complied with.

73. Provisions as to transmission to apply *mutatis mutandis* to debentures, etc. The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other Securities including Debentures of the Company.
74. No charges on transfer or transmission No charges shall be levied by the Company for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

FORFEITURE OF SHARES

75. If call or installment not paid notice must be given If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
76. Form of notice The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made shall be liable to be forfeited.

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| 77. In default of payment of Shares to be forfeited | If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. |
| 78. Notice of forfeiture to member and entry in Register | When any Share is so declared to be forfeited, notice of forfeiture shall be given to the holder of the Share, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid. |
| 79. Effect of forfeiture | The forfeiture of a Share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the Share and all other rights incidental to the Share. |
| 80. Forfeited Shares may be sold, etc. | Every Share which shall be so declared forfeited shall thereupon be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other Person, upon such terms and in such manner as the Board shall think fit. |
| 81. Cancellation of forfeiture | At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. |
| 82. Members still liable to pay money owing at the time of forfeiture or otherwise | Any member whose Shares may be forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls and other monies owing upon the Shares at the time of forfeiture together with interest thereon from the time of the forfeiture until payment as may be decided by Board, and the Directors may enforce the payment thereof if they think fit, but shall not be under any obligation to do so. |
| 83. Cessation of liability | The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares. |
| 84. Certificate of forfeiture | A certificate in writing under the hand of a Director or the Secretary that the call or other monies in respect of a Share |

was or were due and payable and notice thereof given and that default in payment of the call or other monies was made, and that the forfeiture of the Shares was made by a by the Directors to that effect, shall be conclusive evidence of the facts stated therein as against all Persons entitled to such Share, and that a Share in the Company has been duly forfeited on a date stated in the certificate shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share;

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| 85. Title of purchaser and transferee of forfeited Shares | The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and the Person to whom such Shares is sold, re-allotted or disposed of may be registered as the holder of the Share, and shall not be bound to see to the application of the consideration, if any. |
| 86. Transferee not affected | The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, disposal or re- allotment of the Share. |
| 87. Validity of the sales | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some Person to execute an instrument for transfer of the Shares sold and cause the purchaser's name to be entered in the register of members in respect of the Shares sold and after his name has been entered in the register of members in respect of such Shares the validity of the sale shall not be impeached by any Person. |
| 88. Cancellation of Share certificate in respect of forfeited Shares | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said Shares to the Person(s) entitled thereto. |
| 89. Surrender of Share certificates | The Board may, subject to the provisions of the Act, accept a surrender of the Share certificate for any forfeited Share from or by any member desirous of surrendering them on such terms as they think fit. |

90. Sums deemed to be calls The provisions of these Regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
91. Provisions as to forfeiture of Shares to apply *mutatis mutandis* to debentures, etc. The provisions of these Articles relating to forfeiture of Shares shall *mutatis mutandis* apply to any other Securities including debentures of the Company.

ALTERATION OF CAPITAL

92. Power to alter Share Capital Subject to the provisions of the Act, the Company may, by shareholders' resolution:
- i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;
 - iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
93. Shares may be converted into Stock i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit.
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up)

shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

iii. such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

94. Provisions in case of Redeemable Preference Shares
- On the issue of the Redeemable Preference Shares under the provisions of these Articles the following provisions shall take effect:
- (a) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of Shares made for the purposes of the redemption;
 - (b) No such Shares shall be Redeemed unless they are fully paid;
 - (c) The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of Company's Share Premium Account, before the Shares are redeemed.
 - (d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for Dividend, be transferred to Reserve Account to be called "the Capital Redemption Reserve Account", a sum equal to nominal amount of the Shares redeemed and the provisions of the Act relating to reduction of the Share capital of a Company shall except as provided under the Act, or herein, apply as if the Capital Redemption Reserve Account were paid-up Share capital of the Company.
 - (e) Subject to the provisions of the Act and this Article, the redemption of Preference Shares hereunder may be effected in accordance with the terms and condition of their issue and failing that in such manner as the Directors may think fit.
95. Reduction of capital
- The Company may, by shareholders' resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:
- i. its share capital;
 - ii. any capital redemption reserve account; or
 - iii. any share premium account.

JOINT HOLDERS

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| 96. Joint-holders | Where two or more Persons are registered as joint holders (not more than three) of any Share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles. |
| 97. Joint and several liabilities for all payments in respect of Shares | The joint-holders of any Share shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such Share. |
| 98. Receipt of one sufficient | Any one of such joint holders may give effectual receipts of any Dividends, interests or other monies payable in respect of such Share. |
| 99. Delivery of certificate and giving of notice to first named holder | Only the Person whose name stands first in the register of members as one of the joint-holders of any Share shall be entitled to the delivery of certificate, if any, relating to such Share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such Person shall be deemed service on all the joint-holders. |
| 100. Vote of joint-holders | <p>(a) Any one of two or more joint-holders may vote at any meeting either Personally or by attorney or by proxy in respect of such Shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting Personally or by proxy or by attorney then that one of such Persons so present whose name stands first or higher (as the case may be) on the register in respect of such Shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such Shares.</p> <p>(b) In the case of joint holders, the vote of the senior who tenders a vote, whether in Person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> |
| 101. Executors or administrator as joint holders | Several executors or administrators of a deceased member in whose (deceased member) sole name any Share stands, shall for the purpose of this clause be deemed joint-holders. |

102. Title of survivors On the death of any such joint-holders, the survivor or survivors shall be the only Person or Persons recognised by the Company as having any title to the Share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on Shares held by him jointly with any other Person.
103. Provisions as to joint holders as to Shares to apply *mutatis mutandis* to debentures, etc. The provisions of these Articles relating to joint holders of Shares shall *mutatis mutandis* apply to any other Securities including debentures of the Company registered in joint names.

CAPITALISATION

104. Capitalisation i) The Company in general meeting may, upon the recommendation of the Board, resolve—
- a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in these articles, either in or towards—
- a. paying up any amounts for the time being unpaid on any shares held by such Members respectively;
 - b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;
 - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
 - d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares;

- e. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

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| 105. Powers of the Board for capitalization | Whenever such a resolution as aforesaid shall have been passed, the Board shall— |
| | <ul style="list-style-type: none"> (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares if any; and (b) generally do all acts and things required to give effect thereto. |
| 106. Board's power to issue fractional certificate/coupon etc. | <p>The Board shall have power—</p> <ul style="list-style-type: none"> a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable infractions; and b. to authorise any Person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares; |
| 107. Agreement binding on members | Any agreement made under such authority shall be effective and binding on such members. |

BUY BACK OF SHARES

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| 108. Buy-back of Shares | Notwithstanding anything contained in these Articles but subject to the provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities. |
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The Company shall not give any financial assistance for or in connection with the purchase or subscription of any of its shares or its holding Company, save as provided under the Act or Rules made thereunder.

GENERAL MEETINGS

109. Powers of Board to call Extra Ordinary General Meeting The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting.
110. Notice of Meeting 1. A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.
2. However, a general meeting may be called after giving shorter notice than twenty-one days, if consent is accorded thereto;
- (a) In the case of an Annual General Meeting by all the members entitled to vote thereat; and
- (b) In the case of any other meeting by members of the Company holding not less than ninety-five percent of such part of the paid up Share capital of the Company as gives a right to vote at that meeting.
- Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former resolution or resolutions but not in respect of the latter.

PROCEEDINGS AT GENERAL MEETINGS

111. Quorum for General Meeting Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.
112. Chairperson of the meetings The Chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
113. Directors to elect a Chairperson If such Chairperson, is not present after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of themselves to be Chairperson thereof.
114. Members to elect a Chairperson If at any meeting no Director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairperson of the meeting.

115. Power of Chairperson The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
116. Casting vote of Chairperson at general meeting On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.
117. Minutes of proceedings of meetings and resolutions passed by postal ballot The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
118. Certain matters not to be included in the minutes books There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting:
- (a) is, or could reasonably be regarded, as defamatory of any Person; or
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the Company.
119. Discretion of the Chairperson in relation to Minutes The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
120. Minutes to be evidence The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
121. Inspection of minute books of general meeting The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
- (a) be kept at the Registered Office of the Company; and
 - (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
122. Members may obtain copy of the minutes Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be prescribed in the Act and Rules made thereunder, with a copy of minutes of General Meetings referred to in these Articles, provided that a member who has made a

request for a soft copy of the minutes of any previous general meeting held during the period immediately preceding three Financial Years, shall be entitled to be furnished with the same free of cost.

123. Business confined to election of Chairman whilst the Chair is vacant. No business shall be discussed or transacted at any general meeting whilst the chair is vacant, except the election of Chairperson.

ADJOURNMENT OF MEETING

124. Chairperson may adjourn the meeting The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
125. Business at adjourned meeting No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
126. Notice of adjourned meeting When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
127. Notice of adjourned meeting not Required Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHT

128. Entitlement to vote on show of hands and on poll Subject to any rights or restrictions for the time being attached to any class or classes of Shares,—
- (a) on a show of hands, every member present in Person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his Share in the paid-up Equity Share capital of the Company.
129. Voting through electronic means A member may exercise his vote at a meeting by electronic means in accordance with the Act and the Rules made thereunder.
130. How members non compos mentis and minor may Vote A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

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| 131. Votes in respect of Shares of deceased or insolvent members, etc. | Subject to the provisions of the Act and other provisions of these Articles, any Person entitled under the Transmission Clause to any Shares may vote at any general meeting in respect thereof as if he was the registered holder of such Shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such Shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. |
| 132. Business may proceed pending poll | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. |
| 133. Restriction on voting rights | No Shareholder shall exercise any voting right in respect the Shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the has exercised any right of lien. |
| 134. Objection on qualification of voter | <p>No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</p> <p>Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</p> |
| 135. Equal rights of members | All the Members shall enjoy the same rights and be subject to the same liabilities as all other members of the same class. |

PROXY

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| 136. Member may vote in Person or otherwise | Pursuant to the applicable provisions of the Act, a member entitled to attend and vote at a general meeting shall be entitled to appoint another Person as a proxy to attend and vote at that meeting on his behalf. |
| 137. Proxies when to be deposited | The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. |

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| 138. Form of proxy | An instrument appointing a proxy shall be in the form as prescribed in the Rules made under the Act. |
| 139. Proxy to be valid notwithstanding death of the principal | <p>A vote given in accordance with the terms of an instrument of proxy or such authority shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy or such other authority was executed, or the transfer of the Shares in respect of which the proxy is given.</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy or such other authority is used.</p> |
| 140. Chairperson of any meeting to be the judge of validity of any vote | Subject to the provisions of the Act and these Articles, the Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. Subject as aforesaid the Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. |

BOARD OF DIRECTORS

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| 141. Number of Directors | Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen) or as may be permissible under the Act. |
| 142. Debentures Directors | <p>Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the Trustees thereof or by the holders of the debentures or debenture stock, of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time remove any Director so appointed. A Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means a director for the time being in office under this Article. The Trust Deed may contain such ancillary provision as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained. Subject as aforesaid, a Debenture Director shall be subject to the same obligation as any other Director of the Company.</p> |

143. Special Directors The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Director of the Company upon such terms and conditions as the Company may deem fit. Such nominees and their successors in office appointed under this Article shall be called Special Directors of the Company.
144. Term of office of Special Directors The Special Directors so appointed shall be entitled to hold office until requested to retire by the person, firm or corporation who may have appointed him/ them and will not be bound to retire by rotation or be subject to these Articles. As and whenever a Special Director vacates office whether upon request as aforesaid by death, resignation or otherwise, the person, firm or corporation who appointed such Special Director may appoint any other Director in his place. The Special Director may appoint any other Director in his place. The Special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid, a Special Director shall be subject to the same obligation as any other Director of the Company.
145. Chairperson of the Board The Directors may from time to time elect one of their members to be the Chairperson of the Board of Directors and determine the period for which he is to hold Office.
- All meetings of the Directors shall be presided over by the Chairman if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same then and in that case the Director shall choose one of the Directors then present to preside at the meeting.
146. Same individual may be Chairperson and Managing Director / Chief Executive Officer The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company, subject to the provisions of the Act.
147. Remuneration of the Directors The remuneration of the Directors shall, in so far as it consists of a Monthly/Quarterly/Half Yearly/ Yearly payment, be deemed to accrue from day-to-day.
148. Remuneration to be paid in accordance with the Act The remuneration, including commission on profits, payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act and Rules made thereunder.

149. Traveling and other expenses In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all traveling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
 - (b) in connection with the business of the Company.
- The fees payable to the Director for attending the meeting of the Board or Committee thereof or a General Meeting shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the Act or the Rules.
150. Sign the book/sheet Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book/sheet to be kept for that purpose.
151. Appointment of Additional Directors Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Act.
152. Duration of office of Additional Director Such Person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.
153. Appointment and duration of office of Independent Directors The Company shall appoint such number of Independent Directors as may be prescribed under the Act and Rules made thereunder and an Independent Director to hold office up to such period as may be prescribed under the Act and Rules made thereunder.
154. Appointment of Alternate Director The Board may appoint an Alternate Director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.
155. Duration of office of Alternate Director An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.

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| 156. Re-appointment provisions applicable to Original Director | If the term of office of the Original Director is determined before he returns to India, the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director. |
| 157. Appointment of Director to fill casual vacancies | If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. |
| 158. Duration of office of Director appointed to fill casual vacancies | The Director so appointed to fill in the casual vacancy shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated. |
| 159. Directors may act notwithstanding vacancy | The continuing Directors may act notwithstanding any vacancy in the Board, but so that, subject to the provision of the Act, if the number falls below the minimum above fixed and notwithstanding the absence of a quorum the Directors may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a general meeting of the Company. |
| 160. Directors may be of Companies promoted by the Company | A Director may become a Director of any Company promoted by the Company or in which it may be interested as, Shareholder or otherwise, and, subject to the provisions of the Act and these Articles, no such Director shall be accountable any benefit received as Director or Shareholder of such Company. |

RETIREMENT AND ROTATION OF DIRECTORS

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| 161. Retirement by rotation | The provisions of the Act shall prevail as regards the retirement and rotation of a director is concerned. |
| 162. Company to fill up vacancy | Subject to the provisions of the Act and other applicable provisions if any of the Act and this Articles the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacancy by electing the retiring Director or some other Person thereto. |

RESIGNATION AND REMOVAL OF DIRECTORS

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| 163. Resignation of Directors | A director may resign from his office after complying of the provisions of the Act and Rules made thereunder. |
| 164. Removal of Directors | The Company may subject to the provisions of the Act and Rules made thereunder remove any director before the expiry of his tenure. |

POWERS OF THE BOARD

165. General powers of the Company vested in Board The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any Regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such Regulation shall invalidate any prior act of the Board which would have been valid if such Regulation had not been made.
166. Execution of negotiable instruments All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such Person and in such manner as the Board shall from time to time by resolution determine.
167. Delegations of powers to Committee/ Officers Subject to the provisions of the Act and the Rules made thereunder from time to time, the Board may delegate any of powers vested in it to any Committee(s) of Directors and/or officer(s) of the Company and any such delegation as aforesaid, may be made on such terms and subject to such conditions as the Board may think fit and the Board may annul or vary any such delegation.

BORROWING POWERS

168. Power to borrow The Directors may, from time to time, at their discretion, raise or borrow, or secure the payment of, any sum or sums of money for the purposes of the Company; provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time except with the consent of the Company by way of a resolution passed in the general meeting as required under the Act exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set part for any specific purpose.

169. Conditions on which money may be borrowed The Directors, with Shareholders' consent where required by the Act and Rules, may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and, in particular, by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

PROCEEDINGS OF THE BOARD

170. Notice of meeting Notice of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company.
171. Quorum The quorum for a Board meeting shall be as provided in the Act.
172. Participation at Board meetings The participation of Directors in a meeting of the Board may be either in Person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under Act.
173. When meeting to be Convened The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
174. Who may summon Board Meeting The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time summon a meeting of the Board.
175. Questions at Board meeting how decided Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
176. Casting vote of Chairperson at Board meeting In case of an equality of votes, the Chairperson of the Board, shall have a second or casting vote.
177. Committee to conform to Board regulations Any Committee formed by the Board shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
178. Chairperson of Committee Committee may elect a Chairperson of its Meetings.
179. Who to preside at meetings of Committee If no such Chairperson is elected or if at any meeting the Chairperson is not present within 5 minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the Meeting.

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| 180. Committee to meet | A committee may meet and adjourn as it thinks fit. |
| 181. Questions at Committee meeting how decided | Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. |
| 182. Acts of Board or Committee valid notwithstanding defect of appointment | All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such Person had been duly appointed and was qualified to be a Director. |
| 183. Passing of resolution by Circulation | Save as otherwise expressly provided in the Act, a resolution in writing, signed by majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held. |
| 184. Minutes of proceedings of Board of Directors and Committees to be kept. | The Company shall cause minutes of the meeting of the Board of Directors and of Committees of the Board to be duly entered in a book or books provided for the purpose in accordance with the provisions of the Act. |
| 185. Board Minutes to be evidence | Minutes of any meeting of the Board of Directors or of any Committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be for all purposes whatsoever prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place. |

MANAGING DIRECTOR, WHOLE TIME DIRECTOR OR EXECUTIVE DIRECTOR

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| 186. Managing Director/ Whole Time Director/ Executive Director etc. | The Board may, subject to the provisions of the Act, Rules and these Articles, from time to time appoint any of its members as the Managing Director of the Company or as a Whole-time Director or as an Executive Director upon such terms and conditions as the Board shall think fit and, subject to the provisions of the Act and the Rules made thereunder, the Board may by resolution vest in such Person such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such periods and upon such conditions and subject to such restrictions as it |
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may determine. The remuneration of the Managing Director / the Whole-time Director and the Executive Director may be by way of Monthly payment, and/ or participation in profits, or by any other mode not expressly prohibited by the Act. A Managing Director, a Whole-time Director or as an Executive Director shall while he continues to hold that office shall not be subject to retirement by rotation. The Managing Director, Whole-time Director and the Executive Director shall ipso facto and immediately cease to be the Managing Director Whole-time Director or the Executive Director, as the case may be, if he ceases to hold the office of a Director.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

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| 187. Appointment/
Removal of Chief
Executive Officer,
Manager, Company
Secretary or Chief
Financial Officer by
the Board | Subject to the provisions of the Act,—

A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such terms and conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board. |
| 188. Director may be chief
executive officer, etc. | A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer. |
| 189. Exercise of powers by
Manager | A Manager so appointed shall exercise the powers and authorities conferred upon him by an Agreement entered into between him and the Company and/or by a resolution of the Board or general meeting and shall be subject to the obligations and restrictions imposed in that behalf by the Act. |

REGISTERS

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| 190. Statutory Registers | The Company shall keep and maintain at its registered office all statutory registers including, register of members, register of transfer, register of charges, register annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the Persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. |
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191. Foreign Register The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such Regulations as it may think fit respecting the keeping of any such register.

The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

THE SEAL

192. The Seal, its custody and use The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by or under the authority of the Board or a Committee of Directors.

193. Affixation of Seal The Common Seal of the Company shall not be affixed to any deed or instrument, except by the authority of a Resolution of the Board or a Committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and the Secretary or such other Persons as the Board may appoint and authorize for the purpose, who shall sign every deed or instrument to which the Seal of the Company is so affixed in their presence;

Or

at least two officers of the Company authorised in that behalf and such officers so authorised shall sign every deed or instrument to which the Seal of the Company is so affixed in their presence.

DIVIDENDS AND RESERVES

194. Dividend only to be paid out of profit i. The Board may, before recommending any Dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing Dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, thinks fit.

- ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
195. Company in general meeting may declare Dividends The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
196. Interim Dividends Subject to the provisions of the Act, the Board may from time to time pay to the members such interim Dividends as appear to it to be justified by the profits of the Company.
197. Division of profits Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
198. Payments in advance No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
199. Dividends to be apportioned All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the Dividend is paid; but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.
200. No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement there from The Board may deduct from any Dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
201. Retention of Dividend The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.
202. Dividend remitted how a. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint

holders who is first named is the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

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| 203. Receipt of one holder sufficient | Any one of two or more joint holders of a Share may give effective receipts for any Dividends, bonuses or other monies payable in respect of such Share. |
| 204. Notice of Dividends | Notice of any Dividend that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act. |
| 205. Waiver of Dividend | The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. |
| 206. No interest on Dividends | No Dividend shall bear interest against the Company. |
| 207. Unclaimed Dividends | Unclaimed Dividend shall be dealt with as provided in the Act. |

ACCOUNTS

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| 208. Inspection Directors | by | The books of account and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules. |
| 209. Restriction inspection members | on by | The Board shall from time to time determine whether and to that extent and at what times and places and under what conditions or Regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors. |

No member (not being a Director) shall have any right of inspecting any account or book or of the Company except as conferred by law or authorised by the Board or by the company in general meeting.

AUDIT AND AUDITORS

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| 210. Accounts to be audited | Every Balance sheet and Statement of Profit and Loss to be audited by one or more auditors in accordance with the applicable provisions of the Act and Rules made thereunder. |
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| 211. Appointment of Auditors | The Auditors may be appointed under the provisions of the Act and Rules made thereunder. |
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AUTHENTICATION OF DOCUMENTS

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| 212. Authentication of documents and proceedings | Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or Secretary or an authorised officer of the Company and need not be under its seal. |
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SECRECY CLAUSE

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| 213. Secrecy Clause | Subject to the provisions of the Act, no member shall be entitled to require discovery of any information respecting any detail of the Company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors it may be inexpedient in the interest of the Company to communicate to the public. |
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INDEMNITY AND INSURANCE

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| 214. Directors and officers right to indemnity | <p>(a) Subject to the provisions of the Act, every Director, Managing Director, Whole-time Director, Manager, Chief Financial Officer, Company Secretary and other officers of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including traveling expense) which such Director, Managing Director, Whole-time Director, Manager, Chief Financial Officer, Company Secretary and officers may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Managing Director, Whole-time Director, Manager, Chief Financial Officer, Company Secretary or officer or in any way in the discharge of his duties in such capacity including expenses.</p> <p>(b) Subject as aforesaid, every Director, Managing Director, Whole-time Director, Manager, Chief Financial Officer, Company Secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.</p> |
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| <p>215. Insurance</p> | <p>The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors, Managing Director, Whole-time Director, Manager, Chief Financial Officer, Company Secretary and officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly.</p> |
| <p>216. Directors and other officers not responsible for acts of others</p> | <p>No Director, Managing Director, Whole-time Director, Manager, Chief Financial Officer, Company Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Managing Director, Whole-time Director, Manager, Chief Financial Officer, Company Secretary or officer, or for joining in any receipt or other act or conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person, Company or corporation with whom any money Securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through willful misconduct or neglect or dishonesty.</p> |

GENERAL POWERS


217. General Power
- Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

§ Amended in the meeting of equity shareholders held on 10.06.15 and confirmed by order dated 09.10.2015 of the High Court of Madhya Pradesh, Bench at Indore and further amended in the meeting of equity shareholders held on 06.04.17 and confirmed by order dated 01.06.2017 of the National Company Law Tribunal, Ahmedabad Bench, Ahmedabad.

* Articles 63A to 63D were adopted at the Annual General Meeting held on 22.09.2017.

^A Deleted article 63A to 63D pursuant to the approval of the members obtained at the Annual General Meeting held on 14.09.2020.

We, the subscribers of the Memorandum of Association of the Company, do hereby subscribed these presents of even date with the said Memorandum as the Articles of Association of the Company.

Names, addresses and description of subscribers		Number of shares taken by each subscriber	Signatures, address and description of witnesses
1.	D.P. MANDELIA, P.O. Jiyajeerao Mills Gwalior Service	100 Ordinary	 Sd/- CHANDRA SINGH NEGI C/o Jiyajeerao Cotton Mills Limited Gwalior Service
2.	R.K. BIRLA P.O. Jiyajeerao, Mills Gwalior Service	100 “	
3.	SITARAM KHEMKA P.O. Jiyajeerao, Mills Gwalior Service	100 “	
4.	R.C. GANERIWAL P.O. Jiyajeerao Cotton Mills Limited Gwalior Service	10 “	
5.	T.D. LAKHOTIYA, P.O. Jiyajeerao Cotton Mills Limited Gwalior Service	10 “	
6	D.D. DADOO P.O. Jiyajeerao Cotton Mills Limited Gwalior Service	10 “	
7.	V.M. SHARMA P.O. Jiyajeerao Cotton Mills Limited Gwalior Service	10 “	
Total		340 Ordy. Shares	

Dated this 21st day of June 1947

IN THE HIGH COURT OF MADHYA PRADESH, BENCH INDORE
COMPANY PETITION NO. 39 OF 1998
CONNECTED WITH
COMPANY PETITION NO.33 OF 1998

In the matter of the Companies Act, 1956;
And

In the matter of Sections 391 to 394 of the
Companies Act, 1956;
And

In the matter of Grasim Industries Limited, a
company initially incorporated under the
Gwalior Companies Act and now deemed to
be incorporated under the Companies Act,
1956 as an “existing company” and having its
registered office at Birlagram, Nagda,
District Ujjain 456 331, Madhya Pradesh.
And

In the matter of Scheme of Arrangement
between Grasim Industries Limited and
Indian Rayon and Industries Limited their
respective shareholders and creditors;
And

In the matter of:	}	
Grasim Industries Limited,	}	
A company initially incorporated under	}	
the Gwalior Companies Act and now		
deemed to be incorporated under the		
Companies Act, 1956 as an “existing		
company” and having its registered office		
at Birlagram, Nagda, District Ujjain 456		
331, Madhya Pradesh, -	 Petitioner Company

HIGH COURT OF MADHYA PRADESH: INDORE BENCH, INDORE
COMPANY JUDGE
HON’BLE SHRI DEEPAK VERMA, J.

Co. Pet No.39 of 98

Grasim Industries Limited	Petitioner
Indian Rayon & Industries Ltd.	Transferor Company

Shri A.K. Chitale, Senior Counsel, with Shri P.B.S. Nair, Mrs. Vandana Saraf, Shri S.R. Kochetta & Shri Umakant for the petitioner.

Shri B.G. Neema Standing Counsel for Central Government.

ORDER
(passed on this 23rd day of Feb. 1999)

This petition has been filed by Grasim Industries Limited (hereinafter referred to as the transferee Company) under S.394 of the Companies Act, 1956 (for short the Act) with a prayer that the Scheme of Arrangement (hereinafter referred to as the Scheme) of the transferred business of Indian Rayon and Industries Limited (for short the transferor Company) with the transferee Company be sanctioned with effect from 1-9-98.

2. The registered office of the transferee Company is situated at Birlagram, Nagda, district Ujjain, M.P. within the territorial jurisdiction of this Court. In Company Petition No.33 of 98, an order was passed by this Court to convene meetings of the shareholders, secured creditors (including debenture holders) and unsecured creditors of the above transferee Company for the purpose of considering and, if thought fit, transfer with or without modification, the arrangement embodied in the Scheme of Arrangement, proposed to be made between the transferee Company and the transferor Company. On the said Company Petition coming up for hearing, this Court passed an order on 13-10-98 appointing Shri B.L. Pavecha, senior counsel, of this Court, as Chairperson to convene meetings as mentioned above. He, accordingly, held the meetings on the date given in the advertisements as per the order passed by this Court. After convening the meetings as mentioned in the said order, he has submitted his reports, which are duly supported by affidavits, within seven days as required by Rule 78 of the Company (Court) Rules, 1959. It is manifest from his reports that except that one shareholder having a total shareholding of Rs.550/-, none raised any objection, with regard to the proposed Scheme. After submission of the reports by the Chairperson as mentioned above, final petition for confirmation of the Scheme has been filed in this Court on 16-12-1998.

3. This matter had come up for hearing before this Court on 18-12-1998. On the said date as required under the Act and the Rules, notices were directed to be published in the same manner as they were published pursuant to the order passed in the earlier Company Petition on 13-10-98. On account of filing of the present petition, the earlier petition stood disposed of. After publication of the advertisements and after service of notice on the Central Government, the matter has been taken up for hearing on merits.

4. Shri B.G. Neema learned counsel appearing for Central Government, informed the Court on 19-2-1999, that no separate reply is required to be filed on behalf of the Central Government. He further informed the Court that he has received instructions from Regional Director, Department of Company Affairs, Mumbai that it has no objection for passing an order by this Court, with regard to sanction of the Scheme.

5. The registered office of the transferor Company is situated within the jurisdiction of Gujarat High Court. Consequently the transferor Company had also filed, a Company Petition No.283 of 1998 in the High Court of Gujarat at Ahmedabad, praying for sanction of the same Scheme. The learned Company Judge of Gujarat High Court has been pleased to pass an order on 17-2-99 sanctioning the Scheme.

6. Here in this Company Petition even after publication of the notices in the newspapers, the sole shareholder, who had raised objection in the meetings held on 10-12-1998, has not appeared to raise any objection.

7. I have accordingly, heard the learned counsel for the petitioner as also Shri B.G. Neema, at length and perused the record.

8. The Supreme Court in number of cases has given the guidelines as to how and when a Scheme has to be sanctioned. In this matter I find that there is no objection raised by anyone for sanctioning the Scheme. The cases of the Supreme Court on this point are reported in AIR 1995 SC 470 (Hindustan Lever Employees Union v. Hindustan Lever Ltd) and 87 Company Cases, 792 (Meher H. Mafatlal v. Mafatlal Industries Ltd.). The above cases of the Supreme Court have, in fact, set all the controversies, at rest. The scheme does not appear to be against public purpose. The interest of the shareholders of the transferor Company has been safeguarded as per the Scheme, which was taken into consideration by the learned Company Judge of Gujarat High Court. Thus, on over all consideration of the matter, I am of the considered opinion that the Scheme is beneficial to the interests of both the Companies and is not against public interest. The same is hereby, accordingly sanctioned on the following grounds:

- (1) The arrangement embodied in the Scheme of Arrangement, referred to in paragraph 12 of the petition herein and the Schedule annexed hereto shall be binding on the equity shareholders, secured creditors, including debenture holders, unsecured creditors of the transferee Company and also on the transferor Company.
- (2) That all proceedings referred to in Clause 6(a) of the Scheme and now pending by or against the transferor Company be continued by or against the transferee Company.
- (3) The transferee Company do without application allot to such Members of the transferor Company in accordance with Clause 16(a) of the Scheme herein the shares in the transferee Company to which they are entitled, under the said Arrangement.
- (4) In case, as a result of the transfer of any assets of the transferor Company liability of any tax against the Company or its shareholders under the existing Taxation Laws arises, the concerned Authority shall be free to proceed in the matter of tax, in accordance with law, irrespective of this order.
- (5) The approval of the Scheme, does not in any way dispense with the formality of execution by the transferee Company of any instrument necessary for effectively vesting the property and rights of the transferor Company in the transferee Company and the same has to be done strictly in accordance with law.

- (6) The transferee Company shall file a copy of this order with the Registrar of Companies, Madhya Pradesh, Gwalior within a period of 30 days from to-day.
- (7) The parties to the Scheme of Arrangement or any other person or persons interested therein shall be at liberty to apply to this Court, for any direction that may be necessary in relation to working of the Arrangement embodied in the Scheme as sanctioned hereunder and annexed as Schedule hereto or for any subsequent or further orders as may be required.
9. The cost of this petition quantified at Rs.5000/- shall be paid by the petitioner Company to Shri B.G. Neema, learned Standing Counsel for the Central Government.
10. Thus, this petition is made absolute and is, accordingly, disposed of. CC in 3 days.

Sd/-
(DEEPAK VERMA)
Company Judge
23-2-1999

SCHEME OF ARRANGEMENT

BETWEEN

INDIAN RAYON AND INDUSTRIES LIMITED	...	Transferor Company
GRASIM INDUSTRIES LIMITED	...	Transferee Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I - GENERAL

This Scheme of Arrangement (hereinafter referred to as the “**Scheme**”) provides for the transfer of the Transferred Business (as defined hereinafter) of the Transferor Company to the Transferee Company, and the consequent issue of equity shares by the Transferee Company to the shareholders of the Transferor Company, pursuant to the relevant provisions of the Act.

1. Definitions:

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

- (A) “**Act**” means the Companies Act, 1956 or any statutory modification or re-enactment thereof;
- (B) “**Appointed Date**” means September 1, 1998;
- (C) “**GDRs**” means global depository receipts issued pursuant to the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and other applicable law, and where relevant shall include the underlying equity shares relating thereto;
- (D) “**Transferred Business**” means the grey cement and white cement undertakings, including other related plants, of the Transferor Company on a going concern basis and consisting inter alia of:
 - Grey cement manufacturing plants of 3 million tonnes per annum (“tpa”) capacity (also known as Rajashree Cement) located in Malkhed in the State of Karnataka;
 - Two captive thermal power plants with a combined capacity of 38.5 MW at Malkhed in the State of Karnataka;
 - Bulk cement terminal of 6 lakh tpa capacity at Doddaballapur, near Bangalore in the State of Karnataka;
 - Readymix concrete plant of 50,000 cubic metres per annum capacity at Hyderabad in the State of Andhra Pradesh;
 - Grinding unit of 1.2 million tpa capacity at Hotgi in the State of Maharashtra (known as Birla Super Cement Works);
 - White cement Manufacturing unit of 3,60,000 tpa capacity at Khariakhangar (near Jodhpur) in the State of Rajasthan (known as Birla White);

and shall mean and include (without limitation):

- (a) all assets wherever situate, whether movable or immovable, tangible or intangible, including all plant and machinery, buildings, offices, depots together with all present and future liabilities (including contingent liabilities) appertaining to the Transferred Business;
- (b) all permits, quotas, rights, entitlements, industrial and other licences, approvals, consents, tenancies, offices and depots, trade marks, patents, copyrights, all other intellectual property, bank accounts, privileges, all other rights including sales tax

deferrals and other benefits, lease rights, mining leases (including the benefit of any applications made therefor), licences, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferred Business;

(c) all earnest moneys and/or security deposits paid by the Transferor Company in connection with or relating to the Transferred Business; and

(d) all necessary records, files, papers, engineering and process information, computer programmes, 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 in connection with or relating to the Transferred Business;

(E) **“Effective Date”** means the date on which all the conditions and matters referred to in Clause 32 hereof have been fulfilled and approvals and consents referred to therein have been obtained.

References in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;

(F) **“Grasim”** or the **“Transferee Company”** means Grasim Industries Limited, a company within the meaning of the Act and having its registered office at PO Birlagram, Nagda 456 331, Madhya Pradesh.

(G) **“IRIL”** or the **“Transferor Company”** means Indian Rayon And Industries Limited, a company incorporated under the Act and having its registered office at Veraval 362 266, Gujarat.

(H) **“Remaining Business”** means all the business and the divisions of the Transferor Company other than the Transferred Business;

(I) **“Scheme”** means this Scheme of Arrangement;

(J) **“Transferred Debentures”** shall have the meaning set forth in Clause 14(a) of the Scheme.

2. SHARE CAPITAL:

(a) The share capital structure of the Transferor Company as on August 31, 1998 was as follows:

	Rs. in crores
<u>Authorised</u>	
8,50,00,000 Equity Shares of Rs. 10 each	85.00
15,00,000 Redeemable Preference Shares of Rs. 100 each	15.00

	100.00
	=====
<u>Issued, Subscribed and Paid-up</u>	
6,74,83,041 Equity Shares of Rs. 10 each fully paid-up*	67.48

	67.48
	=====

- *1. Includes 68,88,880 equity shares represented by GDRs.
2. Issue of 49161 equity shares and 24581 bonus shares thereon is held in abeyance pursuant to the provisions of Section 206-A of the Act.
- (b) The share capital structure of the Transferee Company as on August 31, 1998 was as follows:

	Rs. in crores
<u>Authorised</u>	
9,50,00,000 Equity Shares of Rs. 10 each	95.00
 Redeemable Cumulative Preference Shares of Rs. 100 each	
1,50,000 15% "A" Series	1.50
1,00,000 8.57% "B" Series	1.00
3,00,000 9.30% "C" Series	3.00

	100.50
	=====
<u>Issued, Subscribed and Paid-up</u>	
7,23,13,970 Equity Shares of Rs. 10 each fully paid-up*	72.31

	72.31
	=====

* Includes 1,09,93,343 equity shares represented by GDRs.

PART II – TRANSFERRED BUSINESS

3. (a) With effect from the Appointed Date, all the estates, assets, rights, title and interest of the Transferred Business shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394 (2) of the Act and 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 so as to become as and from the Appointed Date, the estates, assets, rights, title and interest of the Transferee Company subject to Part IV of the Scheme in relation to charges thereon in favour of banks and/or financial institutions.
- (b) In respect of such of the assets of the Transferred Business as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred by the Transferor Company, and shall become the property of the Transferee Company as an integral part of the undertaking.
- (c) In respect of such of the assets belonging to the Transferred Business other than those referred to in sub-clause (b) above, the same shall, as more particularly provided in sub-clause (a) above, 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 Appointed Date pursuant to the provisions of Section 394 of the Act.

4. (a) Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Business to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- (b) The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or 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 to be executed in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
5. (a) It is clarified that, upon the coming into effect of the Scheme, the following liabilities and obligations of the Transferor Company being a part of the undertaking of the Transferred Business shall, without any further act or deed be and stand transferred to the Transferee Company, and shall become the liabilities and obligations of the Transferee Company which shall undertake to meet, discharge and satisfy the same:
 - (i) the debentures and loans of the Transferor Company more particularly specified in Schedule I hereto; and
 - (ii) such of the other liabilities and obligations of the Transferor Company (whether contingent or not) pertaining to the Transferred Business.
- (b) All loans raised and used and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date for operations of the Transferred Business shall also stand transferred to and vested in the Transferee Company, upon the coming into effect of the Scheme.
6. (a) Upon the coming into effect of the Scheme, all legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future (whether before or after the Effective Date) in respect of any matter arising before the Effective Date and relating to the Transferred Business as agreed between the Transferor Company and the Transferee Company shall be continued and enforced by or against the Transferee Company after the Effective Date. In the event of any difference or difficulty on whether any specific legal or other proceeding relates to the Transferred Business or not, a certificate jointly issued by the Transferor Company and the Transferee Company as to whether such proceeding relates to the Transferred Business or not, shall be conclusive evidence of the matter.
- (b) If proceedings are taken against the Transferor Company in respect of the matters referred to in sub-clause (a) above, it shall defend the same in accordance with the advice of the Transferee Company and at the cost of the Transferee Company, and the latter shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

- (c) The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company.
7. With effect from the Appointed Date and up to and including the Effective Date, :
- (a) the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Transferred Business and stand possessed of all the estates, assets, rights, title and interest of the Transferred Business for and on account of, and in trust for, the Transferee Company; and
- (b) all profits accruing to the Transferor Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Transferred Business shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.
8. The Transferor Company hereby undertakes that it will from the Appointed Date up to and including the Effective Date preserve and carry on the Transferred Business with diligence, prudence and agrees that it will not, without the prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose of the Transferred Business or any part thereof or recruit new employees (in each case except in the ordinary course of business) or conclude settlements with union or employees or undertake substantial expansion of the Transferred Business, other than expansions which have already been commenced.
9. (a) The Transferee Company undertakes to engage, on and from the Effective Date, all employees of the Transferor Company engaged in the Transferred Business and who are in the employment of the Transferor Company as on the Effective Date, 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 transfer. In the event of any difference or difficulty on whether any specific employee was engaged in the Transferred Business or not, a certificate jointly issued by the Transferor Company and the Transferee Company as to whether such employee is engaged in the Transferred Business or not, shall be conclusive evidence of the matter. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Transferor Company in respect of the Transferred Business with any union/ employee of the Transferor Company in relation to the Transferred Business. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- (b) In so far as the existing provident fund trusts, gratuity fund and pension and/or superannuation fund trusts created by the Transferor Company for its employees (including employees of the Transferred Business) are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Transferee Company pursuant to this Scheme in the manner provided hereinafter. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferred Business shall, subject to the necessary approvals and permissions, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund in respect of any of the aforesaid matters, the Transferee Company may, subject to necessary approvals and permissions, continue to contribute in respect of the employees engaged in the

Transferred Business to the relevant funds of the Transferor Company, until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferred Business shall be transferred to the funds created by the Transferee Company.

10. The transfer and vesting of the assets, liabilities and obligations of the Transferred Business under Clause 3 and the continuance of the proceedings by or against the Transferee Company under Clause 6 hereof shall not affect any transaction or proceedings already completed by the Transferor Company on and after the Appointed Date to the end and intent that, subject to Clause 8, the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.

PART III – REMAINING BUSINESS

11. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company subject to Part IV of the Scheme in relation to charges thereon in favour of banks, financial institutions and trustees for the debenture-holders.
12. All legal or other proceedings by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company.
13. With effect from the Appointed Date and up to and including the Effective Date, :
 - (a) the Transferor Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - (b) all profits accruing to the Transferor Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferor Company.

PART IV - LIABILITIES

14. LOANS, DEBENTURES AND RELATED SECURITY

- (a) In so far as loans and debentures (whether convertible into equity shares or not) of the Transferor Company are concerned, the loans and debentures listed in Schedule I (the debentures listed therein being the “**Transferred Debentures**”) being a part of the Transferred Business shall, subject to clause (c) below, without any further act or deed, become loans and debentures of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and debentures.
- (b) In so far as the existing security in respect of the loans, Transferred Debentures and other liabilities (more particularly set out in Schedule I) is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to and shall operate over the assets of the Transferred Business as transferred to the Transferee Company pursuant to this Scheme. Such security shall rank pari passu with the security created in favour of other secured lenders/ creditors in respect of the

Transferred Business whose liabilities/obligations are transferred to the Transferee Company pursuant to this Scheme.

- (c) In so far as the assets comprising the Remaining Business are concerned, the security over such assets relating to liabilities listed in Schedule I are concerned, the same shall, without any further act, instrument or deed be released and discharged from the obligations and security relating to the same.
- (d) Further, in so far as the assets comprised in the Transferred Business are concerned, the security and charge over such assets relating to any loans or debentures which are not transferred pursuant to this Scheme, shall without any further act or deed be released and discharged from the same and shall no longer be available as security in relation to liabilities other than liabilities of the Transferred Business.
- (e) Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Gujarat and Madhya Pradesh respectively to give effect to the above provisions.
- (f)
 - (i) In so far as the 16th Series of the non-convertible debentures of the face value of Rs.100/- each issued by the Transferor Company is concerned, upon the coming into effect of the Scheme, the face value of each of the said non-convertible debentures shall without further act or deed be reduced by a sum of Rs. 67/- so that the face value of each such debenture shall stand reduced to Rs.33/-. Simultaneously and without any further act or deed, and without payment of any further amount to the Transferee Company, the debentureholders shall be entitled to an equivalent number of fully paid non-convertible debentures of the face value of Rs. 67/- to be issued by the Transferee Company. The amount on such debentures to be issued by the Transferee Company shall be adjusted from the amount reduced on the debentures of the Transferor Company and shall stand automatically appropriated towards issue of debentures of the face value of Rs. 67/- by the Transferee Company. At the time of redemption, the liability in respect of the debentures of the Transferor Company as aforesaid shall be Rs. 33/- per debenture, and the liability in respect of the debentures of the Transferee Company as aforesaid shall be Rs. 67/- per debenture.
 - (ii) In so far as the security and charge in respect of the 16th Series of the non-convertible debentures are concerned, the non-convertible debentures of the Transferor Company as reduced shall continue to be secured over the assets pertaining to the Remaining Business, and the non-convertible debentures to be issued by the Transferee Company under sub-clause (i) above shall be secured over the assets pertaining to the Transferred Business as transferred to the Transferee Company pursuant to this Scheme in the same manner and to the same extent as if such debentures had been issued by the Transferee Company and secured over the Transferred Business.
 - (iii) The Transferor Company and/or the Transferee Company shall enter into and execute such further deeds, documents or writings as may be required to give full effect to the above provisions.
- (g) Upon the coming into effect of the Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Transferred Debentures as the issuer thereof, and the Transferor Company shall not have any obligations in respect of the Transferred Debentures.

- (h) It is expressly provided that, save as mentioned in this Clause 14, no other term or condition of the loans or Transferred Debentures shall be modified except to the extent that such amendment is required by necessary implication.
- (i) The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions. If necessary, the requisite endorsement of the above provisions shall be made on the debenture certificate hitherto issued by the Transferor Company.

PART-V -REORGANISATION OF CAPITAL

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

SECTION "A"

- 15. In consideration of the provisions of this Scheme, the capital of the Transferee Company shall be restructured and reorganised in the manner set out in Sections "B" to "D" below.

SECTION "B"

- 16. (a) Upon the coming into effect of the Scheme and upon the vesting and transfer of the Transferred Business in the Transferee Company pursuant to Part II of the 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 of the Transferor Company on a date (the "**Record Date**") to be fixed in that behalf by the Board of Directors or a committee thereof of the Transferor Company, in the ratio (the "**Entitlement Ratio**") of 3 Equity Shares in the Transferee Company of Rs. 10/- each credited as fully paid-up for every 10 Equity Shares of Rs.10/- each held by such member in the Transferor Company.
- (b) In respect of 29,64,111 Equity Shares held by the Transferee Company in the Transferor Company, no shares shall be issued by the Transferee Company in terms of sub-clause (a) above.
- (c) Equity Shares to be issued by the Transferee Company pursuant to Clause 16(a) in respect of the 49161 equity shares of the Transferor Company and 24581 bonus shares thereon which are held in abeyance under the provisions of Section 206A of the Act (referred to in Note 2 to Clause 2(a) above), shall also be kept in abeyance.
- 17. In case any member's holding in the Transferor Company is such that the member becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.
- 18. Such equity shares to be issued and allotted by the Transferee Company in terms of Clause 16 above shall rank *pari passu* in all respects with the existing equity shares of the Transferee Company, save and except in relation to dividends to which they will be entitled proportionately from the Appointed Date.

19. Equity shares of the Transferee Company issued in terms of Clause 16 above, shall, subject to applicable regulations, be listed and/or admitted to trading on the relevant Stock Exchange/s, whether in India or abroad, where the existing equity shares of the Transferee Company are listed and/or admitted to trading.

SECTION "C"

20. Unless otherwise determined by the Board of Directors or any committee thereof of the Transferor Company and the Board of Directors of the Transferee Company, allotment of shares in terms of Clause 16 of this Part shall be done within 90 days from the Effective Date.

SECTION "D"

21. Upon the coming into effect of this Scheme, and the issue of shares in the Entitlement Ratio by the Transferee Company pursuant to the provisions of Clause 16, the Transferee Company shall procure that the Depository in respect of the existing global depository receipts (the "GDRs") of the Transferee Company shall issue GDRs of the Transferee Company to the existing GDR holders of the Transferor Company in an appropriate manner. The Transferee Company and the Depository, and the Transferor Company and the depository in respect of the existing GDRs of the Transferor Company shall enter into such further documents as may be necessary and appropriate in this behalf, which shall contain all detailed terms and conditions of such issue.
22. The Transferee Company shall take all such additional steps and do all such acts, deeds and things as may be necessary for the issue of GDRs pursuant to Clause 21 and for listing the GDRs on the Luxembourg Stock Exchange.
23. The GDRs issued to the existing GDR holders of the Transferor Company pursuant to Clause 21 shall be similar in all material respects, save and except in relation to (i) dividend to which they will be proportionately entitled from the Appointed Date, with the existing GDRs of the Transferee Company and (ii) the omission of certain transfer restrictions.
24. The equity shares underlying the GDRs issued to the existing GDR holders of the Transferor Company will not be registered under the Securities Act of 1933, as amended, of the United States of America (the "Securities Act") based on the approval of the High Court of Gujarat at Ahmedabad and the High Court of Madhya Pradesh at Indore to the Scheme, in view of the exemption under Section 3(a)(10) of the Securities Act. However the GDRs to be issued will be registered on Form F-6, as required by the Securities Act.

SECTION "E"

25. There shall be no reduction of share capital of the Transferor Company under this Scheme.

PART VI - GENERAL TERMS & CONDITIONS

26. (a) Upon the coming into effect of this Scheme, an amount representing the excess of (i) the amount representing the surplus of (A) assets over (B) the liabilities of the Transferred Business of the Transferor Company in its books of account, over (ii) the aggregate face value of the share capital issued by the Transferee Company to the members of the Transferor Company, shall be credited to the Share Premium Account of the Transferee Company and shall be a free reserve.
(b) Upon the coming into effect of this Scheme, an amount representing the excess of the amount representing the surplus of the assets over the liabilities of the Transferred Business being transferred to the Transferee Company in terms of Clause 3 shall be debited in the books of Transferor Company as follows:
 1. the amount to the extent relevant to the Transferred Business, to the Revaluation Reserve Account;

2. the amount to the extent relevant to the Transferred Business, to the Capital Reserve Account; and
 3. the balance amount, if any, to the General Reserve/Share Premium Account, of the Transferor Company.
27. (a) The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.
 - (b) The equity shares of the Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company as provided in Clause 16 hereof shall be proportionately entitled to dividends from the Appointed Date. The holders of the shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
 - (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject to the approval of the shareholders of the Transferor Company and the Transferee Company respectively.
28. The issue and allotment of the shares and GDRs under the provisions of this Scheme to the non-resident shareholders will be made subject to the approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 and on such terms and in such manner as the Reserve Bank of India may impose, provided that the approval of the Ministry of Finance has been received for the issue of the GDRs.
 29. The Transferor Company and the Transferee Company shall make necessary applications before the High Court of Gujarat at Ahmedabad and the High Court of Madhya Pradesh at Indore respectively for the sanction of this Scheme of Arrangement under Sections 391 and 394 of the Act.
 30. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any committee thereof of the Transferor Company shall be empowered in appropriate cases, even subsequent to the Record Date or the Effective Date as the case may be, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Transferee Company and in relation to the new shares after the Scheme becomes effective. The Board of Directors of the Transferor Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transaction period.
 31. (a) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which the Court and/or any other Authority may deem fit to approve or impose.
 - (b) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may give such directions as they may consider necessary to settle

any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debentureholders of the respective companies), or to review the position relating to the satisfaction of various conditions to the scheme and if necessary, to waive any of those (to the extent permissible under law).

- (c) Any issue as to whether any asset or liability pertains to the Transferred Business or not shall be decided by the Boards of Directors of the Transferor Company and the Transferee Company, either by themselves or through a committee appointed by them in this behalf, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Transferor Company).

32. The Scheme is conditional upon and subject to:

- (a) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court of Gujarat at Ahmedabad and the High Court of Madhya Pradesh at Indore referred to in Clause 29 hereof being obtained;
- (b) the approval of the Ministry of Finance and/or Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 being obtained in relation to various matters referred to in terms of this Scheme for which such approval is necessary;
- (c) such other sanctions and approvals including sanction of any Governmental Authority, creditor, lessor or contracting party as may be required by law or contract in respect of the Scheme being obtained; and
- (d) the certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Gujarat and Madhya Pradesh.

33. In the event of this Scheme failing to take effect finally by March 31, 1999 or by such later date as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own costs or as may be mutually agreed.

34. In the event of non-fulfillment of any or all obligations under the Scheme by any Company towards the other Company, inter-se or to third parties and non-performance of which will put the other Company under any obligation, then such Company will indemnify all costs/interest, etc. to the other Company.

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

36. All costs, charges, levies and expenses in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferee Company. This clause has been inserted with the approval of the Hon'ble High Court of Gujarat at Ahmedabad vide its Order dated November 10, 1998.

SCHEDULE - I
Debentures and Loans to be transferred

PART - A

Transferred Debentures

Series	Holders	Rate	Amount of Principal Outstanding on August 31,1998 (Rs. in lacs)
16 th Series	Industrial Credit and Investment Corporation of India ("ICICI")* Unit Trust of India ("UTI") Life Insurance Corporation of India ("LIC") Army Group Insurance Fund ("AGI")	15 ½% p.a. as interest Plus 0.5% p.a. as service charge along with Interest	15410.00
18 th Series	UTI	17.5%	3,000.00
	Total		18,410.00

(* currently held by Laxminarayan Investment Limited)

PART - B

Secured Term Loans as on August 31, 1998

Lender	Amount (Rs. in Lacs)
ICICI	14.40
Industrial Finance Corporation of India (IFCI)	69.80
LIC	64.60
UTI	52.40
General Insurance Corporation and Subsidiaries (GIC and Subsidiaries)	11.28
	214.28
ICICI	19.96
IFCI	19.62
LIC	18.12
UTI	15.12
GIC and subsidiaries	3.00
	75.82
ICICI	14.50
ICICI	58.33
ICICI	58.33
Export Import Bank of India (Exim Bank)	1048.10
TOTAL	1853.78

PART - C

Foreign Currency Loans as on August 31, 1998

Lender	Amount (Rs. In lacs)
Citibank	1579.93
Aktiengesellschaft and Australia and New Zealand Banking Group Limited (currency DM – under Hermes Scheme)	(Equivalent to DM 64.96 lacs)

PART - D

Sales Tax Loans as on August 31, 1998

Loan	Amount (Rs. In lacs)
Department of Industries and Commerce Government of Karnataka	3212.08
State Industrial Corporation of Maharashtra	9123.06
Rajasthan Industrial Investment Corporation	80.71
TOTAL	12415.85

PART – E

Cash Credit

Name of Bank	Amount outstanding as on August 31, 1998 (Rs. In Lacs)
Grey Cement	
State Bank of India (Various Branches)	2195.21
Canara Bank (Various Branches)	2314.56
State Bank of Hyderabad (Various Branches)	23.92
Corporation Bank	2135.88
HDFC Bank	299.29
Grindlays Bank	236.65
United Bank of India	0.089
Punjab National Bank	797.81
	8004.21
White Cement	
State Bank of India (Various Branches)	1437.86
	9442.07
GRAND TOTAL (PARTS A TO E)	43701.63

NOTE: The amount of Interest accrued but not due as on August 31, 1998 on the above loans, debentures and cash credit accounts being transferred alongwith the above loans is Rs.755.02 lacs. This amount has been included in the balance sheets of the respective divisions.

IN THE HIGH COURT OF MADHYA PRADESH, BENCH INDORE

(COMPANY JURISDICTION)

COMPANY PETITION NO. 1 OF 2001

**CONNECTED WITH
COMPANY APPLICATION NO.34 OF 2000.**

In the matter of Sections 391 & 394 of the
Companies Act, 1956;

And

In the matter of Scheme of Amalgamation
between Grasim Industries Limited and
Dharni Cements Limited.

Grasim Industries Limited, a company
incorporated under the Gwalior
Companies Act, now deemed to be
incorporated under the Companies Act,
1956 as an “existing company” and
having its Registered Office at Birlagram,
Nagda, District Ujjain, Madhya Pradesh
456 331

..... Petitioner

**PETITION TO SANCTION SCHEME OF AMALGAMATION U/S 394 OF THE COMPANIES
ACT, 1956**

The Petition of Grasim Industries Limited, the Petitioner above named submits as follows

1. The Object of the Petition is to obtain sanction of this Hon’ble Court to the Scheme of Amalgamation of Dharani Cements Limited (hereinafter referred to as “Transferor Company”) with Grasim Industries Limited (hereinafter referred to as “Transferee Company”) with effect from November 1st 2000. The Registered Office of the Transferee Company is situated at Birlagram, Nagda 456331 Madhya Pradesh.
2. The Transferee Company was incorporated under the Gwalior Companies Act, and is now deemed to be incorporated under the provisions of the Companies Act, 1956. The Authorised Share Capital of the Transferee Company is Rs.100,50,00,000/- (Rupees one hundred crores and fifty lacs) as under:

(Rs. in crores)

9,50,00,000 Equity Shares of Rs.10/- each	95.00
Redeemable Cumulative Preference Shares of Rs.100/- each:	
1,50,000 15% "A" Series	1.50
1,00,000 8.57% "B" Series	1.00
3,00,000 9.30% "C" Series	3.00
	<u>100.50</u>

The Issued, Subscribed & Paid Up Capital of the Transferee Company is Rs.91,66,96,490/- (Rupees ninety one crores sixty six lacs ninety six thousand four hundred ninety) comprising of 9,16,69,649 (Nine Crores Sixteen Lacs Sixty Nine Thousand Six Hundred Forty Nine) Equity Shares of Rs.10/- each fully paid up.

The main objects of the transferee company are set out in the Memorandum of Association which is annexed hereto.

The relevant objects of the Transferee Company are extracted herebelow:

HIGH COURT OF MADHYA PRADESH : INDORE BENCH : INDORE

Com. Judge : Hon'ble Shri Deepak Verma, J.

Com. Pet. No.1 of 2001

Grasim Industries Limited ... Petitioner

Shri A.K. Chitale, Senior counsel, with Shri B. Chitale and Shri S.R. Kochetta for the petitioner

Shri B.G. Neema, standing counsel for the Central Government.

ORDER

(passed on this 9th day of March, 2001)

This petition has been filed by Grasim Industries Limited (hereinafter referred to as the transferee Company) under S. 394 of the Companies Act, 1956 (for short the Act) with a prayer that the Scheme of Amalgamation (hereinafter referred to as the Scheme) of the business of Dharani Cements Limited (for short the transferor Company) with the petitioner Company be sanctioned with effect from 1-11-2000.

2. The registered office of the petitioner company is situated at Birlagram, Nagda, District Ujjain, M.P. within the territorial jurisdiction of this Court. In Company Petition No.34 of 2000 an order was passed by this Court to convene meetings of shareholders of the petitioner company for the purpose of considering and, if thought fit, sanctioning with or without modification, the arrangement embodied in the Scheme of Amalgamation, proposed to be made between the petitioner

Company and the transferor Company. On the said Company Petition coming up for hearing, this Court passed an order on 10-11-2000 appointing Shri A.S. Garg, Advocate, of this Court, as Chairperson and Smt. Meena Chaphekar, Advocate as alternate Chairperson to convene meetings as mentioned above. Shri A.S. Garg accordingly held the meetings on the date given in the advertisements as per the order passed by this Court. After convening the meetings as mentioned in the said order he has submitted his report, which is duly supported by affidavit, within seven days as required by Rule 78 of the Company (Court) Rules, 1959. It is manifest from his report that no shareholder has raised any objection, with regard to the proposed Scheme. After submission of the reports by the Chairperson as mentioned above, final petition for confirmation of the Scheme has been filed in this Court on 10-1-2001.

3. This matter had come up for hearing before this Court on 19-1-2001. On the said date as required under the Act and the Rules, notices were directed to be published in all editions of Financial Express and Dainik Bhaskar. On account of filing of the present petition, the earlier petition stood disposed of. After publication of the advertisements and after service of notice on the Central Government, the matter has been taken up for hearing on merits.
4. Shri B.G. Neema learned counsel appearing for Central Government, informed the Court that no separate reply is required to be filed on behalf of the Central Government. He further informed the Court that he has received instructions from Registrar of Companies, Department of Company Affairs, Gwalior that it has no objection for passing an order by this Court, with regard to sanction of the Scheme.
5. The registered office of the transferor Company is situated within the jurisdiction of Tamil Nadu High Court. Consequently the transferor Company has also filed a Company Petition No.611 of 2000 in the High Court of Tamil Nadu, Chennai, praying for sanction of the same Scheme.
6. I have accordingly heard the learned counsel for the petitioner as also Shri B.G. Neema, at length and perused the record.
7. The Supreme Court in number of cases has given the guidelines as to how and when a Scheme has to be sanctioned. In this matter, I find that there is no objection raised by anyone for sanctioning the Scheme. The cases of the Supreme Court on this point are reported in AIR 1995 SC 470 (Hindustan Lever Employees Union v. Hindustan Lever Ltd.) and 87 company cases 792 (Mihir H. Mafatlal v. Mafatlal Industries Ltd.). The above cases of the Supreme Court have, in fact, set all the controversies at rest. The scheme does not appear to be against public purpose. The interest of the shareholders of the petitioner Company has been safeguarded as per the Scheme. Thus, on overall consideration of the matter, I am of the considered opinion that the Scheme is beneficial to the interests of both the Companies and is not against public interest. The same is, hereby, accordingly, sanctioned on the following grounds:

- 1) The arrangement embodied in the Scheme of Amalgamation referred to in paragraph 9 of the petition herein and the Schedule annexed hereto shall be binding on the equity shareholders, secured creditors, including debenture holders, secured creditors of the transferee Company and also on the transferor Company.
- 2) All proceedings referred to in Clause 6 of the Scheme and now pending by or against the transferor Company be continued by or against the transferee Company.
- 3) In case, as a result of the transfer of any assets of the transferor Company, liability of any tax against the Company or its shareholders under the existing Taxation Laws arises, the concerned Authority shall be free to proceed in the matter of tax, in accordance with law, irrespective of this order.
- 4) The approval of the Scheme, does not in any way dispense with the formality of execution by the transferee Company of any instrument necessary for effectively vesting the property and rights of the transferor Company in the transferee Company and the same has to be done strictly in accordance with law.
- 5) The transferee Company shall file a copy of this order with the Registrar of Companies, Madhya Pradesh, Gwalior within a period of 30 days from to-day.
- 6) The parties to the Scheme of Amalgamation or any other person or persons interested therein shall be at liberty to apply to this Court, for any direction that may be necessary in relation to working of the Arrangement embodied in the Scheme as sanctioned hereunder and annexed as Schedule hereto or for any subsequent or further orders as may be required.
- 7) The cost of this petition quantified at Rs.5000/- shall be paid by the petitioner Company to Shri B.G. Neema learned Standing Counsel for the Central Government.
- 8) Thus, this petition is made absolute and is, accordingly, disposed of. CC in 3 days.

Sd/-
(DEEPAK VERMA)
Company Judge -
9-3-2001.

SCHEME OF AMALGAMATION

DHARANI CEMENTS LIMITED .. Transferor Company

With

GRASIM INDUSTRIES LIMITED .. Transferee Company

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

1. DEFINITIONS

- 1.1 the “Transferor Company” shall mean **DHARANI CEMENTS LIMITED**, a 100% subsidiary of the Transferee Company and a public company, within the meaning of the Companies Act, 1956 (1 of 1956) having its registered office at Reddipalayam, Ariyalur – 621 704, Tamilnadu, India
- 1.2 the “Transferee Company” shall mean **GRASIM INDUSTRIES LIMITED**, a public company within the meaning of the Companies Act, 1956 (1 of 1956) having its registered office at Birlagram - 456 331, Nagda (M.P.).
- 1.3 the “said Act” shall mean the Companies Act, 1956, (1 of 1956) including any statutory modification, re-enactments or amendments thereof.
- 1.4 the “Transfer Date” shall mean November 1st 2000.
- 1.5 the “Effective Date” shall mean the later of the dates on which the certified copy each of the order of the High Court of Madhya Pradesh, Bench at Indore and High Court of Judicature at Madras respectively sanctioning the Scheme vesting the assets, properties, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with Registrar of Companies each of Madhya Pradesh and Tamil Nadu respectively after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary thereof.
- 1.6 the “said Liabilities” shall mean all debts, capital, reserves and surpluses whether statutory, revenue or otherwise, term deposits, borrowings, bills payable, interest accrued and all other liabilities including Contingent Liabilities, duties, undertakings and obligations of the Transferor Company as on the Transfer Date.
- 1.7 the “said Assets” shall mean and include the undertaking, the entire business, all cash, balance with banks, inter-corporate deposits, investments, housing loans, advances, fixed assets and other assets, all other movable and immovable properties, installations, plant and machinery, furniture and fittings, vehicles, office equipment, shares, stocks securities, spares, tools and instruments, book debts, remittances in transit, post dated cheques, benefit of any security arrangements including assigned insurance policies, National Savings Certificates, Indira Vikas Patra or any other instrument, postage stamps on hand, pre-paid expenses, tax credits, Income-tax paid in advance, reversions, powers, authorities, allotments, approvals, consents, licences, Leases including Mining Leases, registrations agreements, contracts, engagements, arrangements of all kinds, rights

including mineral rights, privileges, title, interests, benefits and advantages of whatsoever nature and wheresoever situate, trade names and other intellectual property rights of any nature whatsoever, permits, approvals, authorizations, right to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity including Wind Mill installations, and other services, reserves, provisions, funds, benefits of all agreements and all other interests of whatsoever nature, whether in India or abroad belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company..

1.8 “the Scheme” shall mean this Scheme of Amalgamation pertaining to the amalgamation of the Transferor Company with the Transferee Company in its present form or with any modification(s) approved or imposed or directed by the High Courts of Madhya Pradesh, Bench at Indore and Madras respectively or as may be modified from time to time.

1.9 “Undertaking” shall mean- the said Assets and the said Liabilities and shall include :-

(a) all the assets wherever situate, whether moveable or immovable, tangible or intangible, including all plant and machinery, mines including Limestone and Granite Mines, buildings, offices, depots together with all present and future rights pertaining to the transferred undertaking and properties of the Transferor Company as on the Transfer Date;

(b) all the debts, liabilities, (including Contingent liabilities), duties and obligations of the Transferor Company as on the Transfer Date;

(c) without prejudice to the generality of sub-clause (a) above, the undertaking of the Transferor Company shall include all the Transferor Company's reserves, movable and immovable properties, assets, including all permits, quotas, rights, entitlements, industrial and other licences, approvals, consents, tenancies, offices and depots, trade marks, patents, copyrights, all other intellectual property, bank accounts, privileges, all other rights including sales tax deferrals, excise duty benefits and other benefits, lease rights, mining leases (including the benefit of any application made therefor), licences, powers and facilities of every kind, nature and description of whatsoever nature, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity including Wind Mill installations and other services, provisions, funds benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company's business and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals;

(d) all earnest moneys and/or security deposits paid by the Transferor Company in connection with or relating to the Transferor Company's business; and

(e) all necessary records, files, papers engineering and process information, computer programmes, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records in connection with or relating to Transferor Company's business.

2. CAPITAL STRUCTURE

- 2.1 The Transferor Company as on 31st March 2000 has an authorized Share Capital of Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) equity shares of Rs. 10 each. The issued, subscribed and paid up share capital of the Transferor Company is Rs. 2,89,56,620 (Rupees Two Crores Eighty Nine Lacs Fiftysix Thousand Six hundred and twenty only) divided into 28,95,662 (Twenty Eight Lacs Ninety Five Thousand Six Hundred and Sixty Two only) equity shares of Rs. 10 each fully paid.
- 2.2 The Transferee Company as on 31st March 2000 has an authorized Share Capital of Rs.100,50,00,000 (Rupees One Hundred Crores and Fifty lacs) divided into 9,50,00,000 (Nine Cores Fifty Lacs) Equity Shares of Rs. 10 each, 1,50,000 (One Lac Fifty Thousands) 15% Series "A" Redeemable Cumulative Preference Shares of Rs. 100 each 1,00,000 (One lac) 8.57% Series "B" Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One Hundred) each of Series "B" and 3,00,000 (Three Lacs) 9.3% Series "C" Redeemable Cumulative Preference Shares of Rs.100/- (Rupees One Hundred) each. The issued and subscribed and paid up share capital of the Transferee Company is Rs. 91,66,96,490 (Rupees Ninety One Crores Sixtysix Lacs ninety six thousand four hundred and ninety only) divided into 9,16,69,649 (Nine Crores Sixteen Lacs Sixty Nine Thousand Six Hundred Forty Nine) equity shares of Rs. 10 each.

3. OPERATIVE DATE OF THE SCHEME

Upon becoming effective this Scheme, shall operate retrospectively with effect from the Transfer Date.

4. TRANSFER OF UNDERTAKING:

- 4.1 Upon the Scheme becoming effective, with effect from the opening of business as on the Transfer Date, the Undertaking of the Transferor Company shall, without any further act or deed, be and the same shall stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the said Act so as to become as from the Transfer Date the debts, liabilities, duties and obligations of the Transferor Company as the debts, liabilities and obligations of the Transferee Company upon the sanction of this Scheme by the High Court of Judicature of Madhya Pradesh Bench at Indore and High Court of Judicature at Madras respectively the High Court of Madhya Pradesh bench at Indore and High Court of Judicature at Madras (hereinafter collectively be referred to as the "High Courts") by virtue of the orders of sanction of the said High Courts subject to all approvals and sanctions required under law being obtained, with effect from the Transfer Date.
- 4.2.1 Subject to the provisions of this Scheme in relation to the mode of transfer and vesting, and pursuant to the provisions of Section 394(2) of the said Act, all the estates, assets, rights, title and interest of the Transferor Company in the said assets shall, without any further act or deed be transferred to and vested in the Transferee Company so as to become as and from the Transfer Date, the estates, assets, rights, title and interests of the Transferee Company.

Provided that the transfer and vesting as aforesaid shall be subject to existing mortgages, charges or any other encumbrances (if any, as may be subsisting) over or in respect of the said assets or any part thereof.

Provided however that the security provided or agreed to be provided for securing any financial assistance or obligations, to the secured creditors of the Transferor Company shall not by virtue of the aforesaid Clause, extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company.

Provided further that, the security provided or agreed to be provided for securing any financial assistance or obligations, to the secured creditors of the Transferee Company shall not by virtue of the aforesaid Clause, extend or be deemed to extend, to any of the assets of the Transferor Company.

- 4.2.2 Without prejudice to the above Clause, in respect of such of the said Assets as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in accordance with applicable provisions of law;
- 4.2.3 the said Assets, other than the assets transferred in the manner provided in the aforesaid Clause 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 Transfer Date, by virtue of the order of sanction of the High Courts under the provisions of Section 394 of the Act;
- 4.2.4 All the said Liabilities of the Transferor Company shall also be and stand transferred to or be deemed to have been transferred, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of Section 394 and other applicable provisions of the said Act so as to become as and from the Transfer Date, the debts, liabilities, duties, undertakings and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;
- 4.2.5 any bonds, notes or other securities, if any, of the Transferor Company whether convertible into equity or otherwise, and whether issued in India or abroad, shall without any further act or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be transferred to and vested in and shall upon the coming into effect of this Scheme, be exercised or discharged by the Transferee Company as if it were the Transferor Company; and
- 4.2.6 Upon the coming into effect of this Scheme, any loans or other obligations due between or amongst the Transferor Company and the Transferee Company, if any, shall stand discharged and there shall be no liability in this behalf by or from one company to another company and in so far as any securities or notes issued by the Transferor Company, and held by the Transferee Company, are concerned, the same shall, unless sold or transferred by the Transferee Company at any time

prior to the Effective Date also stand discharged and cancelled as on the Effective Date, and shall be of no effect and the Transferor Company shall have no further obligations outstanding in that behalf.

- 4.2.7 The Undertaking that is being transferred to the Transferee Company pursuant to this Scheme has been net valued at Rs.32.64 crores as of 30th September, 2000 by M/s G.P. Kapadia & Co., a firm of Chartered Accountants in terms of their Valuation Report dated 19th October 2000
- 4.2.8 All the assets and liabilities of the Transferor Company and since the entire Undertaking of the Transferor Company together with all the assets and liabilities of the Transferor Company stand transferred to and vested in the Transferee Company all assets, whether tangible or intangible, all the liabilities including contingent liabilities, losses, provisions, and reserves of the Transferor Company shall with effect from the Transfer Date be deemed to be the assets, losses, liabilities including contingent liabilities, provisions and reserves of the Transferee Company.

5. TRANSFER OF RIGHTS AND OBLIGATIONS UNDER CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 5.1 On and from the Transfer Date, and subject to the provisions of this Scheme all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall if necessary and if so required for the purpose of complying with the regulatory provisions, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangement or confirmations or novations in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.
- 5.2 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation or any other writings in favour of the secured creditors or other creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or is subject to in order to give formal effect to the Scheme. The Transferee Company shall under the provisions of the Scheme be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

6. LEGAL PROCEEDINGS

With effect from the Effective Date, if any suit, petition, appeal, revision or other proceedings of whatever nature (hereinafter called “the Proceedings”) by or against the Transferor Company under any statute, whether pending on the Transfer Date, or which may be instituted in future (whether before or after the effective date) in respect of any matter arising before the effective date and relating to the Transferred Undertaking as agreed between the Transferor Company and the Transferee Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the said assets/liabilities of the Transferor Company or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.

7. TRANSFEROR COMPANY’S STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and other employees on the permanent rolls of the Transferor Company immediately before the Transfer Date of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that-

- 7.1 Their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking;
- 7.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favourable to them than those applicable to them immediately before the transfer; and
- 7.3 It is expressly provided that so far as the Provident Fund amounts paid by the Transferor Company payable by itself and deducted from the employees wages and salaries and deposited with the Regional Provident Fund Commissioner, for and on behalf of the staff including workmen and other employees of the Transferor company are concerned, the same shall, upon the Scheme becoming effective shall stand substituted as if made by the Transferee Company for all purpose with the said Regional Commissioner of Provident Fund in the name of the Transferee Company and it is hereby clarified that for the aforesaid purpose the services of the employees who are employees of the Transferor Company as of the Effective Date shall be treated as having been in the employment of the Transferee Company without any break of the service as having been in the continuous service of the Transferee Company.

8. CONDUCT OF BUSINESS BY THE TRANSFEROR COMPANY UPTO THE EFFECTIVE DATE

With effect from the Transfer Date and upto and including the Effective Date:

- 8.1 The Transferor Company shall carry on and be deemed to have carried on all its business and activities with due diligence and prudence and shall be deemed to have held and been in possession of all the said Assets for and on account of and in trust for the Transferee Company.

- 8.2 All the profits or incomes accruing or arising, rights and privileges including sales tax deferrals and benefits under Central Excise Laws to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and be deemed to be and accrue as the profits or incomes or rights and privileges or expenditure or losses of the Transferee Company, as the case may be, including for the purposes of taxation.

9. **OBJECTS/BENEFITS OF THE AMALGAMATION**

- 9.1 Both the Transferor Company and the Transferee Company are mainly engaged in the business of Cement production, distribution and sale.
- 9.2 All the Equity Shares of the Transferor Company are held by the Transferee Company and its nominees and accordingly the Transferor Company is a wholly owned subsidiary company of the Transferee Company.
- 9.3 The Transferor Company being a 100% owned subsidiary of the Transferee Company is also engaged in the business of manufacturing Cement and it would be in furtherance of the Transferee Company's re-structuring objectives and also to bring about business synergy. The present amalgamation of the Transferor Company into the Transferee Company has been considered beneficial to all stake holders of both the Companies.
- 9.4 Since the objects of the Transferor Company and the Transferee Company are similar, it would only be advantageous and in the interest of both the companies that the business of both the companies be merged in order to create a strong company positioned for enhancing its leadership in the production, manufacture and sale of cement. Moreover, the Transferor Company is a wholly owned subsidiary of the Transferee Company and as such ultimately, the assets of the Transferor Company belong to the Transferee Company and since by virtue of the amalgamation, the assets and liabilities of the Transferor Company become assets and liabilities of the Transferee Company, there would be no adverse change or effect in the financial condition of the Transferee Company. The Scheme will not thus be prejudicial to the interests of the creditors of the Transferor Company or the Transferee Company and since the entire share capital of the Transferor Company is held by the Transferee Company, no prejudice will be caused to the shareholders of the Transferee Company.
- 9.5 Due to economies of scale and opportunities to rationalize duplicate support infrastructure there would be savings in cost and operating expenses for the merged entity.

10. **SHARES OF THE TRANSFEROR COMPANY**

All the equity shares of the Transferor Company are currently held by the Transferee Company and its nominees. In view of this, no shares will be issued by the Transferee Company to the members of the Transferor Company. All the shares held by the Transferee Company in the Transferor Company shall stand cancelled and extinguished pursuant to the implementation of the scheme of amalgamation.

11. APPLICATION TO THE HIGH COURT

The Transferor Company and the Transferee Company shall make applications / petitions to the High Court of Judicature at Madras and High Court of Madhya Pradesh Bench at Indore respectively under Section 391, 394 and other applicable provisions of the Act for the purpose of obtaining sanction of the respective High Courts to the Scheme pursuant to the provisions of the Act and for the dissolution of the Transferor Company without winding up on the Effective Date under the provisions of law.

12. MODIFICATION / AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company may make or consent from time to time on behalf of all persons concerned to any modifications or amendments to this Scheme or to any conditions or limitation which the High Courts or any other authority under law may direct or impose or which may otherwise be considered necessary to resolve all doubts or difficulties that may arise in implementing and/or carrying out the Scheme and to do and execute all acts, deeds, matters and things necessary for putting the Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Board of Directors or any other person authorized in that behalf by the concerned Board.

For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, the Board of Directors of the Transferee Company and the Transferor Company respectively or any person authorized by the respective Boards in that behalf may give and is authorized to give all such directions as are necessary or desirable as the respective Boards may think fit and such determination or directions, as the case may be, shall be final and binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

13. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS

- 13.1 This Scheme will become effective on the Effective Date upon and subject to the availability of each of the following, if required under law :-
 - 13.1.1 Sanction or approval under any law of the Central Government or State Government or any other agency, department or appropriate authorities concerned being obtained and granted in respect of the matters in respect of which such sanction or approval is required.
 - 13.1.2. The approval to the Scheme by the requisite majorities at the Meetings, if directed to be convened by the respective High Courts.
 - 13.1.3 The sanction of the Scheme by the respective High Courts under Section 391 and 394 of the said Act and necessary orders passed in this behalf.
 - 13.1.4. The certified copies of the Court orders referred to in this Scheme being filed with the Registrar of Companies of Tamilnadu and Madhya Pradesh respectively.
- 13.2 In the event of the Scheme not being approved by the requisite majority, the Transferor Company or the Transferee Company shall be at liberty to take orders from the respective High Courts for appropriate reliefs.

14. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the aforesaid sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the High Court of Judicature at Madras and High Court of Madhya Pradesh Bench at Indore and/or the order or orders not being passed as aforesaid on or before 31st March 2001 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective cost, charges and expenses for and / or in connection with the Scheme.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

The Transferor Company shall be dissolved without winding up as and from the Effective Date or such other date as the High Court of Judicature at Madras may direct.

16. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by the Transferee Company.

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HIGH COURT OF MADHYA PRADESH, INDORE BENCH
(SINGLE BENCH: HON'BLE SHRI S.K. SETH, J)

COMPANY PETITION NO. 22/2008

In the matter of the Companies Act, 1956;

And

In the matter of petition u/s. 391 of the
Companies Act, 1956;

And

In the matter of Grasim Industries Limited., a
company incorporated under the Gwalior
Companies Act (1 of Samvat 1963) and now
deemed to be incorporated under the
Companies Act, 1956 as an "existing
company" and having its registered office at
Birlagram, Nagda, District Ujjain (M.P.)

And

In the matter of Scheme of Arrangement
between Grasim Industries Limited and
Vikram Sponge Iron Ltd., and their respective
shareholders and creditors;

Grasim Industries Limited, a company
incorporated under the Gwalior
Companies Act (1 of Samvat 1963) and
now deemed to be incorporated under
the Companies Act, 1956 as an "existing
company" and having its Registered
Office at Birlagram, Nagda, District Ujjain,
Madhya Pradesh.

..... **PETITIONER COMPANY.**

Shri A.K. Chitley Senior Advocate with Mr. B.A. Chitley , Advocate for the Petitioner.

Shri Vinay Zelawat, Assistant Solicitor General for Regional Director, Western Region,
Ministry of Corporate Affairs, Mumbai.

Shri S.C. Bagadia, Senior Advocate with Shri Mayank Purohit for objector Kamesh Joshi.

Shri Anand Pathak, Advocate for objector Chandresh Shah

ORDER
(Passed on 29.04.2008)

1. This is Company Petition u/s 391 r/w Section 394 of the Companies Act, 1956 for approval of the Scheme of Arrangement, copy whereof is available on record as **Exhibit 'F'**.
2. The petitioner above named is a company incorporated under the Companies Act, 1956 (for short ' the Act'). The said Scheme of Arrangement proposes transfer with all assets and liabilities of Vikram Ispat, a Unit of Grasim industries situated at Nagda to Vikram Sponge Iron Limited. The registered office of both transferor and transferee Companies are situated at Bilagram, Nagda, District Ujjain (M.P.). It is stated that the unit is wholly owned by the petitioner company.
3. Earlier in the company petition No. 16/2008 this Court passed an order on 1-9-2008 to convene the meetings of shareholders, creditors secured and unsecured (including debenture holders for the purposes of considering the proposed Scheme of Arrangement and Shri R.C. Chhazed, an Advocate of this Court was appointed as chairperson and Shri V.K. Dubey, Advocate as alternate Chairperson. Shri R.C. Chhazed after convening the meetings submitted his report duly supported by affidavit in accordance with law. It is clear from his report, not single equity share holder voted against the proposed Scheme of Arrangement. After submissions of the report by the Chairperson, now present petition has been filed for confirmation of the proposed Scheme of Arrangement.
4. The petition came for hearing before this Court on 17.11.2008. On the said, as required under the Companies Act and Rules framed under, not only notice was issued to Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai, notices were directed to published, but were also published in newspapers.
5. On 12.1.2009, Shri S.C. Bagadiya appeared for objector Kamlesh Joshi and sought time to file objection. Time was granted and the objections were filed not only Kamlesh Joshi but also Chandesh Shah through his advocate Shri Anand Pathak. One more objection was filed by Shyam Sundar Jaipuria, but neither the said objector appeared in person or through an advocate at the time of hearing, therefore, objections preferred by Shyam Sundar Jaipuria were rejected and after hearing arguments of counsels, the case was closed for orders.
6. According to Shri Bagadiya, the proposed Scheme is not an Arrangement between the petitioner Company and its members especially when the members of petitioner-company are not going get any share of or any amount of cash consideration from the transferee Company. He further contended that instead of adopting the route of Section 391, 394 the Board of Directors could have sold the unit in question with the consent of share-holders in view of powers conferred by Section 293. Shri Anand Pathak more or less towed the line of arguments advanced by Shri Bagadiya, learned Senior Advocate. Shri Chitaley, learned Advocate appearing the petitioner Company in rebuttal submitted that objector Kamlesh Joshi was an equity share-holder when meeting of share-holders was held. He submitted that objection is not maintainable in view of mandatory language employed in Rule 34 of Rules. So far as Chandresh Shah is concerned, he even

did not bothered to attend the meeting held in pursuant to order passed by this Court in the earlier petition. Hw further submitted that assuming, without conceding, that objections are bonafide, still objectors could not permitted to override the majority decision and this Court can not sit in appeal over the commercial decision of majority. Thus, according to Shri Chitaley, bonafide of objectors are doubtful and they are just trying to throw a spanner in the work. According him, objections should be rejected and the proposed Scheme of Arrangement deserves sanction of this Court.

7. After having heard rival contentions, I find that proposed Scheme of arrangement squarely falls within the four corners of provisions of the Act. I also find for want of cogent material, that majority as a class acted unfairly or with any oblique motive to jeopardize interest of so called minority equity shareholder. It is relevant to keep in mind that Board of Directors of respective companies, viz., the Transferor Company as well as the Transferee Company had approved the Scheme of Arrangement before, it was put to vote. There was no material on record to indicate that either Kamlesh Joshi or Chandresh Shah thought it fit to personally remain present at the time of voting to ventilate their protest against the proposed Scheme of Arrangement before the equity shareholder and to apprise them of the alleged pernicious effect of the proposed Scheme. It is, therefore, too late in the day for them to contend that the proposed Scheme was unfair because the equity shareholder of Transferor Company would not get any share of or any amount of cash consideration from the transferee Company. So far as the other objection regarding selling of the unit in question with the consent of shareholders in view of powers conferred in Section 293, is concerned, I am usefully refer to decision of Delhi High Court by Hon'ble (Dr.) Mukundakam Sharma J. as his Lordship then was, reported in (2003) 46 SCL 365 (Delhi) In Reference HCL Infosystems Ltd., wherein after elaborate discussions, his Lordship has held that Section 391-394 being complete code in itself, it is not necessary to resort to Section 293. In view of foregoing discussion, it is not necessary for me to deal with contentions of Shri Chitaley as they have become academic.

8. Thus, I find that the proposed Scheme of Arrangement in accordance with the guidelines laid down by the Supreme Court in various decisions, consequently sanction is accorded to the Scheme of Arrangement (Exhibit 'F') subject to the terms and conditions set out therein. The Scheme of arrangement, as contained in Exhibit 'F', shall also form part and parcel of this order. The approval of Scheme of Arrangement, does not in any way dispense with the formality of execution of any instrument necessary for vesting of property and rights of the transferor company to the transferee company and the shall be done in accordance with law. The petitioner company shall, within 30 days from today, file with the Registrar of Companies, Madhya Pradesh a certified copy of this order.

9. In view of foregoing discussion, it is hereby directed that no formal order is required to be drawn up in terms of Rule 37 in Form No.41 and 42. This petition thus stands disposed of as aforesaid. There shall be no order as to cost.

C.C. on payment of usual charges within a week.

Sd/-
(S.K. SETH)
COMPANY JUDGE

SCHEME OF ARRANGEMENT

BETWEEN

GRASIM INDUSTRIES LIMITED } Transferor Company

And

VIKRAM SPONGE IRON LIMITED } Transferee Company

And Their Respective Shareholders and Creditors

PART I – GENERAL

- A. Grasim Industries Limited (the “**Transferor Company**”) is a public limited company governed by the Companies Act, 1956, having its registered office at Birlagram, Nagda-456331, Madhya Pradesh. The Transferor Company is primarily engaged in the manufacture and sale of viscose staple fibre, cement, chemicals and textiles and is also engaged in the business of manufacture and sale of sponge iron, which is carried on by one of its divisions, viz., Vikram Ispat (as defined hereinafter). The equity shares of the Transferor Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.
- B. Vikram Sponge Iron Limited (the “**Transferee Company**”) is a company incorporated under the Companies Act, 1956, having its registered office at Birlagram, Nagda- 456331, Madhya Pradesh. The Transferee Company is *inter alia* authorised to carry on the business of manufacture and sale of sponge iron.
- C. In order to achieve synergy and efficiency of operations and management and with the end and intent of realigning the business operations undertaken by the Transferor Company, the Transferor Company has, as part of its overall business reorganization plan, determined to concentrate on, and strengthen its core competencies i.e., the production and sale of viscose staple fibre and cement, in the interests of maximising overall shareholder value. Therefore, with a view to effect such plan, the Transferor Company proposes that the Transferred Undertaking be transferred to and vested in the Transferee Company by a slump sale to be undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 391-394 and other relevant provisions of the Act (as defined hereinafter) for such consideration and in such manner as provided for in this Scheme.
- D. Pursuant to a Framework Agreement dated June 10, 2008 (“**Framework Agreement**”) between the Transferor Company and Welspun Power and Steel Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Village Versamedi, District Kutch, Gujarat (“**Welspun**”), to which the Transferee Company has executed a deed of adherence, it is proposed that the consideration payable by the Transferee Company to the Transferor Company in relation to the aforesaid transfer be funded by way of infusion of necessary funds in the Transferee Company, by Welspun through a combination of equity and debt. Pursuant to such funding by Welspun and upon the effectiveness of the Scheme, Welspun will own a substantial majority stake in the Transferee Company.
- E. This Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, provides for the transfer of the Transferred Undertaking of the Transferor Company as a going concern on a slump sale basis to the Transferee Company.

1. Definitions

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

- (A) **“Act”** means the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force;
- (B) **“Board of Directors”** in relation to each of the Transferee Company and the Transferor Company, as the case may be, shall, include a committee of directors;
- (C) **“Consideration”** shall have the meaning assigned to it in Clause 14(a) hereof;
- (D) **“Effective Date”** means the date on which all the conditions and matters referred to in Clause 17 hereof have been fulfilled;
- (E) **“High Court”** shall mean the High Court of Judicature at Indore, Madhya Pradesh;
- (F) **“Remaining Business”** means all the business and the divisions of the Transferor Company (other than the Transferred Undertaking), and shall include (i) the structure and property known as ‘Vikram Vatika’, situated at Salav, District Raigad – 402 202, Maharashtra; the structure and property known as ‘Vikram Nilayam’ being the bungalow situated at Salav, District Raigad – 402 202, Maharashtra; the structure and property known as ‘Vikram Vinayak Temple & Babu Memorial’ situated at Salav, District Raigad – 402 202, Maharashtra; and the Ahura Centre Office Premises situated at 1st Floor, Ahura Centre, 82, Mahakali Caves Road, Andheri (East), Mumbai – 400 093, Maharashtra and in relation to each of these properties, includes all appliances, accessories, furniture, fixtures, appurtenances, etc; (ii) any asset, contract, deed, bond, offer, agreement, scheme, arrangement, or other instrument of whatsoever nature which has not been transferred to the Transferee Company; and (iii) all services, resources and infrastructure facilities which are shared amongst the various units and group entities of the Transferor Company, including the domain names “adityabirla.com” and “grasim.com”; Aditya Birla group performance management software called Poornata, intranet service called Adityadisha, and the e-learning website called Gyanodaya;
- (G) **“Scheme”** means this Scheme of Arrangement in its present form or with any modification(s) made pursuant to this Scheme;
- (H) **“Transferred Employees”** shall have the meaning assigned to it in Clause 9(a) hereof;
- (I) **“Transferred Undertaking”** means all the undertakings (including the gas-based sponge iron plant at Salav, District Raigad- 402 202, Maharashtra), properties and liabilities, of whatsoever nature and kind and wheresoever situate, of the Transferor Company pertaining to Vikram Ispat, to be transferred on a going concern basis, which shall mean and include (without limitation):
 - (i) all assets, moveable and immoveable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible of whatsoever nature, wheresoever situate, whether in India or abroad, including all

lands, buildings, warehouses, offices, plant and machinery, vehicles, equipment, appliances, accessories, furniture, fixtures, sundry debtors, inventories, cash and bank accounts (including bank balances), bills of exchange, benefit of any deposits, financial assets, investments, benefit of any bank guarantees and letters of credit in relation to the Transferred Undertaking, funds belonging to or proposed to be utilized for the Transferred Undertaking, loans (excluding inter divisional loans) and advances together with all present and future liabilities (including contingent liabilities pertaining to the Transferred Undertaking) as appearing in the books of Vikram Ispat as on the Effective Date;

For the purpose of identification, details of the land pertaining to the Transferred Undertaking are more fully set out in **Schedule I** hereof;

- (ii) all permits, quotas, rights, entitlements, licences, approvals, authorizations, consents, tenancies, offices, trade marks, patents, copyrights, all other intellectual property rights, software programs and data (whether proprietary or otherwise), goodwill, privileges, all other rights, benefits and entitlements including any tax exemptions, deferrals and other benefits or privileges, lease rights (including the benefit of any applications made therefor), powers and facilities of every kind, nature and description whatsoever, railway sidings, rights to use and avail of telephones, telexes, facsimile connections, communication facilities, installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements (including without limitation any customer contracts, supply contracts or other contracts or agreements) and all other interests in connection with or relating to the Transferred Undertaking as on the Effective Date;
- (iii) all investments, loans and advances, including accrued interest thereon, of the Transferor Company appertaining to the Transferred Undertaking as on the Effective Date;
- (iv) all earnest moneys and/or security deposits paid by the Transferor Company in connection with or relating to the Transferred Undertaking as on the Effective Date;
- (v) all employees of the Transferor Company engaged in the Transferred Undertaking as on the Effective Date;
- (vi) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not or disclosed in the books of account of the Transferor Company (other than corporate taxes on profits under the Income Tax Act, 1961 prior to Effective Date) relating to the Transferred Undertaking as on the Effective Date; and
- (vii) all necessary records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records in connection with or relating to the Transferred Undertaking as on the Effective Date;

- (J) **“Vikram Ispat”** means Vikram Ispat, a division of the Transferor Company, which is engaged in the manufacture and sale of sponge iron through the gas-based method.

2. Interpretation

- (a) References in this Scheme to the date of **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date;
- (b) Wherever reference is made to the Hon’ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of a High Court under the Act;
- (c) References to a person include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality);
- (d) References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (e) The headings herein shall not affect the construction of this Scheme;
- (f) The singular shall include the plural and vice versa; and references to one gender include all genders;
- (g) Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (h) The Schedule to this Scheme forms an integral and inseparable part of this Scheme.

3. Share Capital

- (a) The capital structure of the Transferor Company, as on June 30, 2008 is as under:

A.	Authorized Share Capital	Amount in Rs.
	9,50,00,000 equity shares of Rs. 10/- each	95,00,00,000
	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
	Total	100,50,00,000

B.	Issued, Subscribed and paid up Share Capital	Amount in Rs.
	9,16,74,228 equity shares of Rs. 10/- each	91,67,42,280
	Total	91,67,42,280

- (b) The capital structure of the Transferee Company, as on June 30, 2008 is as under:

A.	Authorized Share Capital	Amount in Rs.
	52,50,000 equity shares of Rs. 10/- each	5,25,00,000
	Total	5,25,00,000

B.	Issued, Subscribed and paid up Share Capital	Amount in Rs.
	1,00,000 equity shares of Rs. 10/- each	10,00,000
	Total	10,00,000

PART II – TRANSFER OF THE TRANSFERRED UNDERTAKING

4. (a) Upon the coming into effect of the Scheme on the Effective Date, the Transferred Undertaking (including all the estates, assets, rights, properties, liabilities, obligations, title, interest and authorities including accretions and appurtenances of the Transferred Undertaking) shall, subject to the provisions of this Clause in relation to the mode of vesting and pursuant to Section 394(2) of the Act and 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 as a going concern on a slump sale basis so as to become as and from the Effective Date, the estates, assets, rights, properties, liabilities, obligations, title, interest and authorities of the Transferee Company, subject to the charges thereon in favour of banks and/or financial institutions in relation to the liabilities being transferred to the Transferred Undertaking under this Scheme.
- (b) In respect of such of the assets of the Transferred Undertaking as are movable in nature or are otherwise capable of transfer by delivery or by endorsement and delivery, the same shall stand transferred by the Transferor Company upon coming into effect of the Scheme and with effect from the Effective Date pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Transferee Company as an integral part of the Transferred Undertaking, subject to the charges thereon in favour of banks and/or financial institutions in relation to the liabilities being transferred to the Transferred Undertaking under this Scheme.

- (c) In respect of such of the assets of the Transferred Undertaking other than those referred to in Clause 4(b) above, the same shall, as more particularly provided in Clause 4(a) above, 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 upon coming into effect of the Scheme and with effect from the Effective Date pursuant to the provisions of Section 394 of the Act.
 - (d) All assets, estate, rights, title, interest and authorities acquired by the Transferor Company prior to, or as on the Effective Date for operation of the Transferred Undertaking shall also stand transferred to, and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Effective Date.
- 5.
 - (a) Upon the coming into effect of this Scheme on the Effective Date and subject to the provisions of this Scheme, all contracts (including without limitation contracts with employee unions), deeds, bonds, offers, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferred Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company is or may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act or deed, be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced, without any further act or deed, as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, offers, agreements, schemes, arrangements and other instruments to give effect to the provisions of this Clause 5 of the Scheme.
 - (b) Without prejudice to the other provisions of the Scheme and notwithstanding that the transfer and vesting of the Transferred Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party (including securing the change of record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Transferee Company and relating to the Transferred Undertaking) or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferor Company shall, if requested by the Transferee Company, co-operate and also be a party to such deeds, confirmations or other writings or arrangements by executing such writings as may be necessary, without any liability in this regard.
 - (c) Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme on the Effective Date, all consents, permissions, licenses, approvals, certificates, clearances and authorities given by, issued to or executed in favour of the Transferor Company in relation to the Transferred Undertaking as on the Effective Date shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.

6. (a) Upon the coming into effect of the Scheme on the Effective Date, the liabilities forming part of the Transferred Undertaking shall without any further act or deed be and stand transferred to the Transferee Company and shall thereupon become the debts, liabilities and obligations of the Transferee Company which the Transferee Company undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this sub-clause.
- (b) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of the Transferred Undertaking prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same to the exclusion of the Transferor Company.
7. (a) Upon the coming into effect of the Scheme, all legal or other proceedings (including any proceedings before any statutory or quasi judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Effective Date or which may be instituted in future in respect of any matter and in each case insofar as they relate to the Transferred Undertaking shall be continued and be enforced by or against the Transferee Company with effect from the Effective Date. In the event that the legal proceedings referred to herein require both the Transferor Company and the Transferee Company to be parties thereto, the Transferee Company shall be added as a party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company. The Transferor Company and the Transferee Company shall agree on the list of such proceedings which pertain to the Transferred Undertaking, and the same shall be binding on the Transferee Company.
- Provided however, in relation to any proceedings referred to in Clause 7(a) above, the Transferor Company shall render all necessary assistance including documents and records that it possesses or controls to the extent necessary for the purposes of enabling the Transferee Company to take necessary action in relation to such proceedings and the Transferee Company shall be provided with copies of related and requisite documents and records. It is clarified that any costs in relation to such proceedings shall be borne by the Transferee Company.
- (b) The Transferee Company undertakes to have all legal, taxation (other than corporate taxes on profits under the Income Tax Act, 1961) or other proceedings initiated by or against the Transferor Company in relation to the Transferred Undertaking referred to in Clause 7(a) above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company and at the cost and expense of the Transferee Company.
8. From the Effective Date all profits accruing to the Transferor Company, or losses arising or incurred by it (including the effect of taxes if any thereon), relating to the Transferred Undertaking shall for all purposes, become the profits, taxes or

losses, as the case may be, of the Transferee Company. It is hereby clarified that for the period prior to the Effective Date, all profits accruing to the Transferor Company in relation to the Transferred Undertaking, or losses arising or incurred (including the effect of taxes if any thereon), in relation to the Transferred Undertaking prior to the Effective Date, shall, for all purposes, be the profits, taxes or losses, as the case may be, of the Transferor Company.

9. (a) The Transferee Company undertakes to engage, on and from the Effective Date, such of the employees of the Transferor Company as are engaged in the Transferred Undertaking and who are in the employment of the Transferor Company as on the Effective Date ("**Transferred Employees**"). All expenses, emoluments and liabilities relating to the Transferred Employees shall be borne and paid by the Transferee Company on and from the Effective Date. The service of each such Transferred Employee shall not be affected by such transfer and the terms and conditions of service applicable to each such Transferred Employee after such transfer shall not be less favourable than those applicable to him immediately before the transfer. The Transferee Company shall be legally liable to pay to each such Transferred Employee, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Transferred Employees with the Transferor Company shall also be taken into account and the methodology for computation of retirement benefits shall remain the same as followed by the Transferor Company, and agrees and undertakes to pay the same as and when payable.
- (b) (i) Insofar as the existing provident fund trust and superannuation trust created by the Transferor Company for its employees (including the Transferred Employees) are concerned, the balance outstanding to the credit of the account of each of the Transferred Employees who are eligible for benefits under such trusts and such balance being equal to the aggregate amount such Transferred Employees are entitled to in relation to the period prior to the Effective Date, shall be transferred to similar funds established by the Transferee Company.
- (ii) Insofar as the existing gratuity trust created by the Transferor Company for its employees (including the Transferred Employees) is concerned, an amount equivalent to the actuarial liability of the Transferor Company with respect to the Transferred Employees as of the Effective Date, shall be transferred to a similar fund established by the Transferee Company.
- (c) In relation to those Transferred 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 Transferred Employees.
- (d) In relation to any other fund created or existing for the benefit of the Transferred Employees, upon the Effective Date, 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 funds in accordance

with the provisions of such scheme, funds, bye laws, etc. in respect of the Transferred Employees.

- (e) In respect of the stock options granted by the Transferor Company under the Employee Stock Option Scheme - 2006 (the “**ESOP Scheme**”) to the Transferred Employees which have not been exercised and are outstanding as of the Effective Date, the Transferor Company shall settle such ESOP Scheme, and the Transferee Company shall have no obligation to issue options in lieu of the ESOP Scheme. The Transferee Company shall have no obligation to issue any stock options to the Transferred Employees and all outstanding obligations under the ESOP Scheme to the Transferred Employees shall continue to be honoured by the Transferor Company in accordance with the terms of the ESOP Scheme.
10. The transfer and vesting of the assets, liabilities and obligations of the Transferred Undertaking and the continuance of the proceedings by or against the Transferee Company pursuant to this Scheme shall not affect any transaction or proceedings already completed by the Transferor Company on the Effective Date.

PART III - REMAINING BUSINESS

11. (a) The Remaining Business and all the assets, rights, title, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
- (b) All legal, taxation or other proceedings by or against the Transferor Company and relating to the Remaining Business under any statute, whether pending on the Effective Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company.

PART IV- INDEMNITY

12. (a) The Transferee Company shall indemnify the Transferor Company from and against any and all costs, expenses and liabilities arising out of or relating to any (i) act or omission undertaken by the Transferor Company in relation to the Transferred Undertaking after the Effective Date in pursuance of the provisions of this Scheme; or (ii) the operations or conduct of the Transferred Undertaking after the Effective Date.
- (b) On and after the Effective Date, if proceedings are taken against the Transferee Company by reason of the conveyance of the Transferred Undertaking under the Scheme in respect of any matter pertaining to the Remaining Business, the Transferee Company shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company and the latter shall reimburse and indemnify the Transferee Company for all costs, expenses and liabilities incurred by the Transferee Company arising out of or relation to such proceeding against the Transferee Company.

Provided however, in relation to any proceedings referred to in this Clause 12(b), the Transferor Company shall be entitled to take control of such proceedings in consultation with the Transferee Company, and the Transferee Company shall render all necessary assistance including documents and records that it possesses or controls to the extent necessary for the purposes of enabling the Transferor Company to take necessary action in relation to such proceedings and the Transferor Company shall be provided with copies of related and requisite documents and records. It is clarified that any costs in relation to such proceedings shall be borne by the Transferor Company.

PART V - SECURITY

13. (a) Insofar as the existing security over the assets of the Transferor Company in respect of the liabilities forming part of the Transferred Undertaking is concerned, such security shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprising the Transferred Undertaking which have been charged and secured in respect of the liabilities pertaining to the Transferred Undertaking. Provided that if any assets comprising the Transferred Undertaking which are being transferred to the Transferee Company pursuant to the Scheme have not been charged or secured in respect of the liabilities pertaining to the Transferred Undertaking, such assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such assets unless otherwise determined by the Board of Directors of the Transferee Company. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.
- (b) In so far as the assets comprising the Remaining Business are concerned, the security relating to the liabilities pertaining to the Transferred Undertaking over such assets shall, without any further act, instrument or deed be released and discharged from the obligations and security relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.
- (c) In so far as the assets comprising the Transferred Undertaking which are being transferred to the Transferee Company pursuant to this Scheme are concerned, the security and charge over such assets relating to any loans, borrowing or debentures which are not transferred pursuant to this Scheme (and which shall continue with the Transferor Company) shall, without any further act, instrument or deed be released and discharged from such encumbrance and shall no longer be available as security in relation to the Remaining Business. The absence of any formal amendment which may be required by a lender or third party shall not affect the above.
- (d) The provisions of this Clause shall operate, notwithstanding anything to the contrary contained to any deed or writing or terms of sanction or issue or any security documents all of which instruments shall stand modified and/or superseded by this Clause.

PART VI - CONSIDERATION

14. (a) On the Effective Date or on such later date as the Transferor Company may consent to in writing, the Transferee Company, in consideration of the slump sale, i.e. the transfer and vesting of the Transferred Undertaking in the Transferee Company, shall pay to the Transferor Company a sum of Rs. 1,030 Crores (Rupees One Thousand and Thirty Crores Only) ("**Consideration**").
- (b) The Transferred Undertaking has been duly valued by JM Financial Consultants Pvt. Ltd., an independent valuer. The said valuation is non-itemized lump-sum valuation based on enterprise value. Further, Bansilal S. Mehta & Co., Chartered Accountants, independent chartered accountant, has provided a fairness report on fairness of the Consideration determined for the transfer of the Transferred Undertaking to the Transferee Company. The valuation report and the fairness report as aforesaid have been duly approved by the Boards of Directors of the Transferor Company and the Transferee Company.

PART VII - GENERAL TERMS AND CONDITIONS

15. The Transferor Company and the Transferee Company shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 and 394 of the Act.
16. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), either by themselves or through a committee appointed by them in this behalf, may in their full and absolute discretion:
- (a) assent to any alteration or modification to this Scheme which the High Court and/or any other authority may deem fit to approve or impose. In the event any of the conditions that may be imposed by the High Court and/or any regulatory or statutory authority are unacceptable to the Transferor Company, and/or the Transferee Company, then they are at liberty to withdraw from the Scheme;
- (b) give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture holders of the respective companies), or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law);
- (c) modify, vary or withdraw the Scheme prior to the sanction of the Scheme by the High Court in any manner at any time.
17. The Scheme is conditional upon and subject to the following:
- (a) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court being obtained;

- (b) the certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Madhya Pradesh; and
 - (c) an amount equal to the Consideration having been funded by way of infusion of necessary funds in accordance with the Framework Agreement, by Welspun through a combination of equity and debt.
18. The Transferor Company (through its Board of Directors) shall have the right to waive any of the conditions referred to in Clause 17 above (other than those required to be complied with by law) and the waiver of such condition shall not affect in any manner the coming into effect of the Scheme.
19. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.
20. All costs, charges, levies and duties (including stamp duty and registration fees), taxes (other than corporate taxes on profits under the Income Tax Act, 1961) and expenses in relation to or in connection with or incidental to the Scheme or implementation thereof shall be borne and paid for by the Transferee Company; and if and to the extent that the Transferor Company is required to bear the same, the Transferee Company shall promptly reimburse the same to the Transferor Company.
21. Upon this Scheme becoming effective, the shareholders, creditors and counter parties to contracts of both the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.
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Schedule I – Details of land

1. PLANT LAND

1.1 Leasehold land

All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 42.920 hectares or thereabouts situate lying and being at village Salav, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Salav	06	1A (1)	0.528
Salav	06	1B/1	0.172
Salav	06	1B/2	0.180
Salav	06	1B2 B3A	0.564
Salav	06	1C2 A3B	0.567
Salav	06	2B/1	0.104
Salav	06	4	0.101
Salav	07	1B	0.055
Salav	07	1C	0.260
Salav	07	1D	0.600
Salav	07	1E	0.360
Salav	07	2	0.116
Salav	07	3	0.010
Salav	07	4	0.968
Salav	13	1A/1	0.420
Salav	13	1A/2	0.250
Salav	13	1B	0.430
Salav	13	1C	0.749
Salav	14	1	0.265
Salav	14	2	0.066
Salav	14	3	0.257
Salav	14	4	0.228
Salav	14	5	0.192
Salav	14	6	0.243
Salav	14	7	0.424
Salav	14	8B	0.350
Salav	15	1	0.367
Salav	15	2	0.278
Salav	15	3	0.154
Salav	15	4A	0.239
Salav	15	4B	0.243
Salav	15	4C	0.241
Salav	15	5A	0.279
Salav	15	5B	1.017
Salav	15	6	0.035
Salav	16	1B	0.240
Salav	16	1C	0.350
Salav	16	1D	0.320

Village	Survey No.	Hissa No.	Area (Hectares)
Salav	16	1E	0.360
Salav	16	1F	0.410
Salav	17	1	0.296
Salav	17	2	0.266
Salav	17	3	0.286
Salav	17	4A	0.243
Salav	17	4B	0.406
Salav	18	1B	0.415
Salav	18	1C	0.370
Salav	18	1D	0.170
Salav	18	2	0.291
Salav	19	1A	0.370
Salav	19	1B	0.290
Salav	19	1C	0.540
Salav	19	1D	0.460
Salav	19	2	0.839
Salav	20	1	0.590
Salav	20	2	0.580
Salav	21	2B	0.167
Salav	21	2C	0.115
Salav	21	3	0.226
Salav	21	4	0.218
Salav	21	6	0.270
Salav	21	7	0.320
Salav	21	8	0.353
Salav	22	3A/1A1	0.575
Salav	22	3A/1B	0.410
Salav	22	3A/1C	0.819
Salav	22	7	0.410
Salav	23	01	0.770
Salav	23	04	0.570
Salav	23	05	0.140
Salav	23	06	0.450
Salav	23	07	0.160
Salav	23	08	0.060
Salav	23	09	0.180
Salav	23	10A	0.750
Salav	23	11	0.200
Salav	23	12	0.280
Salav	23	13	0.300
Salav	23	16	1.050
Salav	23	17	0.120
Salav	24	1	0.577
Salav	24	2	0.030
Salav	25	1	0.258
Salav	25	2	0.280
Salav	25	3	0.369
Salav	25	4	0.539

Village	Survey No.	Hissa No.	Area (Hectares)
Salav	25	5	0.540
Salav	25	6	0.382
Salav	25	7	0.445
Salav	26	1	0.427
Salav	26	2	0.680
Salav	26	3B	0.120
Salav	26	3C	0.350
Salav	26	4	0.321
Salav	26	5	0.217
Salav	26	6	0.109
Salav	29	1	0.407
Salav	29	2A	0.776
Salav	29	2B	0.405
Salav	31	1A	0.676
Salav	31	1B	0.900
Salav	31	1C	0.223
Salav	31	2	0.245
Salav	48	1	0.443
Salav	48	2	0.594
Salav	49	1	0.135
Salav	49	2	0.518
Salav	49	3	0.050
Salav	49	4	0.010
Salav	49	5	0.015
Salav	50	1	0.015
Salav	50	2	0.413
Salav	50	3	0.405
Salav	50	4	0.514
Salav	50	5	0.590
Salav	50	6	0.362
Salav	50	7	0.210
Salav	71	0	0.081
Salav	72	1	0.043
Salav	72	2	0.104
Salav	72	3	0.076
Salav	78	1	0.351
Salav	78	2	0.394
		Total	42.920

Abutted and bounded as follows:

Towards North - Village Salav

Towards South - Sanjay Nagar / Vikram Vinayak Temple & Colony

Towards East - Village Nidhi

Towards West – Hill

all together with all the factory and other buildings and permanent structures thereon.

1.2 **Freehold Land**

All those pieces and parcels of land totally admeasuring 0.865 hectares or thereabouts situate lying and being at village Salav, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Salav	22	3D	0.510
	22	3A / 1A	0.355
		Total	0.865

Abutted and bounded as follows:

Towards North - Village Salav

Towards South - Sanjay Nagar / Vikram Vinayak Temple & Colony

Towards East - Village Nidhi

Towards West – Hill

all together with all the factory and other buildings and permanent structures thereon.

2. **CONVEYOR BELT LAND**

2.1 **Leasehold Land**

All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 3.581 hectares or thereabouts situate lying and being at village Salav, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Salav	12	1B	0.170
Salav	12	1E	0.400
Salav	52	1	0.206
Salav	52	2	0.325
Salav	52	3	0.360
Salav	52	4	0.442
Salav	52	5	0.013
Salav	57	1A	0.126
Salav	57	3	0.025
Salav	58	1B	0.080
Salav	58	1C	0.042
Salav	60	1-1-1	0.138
Salav	60	1-1-2	0.050
Salav	69	P T	0.037
Salav	70	2B	0.209
Salav	70	3	0.160
Salav	66	1A	0.040
Salav	66	1A/ 15	0.040
Salav	66	1A/ 17	0.040
Salav	66	1A/ 18	0.040

Village	Survey No.	Hissa No.	Area (Hectares)
Salav	66	1A/ 19	0.040
Salav	66	1A/21	0.040
Salav	66	1A/23	0.040
Salav	66	1A/24	0.040
Salav	66	1A/25	0.040
Salav	66	1A/26	0.040
Salav	66	1A/30	0.040
Salav	66	1A/32	0.040
Salav	66	1A/33	0.040
Salav	66	1A/34	0.040
Salav	66	1A/35	0.040
Salav	66	1A/37	0.040
Salav	66	1A/38	0.040
Salav	66	1A/40	0.040
Salav	66	1A/41	0.040
Salav	66	1A/42	0.038
	Total		3.581

Abutted and Bounded as follows:

Towards North - Kundalika River

Towards South - Plant

Towards East - Village Salav

Towards West – Hill

all together with all the buildings and permanent structures thereon

3. COLONY LAND

3.1 Leasehold land

- 3.1.1 All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 12.504 hectares or thereabouts situate lying and being at village Nidi, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Nidi	08	1/1	0.455
Nidi	08	1/ 2	0.030
Nidi	08	1/ 3	0.422
Nidi	08	1/ 4	0.276
Nidi	08	1/ 5	0.400
Nidi	08	1/ 6	0.344
Nidi	08	2A	0.152
Nidi	08	2B	0.134
Nidi	08	2C	0.164
Nidi	10	1	0.938
Nidi	10	2	0.738
Nidi	10	3	0.610

Village	Survey No.	Hissa No.	Area (Hectares)
Nidi	11	1A	0.130
Nidi	11	1B	0.168
Nidi	11	1C	0.106
Nidi	11	1D	0.112
Nidi	12	1	0.280
Nidi	12	2	0.030
Nidi	12	3	0.114
Nidi	12	4	0.030
Nidi	12	5	0.040
Nidi	12	6	0.030
Nidi	12	7	0.013
Nidi	12	8	0.080
Nidi	12	9	0.111
Nidi	13	1	0.094
Nidi	13	2/ 1	0.006
Nidi	13	2/ 2	0.033
Nidi	13	2/ 3	0.137
Nidi	13	2/ 5	0.488
Nidi	13	2/ 6	0.015
Nidi	13	2/ 7	0.491
Nidi	13	2/ 8	0.195
Nidi	14	1	2.406
Nidi	14	1B	0.354
Nidi	14	4B	0.938
Nidi	14	5A	0.320
Nidi	14	5B	0.020
Nidi	14	6A	0.380
Nidi	14	6B	0.360
Nidi	14	7	0.280
Nidi	14	8	0.080
		Total	12.504

Abutted and Bounded as follows:

Towards North - Vikram Vinayak Temple

Towards South - Village : Chehar & Vacant Land

Towards East - Vacant Land & Nidi Village

Towards West – Murud to Roha Road

all together with all the buildings and permanent structures thereon

- 3.1.2 All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 10.414 hectares or thereabouts situate lying and being at village Chehar, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Chehar	52	1A	0.389
Chehar	52	1B	0.721
Chehar	52	2	1.130
Chehar	53	1	0.120
Chehar	53	2	0.770
Chehar	54	1	1.037
Chehar	54	2	0.761
Chehar	54	3A	0.200
Chehar	54	3B	0.170
Chehar	54	3C	0.169
Chehar	55	1	0.370
Chehar	55	2	0.079
Chehar	55	3	0.105
Chehar	55	4	0.135
Chehar	55	5	0.323
Chehar	58	1	0.544
Chehar	58	2A	0.126
Chehar	58	2B	0.215
Chehar	58	3A	0.099
Chehar	58	4	0.205
Chehar	65	1A	0.620
Chehar	65	1B	0.030
Chehar	65	2A	0.320
Chehar	65	2B	0.280
Chehar	66	0	0.090
Chehar	67	1	0.481
Chehar	67	2A	0.319
Chehar	67	2B	0.606
		Total	10.414

Abutted and Bounded as follows:

Towards North - Vikram Vinayak Temple

Towards South - Village : Chehar & Vacant Land

Towards East - Vacant Land & Nidi Village

Towards West – Murud to Roha Road

all together with all the buildings and permanent structures thereon

3.2 Freehold Land

All those pieces and parcels of land totally admeasuring 2.993 hectares or thereabouts situate lying and being at village Nidi, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Nidi	14	2B	0.458
Nidi	15	6B	0.850
Nidi	15	1B	1.385
Nidi	15	3	0.300
		Total	2.993

Abutted and Bounded as follows:

Towards North - Vikram Vinayak Temple

Towards South – Village Cheher / Vacant Land

Towards East - Village Nidhi / Village Road , Vacant Land

Towards West – VI Colony

all together with all the buildings and permanent structures thereon

4. VACANT LAND

4.1 Leasehold land

- 4.1.1 All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 11.886 hectares or thereabouts situate lying and being at village Salav, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Salav	27	1	0.045
Salav	27	2A	1.043
Salav	27	2B	0.515
Salav	27	2C	0.380
Salav	27	2D	0.462
Salav	27	2E	0.075
Salav	28	0	0.182
Salav	30	1	0.090
Salav	30	2B	0.325
Salav	30	2C	0.150
Salav	30	2D	0.260
Salav	30	2E	0.438
Salav	30	3	0.340
Salav	30	4	0.080
Salav	32	1	0.147
Salav	32	2	0.931
Salav	32	3	0.010
Salav	32	4	0.060
Salav	32	5	0.040
Salav	32	6	0.451
Salav	45	1	0.293
Salav	45	3	0.299
Salav	45	4	0.865
Salav	45	5	0.320

Village	Survey No.	Hissa No.	Area (Hectares)
Salav	46	1	0.147
Salav	46	2	0.354
Salav	46	3	0.106
Salav	46	4B	0.392
Salav	46	4C	0.180
Salav	47	1	0.360
Salav	47	2	0.086
Salav	47	3	0.060
Salav	47	4	1.002
Salav	47	5	0.127
Salav	47	6	0.095
Salav	73	0	0.220
Salav	75	0	0.410
Salav	77	0	0.546
		Total	11.886

Abutted and bounded as follows:

Towards North - Forest Land / Private Land

Towards South – Private Land

Towards East - VI Plant

Towards West –Hill

- 4.1.2 All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 57.431 hectares or thereabouts situate lying and being at village Nidi, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Nidi	03	1A	0.481
Nidi	03	1B	0.013
Nidi	03	1C	0.018
Nidi	03	1D	0.030
Nidi	03	1E+2/1	0.652
Nidi	03	2/2	0.061
Nidi	03	2/3	0.291
Nidi	03	2/4+3	0.465
Nidi	03	2/5	0.217
Nidi	03	2/6	0.190
Nidi	04	-	0.501
Nidi	05	1	0.495
Nidi	05	2	0.486
Nidi	06	1A	1.330
Nidi	06	1B	0.200
Nidi	06	2	0.040
Nidi	06	3	0.470
Nidi	06	4	0.430
Nidi	06	5	0.430

Village	Survey No.	Hissa No.	Area (Hectares)
Nidi	06	6	0.450
Nidi	07	1	0.857
Nidi	07	2	0.452
Nidi	07	3A	0.316
Nidi	07	3B	0.325
Nidi	07	3C	0.078
Nidi	07	4	0.420
Nidi	09	1	0.260
Nidi	09	2	0.360
Nidi	09	3A	0.140
Nidi	09	3B	0.040
Nidi	09	4	0.320
Nidi	09	6/1	0.060
Nidi	09	6/2	0.110
Nidi	09	6/3	0.190
Nidi	09	6/4	0.020
Nidi	09	6/5	0.280
Nidi	09	6/6	0.020
Nidi	09	6/7	0.010
Nidi	09	6/8	0.010
Nidi	09	6/9	0.020
Nidi	09	7	0.240
Nidi	19	1/ 10	0.038
Nidi	19	1/ 4	0.056
Nidi	19	1/ 5	0.303
Nidi	19	1/ 6	0.568
Nidi	19	1/ 8	0.625
Nidi	20	1/ 1	0.061
Nidi	20	1/ 2	0.207
Nidi	20	1/ 3	0.344
Nidi	20	1/ 4	0.101
Nidi	20	1/ 5	0.486
Nidi	20	1/ 6	0.473
Nidi	20	1/ 7	0.655
Nidi	21	1/ 3	0.426
Nidi	21	1/ 9	0.008
Nidi	22	1	0.035
Nidi	22	3A	0.286
Nidi	22	3B	0.364
Nidi	22	4A	0.063
Nidi	22	4B	0.271
Nidi	22	4C	0.033
Nidi	23	2/ 1	0.514
Nidi	23	2/ 2	0.296
Nidi	23	2/ 3	0.369
Nidi	23	2/ 4	0.303
Nidi	23	2/ 5	0.311
Nidi	23	2/ 6	0.432
Nidi	23	2/ 7	0.008

Village	Survey No.	Hissa No.	Area (Hectares)
Nidi	23	2/ 8	0.326
Nidi	23	2/ 9	0.266
Nidi	24	1	0.046
Nidi	24	2	0.344
Nidi	24	3+4A	0.263
Nidi	24	3+4B	0.261
Nidi	25	1/ 1	0.038
Nidi	25	1/ 2	0.734
Nidi	25	1/ 3	0.005
Nidi	25	1/ 4	0.465
Nidi	25	1/ 5	0.023
Nidi	25	1/ 6	0.354
Nidi	26	2A	0.346
Nidi	28	1/ 3	0.450
Nidi	28	1/ 4	0.255
Nidi	29	1/ 1	0.743
Nidi	29	1/ 2	0.448
Nidi	29	1/ 3	0.443
Nidi	29	1/ 4	0.526
Nidi	29	1/ 5	0.587
Nidi	30	1/ 1	0.253
Nidi	30	1/ 2	0.268
Nidi	30	1/ 3	0.018
Nidi	30	1/ 4	0.056
Nidi	30	1/ 5	0.523
Nidi	30	1/6	0.238
Nidi	30	1/7	0.374
Nidi	31	1/1	0.676
Nidi	31	1/ 2	0.788
Nidi	31	1/ 4	0.432
Nidi	31	1/5	0.503
Nidi	31	1/6	0.420
Nidi	31	1/7	0.177
Nidi	32	1/1	0.116
Nidi	32	1/ 2	0.450
Nidi	32	1/ 3	0.352
Nidi	32	1/ 4	1.080
Nidi	32	1/ 5	0.154
Nidi	32	1/ 6	0.008
Nidi	32	1/7	0.035
Nidi	32	1/8	0.162
Nidi	33	1/1	0.240
Nidi	33	1/10	0.222
Nidi	33	1/11	0.195
Nidi	33	1/12	0.255
Nidi	33	1/ 2	0.182
Nidi	33	1/ 3	0.346
Nidi	33	1/ 4	0.238
Nidi	33	1/5	0.507

Village	Survey No.	Hissa No.	Area (Hectares)
Nidi	33	1/6	0.463
Nidi	33	1/7	0.351
Nidi	33	1/8	0.245
Nidi	33	1/9	0.018
Nidi	34	1/1	0.091
Nidi	34	1/ 2	0.453
Nidi	34	1/ 3	0.025
Nidi	34	1/ 4	0.099
Nidi	34	1/5	0.200
Nidi	34	1/6	0.040
Nidi	34	1/7	0.316
Nidi	35	1/1	0.083
Nidi	35	1/ 2	0.185
Nidi	35	1/ 3	0.177
Nidi	35	1/ 4	0.228
Nidi	35	1/5	0.185
Nidi	35	1/6	0.192
Nidi	35	1/ 7 – 1	0.355
Nidi	35	1/ 7- 2	0.350
Nidi	36	1/1	0.215
Nidi	36	1/ 2	0.228
Nidi	36	1/ 3	0.253
Nidi	36	1/ 4	0.223
Nidi	36	1/ 5	0.430
Nidi	36	1/6	0.253
Nidi	36	1/7	0.313
Nidi	37	1/1-A	0.361
Nidi	37	1/1-B	0.360
Nidi	37	1/ 2	0.063
Nidi	37	1/ 3	0.225
Nidi	37	1/ 4	0.210
Nidi	38	1/1	0.405
Nidi	38	1/ 2	0.129
Nidi	38	1/ 3	0.013
Nidi	38	1/ 4	0.182
Nidi	38	1/5	0.667
Nidi	39	1/1	0.124
Nidi	39	1/ 2	0.417
Nidi	39	1/ 3	0.005
Nidi	41	1/1	0.223
Nidi	41	1/10	0.111
Nidi	41	1/11	0.217
Nidi	41	1/12	0.076
Nidi	41	1/ 2	0.273
Nidi	41	1/ 3	0.301
Nidi	41	1/ 4	0.278
Nidi	41	1/5	0.463
Nidi	41	1/6	0.615
Nidi	41	1/7	0.010

Village	Survey No.	Hissa No.	Area (Hectares)
Nidi	41	1/8	0.392
Nidi	41	1/9	0.187
Nidi	42	1/1	0.182
Nidi	42	1/ 2	0.071
Nidi	42	1/ 3	0.210
Nidi	42	1/ 4	0.129
Nidi	42	1/5	0.192
Nidi	42	1/6	0.518
Nidi	42	1/7	0.580
Nidi	43	1/1	0.167
Nidi	43	1/ 2	0.033
Nidi	43	1/ 3	0.134
Nidi	43	1/ 4	0.131
Nidi	43	1/5	0.058
Nidi	43	1/6	0.038
Nidi	43	1/7	0.076
Nidi	43	1/8	0.071
Nidi	44	1/1	0.283
Nidi	44	1/ 2	0.534
Nidi	44	1/ 3	0.341
Nidi	44	1/ 4	0.357
Nidi	44	1/ 5	0.913
Nidi	45	1/1	0.658
Nidi	45	1/ 2	0.010
Nidi	45	1/ 3	0.005
Nidi	45	1/ 4	0.121
Nidi	45	1/5	0.157
Nidi	45	1/6	0.450
Nidi	45	1/7	0.402
Nidi	45	1/8	0.354
Nidi	45	1/9	0.529
Nidi	46	1/1	0.038
Nidi	46	1/10	0.207
Nidi	46	1/ 3	0.607
Nidi	46	1/5	0.250
Nidi	46	1/6	0.114
Nidi	46	1/7	0.423
Nidi	46	1/8	0.205
		Total	57.431

Abutted and bounded as follows:

Towards North – Village Salav & Village Nidi

Towards South – Village Mithekhar

Towards East - Kundalika River

Towards West –Village Road / Village Nidhi

all together with all buildings and permanent structures thereon.

- 4.1.3 All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 26.201 hectares or thereabouts situate lying and being at village Mithekhar, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Mithekhar	05	1A	0.438
Mithekhar	05	1B	0.936
Mithekhar	05	1C	0.283
Mithekhar	06	1A	0.615
Mithekhar	06	1B	0.397
Mithekhar	06	1C	0.430
Mithekhar	07	1/1	0.387
Mithekhar	07	1/ 2	0.172
Mithekhar	07	1/ 3	0.228
Mithekhar	07	1/ 4	0.116
Mithekhar	07	1/5	0.475
Mithekhar	10	1/1	0.266
Mithekhar	10	1/ 2	0.255
Mithekhar	10	1/ 3	0.712
Mithekhar	10	1/ 4	0.033
Mithekhar	10	1/5	0.162
Mithekhar	10	1/6	0.050
Mithekhar	10	1/7	0.100
Mithekhar	11	1/1	0.013
Mithekhar	11	1/ 2	0.283
Mithekhar	11	1/ 3	0.094
Mithekhar	11	1/ 4	0.235
Mithekhar	11	1/5	0.131
Mithekhar	11	1/6	0.124
Mithekhar	11	1/7	0.131
Mithekhar	12	1A	0.235
Mithekhar	12	1B	0.033
Mithekhar	12	1C	0.243
Mithekhar	12	1D	0.253
Mithekhar	12	1E	0.311
Mithekhar	13	1/1	0.529
Mithekhar	13	1/ 2	0.243
Mithekhar	13	1/ 3	0.286
Mithekhar	13	1/ 4	0.187
Mithekhar	13	1/5	0.192
Mithekhar	13	1/6	0.263
Mithekhar	13	1/7	0.278
Mithekhar	14	1/1	0.152
Mithekhar	14	1/ 2	0.379
Mithekhar	14	1/ 3	0.217
Mithekhar	14	1/ 4	0.250
Mithekhar	14	1/5	0.137
Mithekhar	14	1/6	0.238
Mithekhar	14	1/7	0.157

Village	Survey No.	Hissa No.	Area (Hectares)
Mithekhar	14	1/8	0.397
Mithekhar	14	1/9	0.005
Mithekhar	15	1A	0.470
Mithekhar	15	1B	0.296
Mithekhar	15	1C	0.655
Mithekhar	15	1D	0.172
Mithekhar	15	1E	0.324
Mithekhar	16	1/ 1	0.480
Mithekhar	16	1/ 2	0.323
Mithekhar	16	1/ 3	0.139
Mithekhar	16	1/ 4	0.173
Mithekhar	16	1/ 5	0.343
Mithekhar	16	1/ 6	0.209
Mithekhar	17	1A	0.574
Mithekhar	17	1B	0.402
Mithekhar	17	1C	0.253
Mithekhar	17	1D	0.187
Mithekhar	17	1E	0.268
Mithekhar	18	1A	0.250
Mithekhar	18	1B	0.397
Mithekhar	18	1C	0.513
Mithekhar	19	1/ 1	0.337
Mithekhar	19	1/10	0.253
Mithekhar	19	1/11	0.539
Mithekhar	19	1/ 2	0.068
Mithekhar	19	1/ 3	0.076
Mithekhar	19	1/ 4	0.316
Mithekhar	19	1/ 5	0.157
Mithekhar	19	1/ 6	0.352
Mithekhar	19	1/ 7	0.149
Mithekhar	19	1/ 8	0.131
Mithekhar	19	1/ 9	0.131
Mithekhar	20	1/ 1	0.498
Mithekhar	20	1/ 2	0.182
Mithekhar	20	1/ 4	0.154
Mithekhar	20	1/ 6	0.616
Mithekhar	21	1A	0.086
Mithekhar	21	1B	0.530
Mithekhar	21	1C	1.019
Mithekhar	21	1D	0.884
Mithekhar	25	1A	0.529
Mithekhar	29	01	0.271
Mithekhar	29	04	0.177
Mithekhar	29	6A	0.081
Mithekhar	29	6B	0.040
Mithekhar	29	6C	0.045
Mithekhar	29	7+ 6D	0.101
		Total	26.201

Abutted and bounded as follows:

Towards North – Vacant Land

Towards South – Village Mithekhar

Towards East - Kundalika River

Towards West –Murud – Roha Road

- 4.1.4 All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 10.742 hectares or thereabouts situate lying and being at village Cheher, Taluka – Murud, Raigad District, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Cheher	13	1	0.330
Cheher	13	1B	0.670
Cheher	13	2A	0.290
Cheher	13	2B	0.160
Cheher	13	2C	0.220
Cheher	13	2D	0.210
Cheher	14	1A + 5A	0.169
Cheher	14	1B + 5B	0.295
Cheher	14	2A	0.346
Cheher	14	2B	0.501
Cheher	14	2C	0.341
Cheher	14	3	0.276
Cheher	14	4A + 5D	0.690
Cheher	14	4B	0.326
Cheher	15	1A	0.470
Cheher	15	1B	0.288
Cheher	15	1C	0.250
Cheher	15	2	0.142
Cheher	15	3	0.357
Cheher	15	4	0.167
Cheher	16	1A	0.217
Cheher	16	1B	0.253
Cheher	16	2/ 1	0.359
Cheher	16	2/ 2	0.464
Cheher	16	2/ 3	0.690
Cheher	16	2/ 4	0.483
Cheher	16	2/ 5	0.013
Cheher	16	2/ 6	0.060
Cheher	17	1	0.197
Cheher	17	2	0.377
Cheher	17	3A	0.130
Cheher	17	3B	0.111
Cheher	17	4	0.561
Cheher	17	5	0.010
Cheher	17	6	0.142
Cheher	17	7	0.177
		Total	10.742

Abutted and bounded as follows:

Towards North –Vacant Land
Towards South – Village Mithekhar
Towards East - Kundalika River
Towards West – Murud – Roha Road

5. JACK WELL LAND

5.1 Freehold Land

All those pieces and parcels of land totally admeasuring 0.468 hectares or thereabouts situate lying and being at village Killa, Taluka: Roha, District Raigad, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Gat No.		Area (Hectares)
Killa	430		0.251
Killa	431		0.038
Killa	433		0.039
Killa	432		0.06.0
Killa	437		0.08.0
		Total	0.468

Abutted and bounded as follows:

Towards North – Village Killa
Towards South – Vacant land – Village: Killa
Towards East - Kundalika River
Towards West – Roha – Kolad Road

all together with all buildings and permanent structures thereon.

6. ROHA RAILWAY SIDING LAND

6.1 Leasehold land

- 6.1.1 All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 1.995 hectares or thereabouts situate lying and being at Village Sangade, Taluka Roha, District Raigad, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Sangade	72	PT	0.095
Sangade	73	PT	0.238
Sangade	74	PT	0.070
Sangade	75	A	0.026
Sangade	75	C	0.125
Sangade	76	PT	0.530
Sangade	79	PT	0.581
Sangade	80	-	0.100
Sangade	143	-	0.230
		Total	1.995

Abutted and bounded as follows:

Towards North – Village Road

Towards South –Vill Sangade

Towards East — Vill : Ashtami

Towards West – Konkan Railway Track

all together with all the buildings and permanent structures thereon.

- 6.1.2 All the rights and leasehold interests in relation to all those pieces and parcels of land totally admeasuring 6.48.2 hectares or thereabouts situate lying and being at Village Ashtami, Taluka Roha, District Raigad, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Ashtami	68	1A & B	0.58.3
Ashtami	68	2,3,4 PT	0.90.0
Ashtami	70	1	0.2.0
Ashtami	70	3	0.2.5
Ashtami	70	4	0.6.7
Ashtami	70	5	0.7.1
Ashtami	70	6 & 7	0.12.6
Ashtami	70	8	0.21.7
Ashtami	70	9	0.2.5
Ashtami	70	10	0.74.7
Ashtami	71	3	0.18.7
Ashtami	71	6 PT	0.20.7
Ashtami	73	1 1-B PT	0.3.2
Ashtami	73	6 PT	0.4.2
Ashtami	74	2 PT	0.2.7
Ashtami	74	3 PT	0.8.7
Ashtami	75	1 1-B	0.13.7
Ashtami	76	1 PT	0.15.5
Ashtami	86	1A PT	0.1.2
Ashtami	87	2 B PT	0.2.7
Ashtami	11	3 3 & 4	0.42.0
Ashtami	121	5 & 6	0.35.6
Ashtami	11	7 7 PT	0.19.0
Ashtami	146	1 & 2 PT	0.39.0
Ashtami	130	1	0.3.7
Ashtami	147	2	0.15.0
Ashtami	147	3	0.44.8
Ashtami	148	1	0.49.0
Ashtami	148	3	0.12.2
Ashtami	148	4	0.17.5
Ashtami	148	5	0.1.0
		Total	6.48.2

Abutted and bounded as follows:

Towards North – Village Road

Towards South –Vill Sangade

Towards East — Vill : Asthami

Towards West – Konkan Railway Track

all together with all the buildings and permanent structures thereon.

6.2 Freehold Land

- 6.2.1 All those pieces and parcels of land totally admeasuring 1.724 hectares or thereabouts situate lying and being at Village Sangade, Taluka Roha, District Raigad, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Sangade	73		0.72
Sangade	75	B	0.225
Sangade	79	A	0.779
		Total	1.724

Abutted and bounded as follows:

Towards North – Village Road

Towards South –Vill Sangade

Towards East — Vill : Asthami

Towards West – Konkan Railway Track

all together with all buildings and permanent structures thereon.

- 6.2.2 All those pieces and parcels of land totally admeasuring 0.136 hectares or thereabouts situate lying and being at Village Ashtami, Taluka Roha, District Raigad, Maharashtra consisting of several plots and their respective areas and being survey number as follows:

Village	Survey No.	Hissa No.	Area (Hectares)
Ashtami	86	1a1	0.136
	86	1b	
		Total	0.136

Abutted and bounded as follows:

Towards North – Village Road

Towards South –Vill Sangade

Towards East — Vill : Asthami

Towards West – Konkan Railway Track

all together with all the buildings and permanent structures thereon.

IN THE HIGH COURT OF MADHYA PRADESH

BENCH AT INDORE

(Single Bench : Hon'ble Shri Shantanu Kemkar, Judge)

Company Petition No. 2/2010

(Connected with Company Petition No.19 of 2009)

In the matter of the Companies Act, 1956;

- And -

In the matter of Petition under Sections 78, 80, 100 to 103, 391 to 394 of the Companies Act, 1956;

- And -

In the matter of Grasim Industries Limited having its registered office at Birlagram, Nagda, District Ujjain Madhya Pradesh, Pin Code 456331;

- And -

In the matter of Scheme of Arrangement between Grasim Industries Limited and Samruddhi Cement Limited and their respective shareholders and creditors.

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

Mr. Ashok Chitale, Senior Counsel with Mr. Bharat Chitale, Sandeep Kochatta, H. Chanderia and V. Lashkari, Advocates for the Petitioners.

Mr. Vivek Sharan, learned Additional Solicitor General, for the Regional Director, Department of Company Affairs.

Coram: Hon'ble Shri Justice Shantanu Kemkar.
Dt. 31st March, 2010.

Heard learned counsel for the parties.

2. The sanction of the Court is sought under Sections 78, 80, 100 to 103 and 391 to 394 of the Companies Act, 1956 to the Scheme of Arrangement between Grasim Industries Limited, the Petitioner Company and Samruddhi Cement Limited and their respective shareholders and creditors.

3. Senior Counsel appearing on behalf of the Petitioner Company has stated that the Petitioner Company has complied with all requirements as per the directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, the Petitioner Companies also undertakes to comply with all statutory requirements, if any, as required under the Companies Act, 1956 and the rules made there under.

4. The Regional Director has filed affidavit stating therein that the Scheme is not prejudicial to the interest of shareholders and creditors and public.

5. Upon perusal of the entire material placed on records, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to any public policy. None of the parties concerned have come forward to oppose the Scheme. Moreover, the Regional Director has stated that the Scheme as proposed is not prejudicial to the interest of creditors and shareholders and public. It is also worth mentioning that the proposed intervenor Shyamsunder Jaipuria has also not appeared to press the intervention application. It has been stated by the learned counsel for the petitioner that he has now no objection to the relief claimed in this petition. In the circumstances IA. No. 1392/2010 for intervention is rejected.

7. There is no objection to the Scheme. Since all requisite statutory compliances have been fulfilled, Company Petition No.2 of 2010 filed by the Petitioner Company is made absolute in terms of prayer clauses (a) to (i) of the said Petition as under:

- (a) The Scheme of Arrangement being Exhibit "F" to the Petition is hereby sanctioned, so as to be binding on all the equity shareholders, secured creditors (including debenture holders) and unsecured creditors of the petitioner Company and the Transferee Company and other concerned persons;
- (b) The Transferred Undertaking/s of the Petitioner Company as set out in the Scheme, being Exhibit "F" hereto, shall without any further act or deed be transferred to and vested in and/ or deemed to be transferred to and vested in the Transferee Company as set out in the Scheme, in terms of Section 394 of the Companies Act, 1956;
- (c) All debts, liabilities, duties, obligations and undertakings of the Petitioner Company in respect of its Transferred Undertaking as set out in the Scheme shall, without any further act or deed be transferred to or deemed to be transferred to the Transferee Company so as to become the debts, liabilities, duties and obligations of the Transferee Company as set out in the Scheme;

- (d) All suits/ appeals or other proceedings of whatsoever nature relating to the Petitioner Company in respect of its Transferred Undertaking pending and/ or arising on or before the date on which the Scheme shall finally take effect may be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/ or arising by or against the Transferee Company as set out in the Scheme, in terms of Section 394 of the Companies Act, 1956;
 - (e) All permanent employees of the Petitioner Company on their respective payrolls as on the Effective Date in respect of its Transferred Undertaking shall become the employee of the Transferee company in accordance with the provisions set out in the Scheme and without any break or interruption of service, as set out in the Scheme, in terms of Section 394 of the Companies Act, 1956;
 - (f) The reduction of Share Premium Account and Preference Share Capital Redemption Reserve of the Petitioner Company pursuant to and as set out in the Scheme and in paragraph 18 of the Petition as approved in the shareholders meeting held on 4th January 2010 is hereby confirmed;
 - (g) The form of Minute proposed to be registered under Section 103(1)(b) as set out in paragraph 19 of the Petition and Exhibit "J" thereto, is hereby approved.
 - (h) The Petitioner Company is directed to deliver a certified copy of this order to the Registrar of Companies, Gwalior, Madhya Pradesh for registration, within 30 days of the date of receipt of the certified copy of this order.
 - (i) The Petitioner Company is also directed to publish the notice of the Registration by the Registrar of Companies, Gwalior, Madhya Pradesh of the Minutes Exhibit "J" to the Petition, in Free Press (Indore Edition) and in Nai Duniya (Indore Edition), within 21 days of the Registration by the Registrar of Companies Gwalior, Madhya Pradesh, in terms of Section 103(1)(b) of the Companies Act, 1956.
8. The Petitioner Company to pay costs of Rs.10,000/- (Ten Thousand) to the Regional Director within four weeks from the date of this order.
9. Filing and issuance of the drawn up order is dispensed with.
10. All authorities concerned to act on a certified copy of this order r along with Scheme attached thereto.

(Shantanu Kemkar)
Company Judge

SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

BETWEEN

Grasim Industries Limited ... **Demerged Company**

AND

Samruddhi Cement Limited ... **Resulting Company**

AND

their respective shareholders and creditors

PART I - GENERAL

A. Grasim Industries Limited is a public limited company incorporated under the Act (as hereinafter defined), having its registered office at Birlagram, Nagda – 456 331, Madhya Pradesh (the “**Demerged Company**”). The Demerged Company is primarily engaged in the business of:

- (i) manufacture and sale of viscose staple fibre, chemicals and textiles; and
- (ii) manufacture and sale of cement, ready mix concrete, white cement and other cement related products (collectively, the “**Cement Business**”).

The equity shares of the Demerged Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (the “**Stock Exchanges**”).

B. Samruddhi Cement Limited is a public limited company incorporated under the Act, having its registered office at Birladham, Kharach, Kosamba – 394 120, Gujarat (the “**Resulting Company**”). The Resulting Company has the main object to carry on the business of manufacture and sale of cement and cement related products. The equity shares of the Resulting Company are not listed on any stock exchange.

The Resulting Company is a wholly owned subsidiary of the Demerged Company.

C. In order to concentrate its growth efforts in a focused manner and enable direct shareholder participation in the cement business, the Demerged Company has determined to create a focused entity engaged in the cement business, and accordingly proposes that the Demerged Undertaking (as defined hereinafter) be transferred to and vested in the Resulting Company by way of a Demerger (as hereinafter defined) undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 391-394 and other relevant provisions of the Act, in such a manner that the Demerged Company’s parentage and control continues, while creating a platform for future growth of the cement business.

D. Accordingly, this Scheme provides for the transfer by way of a Demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged

Company pursuant to Sections 391 to 394 and other relevant provisions of the Act, and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

E. The Scheme is divided into the following parts:

- (a) Part I, **which deals with the introduction and definitions;**
- (b) Part II, **which deals with the Demerger; and**
- (c) Part III, **which deals with the general terms and conditions.**

F. The Demerger under this Scheme will be effected under the provisions of Sections 391 to 394 and other relevant provisions of the Act. The Demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

- (a) all the properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the properties of the Resulting Company by virtue of such Demerger;
- (b) all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the liabilities of the Resulting Company by virtue of such Demerger;
- (c) the properties and the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at the values appearing in the books of account of the Demerged Company immediately before the Demerger;
- (d) the Resulting Company shall issue, in consideration of the Demerger, shares to the shareholders of the Demerged Company on a proportionate basis;
- (e) all shareholders of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger; and
- (f) the transfer of the Demerged Undertaking shall be on a going concern basis.

1. **DEFINITIONS AND INTERPRETATION**

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

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

“Appointed Date” means the opening of business on October 1, 2009 or such other date as may be determined by the Board of Directors of the Demerged Company;

“Board of Directors” or **“Board”** in relation to each of the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of

matters pertaining to the Demerger, the Scheme and/or any other matter relating thereto;

“Cement Business” shall have the meaning ascribed to it in paragraph A of **Part I** hereof;

“Compensatory Stock Option Scheme” shall have the meaning ascribed to it in Clause 6 (f) (i) (a) hereof;

“Debt Securities” shall have the meaning ascribed to it in Clause 5 (d) hereof;

“Demerged Company” shall have the meaning ascribed to it in paragraph A of **Part I** hereof;

“Demerged Undertaking” means the Demerged Company’s undertakings, business, activities and operations pertaining to the Cement Business of the Demerged Company, on a going concern basis, and shall mean and include, without limitation:

- (a) all assets and property of the Cement Business whether situated in India or abroad, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, including all the integrated cement manufacturing units of the Demerged Company, the cement grinding units, the white cement units, the ready-mix concrete units, other cement and cement related product manufacturing units including paver block manufacturing, bricks and autoclave brick manufacturing and glass reinforced concrete manufacturing units, cement terminals, including plants, terminals and units set out in **Schedule I** hereto, all lands (whether leasehold or freehold including those set out in **Schedule II** hereof), buildings, plant and machinery, offices, capital work-in-progress, rolling stock, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), cash and bank accounts (including bank balances), benefit of any deposits, financial assets, investments, benefit of any bank guarantees, performance guarantees and letters of credit in relation to the Demerged Undertaking, vehicles, D.G. sets, godowns, cement dumps, cement stocks and stores, warehouses, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, railway lines and sidings, water pipelines, depots, the power generation undertakings including power plants, fly ash handling systems, share of any joint assets, and other facilities;
- (b) all permits, quotas, rights, entitlements, industrial and other licences, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), patents, copyrights, records, designs, and all other intellectual property rights in the aforesaid (which for the avoidance of doubt shall not include any Trademarks, as defined hereinafter), municipal permissions, approvals, consents, subsidies, tenancies in relation to the offices, and/or residential properties for the employees, privileges, income tax benefits and exemptions including the right to deduction under Section 80IA of the Income Tax Act, 1961 (or any statutory modification or re-enactment thereof for the time being in force) in respect of the profits of the undertakings for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the Demerger had not taken place, all other rights including

sales tax deferrals and exemptions and other benefits, lease rights, prospecting licenses and mining leases, including the mining leases set out in **Schedule III** hereof (in each case including the benefit of any applications made therefor), and the surface rights in relation thereto, receivables, and liabilities related thereto, licences, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Cement Business;

- (c) all earnest moneys and/or security deposits paid by the Demerged Company in connection with or relating to the Cement Business;
- (d) all books, records, files, papers, engineering and process information, computer programmes, software licenses (whether proprietary or otherwise), 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 Cement Business;
- (e) all investments made in and loans and advances given to Harish Cement Limited (a wholly owned subsidiary of the Demerged Company with registered office situated in the State of Himachal Pradesh) and Bhaskarpara Coal Company Limited (a joint venture of the Demerged Company with registered office situated in the State of Chhattisgarh); and
- (f) all debts, borrowings, obligations and liabilities, both present and future, (including deferred tax liabilities, contingent liabilities and the Transferred Liabilities, as hereinafter defined, and obligations under any licenses or permits or schemes), whether secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheet of the Demerged Company, appertaining or relating to the Cement Business.

For the avoidance of doubt, it is clarified that the investment held by the Demerged Company in UltraTech Cement Limited does not form part of the Demerged Undertaking.

“Demerger” means the transfer by way of demerger of the Demerged Undertaking to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company as set out in this Scheme;

“Deposit Agreement” shall have the meaning ascribed to it in Clause 15 (a) hereof;

“Depository” means Citibank, N.A., being the depository for the Grasim GDRs;

“Effective Date” means the last of the dates on which all the conditions and matters referred to in Clause 27.1 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of ‘coming into effect of the Scheme’ or ‘effectiveness of the Scheme’ shall mean the Effective Date;

“Eligible Employees” shall have the meaning ascribed to it in Clause 6 (f) (i) hereof;

“Employees” means all the permanent employees of the Demerged Company employed/engaged in the Demerged Undertaking as on the Effective Date;

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

“Funds” shall have the meaning ascribed to it in Clause 6 (b) hereof;

“GDRs” means the outstanding Global Depositary Receipts issued pursuant to the “Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993” and other applicable law, and where relevant shall include the underlying equity shares relating thereto;

“Governmental Authority” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body having jurisdiction over the territory of India;

“Grasim GDRs” shall mean the GDRs issued by the Demerged Company pursuant to the deposit agreements executed by it with Depositary (as amended from time to time) and as are outstanding as of the Record Date;

“High Courts” shall mean the High Court of Judicature at Indore, Madhya Pradesh having jurisdiction in relation to the Demerged Company and the High Court of Gujarat having jurisdiction in relation to the Resulting Company and shall include the National Company Law Tribunal, as applicable or such other forum or authority as may be vested with any of the powers of a High Court under the Act;

“NCDs” means the 10.48% - XXXVII Series secured redeemable non-convertible debentures aggregating Rs.200 Crores; 8.80% - XXXVIII Series secured redeemable non-convertible debentures aggregating Rs.100 Crores; and 8.01% - XXXIX Series secured redeemable non-convertible debentures aggregating Rs.200 Crores, of the Demerged Company, each of which are listed on the Wholesale Debt Market segment of National Stock Exchange of India Limited;

“Record Date” means the date to be fixed by the Board of Directors of the Demerged Company for the purpose of determining the equity shareholders of the Demerged Company to whom shares of the Resulting Company will be allotted pursuant to this Scheme;

“Registrar of Companies” means the Registrar of Companies, Madhya Pradesh and/or the Registrar of Companies, Gujarat, as applicable;

“Remaining Business” means all the undertakings, businesses, activities and operations (including all investments) of the Demerged Company other than those comprised in the Demerged Undertaking. For the avoidance of doubt it is clarified that the investment held by the Demerged Company in UltraTech Cement Limited shall form part of the Remaining Business;

“Resulting Company” shall have the meaning ascribed to it in paragraph B of **Part I** of this Scheme and shall include its successors;

“Resulting Company Deposit Agreement” shall have the meaning ascribed to it in Clause 15 (a) hereof;

“Resulting Company Depository” shall have the meaning ascribed to it in Clause 15 (a) hereof;

“Resulting Company GDRs” shall have the meaning ascribed to it in Clause 15 (a) hereof;

“Scheme” means this scheme of arrangement, including the schedules, as amended or modified in accordance with the provisions hereof;

“Securities Act” shall have the meaning ascribed to it in Clause 17 hereof;

“Share Entitlement Ratio” shall have the meaning ascribed to it in Clause 14 (a);

“Stock Exchanges” shall have the meaning ascribed to it in paragraph A of **Part I** hereof;

“Stock Option Scheme” shall have the meaning ascribed to it in Clause 6 (f)(i) hereof;

“Trademarks” shall have the meaning ascribed to it in Clause 3 (d) hereof; and

“Transferred Liabilities” shall have the meaning ascribed to it in Clause 5 (f) hereof.

- 1.2 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 1.3 References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- 1.4 The headings herein shall not affect the construction of this Scheme.
- 1.5 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.6 Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7 References to 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).
- 1.8 The Schedules to this Scheme form an integral and inseparable part of this Scheme.

2. SHARE CAPITAL

2.1 Demerged Company:

The share capital structure of the Demerged Company as on 3rd October, 2009 is as under:

A. Authorized Share Capital	Amount in Rs.
9,50,00,000 equity shares of Rs. 10/- each	95,00,00,000
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
Total	100,50,00,000

B. Issued, Subscribed and Paid up Share Capital	Amount in Rs.
9,16,76,645 equity shares of Rs. 10/- each *	91,67,66,450
Total	91,67,66,450

C. Share Capital Suspense

14,906 Equity Shares of Rs. 10 each to be issued as fully paid up pursuant to acquiring of cement business of Aditya Birla Nuvo Limited under a Scheme of Arrangement without payment being received in cash.	1,49,060
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*Includes equity shares represented by GDRs

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

The equity shares of the Demerged Company are listed on the Stock Exchanges. The Grasim GDRs representing the underlying equity shares of the Demerged Company are listed on the Luxembourg Stock Exchange.

2.2 Resulting Company:

The share capital structure of the Resulting Company as on 3rd October, 2009 is as under:

A. Authorised Share Capital		Amount in Rs.
20,20,00,000 equity shares of Rs. 5/- each		101,00,00,000
	Total	101,00,00,000
B. Issued and Subscribed Share Capital		Amount in Rs.
17,00,00,000 equity shares of Rs. 5/- each		85,00,00,000
	Total	85,00,00,000
C. Paid-up Share Capital		Amount in Rs.
1,00,000 equity shares of Rs. 5/- each fully paid up		5,00,000
16,99,00,000 equity shares of Rs. 5/- each partly paid up (called & paid up of Re.1 each)		16,99,00,000
	Total	17,04,00,000

The equity shares of the Resulting Company are, at present, not listed on any stock exchange.

PART II – DEMERGER

Section 1- Transfer and Vesting of the Demerged Undertaking

3. Transfer of Assets

- (a) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the provisions of Section 394(2) of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- (b) In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement and delivery, the same shall stand so transferred by the Demerged Company upon the coming into effect of the Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- (c) In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-Clause (b) above, the same shall, as more particularly provided in sub-Clause (a) above, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged

from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act.

- (d) All assets, rights, title, interest and investments of the Demerged Company in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Act. It is hereby clarified that, notwithstanding anything contained in this Scheme, all trademarks, domain names, logos, tradenames, brands, by whatever name called and whether or not registered (“**Trademarks**”), owned and/or used by the Demerged Company, whether or not pertaining to the Demerged Undertaking, shall continue to remain the property, rights and assets of the Demerged Company, and title to the same shall not be transferred to or be deemed to be transferred to or vested in the Resulting Company pursuant to this Scheme. Upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall enter into appropriate arrangements for licensing of the Trademarks which are required for use by the Resulting Company in relation to the Demerged Undertaking on such terms as may be mutually agreed to between the Demerged Company and the Resulting Company under appropriate contractual arrangements in this regard.
- (e) Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties, including the mining leases (including those set out in **Schedule III** hereof) and the prospecting licenses (including in each case, any applications made therefor) of the Demerged Company in relation to the Demerged Undertaking, shall, pursuant to Section 394 (2) of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company with effect from the Appointed Date.

4. Contracts, Deeds etc.

- (a) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or thereunder.
- (b) 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 itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or 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 Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the

- provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- (c) Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, permissions, licences, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company.
 - (d) Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.

5. Transfer of Liabilities

- (a) Upon the coming into effect of the Scheme, all loans raised and used, debts, liabilities, duties and obligations (including the liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking 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 and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company. Debentures and loans relatable to the Demerged Undertaking as of September 30, 2009 have been set out in **Schedule IV** hereof.
- (b) Where any of the loans raised and used, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been `d by the Demerged Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- (c) Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking with effect from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.

- (d) Upon the coming into effect of the Scheme and without prejudice to the aforesaid, all debt securities, bonds, debentures (including the NCDs), notes and other instruments of like nature (whether convertible into equity shares or not) issued by the Demerged Company in relation to the Demerged Undertaking ("**Debt Securities**") shall, pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed, become the debt securities of the Resulting 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 Resulting Company as if it was the issuer of the Debt Securities so transferred.
- (e) Subject to the requirements, if any, imposed or concessions, if any, by the Stock Exchanges, and other terms and conditions agreed with the Stock Exchanges, the non convertible debentures which stand transferred to the Resulting Company pursuant to transfer of the NCDs under (d) above, shall be listed and/or admitted to trading on the Wholesale Debt Market segment of National Stock Exchange of India Limited, where the NCDs are currently listed and/or admitted to trading.
- (f) In so far as the existing Encumbrance in respect of the loans, borrowings, debts, liabilities, including the Debt Securities ("**Transferred Liabilities**") is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (g) For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to the Transferred Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above. 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 debentures or other debts or debt securities which are not transferred 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.
- (h) Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required.

- (i) Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.
- (j) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- (k) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

6. Employees

- (a) Upon the coming into effect of this Scheme, all Employees shall become the employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Employees with the Demerged Company shall also be taken into account, and paid (as and when payable by the Resulting Company).
- (b) Insofar as the existing provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by the Demerged Company *inter alia* for the Employees are concerned (collectively referred to as the “Funds”), the funds and such investments made by the Funds which are referable to the Employees in terms of sub-Clause (a) above shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions pertaining to the Employees shall be transferred to the Funds created by the Resulting Company.
- (c) In relation to those Employees who are not covered under the provident fund trust of the Demerged 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.
- (d) In relation to any other fund created or existing for the benefit of the Employees being transferred to the Resulting Company, 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 funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees.

- (e) In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held *inter alia* for the benefit of the employees of the Remaining Business.
- (f) (i) In respect of the stock options granted on August 23, 2007 and on January 25, 2008 by the Demerged Company under the Employees' Stock Option Scheme, 2006 (ESOS-2006) of the Demerged Company (the "**Stock Option Scheme**"), as the case may be, to all the employees of the Demerged Company (including the Employees), to whom, as on the Record Date, options have been granted (whether the same are vested or not) ("**Eligible Employees**") , upon the effectiveness of the Scheme:
 - (a) the Resulting Company shall, for the exercise price mentioned in sub-Clause (c) below, offer one (1) employee stock option for every employee stock option held by each Eligible Employee in the Demerged Company under a stock option scheme to be created by the Resulting Company ("**Compensatory Stock Option Scheme**"). It is hereby clarified that each stock option under the Compensatory Stock Option Scheme, when exercised, shall entitle the Eligible Employees holding such stock option granted under the Compensatory Stock Option Scheme to one(1) equity share of Rs. 5/- each of the Resulting Company;
 - (b) the options granted under the Stock Option Scheme would continue in the hands of the Eligible Employees, and the Stock Option Scheme shall, pursuant to this Scheme, be modified by the Demerged Company as considered appropriate by its ESOS Compensation Committee, to enable the continuance of the same in the hands of all the Eligible Employees;
 - (c) the existing exercise price of the stock options under the Stock Option Scheme shall be divided between the stock options under the Stock Option Scheme and the stock options issued under the Compensatory Stock Option Scheme in an appropriate manner as determined by the ESOS Compensation Committee of the Demerged Company in consultation with the Board of Directors of the Resulting Company, and consequently, the exercise price of the stock options under the Stock Option Scheme shall stand adjusted as above, and the balance of the exercise price shall become the exercise price of the stock options issued under the Compensatory Stock Option Scheme;
 - (d) in relation to the vesting period of the stock options granted under the Compensatory Stock Option Scheme, the period during which the Eligible Employees held stock options granted by the Demerged Company under the Stock Option Scheme prior to issuance of stock options under the Compensatory Stock Option Scheme, shall be taken into account for determining the minimum vesting period required for stock options granted under the Compensatory Stock Option Scheme under applicable law;

- (e) the consent of the shareholders of the Demerged Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Stock Option Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the Stock Option Scheme, the division of the exercise price of the stock options under the Stock Option Scheme, and all related matters. No further approval of the shareholders of the Demerged Company would be required in this connection;
 - (f) the consent of the shareholders of the Resulting Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Compensatory Stock Option Scheme as described in this Scheme, including without limitation, for the purposes of creating and/or modifying the Compensatory Stock Option Scheme, the exercise price of the stock options under the Compensatory Stock Option Scheme, and all related matters. No further approval of the shareholders of the Resulting Company would be required in this connection.
- (ii) 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 this Clause.

7. Legal, Taxation and other Proceedings

- (a) Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking (other than corporate level direct taxation proceedings which shall continue with the Demerged Company) shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be replaced/ added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.
- (b) If any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-Clause (a) above, 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.
- (c) The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in sub-Clause (a) above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.

Section 2 - Conduct of Business

8. With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Demerged Company shall be carrying on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;
 - (b) all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company; and
 - (c) any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.

Section 3 - Remaining Business

9. The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, subject only to provisions of this Scheme in relation to Encumbrances in favour of banks, financial institutions and trustees for the debenture-holders and lenders.
10. (a) All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (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 by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Business.
- (b) If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-Clause (a) above, 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.

11. With effect from the Appointed Date and up to and including the Effective Date:
- (a) the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - (b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company;
 - (c) all assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and
 - (d) all assets acquired and all liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions and trustees for the debenture-holders.

Section 4: Reorganisation of Capital

12. The provisions of this Section 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.
13. In consideration of the transfer and vesting of the Demerged Undertaking in the Resulting Company in accordance with the provisions of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be restructured and reorganised in the manner set out in Clauses 14 to 23 below.
14. (a) Upon the effectiveness of the Scheme, in consideration of the Demerger, including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to each member of the Demerged Company whose name is recorded in the register of members and records of the depositary as members of the Demerged Company on the Record Date, equity shares in the Resulting Company in the ratio of one (1) equity share in the Resulting Company of the face value of Rs. 5 (Rupees Five) each credited as fully paid-up for every one (1) equity share of Rs. 10 (Rupees Ten) each fully paid-up held by such member in the Demerged Company (the “**Share Entitlement Ratio**”).
- (b) The shares issued to the members of the Demerged Company by the Resulting Company pursuant to sub-Clause (a) 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 Directors of the Demerged Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members in dematerialised form provided that the members of the Demerged 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. It is only thereupon that the Resulting Company shall issue and directly credit the dematerialised securities to the account of such member with the shares of the Resulting Company. In the event that the Resulting Company has received notice from any member that shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required, then the Resulting Company shall issue shares in physical form to such member.

- (c) Equity shares to be issued by the Resulting Company pursuant to sub-Clause (a) above in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company.
- (d) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the share in the Resulting Company and in relation to the shares issued by the Resulting Company after the effectiveness of the Scheme. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transaction period.
- (e) The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Resulting Company.
- (f) The equity shares of the Resulting Company issued pursuant to this Scheme may not be registered under 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 equity shares of the Resulting Company for such an exemption from the registration requirements of the Securities Act under Section 3(a)(10) thereof.

- (g) All equity shares of the Resulting Company (including those issued in terms of this Scheme) shall be listed and/or admitted to trading on the Stock Exchanges. The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant stock exchanges.
 - (h) Unless otherwise determined by the Board of Directors of the Demerged Company and the Board of Directors of the Resulting Company, issuance of equity shares in terms of sub-Clause (a) above shall be done within 45 days from the Effective Date.
 - (i) The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
 - (j) There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the date of listing of the shares of the Resulting Company pursuant to the Scheme, save and except pursuant to the issuance of shares under this Scheme.
15. (a) Upon the coming into effect of this Scheme and the issuance of shares in the Share Entitlement Ratio by the Resulting Company pursuant to the provisions of Clause 14 above, the Resulting Company shall issue an appropriate number of underlying shares, in accordance with the Share Entitlement Ratio, to the Depository. The Resulting Company shall enter into appropriate arrangements with a depository (the **"Resulting Company Depository"**) appointed by the Resulting Company pursuant to a deposit agreement entered into between the Resulting Company and the Resulting Company Depository (the **"Resulting Company Deposit Agreement"**), for the issuance, subject to the cash-out option described in Clauses 17 and 18 being exercised, of GDRs representing such shares (the **"Resulting Company GDRs"**) on pro-rata basis to holders of Grasim GDRs, in accordance with the deposit agreement entered into between the Demerged Company and the Depository (the **"Deposit Agreement"**).
- (b) The Resulting Company, the Resulting Company Depository, the Demerged Company and/or the Depository shall enter into 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, including, but not limited to, amending the Deposit Agreement, disseminating to existing Grasim GDR holders certain notices, certifications and information containing details of the Scheme, the issuance of the Resulting Company GDRs and/or certain information relating to the Resulting Company and obtaining from the existing Grasim GDR holders, and providing to the Resulting Company and the Resulting Company Depository, certain information relating to the existing Grasim GDR holders.
16. The Resulting Company GDRs issued pursuant to Clause 15 above shall not be listed unless required by any regulations or laws, in which event the same may be listed on the Luxembourg Stock Exchange and 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.

17. 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. . The Resulting Company may elect, in its sole discretion, to (i) cash out existing Grasim GDR holders in the manner set out in Clause 18 below in lieu of issuing GDRs, or (ii) register the Resulting Company GDRs on Form F-6, as required by the Securities Act.
18. If the Resulting Company elects to cash out Grasim GDR holders pursuant to Clause 17 above, then the shares issued by the Resulting Company to the Depositary which represent the entitlement of the Grasim GDR holders shall be sold by the Depositary or the Resulting Company Depositary as applicable, in the open market and the net sales proceeds (after the deduction of taxes and expenses incurred) shall be distributed to the Depositary for further distribution to the Grasim GDR holders in the same proportion as their entitlements. The Resulting Company, the Resulting Company Depositary, the Demerged Company and/or the Depositary shall enter into such further documents and take such further actions as may be necessary or appropriate in this behalf and to enable the actions contemplated herein.
19. It is clarified that the provisions of Clauses 15 to 18 above shall also be applicable to any further GDRs that the Demerged Company may issue prior to the Record Date.

Increase in Share Capital of the Resulting Company

20. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised share capital of the Resulting Company shall stand increased to Rs. 135,00,00,000 (Rupees One Hundred Thirty Five Crores) comprising of 27,00,00,000 equity shares of Rs. 5/- each, without any further act or deed.
21. The capital clause of the Memorandum of Association of the Resulting Company and Article 3 of the Articles of Association of the Resulting Company shall, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

MEMORANDUM OF ASSOCIATION

“The authorized share capital of the Company is Rs. 135,00,00,000/- (Rupees One Hundred Thirty Five Crores only) divided into 27,00,00,000 equity shares of Rs. 5 each (Rupees Five) each, with the rights, privileges and conditions attached thereto with the power to vary, modify or abrogate such rights, privileges and conditions as may be provided by the Articles of Association of the Company for the time being. The Board of Directors shall have the power to classify as and when required the shares as equity or

preference shares, with or without voting rights as may be permissible at law, and attach thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as may be determined by or in accordance with the provisions of the Companies Act, 1956 and the regulations of the Company, and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may for the time being be provided by the regulations of the Company and also the power to increase or reduce the capital of the Company as may be determined in accordance with the Articles of Association of the Company.”

ARTICLES OF ASSOCIATION

“The Authorised Share Capital of the Company shall be Rs. 135,00,00,000/- (Rupees One Hundred Thirty Five Crores only) divided into 27,00,00,000 equity shares of Rs. 5 each (Rupees Five) each with the power to increase or reduce such capital from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital, with or without voting rights as may be permissible at law, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the provisions of the Companies Act, 1956 and the regulations of the Company, and to vary, modify or abrogate any such rights, privileges and conditions in such manner as may for the time being be provided by the regulations of the Company.”

22. Pursuant to this Scheme, the Resulting Company shall file the requisite forms with the Registrar of Companies for alteration of its authorised share capital.
23. It is hereby clarified that for the purposes of Clauses 20 and 21 above, the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment or increase in authorised share capital of the Resulting Company, and no further resolution under Section 16, Section 94 or any other applicable provisions of the Act, would be required to be separately passed.

Section 5 – General terms and conditions

24. Accounting treatment in the books of the Demerged Company

- (a) The assets and the liabilities of the Demerged Company relating to the Demerged Undertaking being transferred to the Resulting Company shall be at values appearing in the books of account of the Demerged Company on the close of business on the day immediately preceding the Appointed Date.
- (b) The difference between the value of assets and value of liabilities transferred pursuant to the Scheme shall be appropriated in the books of the Demerged Company as under:
 - (i) Capital Subsidy - Rs. 1.19 Crores;
 - (ii) Amalgamation Reserve - Rs. 1.38 Crores;
 - (iii) Preference Share Capital Redemption Reserve – Rs. 1.48 Crores;
 - (iv) Debenture Redemption Reserve - Rs. 27.50 Crores; and
 - (v) Balance against Share / Securities Premium and / or General Reserve.

- (c) The reduction, if any, in the Share Premium Account and Reserves of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78, Section 80, Sections 100 to 103 and any other applicable provisions of the Act and the Orders of the High Courts sanctioning the Scheme shall be deemed to be also the Orders under Section 102 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.

25. Accounting Treatment in the books of the Resulting Company

- (a) Upon the Scheme become effective and with effect from the Appointed Date, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme at their respective book values as appearing in the books of the Demerged Company.
- (b) The Resulting Company shall credit its Share Capital account with the aggregate face value of the equity shares issued to the shareholders of the Demerged Company pursuant to Clause 14 of the Scheme.
- (c) An amount of Rs.27.50 Crores, towards the Debenture Redemption Reserve relating to NCDs in the books of the Demerged Company, shall be credited by the Resulting Company to its Debenture Redemption Reserve account.
- (d) An amount of Rs.0.30 Crore towards the Capital Subsidy Reserve relating to the Demerged Undertaking shall be credited by the Resulting Company to its Capital Subsidy Reserve account.
- (e) The excess or deficit, if any, remaining after recording the aforesaid entries, the costs in relation to transfer of assets pertaining to the Demerged Undertaking to the Resulting Company such as stamp duty, registration charges, etc. and other entries in accordance with the Scheme, shall be credited by the Resulting Company to its General Reserve account or debited to Goodwill, as the case may be. General Reserve, created if any, shall be treated for all purposes as free reserves as per the Act.

26. Taxes

All taxes (including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Company before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

27. Scheme Conditional on

27.1 This Scheme is conditional upon and subject to:

- (a) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite orders of the High Court of Indore, Madhya Pradesh and High Court of Gujarat being obtained;
- (b) such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
- (c) the certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Madhya Pradesh and Registrar of Companies, Gujarat.

27.2 In the event of this Scheme failing to take effect by July 31, 2010 or such later date as may be agreed by the respective Boards of Directors, this Scheme shall stand revoked, cancelled and be of no effect and become null and void, and in that event, no rights and liabilities shall accrue to or be incurred inter se between the parties or their shareholders or creditors or employees or any other person. In such case, the Demerged Company and the Resulting Company shall bear its own costs and expenses or as may be otherwise mutually agreed.

28. Appointment of Auditors

In addition to M/s G.P. Kapadia & Co., Mumbai, being the present auditors of the Resulting Company, M/s Deloitte Haskins & Sells, Mumbai shall stand appointed as the joint statutory auditors of the Resulting Company, upon effectiveness of the Scheme. It is hereby clarified that the consent of the shareholders to this Scheme shall be deemed to be sufficient for the purposes of the aforesaid appointment, and no further resolution under the provisions of the Act, would be required to be separately passed.

PART III – OTHER TERMS AND CONDITIONS

29. Dividends

- (a) The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date as applicable.
- (b) The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the boards of directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively.

30. Applications

The Demerged Company and the Resulting Company shall make necessary applications before the respective High Courts for the sanction of this Scheme under Sections 391 and 394 of the Act.

31. Modifications of Scheme

- (a) The Demerged Company (by its Board of Directors) and the Resulting Company (by its Board of Directors), may, in their full and absolute discretion, assent to any alteration or modification to this Scheme which either the Boards of Directors of the Demerged Company or the Resulting Company, as the case may be, deem fit, or which the Court and/or any other Authority may deem fit to approve or impose.
- (b) The Demerged Company (by its Board of Directors) and the Resulting Company (by its Board of Directors), may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders, depositors or debenture-holders of the respective companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under law).
- (c) Any issue as to whether any asset, liability, employee or litigation pertains to the Demerged Undertaking or not shall be decided by the Boards of Directors of the Demerged Company and the Resulting Company, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).

32. Severability

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

33. Costs

Subject to Clause 27.2 above:

- (i) The Demerged Company and the Resulting Company shall bear their respective costs until the date of sanction of this Scheme by the later of the two High Courts;
- (ii) Upon the sanction of this Scheme by the High Courts, all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Demerger shall be borne by the Resulting Company. Income tax liabilities, if any, in relation to the Demerger shall be borne by the Demerged Company.

Schedule I

Details of Plants, Terminals and Units pertaining to the Demerged Undertaking

A) Composite Plants:

- (i) 5 million tonnes per annum (“**MTPA**”) cement manufacturing plant called Aditya Cement at Adityapuram, Sawa - Shambhupura Road, District Chittorgarh – 312 622 in the state of Rajasthan;
- (ii) 2.5 MTPA cement manufacturing plant called Grasim Cement at Grasim Vihar, Village P.O., Rawan Tehsil: Sigma, District Raipur (C.G.) in the state of Chhattisgarh;
- (iii) 3.1 MTPA cement manufacturing plant called Grasim Cement- Kotputli at Village & P.O. Mohanpura, Tehsil Kotputli, District Jaipur – 303 108 in the state of Rajasthan;
- (iv) 1.40 MTPA cement manufacturing plant called Grasim Cement Division - South at Reddipalyam P.O., District Ariyalur – 621 704 in the state of Tamil Nadu;
- (v) 3.2 MTPA cement manufacturing plant called Rajashree Cement at Aditya Nagar, Malkhed Road, District Gulbarga – 585 292, in the state of Karnataka; and
- (vi) 4 MTPA cement manufacturing plant called Vikram Cement at Khor, District Neemuch – 458 470 in the state of Madhya Pradesh.

B) White Cement:

- (i) 0.6 MTPA cement manufacturing plant and 0.3 MTPA Putty and other value added products manufacturing plant called White Cement Division at Rajashree Nagar, P.O. Kharia Khangar – 342 606, Tehsil Bhopalgarh, District Jodhpur in the state of Rajasthan; and
- (ii) Glass Reinforced Concrete manufacturing plant of white cement division at Plot No. 14, GIDC Manjusar, Taluka Savli, District Vadodara – 391 775 in the state of Gujarat.

C) Grinding Units:

- (i) 1.8 MTPA grinding unit at Hotgi, District Solapur – 413 215 in the state of Maharashtra;
- (ii) 1.75 MTPA grinding unit at Bathinda at PO Lehra Mohabat, District Bathinda – 151 111 in the state of Punjab;
- (iii) 1.3 MTPA grinding unit at Karad, Israna Paradhana Road, Israna, District Panipat – 132 107 in the state of Haryana;
- (iv) 1.3 MTPA grinding unit at Ranauli Latiffpur, PO. Vidyut Nagar, Dadri, District Gautam Budh Nagar – 201 008 in the state of Uttar Pradesh; and
- (v) 1.3 MTPA grinding unit at Harduaganj Site, Village - Kasimpur, Tehsil- Koel, District Aligarh – 202 127 in the state of Uttar Pradesh.

D) Bulk Terminals:

- (i) Shankarpally Bulk Terminal, at Shankarpally – 501 203 R R District Hyderabad, in the state of Andhra Pradesh; and
- (ii) Birla Super Bulk Terminal, Near Railway Station, PO. Veerapura Industrial Area, Doddaballapur – 561 203 District Bangalore in the state of Karnataka.

E) Ready Mix Concrete Plants:

- (i) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Plot No.387, Phase-I Industrial Area, Panchkula – 134 113, in the state of Haryana;
- (ii) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at B-33, Phase-I, ii Industrial Area, Mohali – 160 055 in the state of Punjab;
- (iii) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Plot No.158, Navrangpura, Navrangpura – 122 001, Gurgaon in the state of Haryana;
- (iv) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at 38, Milestone Behrampur Road, Khandsa Chowk – 122 001, Gurgaon in the state of Haryana;
- (v) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at E-860, 861 Rod No.14, Vishawkarma Industrial Area, Sikar Road, Jaipur – 302 013 in the state of Rajasthan;
- (vi) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Harkans Gharighata Sankhya – 230/238, Rai Bareli Road, Mohanlal Gunj, Lucknow in the state of Uttar Pradesh;
- (vii) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Village Jassar, Canal Road, P.O. Paddi, Near Zamidari, Dhaba, Ludhiana – 142 006 in the state of Punjab;
- (viii) 2.45 Lac Cubic Meters Ready Mix Concrete manufacturing plant at A-9, Sector 80, Phase II, Noida – 201 305 in the state of Uttar Pradesh;
- (ix) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at D-18/3, Site B Surajpur Indl. Area, Dadri Road, Greater Noida – 201 308, Noida in the state of Uttar Pradesh;
- (x) 2.10 Lac Cubic Meters Ready Mix Concrete manufacturing plant at C-14, Site I, V Industrial Area, Sahibabad – 201 010, Sahibabad, Ghaziabad in the state of Uttar Pradesh;
- (xi) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at 371/5/2/1, Gram – Paldapalda Industries Area, Opp: Ganesh Toll Kanta, Nemawar Road, Indore 452 001 in the state of Madhya Pradesh;
- (xii) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at 136, Acheja, G T Road, Ghaziabad in the state of Uttar Pradesh;
- (xiii) 0.88 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Plot No.164/5, Near Wakad Square, Wakad, Pune – 411 027 in the state of Maharashtra;

- (xiv) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at S. No.1424, Wagholi Lohegaon Road, Behind Wageshwar Temple, Wagholi, Pune – 412 207 in the state of Maharashtra;
- (xv) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Gat No. 312-314, Ghotawade-Rehe Road, At Post Ghotawade, Tal-Mulshi, District Pune in the state of Maharashtra;
- (xvi) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at C/O Umesh Real Estate Private Ltd., Goel Ganga Developments, Opp: Corinthian Club, Near Kadnagar Chowk, Mohammedwadi, Pune – 411 028 in the state of Maharashtra;
- (xvii) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Queens Town, Mind Space Reality Pvt. Ltd., Cts No.3876, Opp: Lokmanya Hospital, Udyog Nagar, Chinchwad, Pune – 411 033 in the state of Maharashtra;
- (xviii) 0.88 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Plot No.A-14, 15, 16, Road No.13, Ida Nacharam, Hyderabad 500 076, Hyderabad in the state of Andhra Pradesh;
- (xix) 2.45 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Sy. No.312, Ida Bachupally, Miyapur, Qutbullapur Mandal, R.R. District – 500 072, Hyderabad in the state of Andhra Pradesh;
- (xx) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Sy. No.334, Ida Bachupally, Bollaram, Qutbullapur Mandal, R.R. District – 500 072, Hyderabad in the state of Andhra Pradesh;
- (xxi) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Sy. No.133/2, Kandlakoi Village, Medchal Mandal, R.R. District – 501 401, Hyderabad in the state of Andhra Pradesh;
- (xxii) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Grasim Industries Limited, Plot No.A-13 Road No.13, Ida Nacharam, Hyderabad 500 076 in the state of Andhra Pradesh;
- (xxiii) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Plot No.27, Ida Mankhal, Maheswaram Mandal, R.R. District Hyderabad in the state of Andhra Pradesh;
- (xxiv) 2.45 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Unit Sy. No.102/2A, 2B Harlur Village, Varthur Hobli, Komangala Post, Bangalore South – Hosur Road, Bangalore in the state of Karnataka;
- (xxv) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Unit II Sy. No.14/4, 14/3, 14/2, Deevatige Ramanahalli, 25/1 25/2 Off Pantharapaiya Village, Kengeri Hobli, Mysore Road, Bangalore South in the state of Karnataka;
- (xxvi) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Unit: IV Prestige Shanthiniketan, Sy No.70, Itpl Main Road, Sadarmangala, Whitefield, Bangalore 560 048 in the state of Karnataka;

- (xxvii) 2.10 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Unit V Plot No.196-C, Survey No.28, Bommasandra Industrial Area, Bommasandra Village, Attibele Hobli, Anekal Taluk, Bangalore in the state of Karnataka;
 - (xxviii) 2.10 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Plot No.89, Part & 91A Belagola Industrial Area, Metagalli, Mysore – 570 016 in the state of Karnataka;
 - (xxix) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Kadiganahalli Village, Jala Hobli, Yelhanka, Bangalore in the state of Karnataka;
 - (xxx) 2.10 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Sy.No.56/1A, Avalahali Village, Virgonagar Industrial Area, (Near Cipla), Hoskote Road, Bidarahalli Hobli, Bangalore East – 560 049 in the state of Karnataka;
 - (xxxi) 2.45 Lac Cubic Meters Ready Mix Concrete manufacturing plant at No.67, Noombal Village, Thiruverkadu Municipality, Chennai 600 077 in the state of Tamil Nadu;
 - (xxxii) 3.28 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Unit 2, -Omr, Survey No.517, Dr. Abdulkalam Salai, Pudupakkam Village, Kellambakkam Post, Chennai 603 103 in the state of Tamil Nadu;
 - (xxxiii) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Unit 51, Nemili Village, Survey No.116 P.O. Valarpuram, Sri Sri Perambaddur Taluka, Kanchipuram District Chennai – 602 105 in the state of Tamil Nadu;
 - (xxxiv) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Survey No.506/A – 1, Kurembapalayam, Neelambur Village, Palladam Division, Coimbatore in the state of Tamil Nadu;
 - (xxxv) 1.81 Lac Cubic Meters Ready Mix Concrete manufacturing plant at IDEB, Reach 3 IDEB, Reach 3 IDEB, SUCG JY OPP – Jhala Sodha, Near HMT School, HMT watch Factory Main Road, Jalahalli, Bangalore in the state of Karnataka; and
 - (xxxvi) 0.87 Lac Cubic Meters Ready Mix Concrete manufacturing plant at Unitech Info Space, Near IST Limited, Delhi Palam Road, Gurgaon in the state of Uttar Pradesh.
- F) **Building Product Division: (Dry Mix/AAC/ Brick Plant)**
Building Product Division (Dry Mix/AAC/ Brick Plant) of Grasim Industries Limited situated at Village Vijaypur, Taluka Wada, District Thane, in the state of Maharashtra.
- G) Processing Plant for Useful Conversion of Municipal Sewerage Waste at Jaipur, in the state of Rajasthan.

Schedule II

Premises pertaining to the Demerged Undertaking

A. Leasehold Land

Andhra Pradesh:

- i) All leasehold land admeasuring around 310.98 hectares (comprised in various survey nos.) situated at Petnikota village, Kolimigundla Mandal, District Kurnool in the state of Andhra Pradesh together with all buildings and structures standing thereon.
- ii) All leasehold land admeasuring around 0.90 Acre (comprised in various survey nos.) situated at Plot No.A-13, Ida Nacharam – 500 076 Hyderabad in the state of Andhra Pradesh pertaining to the RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- iii) All leasehold land admeasuring around 4000 Sq Yards (comprised in various survey nos.) situated at Sy. No.311, Ida Bachupally, Miyapur, Qutbullapur Mandal, R.R. District – 500 072, Hyderabad in the state of Andhra Pradesh pertaining to RMC 2.45 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- iv) All leasehold land admeasuring around 3 Acres (comprised in various survey nos.) situated at Sy. No.334, Ida Bachupally, Bollaram, Qutbullapur Mandal, R.R. District – 500 072, Hyderabad in the state of Andhra Pradesh pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- v) All leasehold land admeasuring around 2.5 Acres (comprised in various survey nos.) situated at Sy. No.133/2 & 133, Kandlakoi Village, Medchal Mandal, R.R. District – 501 401, Hyderabad in the state of Andhra Pradesh pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- vi) All leasehold land admeasuring around 1.289 Acres (comprised in various survey nos.) situated at Plot No.27, Ida Mankhal, Maheswaram Mandal, R.R. District Hyderabad in the state of Andhra Pradesh pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Chhattisgarh:

- vii) All leasehold land admeasuring around 43.091 hectares (comprised in various survey nos.) situated at Grasim Vihar, Village P.O., Rawan Tehsil: Sigma, District Raipur (C.G.) in villages Rawan, Chuchrungpur and Sarseni in the state of Chhattisgarh pertaining to Grasim Cement – Rawan, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.

Gujarat:

- viii) All leasehold land admeasuring around 9593.87 Sq. Mts. (comprised in various survey nos.) situated at Plot No. 14, GIDC Manjusar, Taluka Savili, District Vadodara – 391 775 in the state of Gujarat pertaining to Glass Reinforced Concrete (GRC) manufacturing plant of white cement division, together with all buildings and structures standing thereon.
- ix) All leasehold land admeasuring around 107.51 hectares (comprised in various survey nos.) situated at Grasim Cement – Mahuva, District Bhavnagar, in villages Dayal, Kotada, Kalsar, Talli, Bhambhor, Methala, Madhuban, Jhanmer etc. in the state of Gujarat together with all buildings and structures standing thereon.

Haryana:

- x) All leasehold land admeasuring around 1.16 Acres (comprised in various survey nos.) situated at Plot No.387, Phase-I Industrial Area, Panchkula – 134113, Chandigarh in the state of Haryana pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xi) All leasehold land admeasuring around 2 Acres (comprised in various survey nos.) situated at 38, Milestone Behrampur Road, Khandsa Chowk – 122001, Gurgaon in the state of Haryana pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Karnataka:

- xii) All leasehold land admeasuring around 404.83 hectares (1000.37 acres) and additional leasehold land of 146.23 hectares (361.36 acres) is under process for final Govt. approval, which is within Mining Lease rights of 733.82 hectares (1813.28 acres total Mining lease) (comprised in various survey nos.) situated at Aditya Nagar, Malkhed Road, Gulbarga – 585 292 in village Diggaon Village in Chittapur Taluka and Malkhed, Haganahalli & Udgi Villages in Sedam Taluka, District Gulbarga, in the state of Karnataka pertaining to Rajashree Cement and all buildings and structure standing thereon.
- xiii) All leasehold land admeasuring around 40 Acres 12 guntas (comprised in various survey nos.) situated near Railway Station, PO. Veerapura Industrial Area, Doddaballapur – 561 203 District Bangalore in villages Thippappura & Veeuapura in the state of Karnataka pertaining to Birla Super Bulk Terminal, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xiv) All leasehold land admeasuring around 2.525 Acres (comprised in various survey nos.) situated at Unit I, Sy. No.102/2A, 2B Harlur Village, Varthur Hobli, Komangala Post, Bangalore South – Hosur Road, Bangalore in the state of Karnataka pertaining to RMC 2.45 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xv) All leasehold land admeasuring around 2.722 (comprised in various survey nos.) situated at Unit II, Sy. No.14/4, 14/3, 14/2, Deevatige Ramanahalli, 25/1 25/2 Off Pantharapaiya Village, Kengeri Hobli, Mysore Road, Bangalore South in villages Deevatige Ramanahalli

and Pantharapaiya in the state of Karnataka pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

- xvi) All leasehold land admeasuring around 2.009 Acres (comprised in various survey nos.) situated at Plot No.89, Part & 91A Belagola Industrial Area, Metagalli, Mysore – 570 016 in the state of Karnataka pertaining to RMC 2.10 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xvii) All leasehold land admeasuring around 2.295 Acres (comprised in various survey nos.) situated at Kadiganahalli Village, Jala Hobli, Yelhanka, Bangalore in the state of Karnataka pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xviii) All leasehold land admeasuring around 1.75 Acres (comprised in various survey nos.) situated at Sy.No.56/1A, Avalahali Village, Virgonagar Industrial Area, (Near Cipla), Hoskote Road, Bidarahalli Hobli, Bangalore East – 560049 in the state of Karnataka pertaining to RMC 2.10 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Madhya Pradesh:

- xix) All leasehold land admeasuring around 1002.978 hectares (comprised in various survey nos.) situated at Khor District Neemuch – 458 470 in villages Suvakheda, Morka, Maheshpuria, Kandka, Kheda Rathod, Khor, Damodarpura and Kundla in the state of Madhya Pradesh pertaining to Vikram Cement, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xx) All leasehold land admeasuring around 1.95 Acres (comprised in various survey nos.) situated at 371/5/2/1, Gram – Palda Industries Area, Opp: Ganesh Toll Kanta, Nemawar Road, Indore 452 001 in the state of Madhya Pradesh pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Maharashtra:

- xxi) All leasehold land admeasuring around 1.50 Acres (comprised in various survey nos.) situated at Plot No.164/5, Near Wakad Square, Wakad, Pune – 411 027 in the state of Maharashtra pertaining to RMC 0.88 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xxii) All leasehold land admeasuring around 4 Acres (comprised in various survey nos.) situated at S. No.1424, Wagholi Lohegaon Road, Behind Wageshwar Temple, Wagholi, Pune – 412 207 in the state of Maharashtra pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

- xxiii) All leasehold land admeasuring around 2.15 Acres (comprised in various survey nos.) situated at Gat No. 312-314, Ghotawade-Rehe Road, At Post Ghotawade, Tal-Mulshi, District Pune in the state of Maharashtra pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Punjab:

- xxiv) All leasehold land admeasuring around 1.12 Acres (comprised in various survey nos.) situated at B-33, Phase-I, ii Industrial Area, Mohali – 160055 – Chandigarh in the state of Punjab pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xxv) All leasehold land admeasuring around 2.4 Acres (comprised in various survey nos.) situated at Village Jassar, Canal Road, P.O. Paddi, Near Zamidari, Dhaba, Ludhiana – 142006 in the state of Punjab pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Rajasthan

- xxvi) All leasehold land admeasuring around 503.36 hectares (comprised in various survey nos.) situated at Adityapuram, Sawa- Shambhupura Road, District Chittorgarh – 312 622 in villages Sindwari, Amarpura, Naya Kheda, J. Singh ka Kheda, Neem ka Amrana, Kaunda, Medi Ka Amrana, Kesarpura, Sawa, Palasiya, Patnia, Arniya Panth, Bad ka Amrana, Rail ka Amrana and Charliya in the state of Rajasthan pertaining to Aditya Cement, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xxvii) All leasehold land admeasuring around 175.48 hectares (38.286 hectares through government award, passions is under process) (comprised in various survey nos.) situated at Village & P.O. Mohanpura, Tehsil Kotputli, District Jaipur – 303 108 in villages Mohanpur, Jodhpura and Gordhanpur in the state of Rajasthan pertaining to Grasim Cement- Kotputli, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xxviii) All leasehold land admeasuring around 152 Bigha and 13.5 Biswa (comprised in various survey nos.) situated at Rajashree Nagar, P.O. Kharia Khangar – 342 606, Tehsil Bhopalgarh, District Jodhpur in the state of Rajasthan pertaining to White Cement Division, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xxix) All leasehold land admeasuring around 2 Acres (comprised in various survey nos.) situated at E-860, 861 Road No.14, Vishawkarma Industrial Area, Sikar Road, Jaipur – 302 013 in the state of Rajasthan pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

- xxx) All leasehold land admeasuring around 1,01,235 sq. meters (equivalent to 25 acres) situated at village Langariawas, Jaipur in the state of Rajasthan together with all buildings and structures standing thereon.

Tamil Nadu

- xxxi) All leasehold land admeasuring around 35.99 hectares (comprised in various survey nos.) situated at Reddipalyam P.O., District Ariyalur – 621 704 in Reddipalayam, Pudupalayam, Eddiyathankudi villages in Ariyalur District in the state of Tamil Nadu pertaining to Grasim Cement – South, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xxxii) All leasehold land admeasuring around 2.14 Acres (comprised in various survey nos.) situated at Unit 51, Nemili Village, Survey No.116 P.O. Valarpuram, Sri Sri Perambaddur Taluka, Kanchipuram District Chennai – 602 105 in the state of Tamil Nadu pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xxxiii) All leasehold land admeasuring around 2 Acres (comprised in various survey nos.) situated at Survey No.506/A – 1, Kurembapalayam, Neelambur Village, Palladam Division, Coimbatore in the state of Tamil Nadu pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Uttar Pradesh

- xxxiv) All leasehold land admeasuring around 24.4730 hectares (comprised in various survey nos.) situated at Ranauli Latiffpur, PO. Vidyut Nagar, Dadri, Gautam Budh Nagar – 201 008 in villages Ranauli, Salarpur and Dadupura Khatana in Tehsil Dadri in the state of Uttar Pradesh pertaining to Grasim Cement – Dadri, together with all premises, lying and being thereat and all other buildings and structures standing thereon.
- xxxv) All leasehold land admeasuring around 3 Acres (comprised in various survey nos.) situated at Harkand Ghari ghata Sankhya – 230/238, Rai Bareli Road, Mohanlal Gunj, Lucknow in the state of Uttar Pradesh pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xxxvi) All leasehold land admeasuring around 1.26 Acres (comprised in various survey nos.) situated at A-9, Sector 80, Phase II, Noida – 201305 in the state of Uttar Pradesh pertaining to RMC 2.45 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xxxvii) All leasehold land admeasuring around 1.58 acres (comprised in various survey nos.) situated at D-18/3, Site B Surajpur Indl. Area, Dadri Road, Greater Noida – 201308, Noida in the state of Uttar Pradesh pertaining to MC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

- xxxviii) All leasehold land admeasuring around 1.58 Acres (comprised in various survey nos.) situated at C-14, Site I, V Industrial Area, Sahibabad – 201 010, Sahibabad, Ghaziabad in the state of Uttar Pradesh pertaining to RMC 2.10 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xxxix) All leasehold land admeasuring around 2.05 Acres (comprised in various survey nos.) situated at 136, Acheja, G T Road, Ghaziabad in the state of Uttar Pradesh pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

B. Freehold Land

Andhra Pradesh:

- i) All freehold land admeasuring around 839.58 hectares (comprised in various survey nos.) and 46.32 hectares (comprised in various survey nos.) situated at villages Petnikota and itikyala, Kolimigundla Mandal, District Kurnool in the state of Andhra Pradesh together with all buildings and structures standing thereon.
- ii) All freehold land admeasuring around 42 Acres 29 Guntas (comprised in various survey nos.) situated at Shankarpally – 501 203 R R District Hyderabad in village Fatehpur in the state of Andhra Pradesh pertaining to Shankarpally Bulk Terminal, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- iii) All freehold land admeasuring around 3.01226 Acres (comprised in various survey nos.) situated at Plot No.A-14, 15, 16, Road No.13, Ida Nacharam, Hyderabad 500 076, Hyderabad in the state of Andhra Pradesh pertaining to RMC 0.88 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- iv) All freehold land admeasuring around 1.9 Acres (comprised in various survey nos.) situated at Sy. No.312, Ida Bachupally, Miyapur, Qutbullapur Mandal, R.R. District – 500 072, Hyderabad in the state of Andhra Pradesh pertaining to RMC 2.45 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Chhattisgarh:

- v) All freehold land admeasuring around 377.719 hectares (comprised in various survey nos.) situated at Grasim Vihar, Village P.O., Rawan Tehsil: Sigma, District Raipur (C.G.) in villages Rawan, Chuchurungpur, Sarseni, Chhirahi, Ameri, Basin, Burgahan, Dhobindih, Hathbandh, Khapradih, Khilora, Nayapara, Neodha, Raweli, Ringni and Jhipan in the state of Chhattisgarh pertaining to Grasim Cement, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- vi) All freehold land admeasuring around 48.827 Hectares (comprised in various survey nos.) situated at Kukurdi, Teh: Baloda Bazar, District Raipur in village Kukurdi in the state of Chhattisgarh together with all buildings and structures standing thereon.

Gujarat

- vii) All freehold land admeasuring around 215.04 hectares (comprised in various survey nos.) situated at Grasim Cement – Mahuva, District Bhavnagar, in villages Dayal, Kotada, Kalsar etc. in the state of Gujarat together with all buildings and structures standing thereon.

Haryana:

- viii) All freehold land admeasuring around 60 (Sixty) acres (comprised in various survey nos.) situated at Kharad, Israna Paradhana Road, Israna, Panipat – 132 107 in villages Karad & Pardhana, Tehsil Israna, District Panipat in the state of Haryana pertaining to Grasim Cement - Panipat, together with all premises, lying and being thereat and all other buildings and structures standing thereon.
- ix) All freehold land admeasuring around 20 Kanal 9 Marla (comprised in various survey nos.) situated at Plot No.158, Navrangpura – 122001 in the state of Haryana pertaining to RMC 1.81 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- x) All freehold land admeasuring around 2.238 Acres (comprised in various survey nos.) situated at Nathupur, Tehsil & District: Sonapat in the state of Haryana pertaining to RMC Freehold Land, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Karnataka:

- xi) All freehold land admeasuring around 237.57 hectares (587.07 Acres) (comprised in various survey nos.) situated at Aditya Nagar, Malkhed Road, Gulbarga – 585 292 in Malkhed Village in Sedam Taluka, District Gulbarga in the state of Karnataka pertaining to Rajashree Cement, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xii) All freehold land admeasuring around 2.214 Acres (comprised in various survey nos.) situated at Unit V Birla Ready Mix, Plot No.196-C, Survey No.28, Bommasandra Industrial Area, Bommasandra Village, Attibele Hobli, Anekal Taluk, Bangalore in the state of Karnataka pertaining to RMC 2.10 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Madhya Pradesh:

- xiii) All freehold land admeasuring around 245.366 hectares (comprised in various survey nos.) situated at Vikram Cement Khor, District Neemuch – 458 470 in villages Damodarpura, Khor, Kheda Rathod, Nayagaon, Suvakheda, Kundla, Maheshpuria and Morka in the state of Madhya Pradesh together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.

Maharashtra:

- xiv) All freehold land admeasuring around 98.50 hectares (comprised in various survey nos.) situated at District Solapur – 413 215 in villages Hotgi Station (76.96 hectares) and Hipple (21.54 hectares) in the state of Maharashtra pertaining to Grasim Cement – Hotgi, together with all premises, railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xv) All freehold land admeasuring around 21 Acres 24 Guntas (comprised in various survey nos.) situated at Vijaypur village, Taluka Wada District Thane in the state of Maharashtra pertaining to Building Product Division, Grasim Industries Limited, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Punjab:

- xvi) All freehold land admeasuring around 37.94687 hectares (comprised in various survey nos.) situated at PO Lehra Mohabat, Bathinda – 151 111 in villages Mehraj, Patti Karam Chand and Lehra Mohabat in the state of Punjab pertaining to Grasim Cement – Bathinda, together with all premises, railway sidings lying and being thereat and all other buildings and structures standing thereon.

Rajasthan

- xvii) All freehold land admeasuring around 478.20 hectares (comprised in various survey nos.) situated at Adityapuram, Sawa- Shambhupura Road, District Chittorgarh – 312 622 in villages Sindwari, Amarpura, Naya Kheda, J. Singh ka Kheda, Neem ka Amrana, Kaunda, Medi Ka Amrana, Kesarpura, Sawa, Palasiya, Patnia, Arniya Panth, Bad ka Amrana, Rail ka Amrana and Charliya in the state of Rajasthan pertaining to Aditya Cement, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xviii) All freehold land admeasuring around 350.69 hectares (comprised in various survey nos.) situated at Village & P.O. Mohanpura, Tehsil Kotputli, District Jaipur – 303 108 in villages Mohanpura, Kujota and Maharampur in the state of Rajasthan pertaining to Grasim Cement, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xix) All freehold land admeasuring around 389 Bigha and 1 Biswa (comprised in various survey nos.) situated at Rajashree Nagar, P.O. Kharia Khangar – 342 606, Tehsil Bhopalgarh, District Jodhpur in the state of Rajasthan pertaining to White Cement Division, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xx) All freehold land admeasuring around 8.78 hectares (comprised in various survey nos.) situated at Village Turkani Johadi, P.O.Khirod, Tehsil Nawalgarh, District Jhunjhunu – 333 306 in villages Turkani, Johadi (Khirod), Khirod, Basawa and Mohanbari in the state of Rajasthan pertaining to Grasim Cement - Nawalgarh, together with all buildings and structures standing thereon.

Tamil Nadu

- xxi) All freehold land admeasuring around 1400.64 hectares (comprised in various survey nos.) situated at Reddipalyam P.O., District Ariyalur – 621 704 in villages of Reddipalayam, Pudupalayam, Periyanaalur, Edayathankudi, Varugupadi, Alanduraiarkattalai, Periyathirukonam, Arungal, Andipattakadu, Asaveerankudikadu, Ayan Attur, Unjini, Kilimangalam, Anandavadi, Maruvattur, Periyakurichi, Paravai, Karai, Kallai, Sirukanbur , Pungankuli in Ariyalur District , villages of Palayam, Karikali & Kottanatham situated in Dindigal District , villages of Kaliyapatti, K.Pitchampatti, Alambadi, Varavanai, Mallapuram, Devarmalai, Thennilai, Gudalur, Melpaguthi, D.Kudalur situated in Karur District , village of South Elandakulam situated in Tuticorin District , village of Aralvaimozhi situated in Kanyakumari District and villages of Palavoor & Perungudi situated in Tirunelveli District in the state of Tamil Nadu pertaining to Grasim Cement - South, together with all premises, residential colonies, School(s), Hospital(s), Community Centre(s), railway sidings lying and being thereat and all other buildings and structures standing thereon.
- xxii) All freehold land admeasuring around 2.29 Acres (comprised in various survey nos.) situated at No.67, Noombal Village, Thiruverkadu Municipality, Chennai 600 077 in the state of Tamil Nadu pertaining to RMC 2.45 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xxiii) All freehold land admeasuring around 2.60 Acres (comprised in various survey nos.) situated at Unit 2, - Omr, Survey No.5/17, Dr. Abdulkalam Salai, Pudupakkam Village, Kellambakkam Post, Chennai 603103 in the state of Tamil Nadu pertaining to RMC 3.28 Lac Cubic Meters manufacturing plant, together with all premises lying and being thereat and all other buildings and structures standing thereon.
- xxiv) All freehold land admeasuring around 1.97 Acres (comprised in various survey nos.) situated at Plot No-17, CMDA Industrial Complex, Maraimalai Nagar, Chennai in the state of Tamil Nadu pertaining to RMC Freehold Land, together with all premises lying and being thereat and all other buildings and structures standing thereon.

Uttar Pradesh

- xxv) All freehold land admeasuring around 1.2705 hectares (comprised in various survey nos.) situated at Ranauli Latiffpur, PO. Vidyut Nagar, Dadri, Gautam Budh Nagar – 201 008 in villages Ranauli, Salarpur and Patadi in Tehsil Dadri in the state of Uttar Pradesh pertaining to Grasim Cement – Dadri, together with all premises, lying and being thereat and all other buildings and structures standing thereon.
- xxvi) All freehold land admeasuring around 17.97 hectares (comprised in various survey nos.) situated at Harduaganj Site, Village - Kasimpur, Tehsil - Koel, District: Aligarh 202 127 in villages Kasimpur, Rampur and Satha in the state of Uttar Pradesh pertaining to Grasim Cement – Aligarh, together with all premises, lying and being thereat and all other buildings and structures standing thereon.

C. Owned Premises

Maharashtra

- i) Grasim Industries Limited, Flat No. 5, Ground Floor, M. P. J. Chambers, Bombay-Pune Road, Pune.
- ii) Grasim Industries Limited, Flat No. 5, 2nd Floor, Shushila Sadan Co-op. Hsg. Soc. Ltd., Mahim (West), Mumbai
- iii) Grasim Industries Limited, 1st Floor, Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 (Area – 5434 Sq ft.).
- iv) Grasim Industries Limited, 2nd Floor, Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 (Area – 1285 Sq ft.).
- v) Grasim Industries Limited, 3rd Floor, Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 (Area 4564 sq ft.) including 11 garages at Ahura Centre.
- vi) Grasim Industries Limited, Flat No. 103, Brij Kutir Co-operative Housing Society Ltd., 68-A, L. Jagmohandas Marg, Nepean Sea Road, Mumbai – 400 006.

Schedule III

Details of the mining leases pertaining to the Demerged Undertaking

The mining leases pertaining to the Demerged Undertaking *inter alia*, include the following:

1. Andhra Pradesh:

- a. Mines & Quarries covering 5 hectares at Grasim Industries Limited, Tirumalagiri Village, Bommalararam M., Nalgonda District, Quarry lease for rough stone and road metal in Sy. No. 76 of Tirumalagiri village, Bommalararam M., Nalgonda District, Andhra Pradesh.
- b. Mines & Quarries covering 10 hectares at Grasim Industries Limited, Tirumalagiri village, Bommalararam M., Nalgonda District, Quarry lease for rough stone and road metal in Sy. No. 76 of Tirumalagiri Vg., Bommalararam M., Nalgonda District, Andhra Pradesh.
- c. Mining Lease covering 951.848 hectares at Grasim Industries Limited, Petnikota Village, Kolimigundla Mandal, Kurnool District, Andhra Pradesh vide G. O. Ms. No. 222 Industries (MMA-2) Department dated July 22, 2003 No. ML 2159/M1/2003.

2. Chhattisgarh:

- a. Mining lease covering area 722.834 hectares at Grasim Industries Limited, Grasim Cement - Rawan, Jhippan, Pendri, Kashidih and Funderdih, Tehsil Simga, Raipur, Chhattisgarh vide mining lease agreement dated December 4, 1993.
- b. Letter of Intent No. F 2-3/2007/12 dated November 12, 2007 from Government of Chhattisgarh allotting mining lease to Grasim Industries Limited, Grasim Cement - Rawan, at Kukurdih village, Raipur, Chhattisgarh covering an area of 251.537 hectares.
- c. Letter of Intent No. F 2-32/2003/12 dated February 6, 2008 from Government of Chhattisgarh granting mining lease to Grasim Industries Limited, Grasim Cement Rawan, at Guma Village, Raipur, Chhattisgarh covering an area of 157.12 hectares.

3. Gujarat:

- a. Letter of Intent No. MCR-1593-(12)-1377-6-1 dated June 4, 2001 from Government of Gujarat granting mining lease to Grasim Industries Limited, Mahuva, Bhavnagar, Gujarat covering an area of 670.48 hectares.
- b. Letter of Intent No. MCR-1096-1273- Part 2-61 dated July 21, 1999 from Government of Gujarat granting mining lease to Grasim Industries Limited, Mahuva, Bhavnagar, Gujarat covering an area of 851.32.16 hectares.
- c. Letter of Intent No. MCR-1095-3944-6-1 dated June 4, 2001 from Government of Gujarat granting mining lease to Grasim Industries Limited, Mahuva, Bhavnagar, Gujarat covering an area of 193.32.68 hectares.

4. Karnataka:

Mining lease covering 733.82 hectares (1813.28 acres) at Grasim Industries Limited, Rajashree Cement in Diggaon Village in Chittapur Taluka and Malkhed, Haganahalli & Udgi Villages in Sedam Taluka, District Gulbarga, Karnataka vide Mining Lease No. 1769.

5. Madhya Pradesh:

- a. Mining lease covering area 442.923 hectares at Grasim Industries Limited, Unit - Vikram Cement Villages Suvakheda, Khor, Kundla, Damodarpura, Gujarkhedi Talab, and Kheda Rathod, Tehsil Jawad, District Neemuch, Madhya Pradesh vide Mining Lease Agreement dated March 1, 2004.
- b. Mining lease covering area 342.612 hectares at Grasim Industries Limited, Unit - Vikram Cement Villages Suvakheda, Morka and Maheshpuria, Tehsil Jawad, District Neemuch, Madhya Pradesh vide mining lease Agreement dated January 28, 2002.
- c. Mining lease covering area 34.233 hectares at Grasim Industries Limited, Unit - Vikram Cement Village Kandka, Tehsil- Jawad, District Neemuch, Madhya Pradesh vide Mining Lease Transfer Agreement dated May 7, 1994.
- d. Mining lease transfer approval of Government of Madhya Pradesh vide letter no. 3-23/2002/12/2 dated August 10, 2009 for mining lease covering area 19.71 hectares at White Cement Division, Grasim Industries Limited, Dolomite & Limestone Mines, Village Chhaparwah, Tehsil Badwara, District Katni, Madhya Pradesh.
- e. Letter of Intent No. F 3-32/2008/12/1 dated September 7, 2009 from Government of Madhya Pradesh granting mining lease to Grasim Industries Limited, Unit: Vikram Cement, at Khor, Villages Nayagaon, Khor, District Neemuch, Madhya Pradesh covering an area of 564.106 hectares.

6. Rajasthan:

- a. Mining lease covering 760.692 hectares at Grasim Industries Limited, Aditya Cement, Chittorgarh, Shambhalpura, Rajasthan vide mining lease no. P-5/96/Mines/Group-I/92 dated March 1, 1994.
- b. Mining lease covering 548.78 hectares at Grasim Industries Limited, Village Mohanpura, Mahrampur – Nawab, Ajeetpura, Kiratpura, Fatehpura, Kansli, Kujota, Mahrampur – Rajpur, Tehsil Kotputli, Jaipur, Rajasthan vide mining lease no. ML3/ 2003 (R).
- c. Mining lease covering 232.80 hectares at White Cement Division, Grasim Industries Limited, Rajashree Limestone Mine No. 1, near village Dhannappa, Tehsil Merta, District Nagaur, Rajasthan vide mining lease no. ML/1/91.

- d. Mining lease covering 400.70 hectares at White Cement Division, Grasim Industries Limited, Rajashree Limestone Mine No. 2, near village Basni, Tehsil Merta, District Nagaur, Rajasthan vide mining lease no. ML/3/95.
- e. Mining lease covering 4.0237 hectares at White Cement Division, Grasim Industries Limited, Fledspar Mines, Near Village Thoriya-Khera, Tehsil Raipur, District Bhilwara, Rajasthan vide mining lease no. 342/05.
- f. Mining lease covering 155.90 hectares at White Cement Division, Grasim Industries Limited, China Clay Mines, Near Village Jawal, Tehsil Kotri, District Nagaur, Rajasthan vide mining lease no. 18/83 (Renewal 123/06).
- g. Letter of Intent No. 15/13/Mines/Group-I/98 dated April 17, 1999 from Government of Rajasthan for allotting mining lease covering area 64 hectares at White Cement Division, Grasim Industries Limited, Near Village Thob, Tehsil Pachpadra, District Barmer, Rajasthan.
- h. Letter of Intent No. P.2(185) Mines / Group-2/07 dated October 10, 2007 from Government of Rajasthan for allotting Mining Lease No. 19/06 covering area of 318.78 hectares to Grasim Industries Limited, villages of Ajeetpura, Bhaislana, Kujota & Mehrampur (Nawab), Tehsil Kotputli, Jaipur, Rajasthan.
- i. Letter of Intent No. P. 12(35)/Khan/Group-2/2005 dated November 22, 2007 from Government of Rajasthan to Grasim Industries Limited for allotting two Mining Leases covering area of 1,153.4 hectares Near Village Basawa, Khirod and area of 3461.2 hectares Near Village Khirod, Sundo Ki Dhani, Tehsil Nawalgarh, District Jhunjhunu, Rajasthan.

7. Tamil Nadu:

- a. Mining lease covering area 43.40 hectares at Grasim Industries Limited, Grasim Cement – South, Reddipalayam Village (ML-2), Ariyalur Taluk, Perambalur District, Ariyalur, Tamil Nadu vide G. O. (4D) No. 3 – Industries (MMA-2) Department dated September 20, 2005.
- b. Mining lease covering 54.37 hectares (G.O No.485 covering an extent of 50.45.5 hectares and G.O No.139 covering an extent of 3.91.5 hectares) at Grasim Industries Limited, Grasim Cement – South, Reddipalayam, Pudupalayam & Periyathirukonam Villages (ML-1), Ariyalur Taluk, Tiruchirapalli District, Ariyalur, Tamil Nadu vide G.O. Ms. No. 485 and 139 Industries (MMA-2) Department dated December 31, 1993 and May 11, 1994 respectively.
- c. Mining lease covering 35.22 hectares at Grasim Industries Limited, Grasim Cement – South, Alanthuraiyarkattalai Village (ML-9), (Alanthuraiyarkattalai-II) Vikkiramangalam, Ariyalur, Tamil Nadu vide Pro. No. 4557/ MM1/2005 dated September, 24 2008.
- d. Mining lease covering 4.98.5 hectares at Grasim Industries Limited, Grasim Cement – South, Periyangalur Village (ML-5), Ariyalur Taluk, Perambalur District, Ariyalur, Tamil Nadu vide G. O. (3D) No. 94 Industries (MMA-2) Department dated September 20, 2005.

- e. Mining lease covering 32.64.5 hectares at Grasim Industries Limited, Grasim Cement – South, Reddipalayam & Puddupalayam Village (ML-3), Ariyalur Taluk, Perambalur District, Ariyalur, Tamil Nadu vide G. O. (3D) No. 82 Industries (MMA-2) Department dated August 22, 2005.
- f. Mining lease transfer order no. G. O. (4D) No. 2 Industries (MMA-2) Department dated August 31, 2005 from Government of Tamil Nadu granting mining lease to Grasim Industries Limited, at Edaiyathankudi village, Perambalur District, Ariyalur Taluk, Tamil Nadu comprising an area of 10.54.5 hectares.
- g. Mining lease Rc.No.18180/MM1/98 dated January 31, 2006 from Government of Tamil Nadu granting mining lease to Grasim Industries Limited, at Alanthuraiyarkattalai village (ML-7), (Alanthuraiyarkattalai-I), Perambalur District, Ariyalur Taluk, Tamil Nadu comprising an area of 8.14.0 hectares.

Schedule IV

Debentures and loans relatable to the Demerged Undertaking as of September 30, 2009

PART – A

Transferred Debentures outstanding as on September 30, 2009: (Held by various holders)

S. No.	Series	Rate	Amount (In Rupees)
1.	Grasim Ind 10.48% 2013 (S-XXXVII)	10.48%	200,00,00,000
2.	Grasim Ind 8.80% 2015 (S- XXXVIII)	8.80%	100,00,00,000
3.	Grasim Ind 8.01% 2016 (S-XXXIX)	8.01%	200,00,00,000
TOTAL			500,00,00,000

PART – B

External Commercial Borrowings outstanding as on September 30, 2009:

S. No.	Lender	Amount (In Rupees)
1.	HSBC Global Business Unit, Mauritius (Formerly HSBC Offshore Banking Unit, Mauritius)	93,50,15,859
2.	Calyon, Singapore	111,12,29,366
3.	HSBC Bank Mauritius Limited, Mauritius	45,67,00,000
4.	Cooperative Centrale Raiffeisen-Boerenleen Bank B.A, (Trading as Rabo Bank International) Singapore	181,39,50,000
5.	DBS Bank Limited, Singapore	227,07,16,861
6.	BNP Paribas, Singapore	88,94,60,000
7.	Mizuho Corporate Bank Limited, Singapore	18,42,52,238
8.	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Singapore	18,49,17,305
9.	Mizuho Corporate Bank Limited, Singapore	133,66,14,000
10.	Sumitomo Mitsui Banking Corporation, Singapore and The Bank of Nova Scotia Asia Limited, Singapore	245,83,90,616
11.	Mizuho Corporate Bank Limited, Singapore	102,34,70,588
TOTAL		1266,47,16,833

PART – C

Long Term and Short Term Buyer's Credit outstanding as on September 30, 2009:

S. No.	Lender	Amount (In Rupees)
1.	Standard Chartered Bank	60,39,90,042
2.	The Hongkong and Shanghai Banking Corp. Ltd.	82,15,99,808
3.	The Hongkong and Shanghai Banking Corp. Ltd.	14,42,27,834
4.	Sumitomo Mitsui Banking Corporation, Singapore	31,17,30,011
TOTAL		188,15,47,695

PART – D

Sales Tax Loans outstanding as on September 30, 2009:

S. No.	Related Unit	Amount (In Rupees)
1.	Grasim Cement, Hotgi	43,30,15,942
2.	Grasim Cement, Raipur	1,75,02,653
3.	Aditya Cement, Shambupura	1,92,26,785
4.	Rajashree Cement, Malkhed	47,67,25,531
TOTAL		94,64,70,911

PART – E

Cash Credit outstanding as on September 30, 2009:

S. No.	Name of the Bank	Provisional Amount (In Rupees)
1.	Group of Consortium	83,97,71,237
TOTAL		83,97,71,237

Grand Total (Parts A – E):

Rs. 2133,25,06,676

In addition to above, interest accrued and not due till 30th September' 09 on above loans will be transferred as current liabilities. There is no unpaid interest due.

**HIGH COURT OF MADHYA PRADESH
BENCH AT INDORE
(SB: HON. SHRI JUSTICE PRAKASH SHRIVASTAVA)**

Company Petition No. 13/2015

In the matter of the Companies Act of 1956;

AND

In the matter of summons for Directions under Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation of Aditya Birla Chemicals (India) Limited with Grasim Industries Limited and their respective shareholders and creditors;

AND

In the matter of

Grasim Industries Limited

...

Petitioner Company

Shri A.K. Chitale, learned senior counsel with Shri B.A. Chitale, learned counsel for the petitioner.

Shri Deepak Rawal, learned counsel for the R.D.

Whether approved for reporting:

ORDER

(Passed on 9th October, 2015)

1/ This petition under Section 391 to 394 of the Companies Act, 1956 has been filed by the petitioner Grasim Industries Limited in the matter of Scheme of Amalgamation of Aditya Birla Chemicals (India) limited with the petitioner Company for the approval of the Scheme of Amalgamation in this regard. The registered office of the petitioner-transferee company is located at Birlagram Nagda, District Ujjain within the territorial jurisdiction of the Court, whereas the registered office of the transferor company namely Aditya Birla Chemicals (India) Ltd. is located at Garhwa Road, P.O. Palamau, Jharkhand and it has been submitted by the counsel for

the petitioner that the transferor company has filed a separate petition before the Jharkhand High Court.

2/ In the first stage proceedings, this court vide order dated 22.4.2015 in Company Petition (Application) No. 7/2015 had directed the meeting of the equity shareholders, secured creditors and unsecured creditors of the petitioner-Company. The report of the Chairman has been enclosed with the petition disclosing that the shareholders, secured creditors and unsecured creditors have approved the Scheme in the meeting.

3/ In the present petition, this Court vide order dated 6.7.2015 had issued notice to the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior and Regional Director, Western Region, Ahmedabad and had also directed advertisement of petition in accordance with Rules in the Official Gazette of the State and two daily newspapers namely 'Nai Dunia' (Hindi) and 'Free Press' (English) having circulation in Indore. The affidavit of compliance has been filed in the matter.

4/ From the record, it is found that the petitioner-transferee company was incorporated as 'Gwalior Rayon Silk Manufacturing (Weaving) Company Limited' on 25.8.1947 and its name was subsequently changed to Grasim Industries Limited on 22.7.1986. The company is primarily engaged in the manufacture and sale of viscose staple fibre, chemicals, textiles and cement (through its subsidiary). The Article and Memorandum of Association as also the last audited balance-sheet of the petitioner-Company as on 31.3.2014 has been filed.

5/ So far as the transferor company Aditya Birla Chemicals (India) Limited is concerned, it was originally incorporated on 20.7.1976 and its name has subsequently been changed. The transferor company is *inter alia* engaged in the business of manufacture of Chlor Alkali and allied chemicals. The Article and memorandum of association along with the last audited balance sheet of the transferor company as on 31.3.2014 has been filed.

6/ The Scheme of Amalgamation has been proposed to consolidate the Group's Chlor Alkali business into the petitioner Company in line with the Group's philosophy to unify similar business in one company, since the petitioner-Company and transferor company are also engaged in the business of Chlorine derivatives in a substantial manner. The object of amalgamation is to

strengthen the petitioner Company's existing portfolio of viscose staple fibre, caustic soda and allied chemicals and to enable the geographical diversification for the petitioner Company.

7/ The scheme of amalgamation has been approved by the Board of Directors of the petitioner as well as the transferor company on 11.2.2015. The detailed scheme has been filed as Exhibit 'F'.

8/ In pursuance to the notice issued by this Court, the Regional Director has filed the report raising certain objections. These objections are decided hereunder:-

- A) The Regional Director has raised the objection that the transferee company is listed with the BSE and NSE and, therefore, it is required to comply with various provisions of the Circulars of SEBI and also required to take NOC from SEBI.

An affidavit dated 21.9.2015 has been filed by the petitioner in response to the objection clarifying that the petitioner will comply with the SEBI Circular and in the SEBI Circular dated 4.2.2013 and 21.5.2013, there is no requirement of obtaining the NOC.

In view of this the objection raised by the RD does not survive.

- B) The Regional Director has also raised an objection that 3.49% of equity shares of the petitioner-Company are held by the foreign national/ NRI/ foreign bodies corporates, therefore, the petitioner should disclose about the compliance of FEMA and RBI guidelines.

The petitioner in response thereof has disclosed in the affidavit dated 21.9.2015 that though 3.49% of equity shares are held by the foreign nationals but the Scheme does not involve violation of any provisions of Foreign Exchange Management Act, 1999 or any guidelines of the RBI, therefore, no special permission of RBI is required.

- C) The R.D. has also raised an objection that the communication dated 27.7.2015 was sent by the R.D. to Chief Commissioner of Income Tax with a request to give specific comments of the Income Tax Department about the proposed scheme but no reply has been received, therefore, the petitioner should undertake compliance of provisions of the Income Tax Act and Rules.

In this regard, in the reply dated 21.9.2015 the petitioner has disclosed that in terms of the Circular dated 15.1.2014 of the Ministry of Corporate Affairs, if no response is received from the Income Tax Department within 15 days of receipt of notice, it is to be presumed that the Income Tax Department has no objection against the proposed Scheme of Amalgamation under Section 391 to 394 of the Act. That apart, the petitioner has also undertaken to ensure compliance of the provisions of the Income Tax Act.

9/ Apart from the above, no other objection has been raised by the RD. In the report RD has disclosed that there is no other complaint against the petitioner and the R.D. has not received any objection to the Scheme or affidavit opposing this petition, and that the Scheme may be sanctioned.

10/ Having considered the scheme and on perusal of the record and reports, the scheme appears to be fair and reasonable and not opposed to public interest.

9/ Accordingly, the Scheme of Arrangement filed as Exhibit 'F' to the petition is hereby approved. The said scheme may be read as part of this order. The petitioner company shall, within 30 days of this order, file with the Registrar of Companies, Madhya Pradesh a certified copy of this order. The sanction of scheme by this order will be subject to the outcome of the petition filed by the transferor Company before the Jharkhand High Court.

10/ The Petitioner Company to pay the cost of Rs.7,500/- to the counsel for Regional Director within four weeks from today.

11/ In view of the foregoing discussion, it is hereby directed that no formal order is required to be drawn up in terms of Rule 37 in Form No.41 and 42. This petition thus stands disposed of as aforesaid.

C.C. as per rules.

(PRAKASH SHRIVASTAVA)

Company Judge

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

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

DESCRIPTION OF THE TRANSFEROR AND THE TRANSFeree COMPANY

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

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

RATIONALE

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

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

will be beneficial for capitalizing on the growth opportunities to the fullest extent.

- (b) The proposed amalgamation and vesting of the Transferor Company into the Transferee Company, with effect from the Appointed Date, is in the interest of the shareholders, creditors, employees and other stakeholders, of both the companies, as it would enable a focused business approach for the maximization of benefits to all stakeholders and afford the advantages of synergies of their businesses.
- (c) The amalgamation of the Transferor Company with the Transferee Company will combine the business activities and operations of the Transferor Company and the Transferee Company into a single company with effect from the Appointed Date and shall be in compliance with the provisions of the Income Tax Act, 1961, including Section 2(1B) thereof or any amendments thereto.

GENERAL

This Scheme is divided into the following parts:

- (a) Part I of the Scheme deals with definitions and interpretations, and sets out the share capital of the Transferor Company and the Transferee Company;
- (b) Part II of the Scheme deals with the amalgamation of the Transferor Company with the Transferee Company; and
- (c) Part III of the Scheme deals with the dissolution of the Transferor Company and the general terms and conditions applicable to the Scheme.

PART I

1. DEFINITIONS AND INTERPRETATIONS

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

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

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

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

“Appropriate Authority” means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including but not limited to Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies,

Competition Commission of India, National Company Law Tribunal (to be constituted under the Companies Act, 2013), Reserve Bank of India and the High Courts.

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

“BSE” means the BSE Limited.

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

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

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

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

“NSE” means the National Stock Exchange of India Limited.

“Parties” means the Transferor Company and the Transferee Company, collectively.

“Party” means the Transferor Company or the Transferee Company, individually.

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

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

“SEBI” means the Securities and Exchange Board of India.

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

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

“Transferor Company” means Aditya Birla Chemicals (India) Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. L24100JH1976PLC001255 and having its registered office at Garhwa Road, P.O. - Rehla, Palamau, Jharkhand - 822 124.

“Transferee Company” means Grasim Industries Limited, a public company, limited by shares, incorporated under the provisions of the Companies Act 1956, under Corporate Identity No. L17124MP1947PLC000410 and having its registered office at Birlagram, Nagda, Dist. Ujjain, Madhya Pradesh - 456 331.

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

- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature), whether situated in India or abroad, including but not limited to manufacturing facilities, laboratories, land (whether leasehold or freehold), jetty, salt works, including those described in the Schedule 1 hereto, plant and machinery, D.G. Sets, equipments, buildings and structures, offices, residential and other premises, capital work-in-progress, furniture, fixtures, vehicles, office equipments, computers, appliances, accessories, power lines, stocks and inventory, leasehold assets and other properties, guesthouses, godowns, warehouses, railway lines and sidings, water pipelines, depots, power generation undertakings including the power plants, fly ash handling systems, cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments of all kinds (including shares, scrips, stocks, bonds, debentures stocks, units, or securities of all kind and nature), claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, licensee and licensor rights, goodwill, other intangibles, industrial and other licenses, permits, authorizations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses and approvals of whatsoever nature including but not limited to benefits of tax exemptions/benefits and/or exemption entitlements, all tax holiday, tax relief including under the Income Tax Act, 1961 such as credit for advance tax, taxes

deducted at source, brought forward accumulated tax losses, unabsorbed depreciation, Minimum Alternate Tax credit ("**MAT**"), etc. and under indirect taxes such as CENVAT credit, and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date;

- (b) All agreements, rights, contracts (including but not limited to agreements with respect to immovable and movable properties being used by the Transferor Company by way of leasehold, license or any other rights or privileges or other arrangements), bids, tenders, letters of intent, expressions of interest, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals & exemptions and benefits, subsidies, income tax benefits and exemptions including the right to deduction under Section 80IA of the Income Tax Act, 1961 in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the deduction is available in law if the amalgamation pursuant to this Scheme does not take place, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company and all other approvals of every kind, nature and description whatsoever relating to the Transferor Company business activities and operations and that may be required to carry on the operations of the Transferor Company;
- (c) Amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Appropriate Authority, under any law, act, scheme or rule, as refund of any tax, duty, cess or of any excess payment;
- (d) All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to their employees, with respect to the payment of gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, retirement, retrenchment or otherwise;
- (e) All Employees engaged by the Transferor Company at various locations;
- (f) All the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company as on the Appointed Date; and
- (g) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmers along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Company.
- (h) Right to any claim not preferred or made by the Transferor Company in respect

of any refund of tax, duty, cess or other charge, including erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any Applicable Law, act or rule or Scheme made by the Appropriate Authority, and in respect of set-off, carry forward and unabsorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under Income Tax Act, 1961, or any other or like benefits under the said acts or under and in accordance with any Applicable Law or act, whether in India or outside India.

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

1.2 In this Scheme, unless the context otherwise requires:

- 1.2.1 words denoting singular shall include plural and vice versa;
- 1.2.2 reference in the Scheme to “coming into effect of this Scheme” or “upon scheme becoming effective” shall mean from the Effective Date;
- 1.2.3 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.2.4 references to the word “include” or “including” shall be construed without limitation;
- 1.2.5 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.2.6 unless otherwise defined, the reference to the word “days” shall mean calendar days;
- 1.2.7 references to dates and times shall be construed to be references to Indian dates and times;
- 1.2.8 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 1.2.9 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
- 1.2.10 References to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives’ body (whether or not having separate legal personality).

2. **SHARE CAPITAL**

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

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

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

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

Authorised Share Capital	Amount (Rs)
9,50,00,000 equity shares of Rs. 10 each	95,00,00,000
1,50,000 15% rredeemable cumulative preference shares of Rs.100 each	1,50,00,000
1,00,000 8.57% rredeemable cumulative preference shares of Rs.100 each	1,00,00,000
3,00,000 9.3% rredeemable cumulative preference shares of Rs.100 each	3,00,00,000
Total	100,50,00,000
Issued, Subscribed and Fully Paid up Share Capital	Amount in (Rs)
9,18,52,185* equity shares of Rs. 10 each	91,85,21,850
Share Capital Suspense:	1,48,790
14,879 equity Shares of Rs. 10 each to be issued as fully paid-up pursuant to acquisition of Cement Business of Aditya Birla Nuvo Limited under the Scheme of Arrangement without payment being received in cash	
Total	91,86,70,640

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

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

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

2.3 Date of taking effect

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

PART II - SCHEME OF AMALGAMATION

3. AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

- 3.1 Upon the Scheme becoming effective and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Undertaking, the Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Transferee Company, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the Transferor Company or any part thereof. Provided however, any reference in any security documents or arrangements to which the Transferor Company is a party and under which the assets of the Transferor Company stand offered as security for any financial assistance or obligation, shall be construed as reference to the assets pertaining to the Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of this Scheme. Provided always that the Scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to Transferor Company, which shall be deemed to have been vested with the Transferee Company by virtue of the amalgamation, and the Transferee Company shall not be obliged to create any further or additional security therefore upon coming into effect of this Scheme or otherwise, except in case where the required security has not been created and in such case if the terms thereof require, the Transferee Company will create the security in terms of the issue or arrangement in relation thereto. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed/to be availed by it.

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

- 3.2 With respect to the assets forming part of the Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company without any further act or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date.
- 3.3 With respect to the assets of the Undertaking other than those referred to in Clause 3.2 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Effective Date pursuant to the provisions of Section 394 of the Act, with effect from the Appointed Date. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any leasehold properties in relation to the Undertaking shall, pursuant to Section 394(2) of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company. With regard to the licenses of the properties, the Transferee Company will enter into novation agreements, if it is so required.

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

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

- 3.5 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme; and in accordance with the provisions of relevant laws, consents, permissions, 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 shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by Transferor Company, be transferred to and vest in Transferee Company.
- 3.6 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party subsisting or having effect on or immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and shall be binding on and be enforceable by and against the Transferee Company as fully and effectually as if the Transferee Company had at all material times been a party thereto. The Transferee Company will, if required, enter into a novation agreement in relating to such contracts, deeds, bonds, agreements and other instruments as stated above. Any inter-se contracts between the Transferor Company on the one hand and the Transferee Company on the other hand shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

- 3.7 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, to be carried out or performed.
- 3.8 In so far as the various incentives, tax exemption and benefits, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Transferor Company are concerned as on the Appointed Date, including income tax benefits and exemptions including the right to deduction under Section 80IA of the Income Tax Act, 1961, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions on and from the Effective Date.
- 3.9 Upon the coming into effect of this Scheme, all debts, liabilities, duties and obligations of the Transferor Company shall, pursuant to the provisions of Section 394(2) and other applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in and/or deemed to have been and stand transferred to and vested in the Transferee Company, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.
- 3.10 (a) All debts, liabilities, duties and obligations of the Transferor Company as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of the Transferor Company which may accrue or arise from the Appointed Date but which relate to the period up to the day immediately preceding the Appointed Date, shall become the debts, liabilities, duties and obligations of the Transferee Company.
- (b) Where any of the liabilities and obligations attributed to the Transferor Company on the Appointed Date has been discharged by it after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been, for and on behalf of the Transferee Company. Where after the Appointed Date and prior to the Effective Date, the Transferor Company has taken any further loans, liabilities or obligations, such further loans, liabilities or obligations shall also be deemed to have been, for and on behalf of the Transferee Company, and the Transferee Company will assume liability for the same.
- (c) Without prejudice to the provisions of the foregoing Clauses, and upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars **and/or**

modification(s) of charge, with the Registrar of Companies, Bihar & Jharkhand at Ranchi, Jharkhand and Registrar of Companies, Madhya Pradesh at Gwalior, Madhya Pradesh to give formal effect to the above provisions.

- (d) If and to the extent there are loans, deposits or balances or other outstanding inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company and the Transferee Company, from the Appointed Date.
- (e) With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including inter alia any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company and the Transferee Company from the Appointed Date.
- (f) Any tax liabilities under the Income Tax Act, 1961, fringe benefit tax laws, Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Transferor Company operates, Central Sales Tax Act, 1956, any other State sales tax / value added tax laws, or service tax, or corporation tax, or other Applicable Laws and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Transferor Company's accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and tax deducted at source, tax refunds and MAT credit entitlement as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to the Transferee Company.
- (g) Any refund under the Tax Laws due to the Transferor Company consequent to the assessment and which have not been received by the Transferor Company as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- (h) Without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, including but not limited to advances recoverable in cash or kind or for value, and deposits with any government/other authority or any third party/entity, shall be available to and vest in the Transferee Company.
- (i) All debentures, bonds, other debt securities and other instruments of like nature (whether convertible into equity shares or not) including non-convertible debentures issued to/held by the Transferor Company, shall upon coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Act, without any further act, instrument or deed shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.

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

- 3.11 Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes, from the Appointed Date.
- 3.12 On and from the Effective Date, and thereafter, the Transferee Company shall be entitled to operate all bank accounts of the Transferor Company and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Transferor Company in the name of the Transferee Company in so far as may be necessary until the transfer of rights and obligations of the Transferor Company to the Transferee Company under this Scheme have been formally given effect to under such contracts and transactions.
- 3.13 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company would be replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. The Transferee Company shall be allowed to maintain bank accounts in the name of the Transferor Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of the Scheme.
- 3.14 For avoidance of doubt and without prejudice to the generality of any applicable provisions of this Scheme, it is clarified that in order to ensure the smooth transition and sales of products and inventory of the Transferor Company, manufactured and/or branded and/or labelled and/or packed in the name of the Transferor Company prior to the Effective Date, the Transferee Company shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the Transferor Company at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) may

be raised in the name of the Transferee Company after the Effective Date.

4. PERMITS, CONSENTS AND LICENSES

All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Company, pursuant to the provisions of Section 394(2) of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, the estates, assets, rights, title, interests and authorities of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in law. Upon the Effective Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded effected and or perfected, in the record of the Appropriate Authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of the Transferor Company and under the relevant license and or permit and / or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.

5. EMPLOYEES

- (a) Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company undertakes to engage all the Employees of the Transferor Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service as a result of the amalgamation of the Transferor Company with the Transferee Company. The Transferee Company agrees that the services of all such employees with the Transferor Company prior to the amalgamation of the Transferor Company with the Transferee Company shall be taken into account for the purposes of all benefits to which the said Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Transferee Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Transferee Company. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company. It is clarified that upon transfer of the aforesaid funds to the respective funds of the Transferee Company, the existing trusts created for such funds by the Transferor Company shall stand dissolved.
- (b) It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits that may be applicable and available to any of the

other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement / settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any union / employee of the Transferor Company.

6. **LEGAL PROCEEDINGS**

- 6.1 If any suit, cause of actions, appeal or other legal, quasi-judicial, arbitral or other administrative proceedings of whatever nature (hereinafter called “the **Proceedings**”) by or against the Transferor Company be pending on the Effective Date, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or of anything contained in the Scheme, but the Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company may initiate any legal proceeding for and on behalf of the Transferor Company.
- 6.2 The transfer and vesting of the Undertaking under the Scheme and the continuance of the proceedings by or against the Transferee Company under Clause 6.1 above shall not affect any transaction or proceeding already completed by the Transferee Company on and after the Appointed Date and till the Effective Date to the end and intent that the Transferee Company accepts all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

7. **CONSIDERATION**

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

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

- 7.3 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of an equity share of the Transferee Company, the Transferee Company shall not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated equity shares to a trustee nominated by the Transferee Company in that behalf, who shall hold these equity shares in trust for and on behalf of the shareholders entitled to such fractional entitlements with the express understanding that such trustee shall sell such shares at such time or times and at such price or prices to such person or persons as he/she may deem fit and shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion as their respective fractional entitlements bears to the consolidated fractional entitlements.
- 7.4 The Transferee Company shall apply for listing of the equity shares issued in terms of Clause 7.1 above on the Stock Exchanges in terms of the SEBI Circulars, upon the receipt of the order of High Court and in compliance of the SEBI Circulars.
- 7.5 Unless otherwise determined by the Board of the Transferee Company, the allotment of equity shares in terms of Clause 7.1 shall be done within the prescribed statutory period from the Effective Date.
- 7.6 The equity shares to be issued pursuant to this Scheme by the Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act 2013 (erstwhile Section 206A of the Companies Act 1956) or otherwise shall, pending allotment or settlement of dispute by order of High Court or otherwise, be held in abeyance by Transferee Company.
- 7.7 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company at its sole discretion, shall be empowered in appropriate cases, prior to or even after the Record Date, as the case may be, to effectuate such a transfer in the Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.
- 7.8 The issue and allotment of the New Equity Shares to the shareholders of the Transferor Company as provided in this Scheme, is an integral part thereof and shall be deemed to have been carried out without requiring any further act on the part of the Transferee

Company or its shareholders and as if the procedure laid down under Section 62 of the Companies Act 2013 and any other applicable provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with.

- 7.9 Upon the coming into effect of this Scheme and upon the New Equity Shares being issued and allotted as provided in this Scheme, the equity shares of the Transferor Company, both in dematerialized form and in physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date. Wherever applicable, the Transferee Company may, instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company.
- 7.10 The New Equity Shares shall be issued in dematerialized form to those equity shareholders who hold shares of the Transferor Company in dematerialized form, provided all details relating to their accounts with the depository participants are available with the Transferee Company. All those equity shareholders who hold equity shares of the Transferor Company in physical form, shall be issued New Equity Shares in physical or electronic form, at the option of such shareholders to be exercised by them on or before the Record Date, by giving a notice in writing to the Transferee Company; and if such option is not exercised by such shareholders, the New Equity Shares shall be issued to them in physical form.
- 7.11 The Transferee Company shall obtain prior approval of Appropriate Authorities before issuing New Equity Shares to non-resident shareholders of the Transferor Company, if required.

PART III

GENERAL PROVISIONS

8. COMBINATION OF AUTHORISED CAPITAL

- 8.1 Upon the Scheme becoming effective, the authorised share capital of the Transferor Company will get merged with that of the Transferee Company without payment of any additional fees and duties as the said fees have already been paid. The authorised share capital of the Transferee Company will automatically stand increased to that effect by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.
- 8.2 Consequently, the Memorandum and Articles of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13 and 14 of the Companies Act 2013 and Section 394 and other applicable provisions of the Companies Act 1956 and Companies Act 2013, as set out below:
- (a) The authorised share capital of the Transferee Company is Rs. 125,50,00,000 (Rupees One hundred twenty five crores and fifty lakhs) divided into 11,95,00,000 (eleven crores ninety five lakhs) equity shares of Rs. 10 (Rupees Ten) each, 1,50,000 (one lakh fifty thousand) 15% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "A", 1,00,000 (One Lakh) 8.57% redeemable cumulative preference shares of Rs. 100 (Rupees

One hundred) each of Series "B", 3,00,000 (three lakhs) 9.3% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "C" and 50,000 (fifty thousand) 11% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each.

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

"The Authorised Share Capital of the Company is Rs. 125,50,00,000 (Rupees One hundred twenty five crores and fifty lakhs) divided into 11,95,00,000 (eleven crores ninety five lakhs) equity shares of Rs. 10 (Rupees Ten) each, 1,50,000 (one lakh fifty thousand) 15% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "A", 1,00,000 (one lakh) 8.57% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "B", 3,00,000 (three lakhs) 9.3% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "C" and 50,000 (fifty thousand) 11% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each with power to classify or reclassify, increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force."

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

"The Authorised Share Capital of the Company is Rs. 125,50,00,000 (Rupees One hundred twenty five crores and fifty lakhs) divided into 11,95,00,000 (eleven crores ninety five lakhs) equity shares of Rs. 10 (Rupees Ten) each, 1,50,000 (one lakh fifty thousand) 15% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "A", 1,00,000 (one lakh) 8.57% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "B", 3,00,000 (three lakhs) 9.3% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each of Series "C" and 50,000 (fifty thousand) 11% redeemable cumulative preference shares of Rs. 100 (Rupees One hundred) each with power to classify or reclassify, increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force."

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

9. DIVIDENDS

- 9.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period ending 31st March, 2015 consistent with the past practice. Any other dividend shall be recommended/ declared only by the mutual consent of the Parties.
- 9.2 On and from the Effective Date, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit.
- 9.3 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Company and/or the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Company and/or the Transferee Company as the case may be.

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

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

- (a) On the Scheme becoming effective, the Transferee Company shall account for the amalgamation of the Transferor Company in its books of account with effect from the Appointed Date.
- (b) The Amalgamation of the Transferor Company shall be accounted for in the books of account of the Transferee Company in accordance with "Pooling of Interests Method" of accounting as per the Accounting Standard (AS) 14, 'Accounting for Amalgamations' issued by the Institute of Chartered Accountants of India, as notified under Section 133 of the Companies Act, 2013.
- (c) All assets and liabilities, including reserves, of the Transferor Company transferred to the Transferee Company under the Scheme shall be recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as recorded in the books of account of the Transferor Company.

- (d) The balance in the reserves & surplus account of the Transferor Company shall be transferred to the corresponding reserves in the Transferee Company. In other words, identity of reserves of Transferor Company shall be preserved.
- (e) The balance of the Profit and Loss Account of the Transferor Company shall be aggregated with the balance of the Profit and Loss Account of the Transferee Company.
- (f) The difference between the share capital of the Transferor Company and face value of New Equity Shares issued by the Transferee Company in terms of Clause 7.1 above to the shareholders of the Transferor Company shall be adjusted in the Capital Reserves of the Transferee Company.
- (g) In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with Accounting Standard (AS) 5 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies', in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- (h) All inter-corporate deposits, loans and advances, outstanding balances or other obligations between the Transferor Company and the Transferee Company shall be cancelled and there shall be no further obligation/ outstanding in that behalf.

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

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

- 11.1 The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the Undertaking of the Transferor Company for and on account of, and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said Undertaking with utmost prudence until the Effective Date.
- 11.2 With effect from the date of the Board meeting of the Transferee Company and the Transferor Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall preserve and carry on its business and activities with reasonable diligence and business prudence and shall not, without the prior consent in writing of any of the persons authorised by the Board of the Transferee Company, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any guarantees, indemnities, letters of comfort or commitments or sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with its fixed assets or any part thereof, except in the ordinary course of business, or pursuant to any pre-existing obligation(s) undertaken by the Transferor Company. It is clarified that if such matters are sought to be undertaken outside of the ordinary course of business, the same may be undertaken with the prior written consent of any of the persons authorised by the Board of the Transferee Company.
- 11.3 All the profits and income accruing or arising to the Transferor Company and losses,

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

- 11.4 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall not, without the prior consent in writing of any of the persons authorised by the Board of the Transferee Company, undertake (i) any material decision in relation to its business and affairs and operations; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business or change the capacity of facilities.
- 11.5 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall not vary the terms and conditions of employment of any of its employees, without the prior consent in writing of any of the persons authorised by the Board of the Transferee Company, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to such date.
- 11.6 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferor Company shall not, without the prior written approval of any of persons authorised by the Board of the Transferee Company, make any change in its capital structure, whether by way of increase, decrease, reduction, re-classification, sub-division, consolidation or re-organisation, or in any other manner.
- 11.7 With effect from the date of the Board meeting of the Transferee Company approving the Scheme and up to and including the Effective Date, the Transferee Company shall be entitled to depute its employees and/or representatives to the office(s) of the Transferor Company to ensure compliance with the provisions of this Scheme.
- 11.8 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company and to give effect to the Scheme.
- 11.9 Notwithstanding anything stated in this Scheme, upon the Scheme becoming effective, and if required, the Transferee Company is authorized to execute all such deeds and documents, whatsoever, that may be required and/or ought to have been executed by the Transferor Company, as if the Transferor Company was in existence.

12. VALIDITY OF EXISTING RESOLUTIONS, ETC.

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

Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

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

14. APPLICATIONS/PETITIONS TO THE HIGH COURT AND APPROVALS

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

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

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

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

15.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate(s) of the Transferor Company and/or the Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of

doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

16. Upon the coming into effect of this Scheme, the Transferee Company shall be entitled to file / revise its Income Tax returns, TDS Certificates, TDS returns, wealth tax returns and other statutory returns to the extent required. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of Tax Deducted at Source, credit of foreign tax paid/ withheld, etc., if any, as may be required consequent to the implementation of the Scheme.
17. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

18. **CONDITIONS PRECEDENT**

18.1 The Scheme is conditional on and subject to:

- (a) The sanction or approval of the Competition Commission of India and other sanctions and approvals (as may be required by law) in respect of the Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted;
- (b) Approval of the Scheme by the requisite majority of each class of members of the Transferor Company and the Transferee Company, as required under the Act and as may be directed by the High Courts;
- (c) The sanctions and orders of each of the High Courts, under Sections 391 to 394 of the Act, being obtained by the Transferor Company and the Transferee Company;
- (d) The Parties complying with other provisions of the SEBI Circulars, including seeking approval of the members of the Parties through postal ballot and e-voting. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as required under the SEBI Circulars;
- (e) Requisite approval / no objection certificates from the Appropriate Authority(ies) required under Applicable Law, being obtained pursuant to the Scheme, for the transfer and vesting of the estate, assets, title, interest and other rights in the immoveable properties of the Transferor Company set out in Clause 3.4 above, in favour of the Transferee Company, unless this condition is waived by the Board of the Transferee Company; and
- (f) Certified/authenticated copies of the orders of the High Court(s), sanctioning the Scheme, being filed with the relevant Registrar of Companies having jurisdiction.

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

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

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

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

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

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

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

20. COSTS, CHARGES AND EXPENSES

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

SCHEDULE 1 LIST OF IMMOVEABLE PROPERTIES

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

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

**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:

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 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 (1) 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", 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 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 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, "Nal 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 an 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", 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 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 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 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 Chandirarnani in CP (CAA) Nos. 31 and 32 of 2017, the said person did not appear before this Tribunal and, therefore, the contents of 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 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 cutoff 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

**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:

- (d) 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
- (e) 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. 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:

- (d) Part I of the Scheme deals with definitions and interpretations, and sets out the share capital of the Transferor Company, the Transferee Company/ Demerged Company and the Resulting Company;
- (e) Part II of the Scheme deals with the amalgamation of the Transferor Company with the Transferee Company;
- (f) 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

- (g) 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.

“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.

“BSLI” 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 (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.

“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 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.

“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;
- 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
5,00,000 Redeemable Preference Shares of Rs 100 each	5,00,00,000
Total	180,00,00,000
Issued Share Capital	
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	
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
<u>Share Capital Suspense</u> 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 Grasim 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

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 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 immoveable 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 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 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 stood 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 inter-se 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 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.

- 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 deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case maybe, continued by or against the Transferee Company after the coming into effect of Part II 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 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 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;
 - 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 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.
- 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, 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 condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

- 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:

“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 TRANSFEEE 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/ 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-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 grin, 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 procures, 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 quality 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 buildings, structures, works, transmission lines, substation bay equipment, machineries, 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, assemblies and sub-assemblies 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 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 immoveable 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 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 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 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.
- 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 relatable 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 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.

- 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 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-principally approved that, upto 1.5% (one and a half percent) of the fully diluted paid up capital of the Resulting Company, post 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 (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.
- 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 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

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.
- 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 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 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.
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.

**NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH at AHMEDABAD BENCH
AHMEDABAD
COURT-1**

**MP/CP(CAA) No.12 of 2020 in
CA(CAA) No.4/230-232/NCLT/AHM/2020**

In the matter of:

M/s. Grasim Industries Limited

A company incorporated under the provisions of the Gwalior Companies Act (1 of Samvat 1963) and now governed by the Companies Act, 2013 and having its registered office at Birlagram, Nagda, Ujjain - 456 331, Madhya Pradesh.

... Petitioner Company
(Transferee Company)

Order delivered on 12th November, 2020.

**Coram: Madan B. Gosavi, Member (Judicial)
Virendra Kumar Gupta, Member (Technical)**

Appearance:

Mr. Sandeep Singhi and Ms. Parini Shah, Advocates, for M/s. Singhi & Co., for the Petitioner Company.

[Per: Bench]

ORDER

1. This petition is filed under Sections 230 to 232 of the Companies Act, 2013 (herein after referred to as "the Act") by the aforesaid Petitioner Company seeking sanction of proposed Scheme of Arrangement between Grasim Premium Fabric Private Limited (previously known as Soktas India Private Limited) (Transferor Company) and the Petitioner Company and their respective shareholders and all concerned (the Scheme) with effect from the appointed date i.e. 01.04.2019 subject to any directions/ order of Tribunal in this regard.

2. The registered office of the Transferor Company is situated at Plot No.T-8, Kagal Hatkanangle, Five Star MIDC, Kasba Sangaon, Taluka Kagal, Kolhapur-416 217, Maharashtra.
3. By the proposed Scheme, the entire business of the Transferor Company, along with all its rights and obligations as per the Scheme, shall, without any further act or deed be transferred to and vested in the Transferee Company
4. The Petitioner Company of C.P. (CAA) No. 12/NCLT/AHM/2020, i.e.,Grasim Industries Limited had filed an application before this Tribunal being C.A. (CAA) No. 4/NCLT/AHM/2020, inter alia, seeking dispensation from the convening and holding of the meetings of its Equity Shareholders, Secured Creditors and Unsecured Creditors (including unsecured debenture holders). This Tribunal vide its order dated 8.7.2020 as rectified by its order dated 17.7.2020, inter alia, dispensed with the holding and convening of the aforesaid meetings.
5. The Tribunal also directed the Petitioner Company to send notices under Section 230(5) of the Companies Act, 2013 (hereinafter referred to as the "Act") to (i) the Central Government through Regional Director, North-Western Region; (ii) Registrar of Companies, Madhya Pradesh; (iii) concerned Income-Tax Authorities; (iv) the Securities and Exchange Board of India; (v) the National Stock Exchange of India Limited; and (vi) BSE Limited. The affidavit of service on behalf of the Petitioner Company dated 8.8.2020 has been filed confirming the notices being served upon the concerned statutory authorities
6. The Petitioner Company thereafter filed C.P. (CAA) No. 12/NCLT/AHM/2020 seeking sanction of the Scheme. This Tribunal by its order dated 10.9.2020 admitted the aforesaid Company Petition and directed issuance of notice of hearing of petition to the (i) the Central Government through Regional Director, North-Western Region; (ii) Registrar of Companies; (iii) Official Liquidator; and (iv) concerned Income-Tax Authorities. This Tribunal also directed publication of notice of hearing of the petition in English daily, "Free Press Journal", Indore Edition and in Hindi daily, "Nai Dunia", Indore Edition in respect of the aforesaid Petition.
7. Pursuant to the order dated 10.9.2020 passed by this Tribunal, the Petitioner Company of C.P. (CAA) No. 12/NCLT/AHM/2020 have published the notice of hearing of the petition in English daily, "Free Press Journal", Indore Edition and in Hindi daily, "Nai Dunia", Indore Edition on 15.9.2020. The affidavit of service dated 13.10.2020 has been filed confirming the publication of the notice in the newspapers as directed and also the notice of hearing of the petition being served upon the concerned statutory authorities.
8. In response to the notice to the Regional Director, North Western Region, no representation has been filed either with the Petitioner Company nor this Tribunal. The provisions of Section 230(5) state that any representations to be made by an authority shall be made within a period of thirty days from the date of receipt of such notice, failing which, it shall be presumed that they have no representations to make on the proposals. In the present matter, the Section 230(5) notice was served upon the Regional Director, North Western Region on 29.7.2020. However, as no representation has received as on date and it has been more than thirty days, it is presumed that the Regional Director has no representation to make. Similar is the case with other statutory authorities. Hence, in those cases also it is presumed that they have no objection to this Scheme.

9. The Petitioner Company has stated in the Petition that no inspection or investigation has been instituted or is pending in relation to the Companies under Chapter XIV of the Act or under the corresponding provisions of Sections 235 to 251 of the Companies Act, 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against the Companies.
10. Further it is submitted that no winding up proceedings have been filed or are pending against the Companies under the Companies Act, 2013 or the corresponding provisions of the Companies Act, 1956.
11. It has been submitted by the Learned Advocate for the Applicant that the scheme was not against the public interest. It has also been stated that it will not adversely impact any creditors, whether secured or unsecured, of the companies. It has also been submitted that the all statutory obligations under all applicable laws shall be complied with.
12. In compliance with the proviso to the Clause (e) of sub-section (7) of section 230 of the Companies Act, 2013, Certificate from the statutory Auditors of the Petitioner Company dated 30th September 2019 confirms that the Accounting Treatment as proposed under the Scheme is in conformity with the Accounting Standards prescribed under section 133 the Companies Act, 2013.
13. Heard the Ld. Counsel of the petitioner company and perused the records appears that the requirements of the provisions of Section 230 and 232 of the Act are satisfied by the petitioner company. We are of the considered view that the proposed scheme is bonafide and in the interests of Shareholders and Creditors. Consequently, the Company Petition No. **C.P. (CAA) No. 12/230-232/NCLT/AHM/2020** is allowed. We pass the Following orders,

ORDER

- I. The Composite Scheme of Merger and Amalgamation, is attached herewith as **Annexure "G"** and is approved which shall be binding on both the companies, their shareholders, creditors and all concerned under the Composite Scheme of Merger and Amalgamation. This scheme shall take effect from 01.04.2019.
- II. It is declared that the Grasim Premium Fabric Private Limited (previously known as Soktas India Private Limited) (Transferor Company) shall stand dissolved without winding up proceedings upon sanctioning of the Scheme by NCLT Mumbai and upon filing of the NCLT, Mumbai order with concerned Registrar of Companies.
- III. All the properties, rights and powers of the transferor company and all the other properties, rights and powers of the transferor company be transferred without further act or deed of the transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and vested in the transferee company for all the estate and interest of the transferor company therein but subject nevertheless to all charges now affecting the same [other than (here set out any charges which by virtue of the compromise or arrangement are to cease to have effect)].

- IV. All the liabilities and duties of the transferor company be transferred without further act or deed to the transferee company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and become the liabilities and duties of the transferee company.
- V. All proceedings now pending by or against the transferor company be continued by or against the transferee company.
- VI. The Transferee company shall, within thirty days from the date of receipt of this order, cause a certified copy of this order to be delivered to the concerned Registrar of Companies for registration.
- VII. All concerned authorities to act on a copy of this order along with the approved Composite Scheme of Merger and Amalgamation duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue an authenticated copy of this Order along with Composite Scheme of Merger and Amalgamation immediately.
- VIII. The Transferee Company is directed to lodge a copy of this Order and the approved Scheme attached herewith as **Annexure "G,"** duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, within 60 days from the date of the Order.
- IX. The Transferee Company is directed to file a copy of this order along with a copy of the Composite Scheme of Compromise Arrangement and Amalgamation duly authenticated by the Registrar of this Tribunal, with the concerned **Registrar** of Companies, electronically, along with Form INC-28 in addition to physical copy as per relevant provisions of the Act.
- X. That any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.
- XI. The Scheme of Amalgamation as approved by us forms part of this order and is attached herewith.
- XII. Hence, Company Petition No. CP (CAA) No.12 of 2020 in CA (CAA) No.4 of 2020 is disposed of.
- XIII. No order as to costs.

Sd/-
(Virendra Kumar Gupta)
Member (Technical)

Sd/-
(Madan B. Gosavi)
Member (Judicial)

**NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH AT AHMEDABAD
COURT 1**

Comp.Appl/2(IND)2021 in CP(CAA) 12 of 2020 in CA(CAA) 4 of 2020

**Coram: MADAN B. GOSAVI, MEMBER (JUDICIAL)
VIRENDRA KUMAR GUPTA, MEMBER (TECHNICAL)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING THROUGH VIDEO CONFERENCING BEFORE THE
INDORE BENCH AT AHMEDABAD OF THE NATIONAL COMPANY LAW TRIBUNAL ON 28.01.2021**

Name of the Company: Grasim Industries Ltd

Section: Application for Seeking Sanction of Scheme

ORDER

Learned Counsel Mr. Sandeep Singhi appeared for the Applicant.

The application for approval of scheme on behalf of Transferee Company was filed before us, which has been approved by us vide order dated 12.11.2020 in the said scheme as per Clause 22 it was provided that the Scheme shall stand revoked, if all approvals did not come before 31st December, 2020. Learned Counsel for the Petitioner appeared and submitted that this scheme was admitted in the case of Transferor Company before the Hon'ble Mumbai Bench of NCLT on 25th January, 2021 and because of this fact the Board of Directors had passed Resolution to amend the said scheme, whereby, the validity period of scheme for approvals had been extended upto 30th June, 2021 in lieu of 31st December, 2020.

The Learned Counsel drew our attention to the Clause 22 of earlier scheme as well as Clause 22 of the new scheme. The copy of which has been enclosed in the IA accordingly. We modify our earlier order and hold that the validity period of the proposed scheme stands extended upto 30th June, 2021. The rectified scheme, thus, submitted before us stands approved. All other terms and conditions as approved by us earlier shall remain unchanged.

Sd/-
(VIRENDRA KUMAR GUPTA)
MEMBER (TECHNICAL)

Sd/-
(MADAN B GOSAVI)
MEMBER (JUDICIAL)

Dated this the 28th day of January, 2021

**SCHEME OF ARRANGEMENT
BETWEEN
GRASIM PREMIUM FABRIC PRIVATE LIMITED
(PREVIOUSLY KNOWN AS SOKTAS INDIA PRIVATE LIMITED)
(AS THE TRANSFEROR COMPANY)
AND
GRASIM INDUSTRIES LIMITED
(AS THE TRANSFEREE COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND ALL CONCERNED**

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER**

A. Preamble

This Scheme of Arrangement (**Scheme**) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for the amalgamation of Grasim Premium Fabric Private Limited (**Transferor Company**) with and into Grasim Industries Limited (**Transferee Company**), the consequent dissolution of the Transferor Company without winding up and matters incidental thereto.

B. Parts of the Scheme

This Scheme of Arrangement is divided into the following parts:

- Part I** - Which deals with preliminary matters, definitions of the terms used in the Scheme and sets out the objects and share capital of the Transferor Company and the Transferee Company and rationale for the Scheme
- Part II** - Which deals with the amalgamation of the Transferor Company with the Transferee Company; and
- Part III** - Which deals with the general terms and conditions applicable to this Scheme.

PART I – PRELIMINARY, DEFINITIONS AND INTERPRETATIONS

1. PRELIMINARY

- 1.1 The Transferor Company, was incorporated as Soktas India Private Limited, a private company limited by shares, on 15 February 2007 under the Companies Act, 1956 with Corporate Identification Number U24233PN2007PTC133637 and has its registered office at Plot No. T-8, Kagal Hatkanangle, Five Star MIDC, Kasba Sangaon, Taluka Kagal Kolhapur – 416 217, Maharashtra. The name of the Transferor Company was changed to Grasim Premium Fabric Private Limited on 3 May 2019 pursuant to a change of name issued by the Registrar of Companies, Pune, Maharashtra, Ministry of Corporate Affairs, Government of India,
- 1.2 The Transferee Company, was incorporated on 25 August 1947 under the Gwalior Companies Act (1 of Samvat 1963) and is now governed by the Companies Act, 2013 with Corporate Identification Number L17124MP1947PLC000410 and has its registered office at Birlagram, Nagda, Ujjain - 456331, Madhya Pradesh.
- 1.3 The main objects of the Transferor Company as set out in its memorandum of association are as under:

"A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:

To carry on the business of manufactures, producers, processors, bleachers, dyers, ginner, spinners, importers, exporters, buyers, sellers, exchangers, converters, twistors and dealers in all kinds of fabrics, textile yarn, rayon yarn, filament yarn, continuous filament rayon or artificial silk yarn, acrylic fibre, polyvinyl alcohol fibre/yarn, polypropylene fibre/yarn, polyester fibre/yarn, nylon fibre/yarn, synthetic fibre/yarn, nylon, polyester, acrylics, polypropylene, silk, linen, cotton, wool jute, hemp, tapes, ropes, corns, twines, fibres and/or threads and all kinds of cloth/fabric, textile manufactured from any one or more of the above fibres/yarn.

To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers and dealers in and as brokers, agents, stockiest, distributors and suppliers of all kinds of readymade garments and or clothes made from cotton, nylon, silk, polyester, acrylics, jute, wool, rayon, and any other kinds of fibers by whatever name."

- 1.4 The main objects of the Transferee Company as set out in its memorandum of association are as under:

"3. The objects for which the Company is established are:

(a) To carry on all or any of the following business namely: manufacturers of artificial silk fibres yarns and fabrics, other varieties of synthetic fibres, yarns fabrics such as, nylon, etc.; cotton spinners and doublers, flax, hemp and jute spinners, linen and cloth manufacturers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers and markets of vitrol bleaching, dyeing materials and raw materials and chemicals required in the production of synthetic fibres and yarn.

(b) To purchase, comb, prepare, spin, dye and deal in artificial silk and other synthetic fibres and yarns, cotton flax, hemp, jute, wool, silk, and any fibrous substances.

(c) To weave, knit and otherwise manufacture, buy and sell and deal in artificial silk and other synthetic fibres and yarns, linen, cloth and other goods and fabrics, whether textile, felted, netted or looped.

...

(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 grin, 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..."

- 1.5 The Transferor Company is engaged in the business of manufacture and distribution of grey and dyed fabrics including yarn dying and dyed / bleached yarn.
- 1.6 The Transferee Company is engaged in, *inter alia*, the business of manufacture of viscose staple fiber, viscose filament yarn and textiles.
- 1.7 The Transferor Company is the wholly owned subsidiary of the Transferee Company. The Transferee Company's equity shares are listed on the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE**) (collectively, **Stock Exchanges**) and its global depository receipts are listed on the Luxemburg Stock Exchange.
- 1.8 The Scheme does not affect the rights of the creditors of the Transferor Company and the Transferee Company as there will not be any reduction in amounts payable to the creditors of the Transferor Company and the Transferee Company post sanctioning of the Scheme. The Scheme also does not affect the rights of the creditors of the Transferor Company and the Transferee Company as they are financially sound, solvent and profit making as may be evidenced by their financial statements.
- 1.9 There are no proceedings / investigations pending against the Transferor Company and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 and 227 of the Companies Act, 2013.

2. DEFINITIONS

- 2.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:
 - 2.1.1 **Act** means the Companies Act, 2013 and the rules and regulations made thereunder;
 - 2.1.2 **Appointed Date** means 1 April 2019 or such other date as the Board of Directors of the Transferor Company or the Transferee Company or as the Tribunal may direct;
 - 2.1.3 **Applicable Law(s)** means central, state, provincial, local or municipal statute law, common law, ordinance, rule, regulation, order, writ, injunction, directive, judgment, decree, or policy or guideline having the force of law for the time being in the Republic of India;
 - 2.1.4 **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;
 - 2.1.5 **Board of Directors** or **Board** means the board of directors of the Transferee Company or the Transferor Company, as the case may be, and unless repugnant to the subject, context or meaning

thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the board of directors or by any such committee;

- 2.1.6 **BSE** means the BSE Limited;
- 2.1.7 **Effective Date or coming into effect of this Scheme or upon the Scheme becoming effective or effectiveness of the Scheme** means the date on which the certified copy of the order of the Tribunal under Sections 230 to 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Pune;
- 2.1.8 **Encumbrance or Encumbered** means: (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title, retention, security interest or other encumbrance or interest of any kind securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by any transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (ii) a contract to give or refrain from giving any of the foregoing; (iii) any voting agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (iv) any adverse claim as to title, possession or use;
- 2.1.9 **NSE** means the National Stock Exchange of India Limited;
- 2.1.10 **Scheme** means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed / attached hereto) or with any modification(s) and amendments made under Clause 20 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other Applicable Laws ;
- 2.1.11 **Stock Exchanges** means the BSE and the NSE;
- 2.1.12 **Transition Period** means the period starting from the date immediately after the Appointed Date and ending on the Effective Date;
- 2.1.13 **Transferee Company** means Grasim Industries Limited, (E-mail id:grasim.secretarial@adityabirla.com) (CIN: L17124MP1947PLC000410) (PAN: AAACG4464B) a public listed company incorporated on 25 August 1947 under the Gwalior Companies Act (1 of 1963) and now deemed to be incorporated under the Act and having its registered office at Birlagram, Nagda, Ujjain - 456331, Madhya Pradesh;
- 2.1.14 **Transferor Company** means Grasim Premium Fabric Private Limited (Email id: grasimpremium.info@adityabirla.com), (CIN: U24233PN2007PTC133637), (PAN: AAKCS5899J), a private company incorporated on 15 February 2007 under the Companies Act, 1956 and having its registered office at Plot No. T-8, Kagal Hatkanangle, Five Star MIDC, Kasba Sangaon, Taluka Kagal Kolhapur – 416 217, Maharashtra; and
- 2.1.15 **Tribunal** means the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Transferor Company and appropriate bench of the National Company Law Tribunal having jurisdiction in relation to the Transferee Company.
- 2.2 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 and other Applicable Laws, bye-laws, as the case may be, or any statutory modification or re-enactment thereof for the time being in force.
- 2.3 In this Scheme, unless the context otherwise requires:

- 2.3.1 references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- 2.3.2 the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provision of this Scheme;
- 2.3.3 any phrase introduced by the terms “including”, “include” or any similar expression shall be construed without limitation;
- 2.3.4 references to one gender includes all genders;
- 2.3.5 words in the singular shall include the plural and *vice versa*; and.
- 2.3.6 any reference to any statute or statutory provision shall include:
- all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the transaction entered into under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

3. SHARE CAPITAL

- 3.1 The share capital of the Transferor Company as on 30 June 2019 is:

Particulars	Amount (in INR)
<u>Authorised share capital</u>	
1,180,00,000 equity shares of INR 10 each	1,18,00,00,000
TOTAL	1,18,00,00,000
<u>Issued, subscribed and paid-up share capital</u>	
11,30,90,553 equity shares of INR 10 each	1,13,09,05,530
TOTAL	1,13,09,05,530

As on the date of approval of the Scheme by the Board of Directors of the Transferor Company, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

The shares of the Transferor Company are not listed on the Stock Exchanges.

- 3.2 The share capital of the Transferee Company as on 30 June 2019 is:

Particulars	Amount (in INR)
<u>Authorised share capital</u>	
1,47,25,00,000 equity shares of INR 2 each	2,94,50,00,000
11,00,000 redeemable preference shares of INR 100 each	11,00,00,000
TOTAL	3,05,50,00,000
<u>Issued, subscribed and paid-up share capital</u>	
65,76,09,040 equity shares of INR 2 each*	1,31,52,18,080
28,295 equity shares of INR 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 without payment being received in cash	56,590
TOTAL	1,31,52,74,670

*The issued and paid-up share capital includes 4,04,16,635 equity shares represented by 4,04,16,635 global depository receipts as on 30 June 2019.

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

The equity shares of the Transferee Company are listed on the Stock Exchanges.

4. RATIONALE FOR THE SCHEME

4.1 The entire share capital of the Transferor Company was acquired by the Transferee Company from Söktaş Tekstil Sanayi Ve Ticaret Anonim Sirketi on 29 March 2019. As mentioned in Clause 1.5 and Clause 1.6 above, the Transferor Company and the Transferee Company are engaged in business activities that are similar to and complement that of each other. In furtherance of the same, it is believed that, the amalgamation pursuant to this Scheme would, *inter alia*, have the following benefits:

- 4.1.1 it would enable the Transferee Company to leverage its combined assets and to create a more competitive business, both in scale and operations;
- 4.1.2 consolidation of the businesses of the Transferor Company and the Transferee Company into one entity will result in focused growth, operational efficiencies, business synergies and better supervision of the textiles business of the Transferee Company;
- 4.1.3 greater financial strength and efficiency in cash management of the Transferee Company, and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities; and
- 4.1.4 rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

5. EFFECTIVENESS OF THE SCHEME AND OPERATIVE DATE

The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the Tribunal from the Appointed Date but shall be operative from the Effective Date.

PART II - AMALGAMATION OF THE TRANSFEROR COMPANY

6. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY INTO THE TRANSFeree COMPANY

- 6.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferor Company together with all respective properties, asset, investments, liabilities, rights, benefits, interests, title or power of every kind, nature, description and obligations therein shall, pursuant to the provisions of Sections 230 to 232 of the Act and in accordance with Section 2(1B) of the Income-Tax Act, 1961, without any further act, deed, matter or thing, be and stand merged and transferred to and vested in and shall be deemed to be transferred to and vested in the Transferee Company on a going concern basis in the manner described hereunder, and shall become the property of and integral part of the Transferee Company.
- 6.2 Without prejudice to the generality of Clause 6.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the assets of, or used for the Transferor Company, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery including without limitation plant and machinery, whether leased or otherwise, other fixed assets, vehicles, furniture, fixtures and appliances, computers and office equipment pertaining to the Transferor Company, shall stand vested in the Transferee Company, and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the asset or property being vested, and the title to such asset or property shall be deemed to have transferred and vested accordingly.
- 6.3 In respect of movables, other than those dealt with in Clause 6.2 above, including all current assets, investments in shares and any other securities, sundry debts, receivables, bills, credits, loans and advances related to Transferor Company, if any, whether recoverable in cash or in kind or for value to be received, deposits including accrued interest, bank balances, cash balances, development rights, advances paid to any parties for any business purpose, earnest money, security deposits, retention monies and any deposits with any government, quasi government, local or other authority or body or with customers or any company or other person, upon the coming into effect of this Scheme and with effect from Appointed Date, the same shall, without any further act, instrument or deed, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors and the same shall also be deemed to have transferred by way of delivery of possession of the respective documents in this regard.
- 6.4 All immovable properties in connection with the Transferor Company, including land together with the buildings and structures thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold (including any right to use) or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in / or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and / or the Transferee Company, and without any approval or acknowledgement of any third party. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent, charges, and taxes and fulfill all obligations in relation to or applicable to such

immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the Appropriate Authority pursuant to the sanction of this Scheme by the Tribunal in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Transferor Company is given to the Transferee Company in accordance with the terms hereof

- 6.5 Without prejudice to the generality of the Clauses above, upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all intellectual property rights, know-how, patents, trademarks and confidential information which are owned by or licensed to the Transferor Company, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world including any and all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks, appertaining to the Transferor Company, if any, shall stand transferred to and vested in the Transferee Company. The Transferee Company and the Transferor Company shall, on the Effective Date, intimate the Appropriate Authority in relation to the transfer of these intellectual property rights from the Transferor Company to the Transferee Company pursuant to this Scheme.
- 6.6 Loans and borrowings of the Transferor Company pertaining to the general or multipurpose loans and liabilities, without any further act or deed, shall become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of the Transferee Company.
- 6.7 Any inter-se contracts between the Transferor Company and the Transferee Company shall stand cancelled and cease to operate upon the effectiveness of this Scheme.
- 6.8 If and to the extent there are loans, deposits or balances or other remaining outstanding inter-se between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Effective Date, come to an end and suitable effect shall be given in the books of the Transferee Company.
- 6.9 With effect from the Effective Date, there would be no accrual of income or expense on account of any transactions, including *inter alia* any transactions in the nature of sale or transfer of any goods, materials or services between the Transferor Company and the Transferee Company.
- 6.10 In so far as the existing Encumbrance, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in Transferor Company which have been in respect of the liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets of the Transferor Company which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

- 6.11 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of the Transferor Company.

The Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor Company, and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.

- 6.12 In so far as the existing security in respect of the loans or borrowings of the Transferor Company and other liabilities of the Transferor Company are concerned, such security shall, without any further act, instrument or deed be continued with the Transferee Company. The Transferor Company and the Transferee Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 6.13 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities, duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for the Transferor Company shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing. The Transferee Company shall, and does hereby undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any.
- 6.14 Where any of the liabilities and obligations attributed to the Transferor Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee Company.
- 6.15 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all records, files, papers, engineering and process information, product and service information (including documentation, designs, formulae, drawings, data, specifications, manuals and instructions), computer programs, software, manuals, data catalogues, quotations, sales and advertising materials, business plans, budgets, forecasts and estimates, list of present and former customers and suppliers, customers credit information, customers pricing information, tax records, records to be maintained under any law, rule or regulation, and other records, whether in physical, machine readable or other form, in connection with or relating to the Transferor Company, shall stand transferred to or vested in the Transferee Company.
- 6.16 Upon the coming into effect of this Scheme, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation, assignment or novation or other writings or arrangement with any party to any contracts, deeds, bonds, agreements, commitments, understandings, binding arrangements, licenses, purchase orders and all other forms of engagements, arrangements and agreements in relation to the Transferor Company and any offers, tenders, permits, rights, subsidies, concessions, entitlements, clearances, licenses (including the licenses granted to any governmental, statutory or regulatory bodies) or the like and other instruments of whatsoever nature to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, 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 part of the Transferor Company.
- 6.17 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefits, advantages, privileges, remissions, grants, subsidies, carried forward tax losses (including depreciation) and other statutory benefits, including in respect of income tax (including and not limited to advance income

tax, taxes deducted at source, MAT credits), excise (including modvat / cenvat), customs, VAT, sales tax, service tax, GST, etc., to which the Transferor Company is entitled to shall be available to and vest in the Transferee Company. The Transferor Company and the Transferee Company shall be entitled, wherever necessary, to revise their returns filed under various laws, as may be applicable, including returns filed under the income tax, wealth tax, commercial tax / trade tax / sales tax / VAT, entry tax, GST, central excise laws, and also, without limitation, the TDS / TCS certificates.

- 6.18 Upon coming into effect of the Scheme, and with effect from the Appointed Date, the Transferee Company is also expressly permitted to revise its income tax returns and other returns filed under the tax laws and to claim refunds, advance tax including MAT and withholding tax credits, etc., pursuant to the provisions of this Scheme.

- 6.19 It is clarified that the taxes paid by the Transferor Company relating to the period on or after the Appointed Date including by way of deduction at source, which pertain to the Transferor Company, will be deemed to be the taxes paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted / paid against its tax liabilities notwithstanding that the certificates / challans or other documents for payment of such taxes are in the name of the Transferor Company.

- 6.20 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company, in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorised to execute any writings and / or carry out any formalities or compliance in this regard.

- 6.21 All licenses, permits, brands, trade marks including rights to use brands / trademarks, any other rights / entitlements, quotas, consents, exemptions, registrations, no-objection certificates, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), permissions, registrations and benefits, subsidies, concessions, grants, rights, electricity, gas, water and other service connections, telephone lines, communication facilities, installations, utilities, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, consents, exemptions, registrations, no-objection certificates, approvals (including, but not limited to, environmental approvals, statutory and regulatory approvals), permissions, registrations, incentives, accumulated tax losses, tax deferrals and benefits, subsidies, concessions, grants, rights, electricity, gas, water and other service connections, telephone lines, communication facilities, installations, utilities, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

7. CANCELLATION OF SHARES

- 7.1 The entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company along with its nominees. Upon the coming into effect of this Scheme, and

with effect from Appointed Date, no equity shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company.

- 7.2 Upon the Scheme coming into effect, and with effect from the Appointed Date, the entire issued, subscribed and paid-up equity capital of the Transferor Company shall, *ipso facto*, without any further application, act, deed or instrument stand extinguished and cancelled.
- 7.3 Upon the Scheme coming into effect, and with effect from the Appointed Date, the share certificates, if any and / or the shares in electronic form representing the equity shares held by the Transferee Company in the Transferor Company shall stand cancelled without any further act or deed for cancellation thereof by the Transferee Company, and shall cease to be in existence accordingly.

8. AGGREGATION OF AUTHORISED CAPITAL

- 8.1 The provisions of this Clause shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- 8.2 Upon the Scheme becoming effective, and with effect from the Appointed Date, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, Gwalior by the authorised share capital of the Transferor Company as on the Effective Date and the memorandum of association and articles of association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of the Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the provisions of the Act would be required to be separately passed. For this purpose, the filing fees and stamp duty, if any, already paid by the Transferor Company on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.
- 8.3 Pursuant to the Scheme becoming effective and consequent upon the amalgamation of the Transferor Company into the Transferee Company, the authorised share capital of the Transferee Company will be as under:

Particulars	Amount (in INR)
<u>Authorised share capital</u>	
*206,25,00,000 equity shares of INR 2 each	412,50,00,000
11,00,000 redeemable preference shares of INR 100 each	11,00,00,000
TOTAL	423,50,00,000

*Post adjustment of face value of equity shares of INR 10 of the Transferor Company to face value of equity shares of INR 2 of the Transferee Company.

- 8.4 It is clarified that no special resolution under Sections 13 or 14 of the Act shall be required to be passed by the Transferee Company separately in a general meeting for increase in the authorized share capital of the Transferee Company pursuant to the Scheme and Clause 5 of the memorandum of association of the Transferee Company shall stand substituted by virtue of the Scheme to read as follows:

“The Authorised Share Capital of the Company is Rs. 423,50,00,000 (Rupees four hundred and twenty three crore fifty lakh) divided into 206,25,00,000 (two hundred and six crore and twenty five lakh) equity shares of Rs. 2 (Rupees two) each, and 11,00,000 (eleven lakh) 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 condition as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”

9. ACCOUNTING TREATMENT

Notwithstanding anything to the contrary contained herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in relation to the amalgamation in its books of account in accordance with Ind AS 103 – ‘Business Combinations’ read with Appendix C to Ind AS 103 – ‘Business Combinations’.

- 9.1 The assets, liabilities and reserves pertaining to the Transferor Company would be recognized at the carrying values as appearing in the consolidated financial statements of the Transferee Company.
- 9.2 No adjustments shall be made to reflect fair values, or recognize any new assets or liabilities. The only adjustments made, will be made so as to harmonize the accounting policies.
- 9.3 The balance of the retained earnings appearing in the financial statements of the Transferor Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company. Alternatively, it may be transferred to the general reserve, if any.
- 9.4 The identity of the reserves shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.
- 9.5 Pursuant to the amalgamation of the Transferor Company with the Transferee Company, inter-company balances between Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled. Further, the value of investments held by Transferee Company in the Transferor Company shall stand cancelled.

10. EMPLOYEES

- 10.1 On the Scheme becoming effective, all staff and employees of the Transferor Company in service on the Effective Date shall be deemed to have become staff and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to their employment in the Transferor

Company. It is clarified that the services of the staff and employees of the Transferor Company will be treated as having been continuous for the purpose of the said fund or funds.

- 10.2 With effect from the date of filing of the Scheme with the Tribunal and up to and including the Effective Date, the Transferee Company agrees that any accumulated balances and benefits standing to the credit of the employees of the Transferor Company in the existing provident fund, gratuity fund and / or superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation fund nominated by the Transferee Company or to the government provident fund.
- 10.3 With effect from the date of filing of the Scheme with the Tribunal and up to and including the Effective Date, the Transferor Company shall not vary the terms and conditions of employment of any of the employees of the Transferor Company except in the ordinary course of business or without the prior consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company.

11. CONDUCT OF BUSINESS DURING THE TRANSITION PERIOD

- 11.1 The Transferor Company and the Transferee Company have agreed that during the Transition Period, the business of the Transferor Company and the Transferee Company shall be carried out with diligence and business prudence in the ordinary course consistent with past practice in good faith and in accordance with Applicable Law.
- 11.2 During the Transition Period:
- 11.2.1 The Transferor Company shall carry on, and be deemed to have carried on the business, operations or activities of the Transferor Company and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all the assets, properties, rights, title, interest, liabilities, authorities, contracts, investments and decisions relating to Transferor Company for and on account of, on behalf of and / or in trust for, the Transferee Company.
- 11.2.2 All profits or income accruing or arising to the Transferor Company, or losses arising or expenditure incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to the Transferor Company, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure, as the case may be, of the Transferee Company. The Transferor Company shall not incur any expenditure except in the ordinary course of business.
- 11.2.3 Any of the rights, powers, authorities, privileges attached, exercised by the Transferor Company shall be deemed to have been exercised by it for and on behalf of, and in trust for and as an agent of the Transferee Company.
- 11.2.4 The Transferor Company shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, except: (i) when the same is expressly provided in this Scheme; or (ii) when the same is in the ordinary course of business as carried on the date of filing of this Scheme with the Tribunal; or (iii) when a written consent of the Transferee Company has been obtained in this regard.
- 11.2.5 All assets howsoever acquired by the Transferor Company for carrying on the business, operations or activities and the liabilities shall be deemed to have been acquired and are also contracted for and on behalf of the Transferee Company; however no onerous or extraordinary asset shall have

been acquired by, or onerous liability be incurred by the Transferor Company after the Appointed Date without prior written consent of the Transferee Company.

- 11.2.6 The Transferor Company shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Transferee Company.
- 11.3 The Transferor Company shall, pending sanction of the Scheme, apply to the Central Government, State Government, and all other agencies, department and statutory authorities concerned, wherever necessary, for such consents, approvals, sanctions, registration, exemptions as may be required / granted under any law for the time being in force which the Transferor Company and the Transferee Company require in relation to the amalgamation of the Transferor Company into the Transferee Company or which the Transferee Company requires to own the Transferor Company and carrying on the Transferor Company on a going concern basis.
- 11.4 The transfer of assets, properties and liabilities of Transferor Company and the continuance of proceedings relating thereto by or against the Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date to the end and intend that the Transferee Company accepts and adopts all acts, deeds things done and duly executed by the Transferor Company, in regard thereto as done executed by the Transferee Company on behalf of itself.
- 11.5 For the sake of clarity, it is confirmed that all assets or investments, properties, right, title or interest acquired by the Transferor Company after the Appointed Date but prior to the Effective Date in relation to the Transferor Company shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Act.

12. LEGAL PROCEEDINGS

- 12.1 If any suit, appeal and other proceedings of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this merger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. In the event that the legal proceedings referred to herein require the Transferor Company and the Transferee Company to be jointly treated as parties thereto, Transferee Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in cooperation with the Transferor Company. In the event of any difference or difficulty in determining as to whether any specific legal or other proceeding relates to Transferor Company or not, a certificate issued by the Board of Directors of the Transferor Company as to whether such proceeding relates to Transferor Company or not, shall be conclusive evidence of the matter.
- 12.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 12.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of Transferor Company.

- 12.3 On and from the Effective Date, the Transferee Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Transferor Company.

13. CONTRACTS, DEEDS OTHER INSTRUMENTS

- 13.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements (including agreements for sale of immovable property), commitments, understandings, binding arrangements, licenses, purchase orders and all other forms of engagements, arrangements and agreements and any offers, tenders or the like and other instruments of whatsoever nature to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, of this Scheme entered into by the Transferor Company prior to the Appointed Date and which are in effect (in whole or in part) as at the Appointed Date in accordance with the terms and conditions thereof, and those which are not listed therein but entered into by the Transferor Company between the Appointed Date and the Effective Date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto.
- 13.2 Further, without prejudice to the transfer and vesting of the Transferor Company to and in the Transferee Company, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings, assignment and / or novation or enter into any tripartite arrangements, confirmations, on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company, to give effect to the provisions of this Scheme or at any time after this Scheme becomes effective, if so required or becomes necessary. The contracts entered into by the Transferor Company till the Effective Date shall be vested in the Transferee Company and unless required under such contract, the Transferee Company would not be required to carry out assignment of such contracts with any party whatsoever.
- 13.3 Pursuant to the amalgamation, the Transferee Company shall be deemed to be authorised to bid for any tender of any private entity or any Government or public sector undertaking and to implement to the same extent as it would or might have been carried on by the Transferor Company. For calculating any pre-qualification criteria such as financial, technical, etc. for the Transferor Company, the track record and qualifications of the Transferor Company shall be considered and shall be deemed to automatically vest in the Transferee Company pursuant to the Scheme for purpose of such tenders.
- 13.4 As a consequence of the amalgamation of the Transferor Company into the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether relating to any license, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of business and the continuance of proceedings by or against the Transferor Company, to the extent it relates to the Transferor Company above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up. Further, on and from the Effective Date, the name of the Transferor Company shall be struck off from the records of the Registrar of Companies, Pune.

16. VALIDITY OF EXISTING RESOLUTIONS, ETC.

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

PART III - GENERAL CLAUSES, TERMS AND CONDITIONS

17. APPLICATION TO THE TRIBUNAL OR SUCH OTHER COMPETENT AUTHORITY

The Transferor Company and the Transferee Company shall make all necessary applications / petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Tribunal for sanction of this Scheme under the provisions of the law.

18. APPROVAL OF MEMBERS OF THE TRANSFEROR COMPANY AND TRANSFEE COMPANY

Each of the Transferor Company and the Transferee Company undertake that the approval of the members of each of the Transferor Company and the Transferee Company, respectively, shall be sought for the Scheme, in a meeting of such members with voting occurring through postal ballot and e-voting in accordance with the provisions of the Act. The explanatory statement to the notice sent to the members for convening such meeting shall provide all requisite details as may be material for the members to consider whilst voting on the Scheme.

19. APPROVAL OF CREDITORS OF THE TRANSFEROR COMPANY AND TRANSFEE COMPANY

Each of the Transferor Company and the Transferee Company undertake that the approval of the creditors of each of the Transferor Company and the Transferee Company, respectively, shall be sought for the Scheme, in a meeting of such creditors. The explanatory statement to the notice sent to the creditors for convening such meeting shall provide all requisite details as may be material for the creditors to consider whilst voting on the Scheme.

20. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 20.1 Subject to the approval of the Tribunal, the Transferor Company and the Transferee Company by their respective Board of Directors or any duly authorized committee may make or consent to, on behalf of all persons concerned, any modifications or amendments to the Scheme, or to any conditions or limitations that the Tribunal or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the respective Board of directors of committees, including withdrawal of this Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the Board without the approval of the Tribunal.

- 20.2 The Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Tribunal or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.
- 20.3 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor Company and the Transferee Company or any other duly authorized committee thereof are authorized severally to give such directions including directions for setting any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith 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 the Scheme.

21. CONDITIONALITY OF THE SCHEME

- 21.1 The Scheme is conditional upon and subject to the following:
- 21.1.1 the Scheme being approved by the respective requisite majorities of the members and/or creditors of the Transferor Company and the Transferee Company as required under the Act and as may be directed by the Tribunal and / or any other competent authority and it being sanctioned by the Tribunal and / or any other competent authority, as may be applicable;
- 21.1.2 the requisite sanctions, approvals, no-objections or consents of any governmental or regulatory authority, as may be required by law; and
- 21.1.3 the certified copy of the order of the Tribunal sanctioning the Scheme, being filed with the Registrar of Companies, Pune and the Registrar of Companies, Gwalior, by the Transferor Company and the Transferee Company, respectively.

22. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding Clause 21 not being obtained, or in the event of this Scheme failing to take effect, before 30 June 2021, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

23. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferee Company and all concerned parties without any further act, deed, matter or thing.

24. EXECUTING DEEDS OR ARRANGEMENTS TO GIVE EFFECT TO THE SCHEME

The Transferee Company will, at any time after the Transition Period and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor Company to which any of the Transferor Company is a party in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Company.

25. COSTS

All costs, charges, taxes including duties, levies and all other expenses if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

26. STOCK EXCHANGE DISCLOSURES

The Transferee Company shall make the necessary disclosures of the Scheme to the Stock Exchanges in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India circular number CFD/DIL3/CIR/2017/21 dated 10 March 2017, as amended from time to time.

27. SEVERABILITY

If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Transferor Company and the Transferee Company (acting through their respective Boards of Directors) shall attempt to bring about appropriate modification to this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

IN THE NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH AT AHMEDABAD

ITEM No. 17

C.P.(CAA)/1(MP)2021 in CA(CAA) 1 of 2021

Order under Section 230-232

IN THE MATTER OF:

Grasim Industries Ltd

.....Applicant

Order delivered on ..02/09/2021

Coram:

Dr. Deepti Mukesh, Hon'ble Member(J)

Mr. Virendra Kumar Gupta, Hon'ble Member(T)

PRESENT:

For the Applicant : Ld. Adv. Mr. Sandeep Singhi

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in open Court vide separate sheet.

Sd/-
VIRENDRA KUMAR GUPTA
MEMBER(TECHNICAL)

Sd/-
DR. DEEPTI MUKESH
MEMBER (JUDICIAL)

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
AT AHMEDABAD**

**CP (CAA) No. 1/MP/2021
IN
CA (CAA) No. 1/MP/2021**

**IN THE MATTER OF SECTIONS 230-232 OF THE COMPANIES ACT,
2013**

Sections 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Arrangements) Rules, 2016.

In the matter of Scheme of Arrangement between

Grasim Industries Limited

And

Indorama India Private Limited

And

Their respective shareholders and creditors.

Order Pronounced on: 02.09.2021

CORAM:

**DR. DEEPTI MUKESH
HON'BLE MEMBER (Judicial)**

**MR. VIRENDRA KUMAR GUPTA
HON'BLE MEMBER (Technical)**

MEMO OF PARTIES

Grasim Industries Limited

A company incorporated under the provisions of the Companies Act, 1913 now deemed to be incorporated under the Companies Act, 2013 and having its registered office at P. O. Birlagram, Nagda - 456 331, District Ujjain, Madhya Pradesh, India.

**...Petitioner Company No. 1
(Transferor Company)**

Indorama India Pvt. Ltd.
CIN:U74999WB2017FTC222920
Having its registered office at
Ecocentre, EM-4, 12th Floor Unit
No. ECSL 1201, Sector V, Salt Lake,
Kolkata, West Bengal - 700091

...Petitioner Company No.2
(Transferee Company)

For the Petitioner:

Mr. Arun Kathpalia, Senior
Advocate with Mr. Sandeep Singhi
and Mr. Abhishek Shah Advocates,
for M/s. Singhi & Co., for the
Petitioner Company.

ORDER

[PER- BENCH]

1. The instant petition filed by the Petitioner Company No. 1, M/s Grasim Industries Limited (hereinafter referred to as **(Transferor Company)**) for sanctioning of the Scheme of Arrangement with Indorama India Private Limited and their respective shareholders and creditors (hereinafter referred to as the "**Scheme**") subject to the approval from the NCLT, Kolkata Bench in respect of Transferee Company.
2. It is submitted that the Transferor Company is originally incorporated on August 25, 1947 under the Provision of Companies Act, 1913 as Gwalior Rayon Silk Manufacturing (Weaving) Co. Ltd. The Certificate of incorporation is annexed with the petition. Its name was changed to Grasim Industries Limited a copy of the Certificate of incorporation is annexed with the petition. A company limited by shares registered under the Registrar of Companies, Gwalior under the Provisions of the Companies Act, 1956 on July 22, 1986, vide CIN no: L17124MP1947PLC000410. The registered office of the Petitioner Company is situated at P.O. Birlagram, Nagda - 456 331, District Ujjain, Madhya Pradesh, India. The Petitioner Company is listed on Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').
3. The authorized share capital to the Transferor Company is Rs.305.50 crores divided into 1,47,25,00,000 equity shares of Rs. 2/- each and 11,00,000 preference shares of Rs. 100/- each. The issued and subscribed share capital of the transferor company is Rs. 131.59 crores divided into 65,79,51,004 equity shares of Rs. 2 each. The Transferor Company is currently engaged, inter alia in the business to carry, out manufacturing, buying, selling, marketing, trading, importing, distributing, processing, exchanging, converting, altering, twisting, or otherwise handling and dealing in cellulose, viscose rayon yarns, and fiber synthetics and other business as stated in the Memorandum of Association and Articles of Association. The copies of AOA and MOA are annexed with the petition.
4. It is submitted that Petitioner No. 2 Indorama India Private Limited (hereinafter referred to as the "**Transferee Company**") was incorporated on September 26, 2017, vide CIN no: U74999WB2017FTC222920 as a private Limited Company limited by shares with the Registrar of Companies West Bengal, under the provision of Companies Act, 2013, in the

name and style of IRC Agrochemicals Private Limited. The certificate of incorporation is annexed in the petition. Its name was changed to Indorama India Private Limited on February 18, 2020. The certificate of incorporation is annexed in the petition. The Registered office of the Transferee Company is situated at Ecocentre, EM-4, 12th Floor, Unit No. ECSL-1201 Sector V, Salt Lake, Kolkata, West Bengal 700 091.

5. The Transferee Company is having a total authorized share capital of Rs. 1,000/- crores divided into 100,00,00,000 equity shares of Rs. 10/- each. The issued and subscribed share capital of the Transferee Company is Rs. 299.5/- crores divided into 29,99,51,427 equity shares of Rs. 100/- each. The Transferee Company is currently engaged in the business of manufacturing, trading, and sale of phosphatic fertilizers, specialty fertilizers, chemicals, and others objects as given in MOA and AOA. The copies of MOA and AOA are annexed with the petition.
6. It is submitted that the separate Petition has been filed in respect to the transferee company before the NCLT Kolkata Bench for sanctioning/requisite direction, for the proposed scheme of arrangement wherein it is, inter-alia, proposed to transfer one of the Divestment Business Undertaking of the Transferor Company as a going concern on a Slump Sale basis to the Transferee Company.
7. It is further submitted that no investigation has been instituted or pending in relation to the Transferor Company under Chapter XIV of the Act or under the corresponding provisions of Sections 235 to 251 of the Companies Act, 1956. It is also stated in the application that no winding-up proceedings are filed or pending against the Petitioner Company.
8. The Transferor Company had filed an application before this Tribunal being CA (CAA) No. 1/MP/2021 for the requisite directions for holding and convening of meetings of its Equity Shareholders, Secured Creditors, and Unsecured Creditors (including unsecured debenture holders). This Tribunal vide its order dated February 26, 2021, *inter alia*, directed convening and holding of the meetings of the Equity Shareholders, Secured Creditors, and Unsecured Creditors (including unsecured debenture holders) of the said Transferor Company. This Tribunal further directed the said Transferor Company to send notices under Section 230(5) of the Companies Act, 2013 (hereinafter referred to as "**The Act**") to (i) Central Government through Regional Director, North-Western Region; (ii) Registrar of Companies, Madhya Pradesh; (iii) concerned Income-Tax Authorities; (iv) Competition Commission of India ('CCI'); (v) Bombay Stock Exchange Limited ('BSE'); and (vi) the National Stock Exchange of India Limited ('NSE').
9. The Annual Report of the Petitioner Company as of March 31, 2020, and the certificate issued by the Statutory Auditor of the Transferor Company issued under Section 133 of the Companies Act, 2013 were annexed with the application bearing no. CA(CAA)01/2021 being 1st motion application.
10. It is further submitted by the applicant companies that the notice to the Official Liquidator for the proposed scheme of Divestment undertaking is not required. Since, the proposed Scheme in respect to a transfer of one unit of the Transferor Company, hence the Transferor Company will remain to continue after coming into effect to the Scheme. Further, notice to RBI is also not required as the proposed scheme does not envisage the issuance of shares to the foreign body/corporate.
11. Notice of meetings was sent individually to the Equity Shareholders, Secured Creditors, and Unsecured Creditors (including unsecured debenture holders) of the Petitioner

Company pursuant to the order dated February 26, 2021, 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 Act, amongst others. The notice of meetings was also advertised as directed by this Tribunal vide its order dated February 26, 2021; in English daily, "**Indian Express**", all Editions on March 13, 2021, and in Hindi daily, "**Nai Dunia**". Indore Edition on March 14, 2021. Mr. N. Mohan Raj, Independent Director of the Petitioner Company, the Chairman of the meetings has already filed the requisite affidavit dated April 5, 2021, in respect of all compliance required as per the provisions of the Act.

12. The arrangement embodied in the Scheme was approved by the requisite majority of persons representing three-fourths in value of the equity shareholders of the Petitioner Company as per Section 230(6) of the Act, and unanimously by the secured creditors and unsecured creditors (including unsecured debenture holders) of the Petitioner Company through e- voting at the Video Conference ("**VC**")/Other Audio-Visual Means ("**OAVM**") meeting (Insta Poll); at their respective meetings held on April 16, 2021. The Chairman's report dated April 19, 2021, has also been filed before this Tribunal.
13. The Transferor Company thereafter filed 2nd motion CP (CAA) No. 1/MP/2021 seeking sanction of the Scheme. This Tribunal by its order dated April 22, 2021, admitted the aforesaid Company Petition and directed issuance of notice of hearing of the petition to (i) Central Government through Regional Director, North-Western Region; (ii) Registrar of Companies, Madhya Pradesh; (iii) concerned Income-Tax Authorities; and (iv) Official Liquidator, Indore. This Tribunal also directed the publication of notice of hearing of the petitions in English daily, "**Indian Express**", All Editions and in Hindi daily, "**Nai Dunia**", Indore Edition.
14. Pursuant to the order dated April 22, 2021, passed by this Tribunal, the Transferor Company has published the notice of hearing of the petition in English daily, "**Indian Express**", All Editions and in Hindi daily, "**Nai Dunia**", Indore Edition on April 24, 2021. The affidavit of service, on behalf of the Transferor Company, dated May 4, 2021, has been filed confirming the publication of the notice in the newspapers as directed and also the notice of hearing of the petitions being served upon the concerned statutory authorities.
15. It is observed that the Transferor Company has already obtained the No Objection for the proposed Scheme from NSE, BSE and the Competition Commission of India vide letter dated 05.02.2021, 05.02.2021, 28.01.2021 respectively. The same is annexed in the Petition.
16. In response to the notice under Section 230(5) of the Act to the Regional Director, North Western Region, Ministry of Corporate Affairs, the Regional Director has filed its representation dated May 4, 2021, wherein the following observations were made;
 - a. In paragraph 2(d) of the said representation, it is mentioned that the Transferor Company should comply with the requirements of the SEBI circulars.
 - b. In paragraph 2(e) of the said representation, it is mentioned by the Regional Director that there are Foreign National/ NRI/ Foreign Bodies Corporate are holding shares in the Transferor Company. The office of RD is not aware that whether the Company has complied with the provisions of FEMA and RBI guidelines or not. Hence the office of the RD prayed from this tribunal for direction to the Transferor Company to ensure the compliances of the FEMA and RBI guidelines.

17. Transferor Company has filed the necessary affidavit in reply dated May 4, 2021, to the representation dated May 4, 2021, filed by the Regional Director.
 - a. The Company in paragraph 3 of its reply has stated that the Petitioner has complied and will remain in compliance with the SEBI circulars.
 - b. The Company in paragraph 4 of its reply has stated that that under the Scheme, no shares are being allotted by the Transferee Company either to its shareholders or to the shareholders of the Petitioner Company. In these circumstances, the question of complying with the provisions of FEMA and RBI guidelines does not arise with respect to this Scheme.
18. In light of the aforesaid, this Tribunal is of the view that the observations of the Regional Director stand satisfied.
19. There is no representation received IT Department and for the proposed Scheme of Divestment Undertaking.
20. 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. Accordingly, this Company Petition is allowed. The proposed Scheme annexed as **Annexure A** is hereby sanctioned subject to the approval of the NCLT Kolkata Bench in respect of the Transferee Company.
 - a. It is further directed that the transfer of the properties belonging to the Divestment Business Undertaking of the Transferor Company is Annexed an **Annexure B**, without any further act, instrument, deed, matter, or thing be transferred to and vested into Transferee Company as a "Going Concern" on a Slump Sale basis free from all encumbrance other than liens arising or created in the ordinary course, including any Encumbrance relating to SBA and for lump sum consideration.
 - b. All proceedings which are pending except the excluded litigations given in the proposed scheme as **Schedule-3** of Divestment Business Undertaking by or against Transferor Company be continued by or against the Transferor Company.
 - c. On the scheme becoming effective, all the Excluded Litigations shall be continued, prosecuted, enforced by or against the Transferor Company. The Transferee Company shall not be liable to pay any amounts arising out of such Excluded Litigation including interest, penalties, damages, costs, etc. and the same shall be paid only by the Transferor Company.
 - d. The sanction/approval of the scheme does not come in the way of any Competent Authority(s) to take any action in the event of a violation of any law for the time being in force.
 - e. All concerned authorities to act on a copy of this order along with the Scheme duly authenticated by the Registrar of this Tribunal.

- f. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.
- g. The Transferor Company shall within thirty days of the date of the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Company, Indore for registration and the Registrar of Company shall place all documents relating to the divestment undertaking of the petitioner company registered with him on the file kept by him in relation to the transferee company and the files relating to the petitioner companies shall be consolidated accordingly;

21. The Petition is allowed and disposed of in terms of the above order.

Sd/-	Sd/-
(MR. VIRENDRA KUMAR GUPTA)	(DR. DEEPTI MUKESH)
MEMBER (T)	MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
INDORE BENCH AT AHMEDABAD**

**Division Bench
Court - 1**

ITEM No. 122
Mis.A/10(MP)2021 in C.P.(CAA)/1(MP)2021

Order under Section Extension of Time

IN THE MATTER OF:

Grasim Industries Ltd

.....Applicant

.....Respondent

Order delivered on ..23/12/2021

Coram:

Madan B. Gosavi, Hon'ble Member(J)
Ajai Das Mehrotra, Hon'ble Member(T)

PRESENT:

For the Applicant

: Ld. Adv. Mr. Sandeep Singhi a.w. Ld. Adv.
Mr. Abhishek Shah

For the RD

:Asst. Director, Mr. Liladhar Sharma

For the Respondent

:

ORDER

Mis.A/10(MP)2021

This application is filed for extension of filing the scheme with ROC. We heard learned counsel. Permissions from required Authorities are now obtained, hence, we direct petitioner to file scheme with ROC within 30 days from today.

Accordingly, **Mis.A/10(MP)2021** stands allowed and disposed of.

Sd/-
**AJAI DAS MEHROTRA
MEMBER (TECHNICAL)**

Sd/-
**MADAN B GOSAVI
MEMBER (JUDICIAL)**

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013**

BETWEEN

GRASIM INDUSTRIES LIMITED

AND

INDORAMA INDIA PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

I. PREAMBLE

This scheme of arrangement ("**Scheme**") is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013 between Grasim Industries Limited (hereinafter referred to as "**Transferor Company**"), and Indorama India Private Limited (hereinafter referred to as "**Transferee Company**") and their respective shareholders and creditors. The Scheme provides *inter alia* for the transfer of the Divestment Business Undertaking (*as more particularly defined below*) as a going concern on a Slump Sale (*as defined below*) basis by the Transferor Company to the Transferee Company for a lump sum consideration under Sections 230-232 and/or other applicable provisions of the Act (*as defined below*) and in accordance with Section 2(42C) of the IT Act (*as defined below*) and the SEBI Circular (*as defined below*).

II. INTRODUCTION

- (a) The Transferor Company is a public limited company incorporated with CIN No. L17124MP1947PLC000410 under the Gwalior Companies Act (1 Samvat 1963) and now deemed to be incorporated under the Act (*as defined hereinafter*), having its registered office at P. O. Birlagram, Nagda – 456 331, District Ujjain, Madhya Pradesh, India. The Transferor Company is currently engaged, *inter alia*, in the business of manufacture, trading and sale of urea, customised fertilisers, agri-inputs, crop protection, plant and soil health products and speciality fertilisers and has its manufacturing facilities located at Jagdishpur, Amethi, Uttar Pradesh. The Transferor Company's business constitutes the IGF Business (*as defined hereinafter*) and the Other Business (*as defined hereinafter*). The equity shares of the Transferor Company are listed on the Stock Exchanges (*as defined hereinafter*).
- (b) The Transferee Company is a private limited company incorporated with CIN No. U74999WB2017FTC222920 under the Act, having its registered office at Ecocentre, EM-4, 12th Floor, Unit No ECSL 1201, Sector V, Salt Lake, Kolkata 700091. The Transferee Company is engaged, *inter alia*, in the business of manufacture, trading and sale of phosphatic fertilizers, speciality fertilizers and chemicals and has its manufacturing facilities located at Haldia, West Bengal.
- (c) This Scheme provides for the transfer of the Divestment Business Undertaking (*as defined hereinafter*) of the Transferor Company to, and vesting thereof in, the Transferee Company, as a "going concern" on a Slump Sale basis, for a lump sum consideration, being the Final Purchase Consideration (*as defined hereinafter*), as set out hereinafter payable by the Transferee Company, to the Transferor Company, and in accordance with the terms of the Scheme and pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act.

III. RATIONALE FOR THE SLUMP SALE

- (a) The Transferor Company is desirous of transferring and the Transferee Company is desirous of purchasing, the IGF Business (*as defined below*) undertaking of the Transferor Company, i.e. the Divestment Business Undertaking, as a "going concern" on a Slump Sale basis and in consideration for a lump sum consideration, and the Parties (*as defined hereinafter*) have accordingly agreed to effect the said transfer on the agreed terms and conditions as set out herein below or otherwise mutually agreed in writing between the Parties.
- (b) The transfer of the Divestment Business Undertaking pursuant to this Scheme would *inter alia* result in the following benefits:

In case of the Transferor Company:

- (i) Further enabling the Transferor Company to pursue growth opportunities in its core business(es) with increased focus and more optimized utilization of its capital and resources; and
- (ii) Unlocking value for the Transferor Company with overall improvement in working capital cycle due to release of blocked funds from long receivable cycle in IGF Business.

In case of the Transferee Company:

- (i) Creation of value for shareholders by acquiring Divestment Business Undertaking, which is a ready-to-use assets, and reducing time to markets; and
- (ii) Allowing the expansion of the range of the products offered by the Transferee Company and its Affiliates in India.

IV. PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

- (a) **Part I** deals with the definitions and share capital of the Transferor Company and the Transferee Company;
- (b) **Part II** deals with transfer of the Divestment Business Undertaking from the Transferor Company and its vesting in the Transferee Company for consideration and matters incidental thereto; and
- (c) **Part III** deals with the general terms and conditions that would be applicable to the Scheme.

PART – I

DEFINITIONS AND SHARE CAPITAL:

1. DEFINITIONS:

- 1.1. In this Scheme unless the meaning or context otherwise requires (i) terms defined in the recitals and the introductory paragraphs above shall have the same meanings throughout this Scheme; and (ii) the following words or expressions, wherever used, (including in the Recitals and the introductory paragraphs above) shall have the following meanings:
- 1.1.1. **“Act”** means the Companies Act, 2013, the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;
- 1.1.2. **“Accounts”** means the audited accounts of the Transferor Company as they pertain to the Divestment Business Undertaking for the year ended March 31, 2020
- 1.1.3. **“Adjusted Capex Plan”** means the Capex Plan as may be revised or updated by the Transferor Company. Provided however, such revisions shall be limited to factor in items that are completed along with the actual costs incurred in relation thereto, the items that are incomplete along with the actual costs incurred and the costs that are likely to be incurred for the completion thereof. The revisions shall be based on the assessment of the Transferor Company;
- 1.1.4. **“Adjustment Time”** means 06.00 Hours (Indian Standard Time) on the Completion Date;
- 1.1.5. **“Affiliate”** means, in relation to a Party, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control with the Transferor Company, or the Transferee Company, as the case may be;
- 1.1.6. **“Annual Capex Plan”** means the annual capex plan for financial year ended March 31, 2022 as mutually agreed to between the Parties in writing;
- 1.1.7. **“Applicable Law”** means, any binding, state, national or local statute, law, ordinance, rule, regulation, order, writ, injunction, directive, judgment or decree, approval, guideline, press note, or other requirement or any similar form of determination by or decision of any Governmental Authority applicable to a Person or any of their respective properties or assets;
- 1.1.8. **“Appointed Date”** means the Effective Date, or such other date as may be agreed to in writing between the Boards of the Transferor Company and the Transferee Company and approved by the Tribunals;
- 1.1.9. **“Approval”** means any permission, approval, consent, license, order, decree, authorization, authentication of, or registration, qualification, designation, declaration or filing with or notification, exemption or ruling to or from any Governmental Authority required under any statute or regulation;
- 1.1.10. **“Assumed Litigation”** shall mean all legal proceedings, suits, claims, disputes, causes of action, litigations, petitions, appeals, writs, legal, taxation or other proceedings of whatever nature, (including before any statutory or quasi-judicial authority or tribunal), under Applicable Law, by or against the Transferor Company in relation to or pertaining exclusively to the Divestment Business Undertaking (or a part thereof) or arising from the operations thereof, however excluding Excluded Litigations;

- 1.1.11. **“Board” or “Board of Directors”** means the boards of directors of the Transferor Company and/ or the Transferee Company, as the context may require, and shall include a committee of such board duly constituted and authorized;
- 1.1.12. **“Business Day”** means any day, other than a Saturday and Sunday, on which banks in Mumbai and Uttar Pradesh, India remain open for normal business;
- 1.1.13. **“Capex Adjustment”** means the aggregate capex adjustment for Capex Plan and Annual Capex Plan, and shall be: (a) with respect to Capex Plan, the Adjusted Capex Plan minus the cost of capex items on the Capex Plan incurred (including any advances paid against such item) by the Transferor Company till Completion Date, minus capital expenditure incurred (including any advances paid against such item) by the Transferor Company with the prior written consent of the Transferee Company, plus creditors for capital goods towards each item at the Completion Date, (b) with respect to Annual Capex Plan, the Pro-Rata Capex Plan minus the cost of such items on the Annual Capex Plan incurred including any advances paid against such item by the Transferor Company till Completion Date plus creditors for capital goods towards each item at the Completion Date. It is clarified that if the Capex Adjustment is a positive number, the absolute amount will be deducted from the Completion Date Payment /Final Purchase Consideration. If the Capex Adjustment is a negative number, the absolute amount will be added to the Completion Date Payment/Final Purchase Consideration.
- It is clarified with respect to the Capex Plan that if the Transferor Company completes such capex items to a generally acceptable standard but at a lower or higher cost than the amount set out in the Capex Plan, the difference, shall be to the account of the Transferor Company. In the event that the Transferor Company and the Transferee Company agree that the Transferor Company will undertake additional projects at the cost of the Transferee Company, this cost will added to the Final Purchase Consideration, as defined in the Capex Adjustment;
- 1.1.14. **“Capex Plan”** means the capex plan with the estimated costs as agreed to and identified as the Capex Plan between the Parties in writing;
- 1.1.15. **“CCI”** means the Competition Commission of India;
- 1.1.16. **“Completion Date”** means a date mutually agreed between the Parties which shall be no later than 30 (thirty) days from the later of (a) date of receipt of the later of the Tribunal Order(s) sanctioning the Scheme (or the Tribunal Order(s) for condonation of delay in or granting extension of time for filing form e-Form INC 28, if applicable); and (b) completion (or waiver, if contemplated) to the reasonable satisfaction of Transferor Company or Transferee Company, as applicable, of the last of the conditions set out in Clause 23.1.1 to 23.1.5 of this Scheme;
- 1.1.17. **“Completion Date Payment”** has the meaning ascribed to such term in Clause 12.3;
- 1.1.18. **“Completion Underpayment”** has the meaning ascribed to such term in Clause 14.6;
- 1.1.19. **“Completion Overpayment”** has the meaning ascribed to such term in Clause 14.7;
- 1.1.20. **“Consent”** means any license, permission, approval, clearance, permit, notice, consent, authorization, waiver, grant, concession, agreement, certificate, exemption, order, or registration from any Governmental Authority or any other Person;
- 1.1.21. **“Control”** and its co-related words “Controlled by” or “under common Control with”, in relation to any Person, means: (i) the beneficial ownership, directly or indirectly, of more than 50% (fifty

percent) of the voting power exercisable at any meeting of the members of such Person; or (ii) the power to elect a majority of the members of the management board (including directors) of such Person; or (iii) power to direct the management or policies of such Person;

1.1.22. **“Current Assets”** means, as of any specified date, all such assets relating or assigned to the Divestment Business Undertaking, which are customarily called current assets under the Indian GAAP other than cash and cash equivalents, and as provided for in the relevant statement of the Transferor Company;

1.1.23. **“Current Liabilities”** means, as of any specified date, all such liabilities relating or assigned to the Divestment Business Undertaking, which are customarily called current liabilities under the Indian GAAP, and as provided for in the relevant statement of the Transferor Company;

1.1.24. **“Divestment Business Undertaking”** means the business, undertaking, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisable for the conduct of, or the activities or operations of, the IGF Business, as a going concern, and includes without limitation:

- (i) the Divestment Assets;
- (ii) all permits, licenses, permissions, right of way, approvals, authorisations, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, bid acceptances, concessions, subsidies, indirect tax deferrals, and exemptions and other benefits (in each case including the benefit of any applications made for the same), if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any governmental, statutory or regulatory or local or administrative bodies, organizations or companies for the purpose of carrying on the IGF Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that form part of the IGF Business;
- (iii) all insurance policies pertaining to the IGF Business save and except any insurance policies generally taken for the entire business of the Transferor Company;
- (iv) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Transferor Company forming part of the IGF Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company and forming part of the IGF Business;
- (v) the Divestment Liabilities;
- (vi) the Divestment Contracts;
- (vii) Assumed Litigation; and
- (viii) the Divestment Employees.

It is clarified that the Divestment Business Undertaking shall not include the Remaining Assets, Excluded Employees and Excluded Liabilities;

1.1.25. **“Divestment Assets”** means:

- (i) all immovable properties and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way/use, tenancies or otherwise) including boundary wall, roads, drains and culverts, civil works, foundations for civil works, buildings, warehouses, offices, trees, together with all plant and machinery embedded etc., which immovable properties form part of the IGF Business (including the Divestment Real Estate) whether or not recorded in the books of accounts of the Transferor Company and all documents (including Khatauni, panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of rental agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;
- (ii) all assets, as are movable in nature forming part of the IGF Business, whether present or future or contingent, tangible or intangible, in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, pipeline, capital work in progress, furniture, fixtures, fixed assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, railway siding, locomotive, livestock, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants), actionable claims, earnest monies and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches undertaking the IGF Business, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with government, semi-government, local and other authorities and bodies, banks, customers and other persons, provisions, funds, benefits of all agreements, bonds, debentures, debenture stock, units or pass through certificates, the benefits of any bank guarantees, performance guarantees and indirect tax related assets/credits, including but not limited to goods and service tax input credits, service tax input credits, central value added tax credits, value added/ sales tax/ entry tax credits or set-offs,

including the Divestment Equipment, Records, Divestment Contracts, Divestment Intellectual Property, Transferring Inventory, the Current Assets, Non Current Assets, forming part of the IGF Business;

1.1.26. **“Divestment Contracts”** means all contracts, agreements, purchase orders/ service orders, operation and maintenance contracts, memoranda of understanding/ undertakings/ agreements, memoranda of agreed points, bids, tenders, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, power purchase agreements, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, assurances, claims and benefits thereunder, in relation to the IGF Business, as agreed to and identified in writing between the Parties;

1.1.27. **“Divestment Employees”** means such employees of the IGF Business as on the Completion Date that will be transferred to the Transferee Company comprising:

- (a) the employees of the Transferor Company based at the Plant who are involved in the operations and production activities of the Plant other than Excluded Employees;

- (b) the employees of the Transferor Company based at any other location working for IGF Business including employees working in sales and marketing, research and development, business development, liaising work etc.; and
 - (c) minus the employees that are serving their notice period as on the Completion Date.
- 1.1.28. **“Divestment Equipment”** means the plant and machinery forming part of the Divestment Assets, as stated in the relevant extracts of the fixed assets register of the Transferor Company;
- 1.1.29. **“Divestment Intellectual Property”** means all intellectual property rights, applications (including hardware, software, licenses, source codes, para meterisation and scripts), registrations, goodwill, trade names, service marks, copyrights, patents, project designs, marketing authorization, approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, domain names, designs, trade secrets, research and studies, technical knowhow, confidential information and other benefits (in each case including the benefit of any applications made for the same), exclusively relating to or forming part of the Divestment Business Undertaking, including copyrights, trademarks, service marks, all brands including ‘Shaktiman’ and ‘Oorja’ (but excluding the Grasim/ABG Name) to the extent such intellectual property rights are vested in the Transferor Company and subject to such terms and conditions as are applicable to the Transferor Company in respect thereof. For the avoidance of doubt it is clarified that the Grasim / ABG Name and all rights therein or thereto shall not form part of the Divestment Intellectual Property;
- 1.1.30. **“Divestment Liabilities”** means all the debts, loans, duties, liabilities, obligations, of any nature whatsoever exclusively arising out of or pertaining to, in any manner, the IGF Business or the operation thereof or the result or consequences of Assumed Litigations;
- 1.1.31. **“Divestment Real Estate”** means the lands being used by the Transferor Company for the IGF Business, list whereof as of the Reference Date is specified in **Schedule 2** (*Divestment Real Estate*);
- 1.1.32. **“Effective Date”** means the last of the dates on which the conditions and matters referred to in Clause 23.1 occur or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. Reference in this Scheme to the date of “coming into effect of this Scheme” or the “Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date. The Effective Date shall be the Completion Date;
- 1.1.33. **“Encumbrance”** and its co-related words **“Encumbered”** means (a) any mortgage, pledge, lien, charge (whether fixed or floating), hypothecation, assignment, deed of trust, title retention, right of set-off or counterclaim, security interest security letter conferring any priority of payment in respect of, any obligation of any Person; (b) purchase or option agreement or arrangement, right of first refusal, right of first offer, restriction on voting; (c) subordination agreement or arrangement; (d) agreements to create or effect any of the foregoing; (e) interest, option, or transfer restriction in favour of any Person; (f) any adverse claim as to title, possession or use and (g) any encroachment on immovable properties;
- 1.1.34. **“Estimated Working Capital Adjustment”** means an amount equal to the absolute value of the difference between (i) the Estimated Working Capital Amount; and (ii) the Target Working Capital;
- 1.1.35. **“Estimated Working Capital Amount”** has the meaning ascribed to such term in Clause 12.3;
- 1.1.36. **“Excluded Employees”** means such employees of the Transferor Company as are mutually agreed in writing between the Transferor Company and the Transferee Company;

- 1.1.37. **“Excluded Liabilities”** means any liabilities or obligations that do not form a part of the Divestment Business Undertaking, including to the extent they are related to or arise out of (a) the Other Business; (b) the Remaining Assets; (c) Excluded Litigations; and/or (d) any liabilities arising on account of Direct Taxes for the period prior to Completion Date;
- 1.1.38. **“Excluded Litigations”** means such litigation proceedings listed in **Schedule 3** (*Excluded Litigations*);
- 1.1.39. **“Existing Stock Option Schemes”** means schemes/plans determining entitlements to the Divestment Employee with respect to Stock Options, including (a) the Employee Stock Option Scheme 2018 and Stock Appreciation Rights Scheme 2018, each as approved by Board of the Transferor Company on August 14, 2018, formulated in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended); and (b) Employee Stock Option Scheme 2013 and each of Stock Appreciation Rights Plans ‘SARs 2013’, as approved by Board of the Transferor Company on October 18, 2013 and November 14, 2017 respectively, formulated in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended);
- 1.1.40. **“Final Completion Statement”** means the statement determined in accordance with Clause 14.1 or Clause 14.2, as the case may be;
- 1.1.41. **“Final Determination Date”** has the meaning ascribed to such term in Clause 14.1 or Clause 14.2, as the case may be;
- 1.1.42. **“Final Purchase Consideration”** has the meaning ascribed to such term in Clause 12.1;
- 1.1.43. **“Financial Indebtedness”** means any long-term and short-term interest bearing loans and borrowings availed by the Transferor Company from scheduled commercial banks pertaining to or forming part of the Divestment Business Undertaking excluding any SBA;
- 1.1.44. **“Governmental Authority(ies)”** means any: (a) national, provincial or local government or political subdivision or department thereof of any jurisdiction, or any governmental, administrative or regulatory body, commission, board, bureau, agency or instrumentality, or any court, arbitrator, alternative dispute resolution body or tribunal, in each case with applicable jurisdiction; or (b) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative functions of the government or Tax authority or power of any nature, in respect of the Transferor Company, the Transferee Company or this Scheme;
- 1.1.45. **“Governmental Authorization”** means all filings, including Consents and Approvals, with any Governmental Authority, Consents (to the extent required from a Governmental Authority), licenses, franchises, permits, concessions, exemptions, orders, certificates, registrations, re-registrations, applications, declarations and filings pertaining to the aforesaid issued, granted, given or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Applicable Law;
- 1.1.46. **“Grasim / ABG Name”** means (a) any trademark, service mark, trade name, service name, brand name, slogan, logo, Internet domain name and corporate name and other identifier of source or goodwill that includes the word “Birla”, “Aditya Vikram Birla”, “Aditya Birla Group”, “Grasim”, “AVB”, “ABG”, including the logo associated with such names, (b) any and all other derivatives of the word “Birla”, “Aditya Vikram Birla”, “Grasim”, “AVB”, “ABG”, (c) any names or derivatives of the operating subsidiaries, group companies, or Affiliates of the Transferor Company and any

trademark, service mark, trade name, service name, brand name, slogan, logo, Internet domain name and corporate name and other identifier of source or goodwill that is owned by operating subsidiaries, group companies, or Affiliates of the Transferor Company, including the logo associated with such names (d) trade dress, including graphics, colors and designs appearing on product packaging and labels, relating to any of items identified in (a) through (c) above;

- 1.1.47. **“Holdback Amount”** means the aggregate of all Old Subsidy Holdback Amounts and Slow Moving Subsidy Holdback Amounts;
- 1.1.48. **“IGF Business”** means the business of manufacture, trading and sale of urea, customised fertiliser, agri-inputs, crop protection, plant and soil health products and speciality fertilisers conducted by the Transferor Company at the Plant and otherwise;
- 1.1.49. **“IT Act”** means the Income Tax Act, 1961, the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force;
- 1.1.50. **“Independent Auditor”** means an independent accounting firm, jointly appointed by the Parties in accordance with terms mutually agreed between them in writing.
- 1.1.51. **“Indian GAAP”** means and refers to the generally accepted accounting principles as applicable in India, including inter alia accounting standards and other authoritative pronouncements, issued by the Institute of Chartered Accountants of India, or such other body or person having a right under Applicable Laws to issue such accounting standards and other authoritative pronouncements;
- 1.1.52. **“Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and shall include any statutory modification, amendment, and re-enactment thereof for the time being in force or any act, regulations, rules, guidelines etc., that may replace such Regulations;
- 1.1.53. **“Long Stop Date”** shall mean February 12, 2022, or such other date as may be mutually agreed in writing between the Parties;
- 1.1.54. **“Non Current Assets”** means, as of any specified date, all such assets relating or assigned to IGF Business, which are customarily called non current assets under the relevant prevailing Indian accounting standards;
- 1.1.55. **“Non Current Liabilities”** means, as of any specified date, all such liabilities relating or assigned to IGF Business, which are customarily called non-current liabilities under the relevant prevailing Indian accounting standards;
- 1.1.56. **“NRC Committee”** has the meaning ascribed to such term in Clause 9.1.7 (i);
- 1.1.57. **“Old Subsidies”** means the subsidies pertaining to the Divestment Business Undertaking the payment of which has not been received by the Transferor Company as on the Reference Date, and as mutually identified and agreed to between the Parties in writing, details in relation to which shall be updated as on the Completion Date, and **“Old Subsidy”** shall mean any one of them;
- 1.1.58. **“Ordinary Course”** means any action taken by or on behalf of a Person that is recurring in nature or is taken in the ordinary course of that Person's normal operations;

- 1.1.59. **“Other Business”** means any business of the Transferor Company other than the IGF Business, and includes any business of Transferor Company conducted under the Grasim / ABG Name brands other than the IGF Business;
- 1.1.60. **“Parties”** means the Transferor Company and the Transferee Company, collectively; and each of Transferor Company and Transferee Company individually, a **“Party”**;
- 1.1.61. **“Person”** means any individual or other entity, whether a corporation, firm, body corporate, joint venture, trust, association, organization, partnership or proprietorship, whether or not having a separate legal personality, including any Governmental Authority;
- 1.1.62. **“Plant”** means the plants utilised for the manufacture of urea, customized/ speciality fertilisers owned by the Transferor Company, located at Jagdishpur, District Amethi, Uttar Pradesh;
- 1.1.63. **“Preliminary Completion Statement”** has the meaning ascribed to such term in Clause 14.1;
- 1.1.64. **“Pro-Rata Capex Plan”** means such proportion of Annual Capex Plan as is determined on the basis of the capital expenditure apportioned on daily basis, to be incurred by the Transferor Company based on number of days elapsed between April 1, 2021 and the Completion Date;
- 1.1.65. **“Proposed Completion Statement”** has the meaning ascribed to such term in Clause 12.3;
- 1.1.66. **“Purchase Consideration”** has the meaning ascribed to such term in Clause 12.1;
- 1.1.67. **“Records”** means any and all books, accounts and other records relating to the Divestment Business Undertaking held by the Transferor Company to the extent that they relate to the period up to the Completion Date;
- 1.1.68. **“Reference Date”** means November 12, 2020;
- 1.1.69. **“Remaining Assets”** means all properties, assets, contracts or rights of the Transferor Company or any right, title or interest therein, other than those forming part of the Divestment Business Undertaking, and shall also include identified properties as agreed to and identified in writing between the Parties;
- 1.1.70. **“Representatives”** means the directors or authorized officers of the Transferor Company or the Transferee Company;
- 1.1.71. **“RoC”** means the jurisdictional Registrar of Companies;
- 1.1.72. **“Rs.”** or **“Rupees”** or **“INR”** means Indian Rupees, the lawful currency of India;
- 1.1.73. **“SBA”** means any special banking arrangements in relation to subsidies receivable in relation to the Divestment Business Undertaking;
- 1.1.74. **“SEBI”** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 1.1.75. **“SEBI Circular”** means circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, on Schemes of Arrangement by Listed Entities and Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, issued by SEBI, as amended or replaced from time to time including by circular nos. CFD/DIL3/CIR/2017/26 dated March 23, 2017, CFD/DIL3/CIR/2017/105

dated September 21, 2017, CFD/ DIL3/CIR/2018/2 dated January 03, 2018 and CFD/DIL1/CIR/P/2020/215 dated November 3, 2020;

- 1.1.76. **“Slow Moving Subsidies”** means the subsidies pertaining to the Divestment Business Undertaking the payment of which has not been received by the Transferor Company as on the Reference Date, and as mutually identified and agreed to between the Parties in writing, details in relation to which shall be updated as on the Completion Date, and **“Slow Moving Subsidy”** shall mean any one of them;
- 1.1.77. **“Slump Sale”** means sale of an undertaking on a going concern basis, for a lump sum consideration without values being assigned to the individual assets and liabilities; as defined under Section 2(42C) of the IT Act;
- 1.1.78. **“Stock Exchanges”** means the BSE Limited and the National Stock Exchange of India;
- 1.1.79. **“Stock Options”** has the meaning ascribed to such term in Clause 9.1.7 (i);
- 1.1.80. **“Target Working Capital”** means INR 12,488,200,000 (Rupees Twelve Billion Four Hundred Eighty Eight Million Two Hundred Thousand only);
- 1.1.81. **“Tax”** means all applicable forms of taxation, duties, levies imposed, whether direct or indirect, whether central, state or local, including without limitation corporate income tax, service tax, withholding tax, dividend distribution tax, goods and services tax, central sales tax, entry tax, octroi, stamp duty, value added tax, customs and excise duties, capital tax and other legal transaction taxes, land taxes, duties and any other type of taxes or duties payable by virtue of any Applicable Law (**“Direct and Indirect Tax”**); together with any interest, premium, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction;
- 1.1.82. **“Transferring Inventory”** means all inventories, wherever located, including all raw materials, work-in-progress, finished products, and packaging and labelling material exclusively or predominantly forming part of IGF Business, (but excluding goods in relation to which invoice is issued, but which may not have been delivered and which are not included in the Current Assets), in each case, as of the Adjustment Time;
- 1.1.83. **“Tribunal”** means in relation to the Transferor Company, the jurisdictional bench of National Company Law Tribunal at Madhya Pradesh and with respect to the Transferee Company shall mean the jurisdictional bench of National Company Law Tribunal at Kolkata, or such other forum or authority as may be vested with the relevant powers in relation to the Scheme under the Act;
- 1.1.84. **“Tribunal Order(s)”** means the orders passed by the Tribunal(s) sanctioning the Scheme and includes any Tribunal(s) or other applicable authorities’ order(s) for extension of time or condonation of delay in filing of the requisite forms with the RoC in relation to the Scheme, if applicable;
- 1.1.85. **“Updated Statement”** has the meaning ascribed to such term in Clause 12.9;
- 1.1.86. **“Working Capital”** means an amount, in INR, equal to (a) the Current Assets plus (b) long-term loans, advances, and deposits less (c) the Current Liabilities and less (d) Non-current Liabilities excluding Financial Indebtedness but including any SBA, in each case calculated as of the Adjustment Time. For the avoidance of doubt, (x) Working Capital shall exclude Non-Current Assets (except long-term loans, advances and deposits), as defined in **Schedule 1 (Completion**

Statement), **Part A**; (y) any liability if counted towards Financial Indebtedness shall not be counted towards Current Liabilities or Non-current Liabilities for the purposes of determining net Working Capital; and

- 1.1.87. **“Working Capital Adjustment”** means an amount equal to the difference between (i) the Working Capital set forth in the Final Completion Statement; and (ii) the Target Working Capital. The Working Capital Adjustment shall be determined in the terms in accordance with **Schedule 1** (*Completion Statement*), **Part A**.

1.2. **Interpretation**

- 1.2.1. In this Scheme, reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the Reference Date) for the time being in force or to any provisions replacing such statutory provisions and to all statutory instruments or orders made pursuant to such statutory provisions.
- 1.2.2. Words denoting the singular shall include the plural and words denoting any gender shall include all genders.
- 1.2.3. Headings, subheadings, titles, subtitles to clauses, sub-clauses and paragraphs are for information only and shall not form part of the operative provisions of this Scheme or the Schedules hereto and shall be ignored in construing the same.
- 1.2.4. The Schedules refer to the schedules to this Scheme and form part of this Scheme. If there is any conflict or inconsistency between a term in the body of this Scheme and a term in any of the schedules, exhibits or any other document referred to or otherwise incorporated in this Scheme, the term in the body of this Scheme shall take precedence.
- 1.2.5. References to days, months and years are to calendar days (unless otherwise specified), calendar months and calendar years, respectively. Where a period expressed in days, weeks, months or years is to be calculated from the moment at which an event occurs or an action takes place, the day during which that event occurs or that action takes place shall not be counted as falling within the period in question. A period expressed in weeks, months or years shall end with the expiry of whichever day in the last week, month or year (as applicable) of such period is the same day of the week (in the case of weeks), or falls on the same date (in the case of months or years), as the day on which the event or action from which the period is to be calculated occurred or took place. If, for a given period expressed in months, the last day of such period does not fall during the last month expressed to be in such period, such period shall end on the last day of that month.
- 1.2.6. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under this Scheme is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day.
- 1.2.7. Words “directly or indirectly” mean directly, or indirectly, through one or more intermediary persons or through contractual or other legal arrangements, and “direct or indirect” have the correlative meanings.
- 1.2.8. Any reference in this Scheme to any document shall include reference to such document as amended, modified or restated, whether before or after the Reference Date.

- 1.2.9. Any reference to “writing” shall include printing, typing, lithography, transmissions by facsimile or in electronic form (including e-mail) and other means of reproducing words in visible form.
- 1.2.10. If, in calculating a price or an amount, the relevant variables for such calculation are expressed in different currencies then all such variables for the purposes of such calculation shall be in Rupees.

2. DATE OF OPERATIONALIZATION AND TAKING EFFECT OF THE SCHEME

- 2.1. The Scheme shall be effective from the Appointed Date and be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1. The authorized, issued, subscribed and paid up share capital of the Transferor Company as on October 31, 2020, is as under:

Particulars	Amount (INR in Crores)
Authorized Capital	
1,47,25,00,000 Equity Shares of INR 2 each*	294.50
11,00,000 redeemable preference shares of INR 100 each	11.00
Total	305.50
Issued, subscribed and Paid up Share Capital	
65,79,28,218 Equity Shares of INR 2 each**	131.59
Total	131.59

**A separate scheme of amalgamation between Grasim Premium Fabric Private Limited and the Transferor Company, which is pending approval from the jurisdictional National Company Law Tribunal as of October 31, 2020, under clause 8 provides for increase in authorized equity share capital of the Transferor Company to 206,25,00,000 equity shares of INR 2 each, upon the scheme becoming effective with effect from the appointed date. The appointed date is defined in such scheme to mean April 1, 2019 or such other date as the board of directors of Grasim Premium Fabric Private Limited or the Transferor Company or the jurisdictional National Company Law Tribunal may decide.*

***The issued and paid up share capital includes 3,66,41,864 equity shares represented by 3,66,41,864 global depository receipts as on October 31, 2020.*

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

The equity shares of the Transferor Company are listed on the Stock Exchanges.

- 3.2. The authorized, issued, subscribed and paid up share capital of the Transferee Company as on October 31, 2020:

Particulars	Amount (INR in Crores)
Authorized Capital	
100,00,00,000 Equity Shares of INR 10 each	1,000
Total	1,000
Issued, subscribed and Paid up Share Capital	
29,99,51,427 Equity Shares of INR 10 each#	299.95
Total	299.95

As on October 31, 2020, 29,99,51,426 shares are held by Indorama Holdings BV and one share is held by Mr. Rajeev Kshetrapal.

A separate scheme of arrangement between the Transferee Company and Indorama Industries Limited for transfer of spandex business unit of Indorama Industries Limited to the Transferee Company is pending approval from the National Company Law Tribunal, Kolkata as of October 31, 2020. Clause 15 of the said scheme provides for issuance of 90,62,140 fully paid up equity shares of INR 10 each by the Transferee Company to certain equity shareholders of Indorama Industries Limited, upon the scheme becoming effective with effect from the appointed date. The appointed date is defined in such scheme to mean October 01, 2019 or such other date as may be fixed or approved by the National Company Law Tribunal or any other appropriate authority.

PART – II

TRANSFER AND VESTING OF DIVESTMENT BUSINESS UNDERTAKING IN THE TRANSFEEE COMPANY

4. TRANSFER AND VESTING OF DIVESTMENT BUSINESS UNDERTAKING

- 4.1. Upon the Scheme becoming effective and with effect from the Appointed Date, the Divestment Business Undertaking in its entirety shall, pursuant to Sections 230 to 232 read with other relevant provisions of the Act and Section 2(42C) of the IT Act and without any further act, instrument, deed, matter or thing be transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Transferee Company as a 'going concern' on a Slump Sale basis, free from all Encumbrances (other than liens arising or created in the ordinary course, including any Encumbrance relating to SBA), in accordance with Section 2(42C) of the Income Tax Act, 1961 (as amended) for a lump sum consideration as set out hereinafter, subject to the provisions of this Scheme.
- 4.2. Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall carry out or perform all such formalities and compliances under various Applicable Laws or to be carried out or performed in relation to or as a consequence of the vesting of the Divestment Business Undertaking into the Transferee Company.

5. DIVESTMENT ASSETS

- 5.1. Without prejudice to the generality of Clause 4 (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme coming into effect and with effect from the Appointed Date, the Divestment Assets shall, in accordance with the provisions of this Clause 5 in relation to the mode of transfer and vesting and pursuant to Sections 230-232 and/or other applicable provisions of the Act, stand transferred to and vested in the Transferee Company as a going concern and without any further act or deed in the following manner, unless specifically otherwise provided under the Scheme:
- 5.1.1. In relation to the Divestment Assets, which are movable in nature, and/or otherwise capable of transfer by manual or constructive delivery and/or endorsement and delivery, including cash and bank balances, the same may, upon coming into effect of this Scheme, be so transferred or deemed to be so transferred to the Transferee Company, and shall become the assets of the Transferee Company and title to the assets will be deemed to have been vested accordingly without requiring any deed or instrument of conveyance pursuant to the provisions of Sections 230-232 and/or other

applicable provisions of the Act and shall upon such transfer become the property of the Transferee Company. It is clarified that the Remaining Assets shall continue to remain the assets, properties, benefits, rights, title, interests, etc., of the Transferor Company and shall not be transferred to the Transferee Company as part of the Divestment Business Undertaking. The Parties shall discuss in good faith the manner of excluding the Remaining Assets from the Divestment Business Undertaking upon the receipt of relevant Approval from any applicable Governmental Authority. Provided however that, in relation to specified properties agreed in writing between the Parties as forming part of the Remaining Assets subject to regulatory approvals, and such regulatory approval is not obtained as on the Completion Date, then such Remaining Asset shall be transferred and vested in the Transferee Company as part of the Divestment Business Undertaking in accordance with the terms of this Scheme without any additional consideration other than as contemplated in this Scheme.

- 5.1.2. Without prejudice to the generality of Clause 5.1.1, and in respect of the such movable Divestment Assets other than those dealt with in Clause 5.1.1, including but not limited to sundry debts, actionable claims, earnest monies receivables, bills, credits, loans, advances and deposits with any Governmental Authorities or any other bodies or any other person, if any, forming part of the Divestment Business Undertaking, whether recoverable in cash or in kind or for value to be received, bank balances, etc., the same shall stand transferred to and vested in the Transferee Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act and all other applicable provisions of the Applicable Law, and that appropriate entries should be passed in its books to record the aforesaid change. The Transferee Company may, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits stand transferred to and vested in the Transferee Company and be paid or made good or held on account of the Transferee Company as the person entitled thereto.
- 5.1.3. The Divestment Real Estate (including land together with the buildings and structures standing thereon), whether freehold or leasehold or licenced for use, with rights, title, interests, authorities, and all documents of title, rights and easements in relation thereto including any right to use, will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to fulfil all obligations, in relation to or applicable to such immovable properties. Furthermore, the Transferee Company shall, on and from the Effective Date, file applications with the Governmental Authorities for: (i) implementation of the transfer of the Divestment Real Estate to the Transferee Company; and (ii) execution of fresh lease agreements for the Divestment Real Estate in favour of the Transferee Company, and the Transferor Company agrees to undertake all steps requested by the Transferee Company, at the cost of the Transferee Company (and without any liabilities to the Transferor Company), to provide assistance to the Transferee Company in relation to the aforesaid actions.
- 5.1.4. Without prejudice to the generality of Clause 5.1 above, Divestment Intellectual Property will stand transferred to and be vested in the Transferee Company, without any further act, instrument or deed and pursuant to the provisions of Sections 230-232 and/or other applicable provisions of the Act. The Transferor Company and the Transferee Company shall mutually agree in writing on a mechanism of dealing with the

composite registrations of Divestment Intellectual Property that also include any trademark, logo, mark, design or any other intellectual property pertaining to Grasim / ABG Name that is not intended to form a part of the Divestment Intellectual Property to ensure that the Divestment Intellectual Property is assigned to the Transferee Company while the non-Divestment Intellectual Property is not inadvertently assigned to the Transferee Company and the Divestment Intellectual Property is not inadvertently retained by the Transferor Company. The Parties shall also mutually agree in writing on a mechanism for transfer of all patents comprised in the Divestment Intellectual Property.

- 5.1.5. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon coming into effect of this Scheme and with effect from the Appointed Date, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, tax incentives/ concessions, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, pre-qualifications, tenders, bid acceptances, concessions, issued to or granted to or executed in favour of the Transferor Company, and the rights and benefits under the same, in so far as they form part of the Divestment Business Undertaking, and all intellectual property and rights thereto of the Transferor Company, forming part of the Divestment Business Undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by the Transferor Company, forming part of the Divestment Business Undertaking, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of the Applicable Law, be transferred to and vested in or deemed to have transferred to or vested in the Transferee Company and the concerned licensors and grantors of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the name of the Transferee Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Divestment Business Undertaking in the Transferee Company and continuation of operations forming part of the Divestment Business Undertaking in the Transferee Company without hindrance, and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

6. DIVESTMENT LIABILITIES

- 6.1. Without prejudice to the generality of Clause 4 (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme becoming effective and with effect from the Appointed Date, all the Divestment Liabilities, whether or not provided for in the books of the Transferor Company, shall without any further act, instrument or deed be and stand transferred to and vested in the Transferee Company in the following manner, unless specifically otherwise provided under the Scheme:
- 6.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date, all Divestment Liabilities shall, whether or not provided for in the books of the Transferor Company, to the extent they are outstanding on the Effective Date, without any further act or deed become liabilities of the Transferee Company and all rights, powers, duties, and obligations in relation thereto shall stand transferred to, vested in, and shall be exercised by or against the Transferee Company, as if it has incurred such liabilities, debts, duties, obligations, on the same terms and conditions as were applicable to the Transferor Company and the Transferee Company shall undertake to meet, discharge

and satisfy the same to the exclusion of the Transferor Company such that the Transferor Company shall in no event be responsible or liable in relation to any such Divestment Liabilities, except as agreed otherwise with the Transferee Company in writing. It is clarified that Excluded Liabilities shall continue to remain the liabilities of the Transferor Company and shall not be transferred to the Transferee Company as part of the Divestment Business Undertaking and the Transferee Company shall not assume or otherwise be liable in respect of Excluded Liabilities.

- 6.1.2. Where any of the Divestment Liabilities have been partially or fully discharged by the Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company. All the Divestment Liabilities and obligations incurred by the Transferor Company for the operations of the Divestment Liabilities on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee Company and to the extent any Divestment Liabilities are outstanding on the Effective Date, they shall also without any further act, instrument or deed be and stand transferred to the Transferee Company and shall become the liabilities and obligations of the Transferee Company.
- 6.1.3. With effect from the Effective Date, the Transferee Company alone shall be liable to perform all obligations in respect of the Divestment Liabilities, except as agreed otherwise with the Transferee Company in writing, and the Transferor Company shall not have any obligations in respect of the Divestment Liabilities.
- 6.1.4. With effect from the Effective Date, the Transferor Company alone shall be liable to perform all obligations in respect of the Excluded Liabilities and the Transferee Company shall not have any obligations in respect of the Excluded Liabilities.
- 6.1.5. The transfer and vesting of the assets comprised in the Divestment Business Undertaking to and in the Transferee Company upon the coming into effect of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- 6.1.6. In so far as the existing Encumbrances in respect of the Divestment Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Divestment Business Undertaking which have been Encumbered in respect to the Divestment Liabilities and are transferred to the Transferee Company pursuant to this Scheme and such Encumbrances shall not relate or attach to any other assets of the Transferee Company. Provided that if any of the assets comprised in the Divestment Business Undertaking which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the Divestment Liabilities, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The Scheme shall not operate to enlarge the Encumbrances, nor shall the Transferee Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 6.1.7. In so far as any Encumbrance over Divestment Assets are concerned and to the extent that such Encumbrance relates to any Excluded Liabilities, such Divestment Asset shall, without any further act, instrument, or deed, be released and such Divestment Assets shall no longer be available as Encumbrances for such Excluded Liabilities. The absence

of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.

- 6.1.8. In so far as the assets of the Other Business are concerned, any Encumbrance over them, to the extent they relate to the Divestment Liabilities shall, without any further act, instrument, or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or a third party to effect such release shall not affect the operation of the foregoing sentence.
- 6.1.9. In so far as the existing Encumbrances in respect of the loans and other liabilities relating to the Excluded Liabilities are concerned, such Encumbrances shall, without any further act, instrument or deed be continued with the Transferor Company, only on the assets relating to the Other Business and the assets of the Divestment Business Undertaking shall stand released therefrom.
- 6.1.10. If any Encumbrance of the Transferor Company for the operations of the Divestment Business Undertaking exists as on the Appointed Date, but has been partially or fully released thereafter by the Transferor Company on or after the Appointed Date but prior to the Effective Date, such release shall be deemed to be for and on account of the Transferee Company upon the coming into effect of the Scheme and all Encumbrances incurred by the Transferor Company for the operations of the Divestment Business Undertaking on or after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Transferee Company, and such Encumbrances shall not attach to any property of the Transferor Company.
- 6.1.11. The provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds, and writings and the terms of sanction or issue of any security document shall stand modified and/or superseded by the foregoing provisions. It is expressly clarified that, save as mentioned in this Scheme, no other terms or conditions of the Divestment Liabilities are modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 6.1.12. Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180(1)(c) of the Act shall be deemed increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of the Divestment Liabilities, if any, transferred by the Transferor Company to the Transferee Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Transferee Company.
- 6.1.13. The interests of all the unsecured creditors of the Transferor Company in connection with the Divestment Business Undertaking and the Transferee Company, including its unsecured creditors, remain unaffected by this Scheme as the assets of the Transferee Company upon the effectiveness of the Scheme will be more than its liabilities and as such sufficient to discharge such liabilities.
- 6.1.14. Without prejudice to the provisions of the foregoing Clauses and with effect from the Effective Date, the Parties shall enter into and execute such other deeds, instruments, documents and/or writings and/or do all acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the jurisdictional RoC to give formal effect to the provisions of this Clause.

7. DIVESTMENT CONTRACTS

7.1. Without prejudice to the generality of Clause 4 (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme becoming effective and with effect from the Appointed Date, the Divestment Contracts shall stand transferred to and vested in the Transferee Company in the following manner, unless otherwise specifically provided under the Scheme:

7.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the other provisions contained in this Scheme, all Divestment Contracts entered into, subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if the Transferee Company instead of Transferor Company, had been a party thereto. The absence of any formal amendment which may be required by a third party to effect such transfer and vesting shall not affect the operation of the foregoing sentence.

7.1.2. Without prejudice to what is stated in Clause 7.1.1 above, upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this Clause.

7.1.3. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Divestment Business Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme, in accordance with its provisions, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party, or any writings as may be necessary, in order to give formal effect to the provisions of this Scheme.

7.1.4. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, all Consents, Approvals, permissions, pre-qualifications, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company in relation to the Divestment Business Undertaking, including by any Governmental Authority, including the benefits of any applications made for any of the foregoing, shall, subject to Applicable Law, stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder (unless, in the case of powers of attorney and/or authority(ies) given by the Transferor Company, the same are revoked by the Transferee Company or the Transferor Company subsequent to the Effective Date), and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make necessary applications/ file relevant forms to any Governmental Authority as may be necessary in this behalf.

8. ASSUMED LITIGATION AND EXCLUDED LITIGATIONS

8.1. Without prejudice to the generality of Clause 4 (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme becoming effective and with effect from the Appointed Date, the Assumed Litigations shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, and shall stand transferred to and

shall be continued, prosecuted and enforced by or against the Transferee Company in the following manner:

- 8.1.1. Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the other provisions contained in this Scheme, except as agreed otherwise with the Transferor Company in writing, the Transferee Company shall assume, and shall agree to pay, perform and discharge when due, all liabilities and obligations of the Transferor Company, related to or arising out of in any manner, the Assumed Litigations and such Assumed Litigation may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be. For avoidance of any doubt, it is clarified that, except as agreed otherwise with the Transferor Company in writing, the Transferor Company shall not be liable to pay any amounts arising out of such Assumed Litigation including interest, penalties, damages, costs etc. and the same shall be paid only by the Transferee Company unless otherwise mutually agreed to in writing between the Parties.
- 8.1.2. It is clarified that, upon the Scheme becoming effective, all the Excluded Litigations shall be continued, prosecuted, enforced by or against the Transferor Company and the Transferee Company shall not be liable to pay any amounts arising out of such Excluded Litigation including interest, penalties, damages, costs etc. and the same shall be paid only by the Transferor Company.
- 8.1.3. The Parties shall, as soon as reasonably possible after the Effective Date, enter into and/or execute all such required documents and/or file the applications and petitions, with the relevant Governmental Authorities and pursue the relevant matters with such relevant Governmental Authorities in a manner such that the Transferor Company is no more a party to the Assumed Litigations and is replaced by the Transferee Company for all purposes.

9. DIVESTMENT EMPLOYEES

- 9.1. Without prejudice to the generality of Clause 4 (*Transfer and Vesting of Divestment Business Undertaking*) above, upon the Scheme becoming effective and with effect from the Appointed Date, the Divestment Employees shall be deemed to have become the employees of the Transferee Company in the following manner:
 - 9.1.1. The Divestment Employees shall become employees of the Transferee Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Divestment Business Undertaking of the Transferor Company immediately prior to the transfer of the Divestment Business Undertaking and in accordance with the Applicable Laws and the terms of their employment and in accordance with Section 25FF of the Industrial Disputes Act, 1947. Services of the Divestment Employees shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlement for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any other form of separation compensation, if any, such past services with the Transferor Company shall also be taken into account. It is clarified that the Transferee Company does not have an employee stock option plan and accordingly, the Transferee Company may not issue any stock options to Divestment Employees.

- 9.1.2. The services of the Divestment Employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointment with the Transferor Company. It is hereby clarified that any costs, expenses or liabilities incurred on account of any of the Divestment Employees who do not become employees of the Transferee Company on the Effective Date for any reason whatsoever, shall not be borne by the Transferee Company.
- 9.1.3. The Transferee Company shall make all the necessary contributions for such Divestment Employees, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Transferee Company will also file relevant intimations in respect of the Divestment Business Undertaking with the statutory authorities concerned who shall take the same on record and substitute the name of the Transferee Company for the Transferor Company.
- 9.1.4. Effective from the Appointed Date, in so far as the accumulated balances, if any, standing to the credit of the Divestment Employees in the existing provident fund, gratuity fund or superannuation fund of which they are members shall be transferred to such provident fund, gratuity fund or superannuation fund as is nominated by the Transferee Company and /or such new provident fund, gratuity fund and superannuation fund which shall be established and caused to be recognized by the appropriate Governmental Authorities, by the Transferee Company or to the government provident fund. Such transfer shall be made within such time as is mutually agreed between the Parties in writing and as per Applicable Law. The Parties hereby further agree that the amount to be transferred in respect of the gratuity liability, shall be determined based on terms mutually agreed to between the Parties in writing.
- 9.1.5. Upon the coming into effect of this Scheme and with effect from the Appointed Date, in relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the Divestment Employees, the Transferee Company, subject to Applicable Law, shall stand substituted for the Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Divestment Employees.
- 9.1.6. In so far as the existing benefits or funds created by the Transferor Company for the employees of the Other Business and Excluded Employees are concerned, the same shall continue and the Transferor Company shall continue to contribute to such benefits or funds in accordance with the provisions thereof, and the Transferee Company shall have no liability in respect thereof.
- 9.1.7. Upon the effectiveness of the Scheme:
- (i) The stock options, restricted stock units and/or the stock appreciation rights, as applicable, granted by the Transferor Company ("**Stock Options**") to the Divestment Employees under the Existing Stock Option Schemes, which have been vested and are outstanding as of the Effective Date, shall continue to vest in such Divestment Employees and such vested Stock Options may be exercised by the Divestment Employees in accordance with the provisions of the Existing Stock Option Schemes or as determined by the Nomination and Remuneration Committee or such other relevant committee of the Transferor Company administering the operation of the relevant Existing Stock Option Scheme ("**NRC**")

Committee”). In relation to the Stock Options granted by the Transferor Company to the Divestment Employees under the Existing Stock Option Schemes, which have not vested as of the Effective Date, the Transferor Company shall deal with the same in the manner determined by the NRC Committee.

- (ii) It is clarified that the Stock Options granted by Transferor Company under the Existing Stock Option Schemes to the employees of the Transferor Company other than the Divestment Employees (who shall not be transferred to the Transferee Company pursuant to the Scheme and continue in employment with the Transferor Company), which have not been exercised (irrespective of whether the same are vested or not) and are outstanding as on the Effective Date, shall continue to be valid as per their existing terms and conditions, in accordance with the Existing Stock Option Schemes and/or Applicable Law and/or determination by the NRC Committee from time to time.

10. TAXATION

- 10.1. Upon effectiveness of the Scheme, all Taxes paid or payable by the Transferor Company in respect of the operations and/or the profits of the Divestment Business Undertaking on and from the Appointed Date, shall be on account of the Transferee Company. Upon effectiveness of the Scheme, the payment of any Tax, whether by way of deduction at source (including foreign tax credit), advance tax, self assessment tax, minimum alternate tax, or otherwise howsoever, by the Transferor Company in respect of the activities or operations of the Divestment Business Undertaking on and from the Appointed Date, shall be deemed to have been paid by the Transferee Company, and shall in all proceedings, be dealt with accordingly.
- 10.2. Any liabilities on account of income-tax in relation to the Transferor Company in relation to the Divestment Business Undertaking and pertaining to the period prior to the Appointed Date, including all or any liability/ refunds/ credits/claims pertaining to the period before the Appointed Date shall be treated as liability/refunds/credits/claims of the Transferor Company.
- 10.3. Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferee Company shall be permitted to revise its income-tax returns, tax deducted at source returns and tax collected at source returns and other direct and indirect tax returns and claim refunds/credits pertaining to the Divestment Business Undertaking pursuant to the provisions of the Scheme and in accordance with Applicable Laws.
- 10.4. Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferor Company shall be permitted to revise its income-tax returns, tax deducted at source (TDS) returns, tax collected at source (TCS) returns and other direct and indirect tax returns, and claim refunds/credits pertaining to the Other Business pursuant to the provisions of the Scheme and in accordance with the Applicable Laws.

11. PRE-COMPLETION COVENANTS

- 11.1. Unless otherwise agreed between the Parties or consented to by the Transferee Company, the Transferor Company shall, unless prohibited by Applicable Law, carry on the Divestment Business Undertaking as a going concern in all material respects in the Ordinary Course as carried on immediately prior to the Reference Date.

12. FINAL PURCHASE CONSIDERATION

- 12.1. The Transferor Company and the Transferee Company agree that the total lump sum consideration payable by the Transferee Company to the Transferor Company for the purchase of the Divestment Business Undertaking on a slump sale basis pursuant to the Scheme shall be the Final Purchase Consideration. The Final Purchase Consideration shall mean INR 26,490,000,000 (Rupees Twenty Six Billion Four Hundred Ninety Million) ("**Purchase Consideration**") as adjusted by increase / (decrease) in Working Capital Adjustment (as computed in **Schedule 1 Part A**) and (increase) / decrease in Capex Adjustment (as computed in **Schedule 1 Part B**) (such adjusted amount, the "**Final Purchase Consideration**").
- 12.2. The Final Purchase Consideration shall be discharged by the Transferee Company to the Transferor Company as a lump sum consideration for the sale and transfer of the Divestment Business Undertaking on a going concern basis on a slump sale basis in accordance with Section 2(42C) of the Income Tax Act, 1961 (as amended) with no independent values being assigned to the individual assets and liabilities of the Divestment Business Undertaking. It is clarified that, pursuant to Section 2(42C) of the Income Tax Act, 1961 (as amended), in the event the Parties are required to carry out a determination of the value of an asset or liability for the sole purpose for payment of stamp duty, registration fees or other similar taxes or fees shall not be regarded as assignment of values to individual assets or liabilities.
- 12.3. No later than 5 (five) Business Days prior to the scheduled Completion Date, the Transferor Company shall deliver to the Transferee Company, with reasonably detailed supporting information, a statement ("**Proposed Completion Statement**") setting forth, **Schedule 1 (Completion Statement)**, (i) reasonable, good faith estimate of the Working Capital of the Divestment Business Undertaking as of the Adjustment Time ("**Estimated Working Capital Amount**"), (ii) reasonable, good faith estimate of the Capex Adjustment as of the Adjustment Time ("**Estimated Capex Adjustment**") and (iii) the consideration payable by the Transferee Company to the Transferor Company on the Completion Date ("**Completion Date Payment**"). The Completion Date Payment will consist of Purchase Consideration as adjusted by Estimated Working Capital Adjustment (i.e, if the Estimated Working Capital Amount is greater than the Target Working Capital then such Estimated Working Capital Adjustment is to be added and vice versa) and shall be further adjusted by the Estimated Capex Adjustment (as computed in **Schedule 1 Part B**).
- 12.4. For the avoidance of any doubt, the Parties acknowledge that the Completion Date Payment shall be determined based on the Proposed Completion Statement delivered by the Transferor Company pursuant to Clause 12.3 and absent any manifest errors, such Proposed Completion Statement shall be deemed to be accepted by each Party for the purposes of performance of all actions required to be performed at completion as set out herein under Clause 13 and as mutually agreed between the Parties in writing.
- 12.5. If a claim for an Old Subsidy or any part thereof has been filed by the Transferor Company on the Mobile Fertilizer Management System ("**mFMS**") portal pursuant to a notification / approval from the Department of Fertilizers, Government of India, but payment of the same has not been received by the Transferor Company from the Government or validly set off against amounts payable by the Transferor Company to the Government as on the Completion Date, the Estimated Working Capital Amount and Working Capital set forth in the Proposed Completion Statement, Preliminary Completion Statement or Final Completion Statement, as relevant will include the amount of such Old Subsidy (or part thereof as applicable) but be reduced by the amount of provision set out against such Old Subsidy (or part thereof as applicable) as per the Updated Statement.

- 12.6. To the extent that the claim for any Old Subsidy (or part thereof as applicable) has not been filed by the Transferor Company on the mFMS portal prior to the Completion Date, such Old Subsidy (or part thereof as applicable) shall be reduced by the amount of provision set out against such Old Subsidy (or part thereof as applicable) as per the Updated Statement and will be included to arrive at Estimated Working Capital Amount and Working Capital set forth in the Proposed Completion Statement, Preliminary Completion Statement or Final Completion Statement, as relevant. The Transferee Company shall be entitled to hold back an amount equivalent to the holdback amount pertaining to such Old Subsidy (or part thereof as applicable) as specified in the Updated Statement ("**Old Subsidy Holdback Amount**") from the Final Purchase Consideration/Completion Date Payment by the Transferee Company and such Old Subsidy Holdback Amount for each such individual item as per the Updated Statement as on Completion Date will be paid by the Transferee Company to the Transferor Company expeditiously upon such individual claims being filed on the mFMS portal. The Transferee Company undertakes that it shall promptly file claims in relation to all Old Subsidies (or part thereof as applicable) after the Completion Date pursuant to the receipt of the necessary notifications / approvals from the Department of Fertilizers, Government of India.
- 12.7. To the extent that payment of a Slow Moving Subsidy has not been received by the Transferor Company from the Government or validly set off against amounts payable by the Transferor Company to the Government as on the Completion Date, the Transferee Company shall be entitled to hold back an amount equivalent to such Slow Moving Subsidy as specified in the Updated Statement ("**Slow Moving Subsidy Holdback Amount**") from the Final Purchase Consideration/Completion Date Payment by the Transferee Company and such Slow Moving Subsidy Holdback Amount for each such individual item as per the Updated Statement as on Completion Date will be paid by the Transferee Company to the Transferor Company expeditiously upon receipt by the Transferee Company from the Government or set off against amounts payable by the Transferee Company to the Government, in full or part. The Transferee Company undertakes that it shall diligently follow up and take all actions necessary to recover the amounts pertaining to the Slow Moving Subsidies after the Completion Date at the cost of the Transferor Company.
- 12.8. The Transferee Company acknowledges that the Holdback Amount is part of Final Purchase Consideration and the Transferee Company shall not be entitled to set off the Holdback Amount against any other amount payable by the Transferor Company pursuant to this Scheme or otherwise.
- 12.9. The Transferor Company shall be entitled to deliver an updated statement in relation to Old Subsidies and Slow Moving Subsidies, in the format as mutually agreed between the Parties in writing, as part of the Proposed Completion Statement, five (5) Business Days prior to the scheduled Completion Date for payments made to the Transferor Company and, in relation to Old Subsidies, corresponding changes to the provision amount and holdback amount contained therein, and such updated statement shall be considered for the purposes of Clauses 12.5, 12.6 and 12.7 above, provided that the percentage of the provision amount shall remain unchanged ("**Updated Statement**").
- 13. COMPLETION**
- 13.1. All activities or matters to be completed on the Completion Date shall be deemed to occur simultaneously and no activity or matter shall be treated as consummated unless all such activities and matters have been consummated.

- 13.2. On the Completion Date, each of the following shall be simultaneously undertaken:
- 13.2.1. Each of the Parties shall duly file e-Form INC 28 with the jurisdictional RoC;
- 13.2.2. The Transferee Company shall pay to the Transferor Company an amount equal to the Completion Date Payment less Holdback Amount, in immediately available funds, in the designated bank account of the Transferor Company and the Divestment Business Undertaking and all rights, benefits and interest thereon, shall stand transferred to the Transferee Company (other than as agreed to and identified mutually between the Parties, in writing) pursuant to the Scheme.
- 14. POST COMPLETION ADJUSTMENT:**
- 14.1. Within 10 (ten) days after the Completion Date, the Transferor Company shall present to the Transferee Company, a statement ("**Preliminary Completion Statement**"), with reasonably detailed supporting information, setting forth the amounts of the items set out in Clause 12.3 as on the Completion Date. The Transferee Company shall, in consultation with its advisors, conduct a review of the Preliminary Completion Statement and within 10 (ten) Business Days of the receipt of the Preliminary Completion Statement, the Transferee Company shall communicate in writing to the Transferor Company whether it agrees or does not agree with the Preliminary Completion Statement. In the event the Transferee Company (a) agrees with the Preliminary Completion Statement provided by the Transferor Company, it will so communicate in writing to the Transferor Company within the period referred to above; (b) does not agree with the amounts mentioned in the Preliminary Completion Statement, the Parties shall consult with each other to determine the actual amounts as on the Completion Date of the items set out in Clause 12.3 within 10 (ten) days of communication in writing of disagreement by the Transferee Company or such other date as may be agreed in writing between the Transferor Company and the Transferee Company. The Transferor Company and the Transferee Company will record the actual amounts, as on the Completion Date, of the items set out in Clause 12.3 as determined under this Clause in the format **Schedule 1 (Completion Statement)**, which shall be referred to as the "**Final Completion Statement**" and the date of such recording shall be referred to as the "**Final Determination Date**".
- 14.2. In the event, the Transferor Company and the Transferee Company are unable to agree on the amounts as on the Completion Date of the items set out in Clause 12.3 within the aforesaid period, the Transferor Company and the Transferee Company shall jointly engage the Independent Auditor within 10 (ten) days, who shall conduct an independent review of the Preliminary Completion Statement and determine the actual amounts as on the Completion Date of the items set out in Clause 12.3 in compliance with generally acceptable Indian accounting standards, rules and policies in accordance with Applicable Law, as consistently followed by Divestment Business Undertaking and as applied to the Accounts of the Divestment Business Undertaking, within 45 (forty five) days from the date of appointment of the Independent Auditor or such other date as may be agreed in writing between the Parties. Such final determination, in the format at **Schedule 1 (Completion Statement)**, shall be referred to as the "**Final Completion Statement**". The date on which the Final Completion Statement is presented by the Independent Auditor shall be referred to as the "**Final Determination Date**". During such review by the Independent Auditor, the Transferor Company and the Transferee Company shall each make available to the Independent Auditor access as required to, such individuals and such information, books and records as may be requested by the Independent Auditor to make its final determination.
- 14.3. The Transferor Company and the Transferee Company agree that, absent fraud, misconduct or manifest error, the Final Completion Statement determined by the Independent Auditor shall be final, conclusive and binding upon the Parties hereto.
- 14.4. The fees and disbursements payable to the Independent Auditor shall be borne by the Parties in equal proportions.

- 14.5. The Independent Auditor shall act as an expert and not as an arbitrator.
- 14.6. If the Final Purchase Consideration calculated in accordance with the Final Completion Statement, exceeds the Completion Date Payment (such difference, the “**Completion Underpayment**”) by an amount equal to at least INR 10,000,000 (Rupees Ten Million only), the Transferee Company shall pay to the Transferor Company within 5 (five) Business Days of the Final Determination Date, an amount equal to the Completion Underpayment by wire transfer of immediately available funds to the designated bank account of the Transferor Company.
- 14.7. If the Final Purchase Consideration calculated in accordance with the Final Completion Statement, is less than the Completion Date Payment (such difference, the “**Completion Overpayment**”) by an amount equal to at least INR 10,000,000 (Rupees Ten Million only), the Transferor Company shall pay to the Transferee Company within 5 (five) Business Days of the Final Determination Date an amount equal to the Completion Overpayment by wire transfer of immediately available funds to a bank account designated in writing by the Transferee Company (such designation to be made at least 2 (two) Business Days prior to the day on which such payment is due).
- 14.8. For the avoidance of doubt, if the Completion Underpayment or the Completion Overpayment described in Clauses 14.6 or 14.7 above is less than INR 10,000,000 (Rupees Ten Million only), the Completion Date Payment shall not be adjusted and no payments shall be due under this Clause 14 and Completion Date Payment shall be treated as Final Purchase Consideration.
- 14.9. To the extent that any of the Parties or any of their respective Affiliates have any obligation, including under any mutual agreement in writing between the Parties, to indemnify or to make any other payment (other than the Purchase Consideration), no amount with respect to a matter to which such obligation or payment relates shall be included in the calculation of the Proposed Completion Statement, the Preliminary Completion Statement or the Final Completion Statement. No amount with respect to a matter shall be included more than once in the calculation of the Proposed Completion Statement, the Preliminary Completion Statement or the Final Completion Statement, as the case may be.
- 14.10. If in the event, the Transferor Company and the Transferee Company are unable to jointly engage the Independent Auditor as required under Clause 14.2, the Parties agree that immediately upon the expiry of the 10 (ten) day period specified in Clause 14.2, such Independent Auditor which is highest in the order of preference and which does not have a major conflict in performing the role required in relation to this Scheme shall be appointed as the independent auditor.
- 14.11. Unless otherwise mutually agreed in writing between the Parties, the Parties agree that all periodical charges and periodical outgoings of the Divestment Business Undertaking, including without limitation, rents, insurance, gas, electricity, telephone and water charges and liability to Tax shall be apportioned on a time basis, so that: (a) such part of the relevant charges attributable to the period ending at the Completion Date shall be borne by the Transferor Company and shall be paid and discharged by the Transferor Company, either by way of working capital adjustments or through credit/ debit note raised by either the Transferor Company or Transferee Company, on or prior to the Completion Date (or if only determined later, immediately following such determination); and (b) such part of the relevant charges attributable to the period commencing on the day immediately following the Completion Date shall be paid and borne by the Transferee Company. It is clarified that where such periodical charges and periodical outgoings are determined on usage basis, apportionment of such charges or outgoings as contemplated in this Clause shall be on a usage basis.

15. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEROR COMPANY

- 15.1. Upon the Scheme coming into effect, the Transferor Company shall account for the transfer of the Divestment Business Undertaking in its books of accounts in accordance with Companies (Indian

Accounting Standard) Rules, 2015, as may be amended from time to time, notified under Section 133 of the Act and generally accepted accounting principles in its books of accounts, in the following manner:

- 15.1.1. The Transferor Company shall account for the transfer and vesting of the Divestment Business Undertaking by de-recognizing the carrying values of the Divestment Assets and Divestment Liabilities, which have ceased to be the assets and liabilities of the Transferor Company, in accordance with applicable accounting standards.
- 15.1.2. The Transferor Company shall recognise Final Purchase Consideration, which will represent the fair value of assets and liabilities transferred as part of the Divestment Business Undertaking.
- 15.1.3. The difference between the Final Purchase Consideration and the derecognised values referred to in Clause 15.1.1 above would be recognised in statement of profit & loss account in accordance with applicable accounting standards.
- 15.1.4. For accounting purpose, the Scheme will be given effect from the date on which the Scheme becomes effective i.e., Effective Date.

16. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFeree COMPANY

- 16.1. The Transferee Company shall account for the transfer and vesting of the Divestment Business Understanding as of the Appointed Date by recording the Divestment Assets and Divestment Liabilities taken over under the Scheme at their fair values in accordance with applicable accounting standards.
- 16.2. The difference, if any, between the Final Purchase Consideration paid and the fair value of the net assets (fair value of Divestment Assets less fair value of Divestment Liabilities) will be adjusted in the goodwill / capital reserve account, as the case may be, in accordance with the applicable accounting standards.

17. CONCLUDED TRANSACTIONS AND VALIDITY OF EXISTING RESOLUTIONS

- 17.1. Nothing in the Scheme shall affect any transaction or proceeding already concluded by the Transferor Company in respect of the Divestment Business Undertaking, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things done and executed by the Transferor Company in regard to the Divestment Business Undertaking as if it is done and executed by the Transferee Company itself.
- 17.2. Upon the coming into effect of the Scheme, the resolutions, if any, of the Transferor Company relating to the Divestment Business Undertaking, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, unless revoked by the Transferee Company subsequent to the Effective Date.

PART – III

GENERAL TERMS AND CONDITIONS:

18. AMENDMENT OF MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY

- 18.1. Clause III (main objects) of the memorandum of association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be amended to include the following clause as Clause III (A):

“To carry on the business of manufacture, imports, exports, distributors, dealers, and agents in chemicals, agro chemical products, seeds, pesticides, crop protection, plant and soil health products, customised and speciality fertilisers and other fertilisers such as Urea, MOP and DAP and NPK, SSP, Gypsum, Sulphuric Acid, Phosphoric Acid etc.

To carry on the business of manufacturing, trading, refining and preparing all classes and kinds of fertilizers and all classes and kinds of chemicals including other preparations arising from or required in the manufacture of any kind of fertilizers and chemicals and to carry on any operation or processes of mixing, granulating different chemicals or fertilizers.

To buy, sell, import, export, treat in and deal in any kind of chemicals, fertilizers or other things which the company is authorized to manufacture and any raw materials required for the manufacturing of any chemicals or fertilizers or other things which this company is authorized to manufacture.

To carry on manage, supervise and control the business of marketing, manufacturing, trading, export, import, supplying, distributing and dealing in products and services relating to spandex yarn or elastane yarns, synthetic fibres yarns, polyester and polyester deviates, PTA, PET, MEG, Polymers, Resin, cotton spinning, doubling, flax, hemp, jute spinning, linen spinning and cloth manufacturers, flax, hemp and wool merchants, wool combers, worsted yarn, stuff manufacturers, bleachers and dyers, bleaching/printing and dyeing materials used in Textile Industries and any type of natural fibre and manmade fibre.

To carry on manage, supervise and control the business of Solar sector including complete photovoltaic chain consisting of poly silicon, solar grade silicon, ingot, solar wafers, solar cells, solar modules, solar systems for various applications including power generation and solar thermal sector including solar thermal power plants and Petrochemicals and refinery, integrated power plants, fertilizers plant.

To sell in domestic / export knowhow, technology, intellectual property right, research and development, engineering service and other technical and professional services for manufacturing of spandex/elastane yarn, brand name, patent, recipe, process control of any item produced or purchased by company or being traded by company. The company can also provide technical assistant to setup spandex manufacturing facility.”

It is clarified that for the purposes of this Clause 18, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment in the objects of the Transferee Company, and shall be deemed to include consent under any other provisions of the Act that may be applicable and no further resolution under any provision, including Section 13, of the Act would be separately required.

19. OTHER BUSINESS

- 19.1. Upon the Scheme coming into effect and with effect from the Effective Date, the Other Business and all the assets, rights, title, interest, properties, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
- 19.2. All legal, taxation or other proceedings (whether civil or criminal including before any Governmental Authority) by or against the Transferor Company under any Applicable Laws whether pending on the Effective Date or which may be instituted at any time, and in each case relating to the liability, obligation or duties of the Transferor Company in respect of the Other Business shall be continued and enforced, after the Effective Date, by or against the Transferor Company only.
- 19.3. Up to and including and beyond the Effective Date:
- (a) the Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Other Business for and on its own behalf;
 - (b) all profits accruing to the Transferor Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Other Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company; and
 - (c) all assets and properties acquired by the Transferor Company in relation to the Other Business shall belong to and continue to remain vested with the Transferor Company.

20. APPLICATION TO THE TRIBUNAL(S)

- 20.1. The Parties shall, with all reasonable dispatch, make all necessary applications and petitions to the jurisdictional Tribunal(s) for sanctioning this Scheme under Sections 230 to 232 of the Act and other applicable provisions of the Act, and obtaining such other approvals, as required under Applicable Law.
- 20.2. The Parties shall be entitled, pending the effectiveness of the Scheme, to apply to any Governmental Authority, if required, under any Applicable Law for such consents and approvals, as agreed between the Parties, which the Parties may require to effect the transactions contemplated under the Scheme, in any case subject to the terms as may be mutually agreed between the Parties.

21. INADVERTENT OMISSIONS, INADVERTENT TRANSFERS AND REFUNDS

- 21.1. The Transferor Company shall not retain any part of the Divestment Business Undertaking after the Completion Date, pursuant to transfer under the Scheme. If any part of the Divestment Business Undertaking is inadvertently retained by the Transferor Company after the Completion Date, the Transferor Company shall take such actions as may be required to ensure that such part of the Divestment Business Undertaking is transferred to the Transferee Company promptly and for no further consideration. Unless otherwise mutually agreed between the Parties in writing, the Transferor Company shall bear all costs and expenses as may be required for giving effect to this Clause 21.1.
- 21.2. No part of the Other Business shall be transferred to the Transferee Company after the Completion Date, pursuant to the transfer and the Scheme. If any part of the Other Business is inadvertently held by the Transferee Company after the Completion Date, the Transferee

Company shall take such actions as may be required to ensure that such part of the Other Business is transferred back to the Transferor Company, promptly and for no consideration. Unless otherwise mutually agreed between the Parties in writing, the Transferor Company shall bear all costs and expenses as may be incurred by each of the Transferor Company and the Transferee Company for giving effect to this Clause 21.2.

- 21.3. If the Transferor Company (or any of its Affiliates), on the one hand, or Transferee Company (or any of its Affiliates), on the other hand, after the Completion Date, receive any funds properly belonging to the other Party, in accordance with the terms of this Scheme, or any other mutual agreement between the Parties in writing, including refunds from any Governmental Authorities, the receiving Party shall promptly so advise the other Party, shall segregate and hold such funds in trust for the benefit of such other Party and shall promptly deliver such funds, together with any interest earned thereon, to an account or accounts designated in writing by such other Party.

22. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 22.1. Subject to Clause 22.4, the Parties may mutually, by their respective Boards of Directors or such other Person or Persons, as the respective Boards of Directors, may authorize, may make and/or consent to (i) any modifications / amendments to the Scheme (including but not limited to the terms and conditions thereof); or (ii) to any conditions or limitations that the Tribunal(s) or any other Governmental Authority may deem fit to direct or impose; or (iii) modification/ amendment which may otherwise be considered necessary, desirable or appropriate by them. No further approval of the shareholders or creditors of any of the Transferor Company or the Transferee Company shall be necessary for giving effect to the provisions of this Clause.
- 22.2. The Parties, by their respective Boards of Directors or such other Person or Persons, as the respective Boards of Directors may authorize (including any committee or sub-committee thereof), shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authorities or otherwise howsoever arising out of, or under, or by virtue of the Scheme and/or any matter concerned or connected therewith, including but not limited to any questions relating to whether any assets or liabilities of the Transferor Company are included in the definition of "Divestment Business Undertaking".
- 22.3. For the purpose of giving effect to this Scheme or to any modifications or amendments or additions thereto, the Representatives of the Parties may jointly give and are hereby jointly authorised 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.
- 22.4. Notwithstanding anything stated in Clauses 22.1, 22.2, and 22.3 hereinabove, no amendments or changes to the Scheme shall be carried out or be permissible unless and until the same are approved by the Tribunal(s) before which the Parties have filed the petition for sanctioning the Scheme.

23. CONDITIONALITY OF THE SCHEME

- 23.1. The effectiveness of this Scheme shall be conditional upon the satisfaction or waiver (if applicable) of the following conditions:

- 23.1.1. approval of the Scheme by the requisite majorities of shareholders and/or creditors of each of the Transferor Company and the Transferee Company as required under Sections 230-232 of the Act;
- 23.1.2. approval of the Scheme by the Stock Exchanges and SEBI, pursuant to the Listing Regulations and the SEBI Circular;
- 23.1.3. approval of the Scheme by each jurisdictional Tribunal in terms of Sections 230-232 of the Act;
- 23.1.4. pursuant to the provisions of the Competition Act, 2002 of India and the rules and regulations thereunder, the CCI (or any appellate authority in India having appropriate jurisdiction) having granted or deemed to have granted the approval, if applicable, to the transaction envisaged in the Scheme in form and substance reasonably acceptable to the Parties;
- 23.1.5. the receipt or waiver (where permissible) of any approvals from third parties as mutually agreed in writing by the Parties as being required prior to effectiveness of this Scheme; and
- 23.1.6. the certified copies of the Tribunal Order(s) sanctioning this Scheme being filed with the respective jurisdictional RoC by the Transferor Company and the Transferee Company.

24. EFFECT OF NON-RECEIPT OF SANCTIONS

- 24.1. In the event any of the conditions stipulated in Clause 23 (*Conditionality of the Scheme*) are not satisfied (or waived as applicable) prior to the Long Stop Date or within such further period as may be mutually agreed upon between the Parties through their respective Boards of Directors (which Boards of Directors are hereby empowered and authorized to agree to from time to time without any limitation), this Scheme shall stand revoked and cancelled. In such an event, each Party shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme.
- 24.2. The Boards of Directors of the Parties shall be entitled to withdraw this Scheme prior to the Effective Date. It is hereby clarified that notwithstanding anything to the contrary contained this Scheme, neither the Transferor Company, nor the Transferee Company, shall be entitled to withdraw the Scheme unilaterally without the prior written consent of the other.

25. SEVERABILITY

- 25.1. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such part shall be severable from the remainder of the Scheme. Further, if the deletion of such part of this Scheme may cause this Scheme to become materially adverse to the Transferor Company and/ or the Transferee Company, then in such case the Transferor Company and/ or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such part.
- 25.2. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the mutual agreement of the Parties, affect the validity or implementation of the other parts and/or provisions of this Scheme.

- 25.3. The non-receipt of any sanctions or approvals for a particular asset or liability forming part of any of the Divestment Business Undertaking getting transferred pursuant to this Scheme, shall not affect the effectiveness of the other parts of the Scheme.

26. COST, CHARGES AND EXPENSES

- 26.1. The Parties shall bear their respective taxes in respect of the transfer of Divestment Business Undertaking in accordance with this Scheme and the transactions hereby contemplated. The Parties shall bear their own respective legal, accounting, professional and advisory fees, commissions, and other costs and expenses incurred by it in connection with this Scheme and the transactions thereby contemplated.
- 26.2. The Transferee Company shall be responsible and pay for all transfer charges, costs, transfer premiums, stamp duty and any registration charges in respect of transfer of Divestment Business Undertaking including any Divestment Assets, including the stamp duty payable on the Tribunal Order(s) or required to be paid in connection with the actions contemplated herein, except for stamp duty payable on the Tribunal Order in the State in which the registered office of the Transferor Company is situated.

27. FURTHER ACTIONS

- 27.1. In the event that any part of the Divestment Business Undertaking intended to be transferred under this Scheme does not get transferred on the Effective Date, the Parties undertake to take all necessary steps, and execute all necessary documents, to ensure the implementation of the transfer of such part of the Divestment Business Undertaking, without any further consideration to the Transferor Company. The Transferor Company shall hold in trust for, and put in place necessary arrangements to allow the Transferee Company to enjoy the benefit of and pay to the Transferee Company upon receipt thereof, such Divestment Assets, or any benefits arising therefrom, all income, proceeds and other monies received by the Transferor Company in connection with the Divestment Business Undertaking (net of any Taxes and any other costs and expenses incurred by the Transferor Company directly in relation to such amounts) pursuant to the arrangements under this Scheme or mutual agreement between the Parties in writing. It is clarified that any economic, financial, technical and operational responsibility and all related costs and expenses (direct and incurred), liabilities and taxes in connection with the Divestment Business Undertaking, shall rest and be borne entirely and exclusively by Transferee Company after Effective Date. The Transferee Company shall promptly pay, indemnify and hold harmless the Transferor Company for and from any such costs and expenses, losses, damages, liabilities and taxes or requirements under the Divestment Contract(s) after the Effective Date, if arising pursuant to this Clause.

28. SHAREHOLDERS' APPROVAL

- 28.1. It is hereby clarified that if pursuant to this Scheme any action is to be taken by any Party which requires the consent or approval of shareholders, then for such purposes, the consent or approval of the shareholders to the Scheme shall be deemed to be sufficient, and no further resolution of the shareholders would be required to be separately passed.

29. NO CAUSE OF ACTION

- 29.1. No third party claiming to have acted or changed its position in anticipation of this Scheme taking effect, shall get any cause of action against the Transferor Company or the Transferee Company or their directors or officers, if the Scheme does not take effect or is withdrawn, amended or modified for any reason whatsoever.

SCHEDULE 1

**COMPLETION STATEMENT
Part A – Working Capital Adjustment**

		INR Crs.
Particulars	Note	XXX
Non-Current Assets		
Financial Assets		
Loans	1	
Other Financial Assets	2	
Other Non-Current Assets	3	
Sub Total		
Current Assets		
Inventories	4	
Financial Assets		
Subsidy Receivable	5	
Trade Receivable - Other than Subsidy	6	
Loans	7	
Other Financial Assets - Other than Subsidy	8	
Other Current Assets	9	
Sub Total		
Total Assets		
Non-Current Liabilities		
Financial Liabilities		
Long Term Borrowing	10	
Trade Payable		
Other Financial Liability	11	
Long-Term Provisions	12	
Other Non- Current Liabilities	13	
Sub Total		
Current Liabilities		
Financial Liability		
Short-Term Borrowings - SBA Loan		
Trade Payable	14	
Other Financial Liability	15	
Other Current Liabilities	16	
Short-Term Provisions	17	
Sub Total		
Total Liabilities		
Net Working Capital		
Less: Target Working Capital		
Working Capital Adjustment		

Remarks

- 1) Creditors for Capital Goods and Capital Advances to the extent considered in Capex Adjustment will not be considered in the above Working Capital Adjustment.
- 2) Any assets /liabilities /provisions made for Excluded Litigations will not be considered for above computation of NWC

		INR Crs.
Note 1 - FA - Loans (Non-Current)		
Security Deposits		
Loans to Employees		
Total		
		INR Crs.
Note 2: Other Financial Assets (Non-Current)		
Forward Covers		
Receivable towards Divested Business/Scrap		
Total		
		INR Crs.
Note 3 - Other Non-Current Assets		
Other Advances		
Balances with Government and other Authorities		
Security Deposit		
Prepaid Expenses		
Others		
Advance to Related Parties		
Total		
		INR Crs.
Note 4 - Inventories		
Raw materials		
Work-in-progress		
Finished goods		
Stock-in-trade		
By-Products		
Waste / Scrap		
Stores and Spare parts (including Loose Tools)		
Fuel		
Others (mainly Packaging Material, etc)		
Total		
		INR Crs.
Note 5 - Subsidy Receivable		
Subsidy Receivable forming part of Trade Receivable		
Subsidy forming part of Other Financial Assets		
Subsidy Receivable		
Break-up of Subsidy Receivable		
Old Subsidy as agreed to and identified between the Parties in writing		
Less: Provision @ 7.5% in respect of Updated Statement		
Slow Moving Subsidy as agreed to and identified between the Parties		

in writing		
Current Subsidy		
Subsidy Receivable		
		INR Crs.
Note 6 - Trade Receivable - Other than Subsidy		
Sundry Debtors		
Bills Receivable		
Foreign Exchange Revaluation		
Provision for Doubtful Debts		
Trade Receivables		
Less: Subsidy Receivable forming part of Trade Receivable		
Trade Receivable - Other than Subsidy		
		INR Crs.
Note 7 - Short Term Loans		
Security Deposits		
Loans		
Deposits with Bodies Corporate		
Total		
		INR Crs.
Note 8 - Other Financial Asset - Other than Subsidy		
Forward Covers		
Reimbursement of Expenses		
Recoverables		
Other Receivables from Related Parties		
Other Financial Assets		
Less: Subsidy forming part of Other Financial Assets		
Other Financial Asset - Other than Subsidy		
		INR Crs.
Note 9 - Other Current Assets		
Balances with Government and Other Authorities		
Other Advance		
Other Current Assets		
Security Deposit		
Advances to Related Parties		
Total		
		INR Crs.
Note 10 - Long-Term Borrowings		
Unsecured		
Deferred Sales Tax Loan (Interest free loan)		
Total		
		INR Crs.
Note 11 - Other Financial Liabilities		
OYVS Instalments (Deduction from Emp. Salary)		
OYFS (Deduction from Emp. Salary)		
Sundry Outstanding		
Security and Other Deposits		

Other Liabilities		
Trade Payable Others		
MTM on Derivative Instruments Liability NC		
Total		
		INR Crs.
Note 12 -Long Term Provisions		
Provision for Employee Benefits		
Other Long-Term Provisions		
Total		
		INR Crs.
Note 13 - Other Non- Current Liabilities		
Other Creditors		
Deferred Interest Income-Sales Tax Loan (interest free loan)		
Deferred Government Subsidy/Grant		
Contractor Workman Gratuity Liability		
Provision for RPO		
Total		
		INR Crs.
Note 14 - Trade Payables		
Accrued Expenses		
Liquidated Damages		
Retention Money		
Creditors		
Creditors - Small Scale Industries		
Acceptances		
Due to Related Parties		
Total		
		INR Crs.
Note 15 - Other Financial Liabilities		
Security Deposits		
Accrued expenses related to employees		
MTM on Derivative Instruments Liability		
Others (Including retention and damage charges)		
Total		
		INR Crs.
Note 16 - Other Current Liabilities		
Advance From Customers		
Others		
Security and other deposits		
Deferred Interest Income-Sales Tax Loan (Interest free loan)		
Deferred Government Subsidy/Grant		
Deferred Rent Income		
Statutory Liabilities		
Total		
		INR Crs.
Note 17 - Short Term Provisions		

Provision for Employee Benefits		
Provision against contingent liability		
Other Short-Term Provisions		
Short Term Provisions		
Less: Provisions against Excluded Litigation		
Short Term Provisions (Other than against Excluded Litigation)		

Part B – Capex Adjustment

	Amount (INR Crs.)
Amount as per Capex Plan	
+/- adjustment to Capex Plan	
Amount as per Adjusted Capex Plan	
- the cost of capex items on the Capex Plan incurred by the Transferor Company till Completion Date	
- capital expenditure incurred by the Transferor Company with the prior written consent of the Transferee Company	
+ creditors for capital goods towards each item at the Completion Date	
Capex Adjustment (a)	
Pro-Rata Capex Plan	
- the cost of such items on the Annual Capex Plan incurred by the Transferor Company till Completion Date	
+ creditors for capital goods towards each item at the Completion Date	
Capex Adjustment (b)	
Capex Adjustment (a) + (b)	
1. Capex Plan, for the purpose of the above statement, is the Capex Plan as defined under Clause 1.1.14 of this Scheme.	
2. Adjusted Capex Plan, for the purpose of the above statement, is the Adjusted Capex Plan as defined under Clause 1.1.3 of this Scheme.	
3. Pro-Rata Capex Plan, for the purpose of the above statement, is the Pro-Rata Capex Plan as defined under Clause 1.1.64 of this Scheme.	

SCHEDULE 2

DIVESTMENT REAL ESTATE

A. Lease hold land

U.P. STATE INDUSTRIAL DEVELOPMENT CORPORATION LTD. (UPSIDC/UPSIDA) Leasehold land situated at Jagdishpur Industrial Area, District Amethi				
Sl. No.	Industrial Area	Plot Nos./Sector Nos	Land Admeasurement (Sq. meters)	Land Admeasurement (Acres)
1.	Jagdishpur - Village Kamrauli & Kathaura	Sector Nos. 6,7,8,9,10,11 (Part), 13 (Part), 15, 17, 18 & 19		833.04
2.	Jagdishpur - Village Kamrauli	Sector No. 16 Plot Nos. C 12 to C 20	4,700	
3.	Jagdishpur - Village Sithauli	Sector No. 11 (remaining portion)		13.02
4.	Jagdishpur - Village Kamrauli	Sector No. -16 Plot No. C-11	763	
5.	Jagdishpur - Village Kamrauli	Sector No. 16 Plot No. 16/15A		3.61
6.	Jagdishpur - Village Sithauli	Sector No. 13 (Part)		22.00
7.	Jagdishpur - Village Kamrauli	Sector No. 16 Plot No. A-10	3,315	
8.	Jagdishpur - Village Kamrauli	Plot No. S-2	2,320	

B. Free hold land

(i) Village - Kamrauli				
Sl. No.	Name of the Village	Khata No.	Gata No.	Area (Hect.)
1	Kamrauli Pragana-Jagdishpur, Tehasil-Musafirkhana, District-Amethi	0054	787Min.	0.0630
			785Min.	0.0020
			515/2	0.0070
			554Min./2	0.0420
			555Min.	0.1260
			557Min.	0.0500
			538Min.	0.0310
			546Min.	0.0070
			547Min.	0.0360
			548Min.	0.0390
			550Min.	0.0100
			551Min.	0.0280
			552Min.	0.0020
			556Min.	0.0040
			784Min.	0.0220
			786Min.	0.0360
			788Min.	0.0330
			538Min.	0.0310

(i) Village - Kamrauli				
Sl. No.	Name of the Village	Khata No.	Gata No.	Area (Hect.)
			546Min.	0.0070
			547Min.	0.0360
			548Min.	0.0390
			550Min.	0.0100
			551Min.	0.0280
			553Min.	0.0020
			556Min.	0.0040
			784Min.	0.0220
			786Min.	0.0360
			788Min.	0.0330
			516/2Min.	0.0050
			508Min.	0.0300
			536Min.	0.0610
			536Min.	0.0610
	<u>Total</u>		32 plots	0.9430
2			785	0.0380
	Grand Total		33 Plots	0.9810

(ii) Village - Jalalpur Tiwari				
Sl. No.	Name of the Village	Khata No.	Gata No.	Area (Hect.)
1	Jalalpur Tiwari Pragana-Jagdishpur, Tehasil-Musafirkhana, District-Amethi		570Min.	0.0530
			548Min.	0.0570
			591Min.	0.0350
			530Min.	0.0510
			549Min.	0.0890
			588Min.	0.0690
			541Min.	0.2150
			592Min.	0.0650
			567Min.	0.2660
			547Min.	0.0190
	<u>Total</u>		10 plots	0.9190
2			506	0.0630
	Grand Total		11 Plots	0.9820

(iii) Village – Sathin				
Sl. No	Name of the Village	Khata No	Gata No.	Area (Hect.)
1	Sathin Pragana-Jagdishpur, Tehasil-Musafirkhana, District-Amethi	00105	949	0.1900
			1341Kha	0.2400
		<u>Total</u>	2 Plots	0.4300
2		00871	761	0.6000
3		00850	766	0.0670 share1/2 i.e.

				0.0335
	Grand Total		04 Plots	1.0635

C. Gram Sabha allotted land – Right to use

Freehold Land - Right to use				
Sl. No	Name of the Village	Khata No	Gata No.	Area (Hect.)
1	Sathin Pragana-Jagdishpur, Tehasil-Musafirkhana, District-Amethi	00001	762Fa	0.1050
			765	0.1140
			763	0.8030
			950	0.0890
			764	0.9110
			899Kha	0.1390
			906Kha	0.8090
			951	0.0510
			948/2375	0.1770
		Grand Total	9 plots	3.1980

SCHEDULE 3

EXCLUDED LITIGATIONS

Table 1

Sr. No.	Notice/ Summon/Case No.	Authority before which pending	Nature of the Case	Description of the matter
1	Case no. 686/2011	Additional Commissioner of Appeals - Grade I, Lucknow	Civil Case	This matter pertains to demand raised by the assessing authority against the Transferor Company on issuance of Form C under the Central Sales Tax Act, 1956 for purchase of natural gas, allegedly considering it as intra-state transaction, and raising penalty in relation thereof.

Table 2

Sr. No.	Notice/ Summon/Case No.	Authority before which pending	Nature of the Case	Description of the matter
1	Case no. 12573/2010	High Court of Allahabad, Lucknow Bench	Civil Case	This matter pertains to demand by a government authority against the Transferor Company in relation to maintenance charges concerning the land allotted to the Transferor Company.

Table 3

Sr. No.	Notice/ Summon/ Case No.	Authority before which pending	Nature of the Case	Description of the matter
1	C. No.99/2012	Chief Judicial Magistrate, Sultanpur	Criminal Case	This matter pertains to a charge sheet submitted before the CJM u/s 384 of the Indian Penal Code 1860, upon an FIR filed against <i>inter alia</i> a Transferor Company personnel.
2	C. No. 3775/1998	Chief Judicial Magistrate, Sultanpur	Criminal Case	This matter pertains to issuance of a notice against the factory manager for alleged non-compliance of specified acts.
3	C. No.480/2008	Chief Judicial Magistrate, Sultanpur	Criminal Case	This matter pertains to an FIR filed against <i>inter alia</i> Transferor Company personnel in relation to an alleged event at the school premises.
4	COMA/16276/2017	CJM First Class, Ludhiana	Criminal Case	This matter pertains to the chief agricultural officer of Ludhiana having allegedly found Bantonite sample sub-standard, and since Transferor Company was also marketing this product one of its employee received summon as responsible officer.
5	CRM-M-49200-2018	Punjab & Haryana High Court	Criminal Case	This matter pertains to the chief agricultural officer of Ludhiana having allegedly found Bantonite sample to be sub-standard, and since Transferor

Sr. No.	Notice/ Summon/ Case No.	Authority before which pending	Nature of the Case	Description of the matter
				Company was also marketing this product one of its employee received summon as responsible officer.
6	COMA/275/2019	Chief Judicial Magistrate, Jind	Criminal Case	This matter pertains to alleged non-conformity of a sample of Zinc Sulphate heptahydrate with the applicable legal specifications.
7	COMA/214/2018	Chief Judicial Magistrate, Faridkot	Criminal Case	This matter pertains to alleged non-conformity of Zinc Sulphate sample with the applicable legal specifications.

Table 4

Sr. No.	Notice/ Summon/Case No.	Authority before which pending	Nature of the Case	Description of the matter
1	C. No. 05/1998	Special Sessions Judge, Moga, Punjab	Criminal	This case pertains to alleged non-conformity of a DAP sample, collected from one of the dealers of the Transferor Company, with the prescribed legal specifications. Transferor Company personnel was impleaded as one of the parties to the case.
2	1527/2005	Punjab & Haryana High Court	Criminal	This case pertains to alleged non-conformity of a DAP sample, collected from one of the dealers of the Transferor Company, with the prescribed legal specifications. Transferor Company personnel was impleaded as one of the parties to the case.
3	CRM -19807/2006	Punjab & Haryana High Court	Criminal	This case pertains to alleged non-conformity of a DAP sample, collected from one of the dealers of the Transferor Company, with the prescribed legal specifications. Transferor Company personnel was impleaded as one of the parties to the case.
4	728/2006	Punjab & Haryana High Court	Criminal	This case pertains to alleged non-conformity of a DAP sample, collected from one of the dealers of the Transferor Company, with the prescribed legal specifications. Transferor Company personnel was impleaded as one of the parties to the case.

For Reference

Prior to deletion Article 63 A to 63 D were read as under:

- | | | |
|------|--|---|
| 63A* | No change of shareholding by person/ group of persons, except Promoters/ Persons comprising the Promoter Group | No change of shareholding by any person/group of persons, except Promoters/Persons comprising the Promoter Groups/Person acting in concert with the Promoters and Promoter Group of the Company, by way of fresh issue or transfer of shares, to the extent of 5% or more in the Company shall be without the prior approval of RBI, which shall be obtained by such person/group of persons. |
| 63B* | Shareholding of the Company shall be held by residents | Not less than 51% of the shareholding of the Company shall be held by residents; |
| 63C* | Power to appoint majority of directors | Resident shareholders shall have the power to appoint majority of directors on the Board of the Company; and |
| 64D* | Conflict of provisions in 63A, 63B and 63C shall stand void | Any action taken, or any amendments of the Articles of the Company that would be in conflict of the provisions in 63A, 63B and 63C shall stand void. |

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Updated as on 1st January 2022