

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 596 OF 2006**

In the matter of the Companies Act, 1956;

And

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

And

In the matter of The Associated Cement
Companies Limited, a Company incorporated
under the Indian Companies Act VII of 1913,
having its Registered Office at Cement House,
121, Maharshi Karve Road, Mumbai 400 020.

And

In the matter of the Scheme of Amalgamation
of Tarmac (India) Limited with The Associated
Cement Companies Limited.

The Associated Cement Companies Limited, a Company)	
incorporated under the Indian Companies Act VII of 1913,)	
having its Registered Office at Cement House, 121,)	
Maharshi Karve Road, Mumbai 400 020.)	...Applicant

**NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF
THE ASSOCIATED CEMENT COMPANIES LIMITED, THE APPLICANT COMPANY**

To,

The Equity Shareholders of The Associated Cement Companies Limited, the Applicant Company

TAKE NOTICE that by an Order made on the 5th day of May, 2006, in the above Company Application, the High Court of Judicature at Bombay has directed that a Meeting of the Equity Shareholders of the Applicant Company be convened and held on Thursday the 8th day of June, 2006 at 11.30 a.m. (11.30 hours) at Yashwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400021, for the purpose of considering, and if thought fit, approving with or without modification, the Scheme of Amalgamation of Tarmac (India) Limited (the “Transferor Company”) with the Applicant Company.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a Meeting of the Equity Shareholders of the Applicant Company will be convened and held on Thursday the 8th day of June, 2006 at 11.30 a.m. (11.30 hours) at Yashwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400021, when you are requested to attend.



TAKE FURTHER NOTICE that you may attend and vote at the said Meeting in person or by Proxy, provided that a Proxy in the prescribed form, duly signed by you or by your authorised representative, is deposited at the Registered Office of the Applicant Company at Cement House, 121, Maharshi Karve Road, Mumbai 400 020, Maharashtra, not later than 48 hours before the said Meeting.

The Court has appointed Mr. N. S. Sekhsaria, the Chairman of the Applicant Company, in his absence Mr. Paul Hugentobler, the Deputy Chairman of the Applicant Company, in his absence Mr. M. L. Narula, the Managing Director of the Applicant Company and in his absence Mr. A. K. Jain, the Wholetime Director of the Applicant Company to be the Chairman of the said Meeting.

A copy each of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956 and a Form of the Proxy and Attendance Slip are enclosed.

N. S. Sekhsaria

Chairman appointed for the meeting.

Dated this 8th day of May, 2006.

Registered Office:
Cement House,
121, Maharshi Karve Road,
Mumbai 400 020

Enclosed: as above.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
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And

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In the matter of The Associated Cement
Companies Limited, a Company incorporated
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121, Maharshi Karve Road, Mumbai 400 020.

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In the matter of the Scheme of Amalgamation
of Tarmac (India) Limited with The Associated
Cement Companies Limited.

The Associated Cement Companies Limited, a Company)	
incorporated under the Indian Companies Act VII of 1913,)	
having its Registered Office at Cement House, 121,)	
Maharshi Karve Road, Mumbai 400 020.)	...Applicant

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956.

- (1) Pursuant to the Order dated 5th May, 2006 passed by the High Court of Judicature at Bombay, in the Company Application referred to hereinabove, a Meeting of the Equity Shareholders of the Applicant Company to be held on Thursday the 8th day of June, 2006 at 11.30 a.m. (11.30 hours) at Yashwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai – 400021, is being convened for the purpose of considering, and if thought fit, approving with or without modifications, the Scheme of Amalgamation of Tarmac (India) Limited the Transferor Company with The Associated Cement Companies Limited, the Applicant Company (hereinafter referred to as “the Scheme”).
- (2) In this statement, The Associated Cement Companies Limited is hereinafter referred to as the “Applicant Company” or “ACC” or the “Transferee Company”, and Tarmac (India) Limited is hereinafter referred to as the “Transferor Company” or “Tarmac”. Where the context so requires, the Applicant Company and the Transferor Company are collectively referred to as “the Companies”.
- (3) The Registered Office of the Applicant Company is situated at Cement House, 121, Maharshi Karve Road, Mumbai 400 020.
- (4) The Registered Office of the Transferor Company is situated at Cement House, 121, Maharshi Karve Road, Mumbai 400 020.



- (5) The share capital of the Applicant Company and the Transferor Company as on 31st March, 2006 is as under :

The Applicant Company

Authorised	(Rupees in Crores)
22,50,00,000 Equity Shares of Rs. 10 each	225.00
10,00,00,000 Preference Shares of Rs. 10 each	100.00
Total	325.00
Issued Share Capital	
18,74,46,626 Equity Shares of Rs. 10 each	187.45
Subscribed and Paid-up Share Capital	
8,56,60,506 Equity Shares of Rs. 10 each fully paid up*	85.67
3,84,060 Equity Shares of Rs. 10 each Forfeited - Amount paid	0.20
Share Application money received but not allotted	0.13
27,13,499 Equity Shares of Rs. 10 each fully paid allotted against the exercise of Stock Options under the Employee Stock Options Scheme	2.71
60,72,640 Equity Shares of Rs. 10 each, fully paid for consideration other than cash pursuant to contracts	6.07
9,19,52,080 Equity Shares of Rs. 10 each, fully paid by way of Bonus Shares	91.96
	<u>186.73</u>
(* Includes equity shares represented by GDRs)	

The Transferor Company

Authorised	(Rupees in Crores)
1,70,00,000 Equity Shares of Rs. 10.00 each	17.00
Total	17.00
Issued Subscribed and Paid-up Share Capital	
1,58,83,526 Equity Shares of Rs. 10.00 each fully paid up	15.88
Total	15.88

- (6) The objects for which the Applicant Company has been established are as set out in the Memorandum of Association of the Applicant Company and the main objects are set out hereunder:

"1. To purchase, take on lease, or otherwise acquire the undertaking business and property or any part thereof of any company or companies carrying on business as manufacturers of cement in India or elsewhere, or any other business which the company is entitled to carry on.

3. To carry on all or any of the businesses of manufacturers and sellers of and dealers and workers in cement of all kinds, concrete, asbestos, gypsum, coal, jute, hessian, cloth, gunny bags, paper bags, lime, plasters, whiting, clay, bauxite, soapstone, ochres, paints, fixing materials, gravel, sand, bricks, tiles, pipes, pottery, earthen ware, artificial stone, and manufacturers', builders' and dyers' requisites and conveniences of all kinds

4. To carry on the business of miners, metallurgists, builders, contractors, engineers, merchants, importers, and exporters, and to buy, sell and deal in property of all kinds.

6. to work mines or quarries and to prospect for, search for, find, win, get, work, crush, smelt, manufacture or otherwise deal with limestone, chalk, clay, ores, metals, minerals, oils, precious and other stones or deposits or products and generally to carry on the business of mining in all branches.

8. To search for ores and minerals, mine and grant licenses for mining in or over any lands which may be acquired, or held by the company and to lease any such lands for building or any use.

9. To use, cultivate, work, manage, improve, carry on, develop and to turn to account the undertaking, lands, mines, rights, privileges, property and assets of any kind of the company or any part thereof.

12. To acquire, be interested in, construct, maintain, carry out, improve, work, alter, control and manage any tramways, railways, steamboats, roads, bridges, tunnels, water-works, water-rights, canals, irrigation work, gas-works, coal mines, electric works, reservoirs, water-courses, furnaces, stamping works, smelting works, factories, warehouses and other works and conveniences which the company may think conducive to any of its objects or which may seem calculated directly or indirectly to promote the company's interest and to contribute to and take part in the constructing, maintaining, carrying on, improving, working, controlling and managing of any such works or conveniences.

21. To amalgamate with any company or companies having objects altogether or in part similar to those of the company.

- (7) The objects for which the Transferor Company has been established are as set out in its Memorandum of Association, and the main objects are set out hereunder:

"1. To carry on business of exporters, importers, manufacturers, processors, dealers, sellers, in all kinds of building materials including ready mix concretes, bricks, tiles, marbles, stones, cement, hardware, sanitary goods, road making materials."

- (8) The Transferor Company is a wholly owned subsidiary of the Transferee Company.

- (9) It is proposed to amalgamate the Transferor Company into the Transferee Company. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares will be issued by the Transferee Company to the shareholders of the Transferor Company in consideration for the amalgamation, and the shares held by the Transferee Company in the Transferor Company will stand cancelled upon the effectiveness of the Scheme. The Boards of Directors of the Transferor Company



and the Transferee Company are of the view that the current amalgamation proposal would be the best way to benefit from the synergies arising from the combination of the businesses as proposed.

- (10) The circumstances and/or reasons and /or grounds that have necessitated and/ or justified the Scheme and the advantages thereof are inter-alia as set out below.
- (11) As set out above, the Transferor Company is the wholly owned subsidiary of the Transferee Company. As of 31st March, 2006, the Transferee Company held 1,58,83,526 fully paid up Equity Shares of Rs. 10 each constituting 100% of the Equity Share Capital of the Transferor Company. It would therefore be appropriate to consolidate the businesses of both the companies, so as to achieve business synergy. Such an integrated and synergistic approach would also be essential to function in an increasingly competitive environment and benefit from growth opportunities.
- (12) The amalgamation of the Transferor Company with the Transferee Company is in the interest of the shareholders, creditors and employees of the Transferee Company;
- (13) The Transferor Company is in the business of manufacture and sale of Ready Mixed Concrete (hereinafter referred to as RMX). The Applicant Company besides being the leader in cement business is also a leading player and an established brand in the RMX business. It is felt that as RMX activity grows, the marketing efforts for cement and RMX should be made complementary and synergized to achieve best results. To this end, by merging Transferor Company with the Applicant Company, the Applicant Company would be able to complement its marketing capabilities and network better.
- (14) Further, the Applicant Company will also benefit by way of savings, for supply of cement to the Transferor Company since any such supply will become intra-company transfers after the merger.
- (15) The Transferor Company, on a stand alone basis, would not be able to withstand the intense competition in the market place, which in turn would lead to moderate/sub-optimal operations, moderate profits.
- (16) With the introduction of Accounting Standard (AS 21) Consolidated Financial Statements, the Applicant Company has been presenting quarterly financial results on a consolidated basis. As such keeping a separate reporting entity for such a small operation will not give the Applicant Company any additional advantage.
- (17) The amalgamation of the Transferor Company with the Transferee Company in accordance with the Scheme of Amalgamation would make available to the Transferee Company, the financial as well as the managerial, technical, and marketing resources of the Transferor Company whilst enabling the Transferee Company to consolidate its existing lines of business.
- (18) The Scheme was placed before and approved by the Committee of Directors of the Applicant Company on 7th April, 2006. The Board of Directors of the Transferor Company has also approved the Scheme of Amalgamation in its Meeting held on 10th April 2006.
- (19) The salient features of the Scheme are as follows:
 - (i) The Scheme envisages the amalgamation of the Transferor Company into the Applicant Company pursuant to Sections 391 to 394 and other relevant provisions of the Act in the manner provided for in the Scheme.
 - (ii) The Scheme provides that the "Appointed Date" shall be January 1, 2006.
 - (iii) The "Effective Date" for the Scheme means the last of the dates on which all the orders, approvals, consents, conditions, matters or filings referred to in Clause 18 of the Scheme have been obtained or fulfilled.

- (iv) The “Assets” or “Undertaking” of the Transferor Company has been defined in the Scheme to mean and include (without limitation) all the undertakings, the entire business, all the properties, wherever situate, including the right to use such assets and property (whether movable or immovable, tangible or intangible), plant and machinery, land, buildings and structures, offices, residential and other premises, capital work in progress, investments, current assets (including inventories, sundry debtors, bills of exchange, loans and advances etc.), vehicles, stocks and stores, furniture, fixtures, office equipment, appliances, accessories, power lines, water pipelines, share of any joint assets, and other facilities and premises, deposits, all stocks, assets, investments of all kinds, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights, if any wheresoever and benefits of any applications made thereof), any hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, licenses (industrial and otherwise) including obligations thereunder, municipal permissions including obligations thereunder, tenancies in relation to the office and/or residential properties for the employees or other persons, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights title, interests, other benefits (including tax benefits) and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to trade and service names and marks, patents, copyrights, designs, and other intellectual property rights of any nature whatsoever, authorisations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, contracts and arrangements, including technological licensing arrangements, and all other interests in connection with or relating to the Transferor Company, all records, engineering and process information, files, papers, computer programmes, software licenses, drawings, manuals, data, catalogues, sales and advertising materials, quotations, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records whether in physical or electronic form in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad, all earnest moneys and/or security deposits paid by the Transferor Company in connection with or relating to the Undertaking;
- (v) The Scheme also provides for:
- (a) the amalgamation of the Transferor Company into the Transferee Company, and the consequent cancellation of the entire share capital of the Transferor Company currently held by the Transferee Company.
 - (b) various other matters consequential or otherwise integrally connected with the above, including:
 - (i) the manner of vesting and transfer of the assets of the Transferor Company in the Applicant Company;
 - (ii) the transfer of contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature of the Transferor Company;
 - (iii) the transfer of all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company;
 - (iv) the transfer of debts, liabilities, duties, and obligations of the Transferor Company (as on the Appointed Date);



- (v) the transfer of all legal, taxation or other proceedings, whether civil or criminal, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company;
 - (vi) the manner in which the business of the Transferor Undertaking is to be carried on in trust by the Applicant Company for the benefit of the Transferor Company from the Appointed Date till the Effective Date;
 - (vii) the transfer of all the employees of the Transferor Company in service on the Effective Date to the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date; and
 - (viii) the dissolution without winding up of the Transferor Company with effect from the Appointed Date on the effectiveness of the Scheme.
- (c) The Scheme is conditional upon and subject to:
- (i) The Scheme being agreed to by the requisite majority of the members of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court of Judicature at Bombay referred to in Clauses 14 and 15 of the Scheme being obtained;
 - (ii) Such other sanctions and approvals including sanctions of any governmental or regulatory authority, creditor, lessor, or contracting party as may be required by law or contract in respect of the Scheme being obtained; and
 - (iii) The certified copies of the Court Orders referred to in the Scheme being filed with the Registrar of Companies, Maharashtra

The members are requested to read the entire text of the Scheme to get better acquainted with the provisions thereof as stated above. The aforesaid are only the salient features thereof.

- (20) The Applicant Company is not a subsidiary of the Transferor Company as provided in Section 4 of the Companies Act, 1956.
- (21) There is no likelihood that any creditor of the Applicant Company would lose or be prejudiced as a result of the Scheme being passed since no sacrifice or waiver is called for from them nor are their rights sought to be modified in any manner. The Applicant Company would be able to meet the liabilities as they arise in the course of business. Hence, the Scheme in no way adversely affects the interests of any of the creditors.
- (22) The Scheme provides that in the event of any approval(s) not being obtained and/or the Scheme not being sanctioned by the High Court of Judicature at Bombay by 31st December, 2006 or by such later date as may be agreed by the respective Boards of Directors of the Transferor Company and the Transferee Company, the 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.
- (23) The Directors of the Applicant Company and the Transferor Company may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding in the Companies, or to the extent the said Directors are common Directors in the Companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the Companies.

- (24) The present details of the Directors of the Applicant Company, and their shareholding in the Applicant Company and the Transferor Company either singly or jointly as on 31st March 2006 are as follows:

Name of Director	Age (years)	Position	Equity Shares held in	
			ACC	Tarmac
N.S. Sekhsaria	56	Chairman	—	
Paul Hugentobler	57	Deputy Chairman	—	
M.L. Narula	65	Managing Director	*65,500	@ 1
A.L. Kapur	71	Director	450	
S.M. Palia	67	Director	—	
Naresh Chandra (IAS Retired)	72	Director	—	
Markus Akermann	59	Director	—	
D.K. Mehrotra	52	Director	—	
R.A. Shah	74	Director	—	
Dr. Nirmalya Kumar	46	Director	—	
Shailesh Haribhakti	50	Director	—	
Anil Singhvi	46	Director	—	
A.K. Jain	58	Wholetime Director	*34,377	@ 1

* Mainly shares allotted pursuant to exercise of options under various Employees Stock Option Schemes.

@ The shares are held jointly with the Transferee Company as nominee shareholders. The beneficial interest in the shares vests with the Transferee Company.

- (25) The present details of the Directors of the Transferor Company, and their shareholding in the Applicant Company and the Transferor Company either singly or jointly as on 31st March 2006 are as follows:

Name of Director	Age (years)	Position	Equity Shares held in	
			ACC	Tarmac
M.L. Narula	65	Chairman	*65,500	@1
A.K. Jain	58	Director	*34,377	@1
Beat Malacarne	44	Director	—	—

* Mainly shares allotted pursuant to exercise of options under various Employee Stock Option Schemes.

@ The shares are held jointly with the Transferee Company as nominee shareholders. The beneficial interest on the shares vests with the Transferee Company.

- (26) The Scheme will have no effect on the interest of the Directors except in their capacity as Shareholders. Particulars of the interests of directors are available for inspection at the respective Registered Offices of the Applicant Company and the Transferor Company.
- (27) No investigation proceedings have been instituted or are pending under Sections 235 and 250A of the Act against the Applicant Company.



(28) Inspection of the following documents may be had at the Registered Office of the Applicant Company on any working day (except Saturday) prior to the date of the Meeting, between 10.00 a.m. to 12.00 noon.

- (i) Order dated 5th May, 2006 of the High Court of Judicature at Bombay directing the convening of a Meeting of the Equity Shareholders of the Applicant Company passed in Company Application No. 596 of 2006.
- (ii) Scheme of Amalgamation.
- (iii) Memorandum and Articles of Association of the Applicant Company and the Transferor Company.
- (iv) Annual Reports of the Applicant Company and the Transferor Company as at **December 31, 2005**.

This statement may also be treated as an Explanatory Statement under Section 173 of the Companies Act, 1956. A copy of the Scheme and Explanatory Statement may be obtained from the Registered Office of the Applicant Company.

N. S. Sekhsaria

Chairman appointed for the meeting

Dated this 8th day of May, 2006.

Registered Office:
Cement House,
121, Maharshi Karve Road,
Mumbai 400 020

SCHEME OF AMALGAMATION

OF

Tarmac (India) Limited ... the Amalgamating/Transferor Company

with

The Associated Cement Companies Limited ... the Amalgamated/Transferee Company

PART I - GENERAL

1. This Scheme of Amalgamation (hereinafter referred to as the “**Scheme**”) provides for the amalgamation of Tarmac (India) Limited with The Associated Cement Companies Limited, pursuant to Sections 391 to 394 and other relevant provisions of the Act.
2. In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

“**ACC**” or “**Transferee Company**” means The Associated Cement Companies Limited, a Company incorporated under the Indian Companies Act VII of 1913, and having its Registered Office at Cement House, 121, Maharshi Karve Road, Mumbai 400 020;

“**Act**” means the Companies Act, 1956 or any statutory modification or re-enactment thereof;

“**Appointed Date**” means January 1, 2006

“**Assets**” or “**Undertaking**” means and includes (without limitation) all the undertakings, the entire business, all the properties, wherever situate, including the right to use such assets and property (whether movable or immovable, tangible or intangible), plant and machinery, land, buildings and structures, offices, residential and other premises, capital work in progress, investments, current assets (including inventories, sundry debtors, bills of exchange, loans and advances etc.), vehicles, stocks and stores, furniture, fixtures, office equipment, appliances, accessories, power lines, water pipelines, share of any joint assets, and other facilities and premises, deposits, all stocks, assets, investments of all kinds, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases (including lease rights, if any, wheresoever and benefits of any applications made thereof), any hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, licenses (industrial and otherwise) including obligations thereunder, municipal permissions including obligations thereunder, tenancies in relation to the office and/or residential properties for the employees or other persons, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax



benefits) and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to trade and service names and marks, patents, copyrights, designs, and other intellectual property rights of any nature whatsoever, authorisations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, contracts and arrangements, including technological licensing arrangements, and all other interests in connection with or relating to the Transferor Company, all records, engineering and process information, files, papers, computer programmes, software licenses, drawings, manuals, data, catalogues, sales and advertising materials, quotations, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records whether in physical or electronic form in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad, all earnest moneys and/or security deposits paid by the Transferor Company in connection with or relating to the Undertaking

“Tarmac” or “Transferor Company” means Tarmac (India) Limited a Company incorporated under the Act, and having its Registered Office at Cement House, 121, Maharshi Karve Road, Mumbai 400 020;

“Effective Date” means the last of the dates on which all the orders, approvals, consents, conditions, matters or filings referred to in Clause 18 hereof have been obtained or fulfilled;

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

“Governmental Authority” shall mean any government, regulatory authority, governmental department, agency, commission, board, tribunal or court or other law, rule or regulation-making entity, having or purporting to have jurisdiction on behalf of any nation, or province or state or other subdivision thereof or any municipality, district or other subdivision thereof.

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 Contract 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 from time to time.

PART II - SHARE CAPITAL

3. (a) The share capital of the Transferor Company as on March 31, 2006 is as under:

Authorised	(Rupees in Crores)
1,70,00,000 Equity Shares of Rs. 10.00 each	17.00
Total	17.00
Issued Subscribed and Paid-up Share Capital	
1,58,83,526 Equity Shares of Rs. 10.00 each fully paid up	15.88
Total	15.88

(b). The share capital of the Transferee Company as on March 31, 2006 is as under:

Authorised	(Rupees in Crores)
22,50,00,000 Equity Shares of Rs. 10 each	225.00
10,00,00,000 Preference Shares of Rs. 10 each	100.00
Total	325.00
Issued Share Capital	
18,74,46,626 Equity Shares of Rs. 10 each	187.45
Subscribed and Paid-up Share Capital	
8,56,60,506 Equity Shares of Rs. 10 each fully paid up*	85.67
3,84,060 Equity Shares of Rs. 10 each Forfeited - Amount paid	0.20
Share Application money received but not allotted	0.13
27,13,499 Equity Shares of Rs. 10 each fully paid allotted against the exercise of Stock Options under the Employee Stock Options Scheme	2.71
60,72,640 Equity Shares of Rs. 10 each, fully paid for consideration other than cash pursuant to contracts	6.07
9,19,52,080 Equity Shares of Rs. 10 each, fully paid by way of Bonus Shares	91.96
	<hr/>
	186.73
(* Includes equity shares represented by GDRs)	

PART III - TRANSFER AND VESTING

4. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Undertaking shall, pursuant to Section 394(2) of the Act, 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 as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Transferee Company.
- (b) Without prejudice to sub-clause (a) above, in respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of the Transferee Company as an integral part of the Undertaking.
- (c) In respect of such of the assets of the 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 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. For the avoidance of doubt, it is hereby clarified that all the rights, title and interest 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.

- (d) All the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, 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, which may accrue to the Transferor Company shall, pursuant to the provisions of Section 394(2) of the Act, 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 and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.
- (e) All Assets, estate, rights, title, interest, licenses and authorities acquired by or permits, quotas, approvals, permissions, incentives, sales tax deferrals, loans or benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes and other assets, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and/or all rights and benefits that have accrued or which may accrue to the Transferor Company after the Appointed Date and prior to the Effective Date in connection or in relation to the operation of the Undertaking shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested or deemed to have been transferred to and vested in the Transferee Company.

5. Upon the coming into effect of this Scheme and with effect from the Appointed Date:

- (a) All secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the “**Liabilities**”) shall, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred or be deemed to have been and stand transferred, so as to become the debts, liabilities, duties 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. It is clarified that in so far as the Assets of the Transferor Company are concerned, the security or charge over such Assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company, shall, without any further act or deed continue to relate to such Assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which the Transferor Company and the Transferee Company are party, and consistent with the joint obligations assumed by them under such arrangement.
- (b) (i) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall stand discharged and there shall be no liability in that behalf on either party.

- (ii) All debts, outstandings and receivables of the Transferor Company shall, without any further act, instrument or deed, stand transferred to and vested in the Transferee Company without any notice to the debtors, and the debtors shall be obliged to make payments to the Transferee Company on and after the Appointed Date.
 - (iii) All investments made by the Transferor Company shall, without any further act, instrument or deed, stand transferred to and be held by the Transferee Company, which shall be entitled to the benefits thereof.
 - (c) (i) Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee 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 account of the Transferee Company.
 - (ii) All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
 - (iii) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall have been deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, pursuant to the provisions of Section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.
6. (a) With effect from Appointed Date and up to the Effective Date:
- (i) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for, the Transferee Company.
 - (ii) All the profits or incomes accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.
 - (iii) It is clarified that any advance tax paid/TDS Certificates received by the Transferor Company be treated and be deemed to be and accrue as taxes paid by the Transferee Company.
- (b) With effect from the date of filing of this Scheme with the High Court of Judicature at Bombay and up to and including the Effective Date, the Transferor Company shall carry on its business and activities



with reasonable diligence and business prudence and shall not, undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments 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 with the Undertaking save and except in each case in the following circumstances:

- (i) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Court of Judicature at Bombay ; or
- (ii) if the same is expressly permitted by this Scheme; or
- (iii) if written consent of the Transferee Company has been obtained.

7. (a) Upon the coming into effect of this Scheme, all suits, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been pending and/or arising by or against the Transferee Company.
- (b) 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 to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
8. (a) Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it) 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, without any further act, instrument or deed, 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 or obligee thereto. The Transferee Company shall, at any time prior to the Effective Date, wherever necessary, enter into, and/or issue and/or execute deeds, writings, confirmations, any tripartite arrangements 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.
- (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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of 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 Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.
9. Upon the coming into effect of this Scheme:
 - (a) All the employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions as to remuneration not less favourable than those subsisting with reference

to the Transferor Company as on the said date. It is clarified that the employees of the Transferor Company who become 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 are applicable and available to any of the 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 by the Transferor Company with any union/employee of the Transferor Company.

- (b) The existing provident fund, gratuity fund, and pension and/or superannuation fund or trusts created by the Transferor Company or any other special funds created or existing for the benefit of the employees of the Transferor Company shall at an appropriate stage be transferred to the relevant funds of the Transferee Company and till such time shall be maintained separately.

PART IV - REORGANISATION OF CAPITAL

- 10. (a) Since the Transferee Company holds 100% of the Issued, Subscribed and Paid-up Capital of the Transferor Company, the entire Share Capital held by the Transferee Company in the Transferor Company shall stand cancelled upon the Scheme becoming effective.
- (b) The Transferor Company shall stand dissolved without being wound up with effect from the Appointed Date on the effectiveness of the Scheme.

PART V - GENERAL TERMS AND CONDITIONS

- 11. (a) With effect from the date of filing of this Scheme with the High Court of Judicature at Bombay and up to and including the Effective Date, the Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective equity shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date, provided that the Transferor Company shall not make any such declaration, except with the prior approval of the Board of Directors of the Transferee Company.
 - (b) 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 any of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.
- 12. The Transferee Company shall account for the amalgamation of the Transferor Company as per the Accounting Standard 14 (AS14) laid by the Institute of Chartered Accountants of India.
 - 13. 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 upper monetary or other limits



being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

14. The Transferor Company shall with all reasonable despatch, make all applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanctioning of this Scheme and for its dissolution without winding up under the provisions of law, and obtain all approvals as may be required under law.
15. The Transferee Company shall also with all reasonable despatch, make all applications/petitions under Sections 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanctioning of this Scheme under the provisions of law, and obtain all approvals as may be required under law.
16. Upon the coming into effect of this Scheme, the Board of Directors, (or any Committee thereof) of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.
17. (a) The Transferor Company and the Transferee Company may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Boards of Directors or a Committee or Committees of the concerned Board or any Director authorised in that behalf by the concerned Board of Directors (hereinafter referred to as the "**Delegates**") of the Transferor Company and the Transferee Company deem fit, or which the High Court of Judicature at Bombay and any other authorities under law may deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect. (In the event that any of the conditions may be imposed by the Courts or other authorities which the Transferor Company or the Transferee Company may find unacceptable for any reason, then the Transferor Company and the Transferee Company are at liberty to withdraw the Scheme). The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by the Delegates of the respective Companies.
- (b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Delegate of the Transferor Company and Transferee Company may give and are 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.
18. This Scheme is conditional upon and subject to:
 - (a) The Scheme being agreed to by the requisite majority of the members of the Transferor Company and the Transferee Company as required under the Act and the requisite orders of the High Court of Judicature at Bombay referred to in Clauses 14 and 15 above being obtained;

- (b) Such other sanctions and approvals including sanctions of any governmental or regulatory authority, creditor, lessor, or contracting party as may be required by law or contract in respect of the Scheme being obtained; and
 - (c) The certified copies of the Court Orders referred to in this Scheme being filed with the Registrar of Companies, Maharashtra.
19. In the event of this Scheme failing to take effect finally by December 2006 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.
20. The Transferee Company (by its Board of Directors) and the Transferor Company (by its Board of Directors) shall waive compliance of any conditions precedent to the effectiveness of this Scheme, as are capable of being waived, only if, and to the extent, required by the other party. Any such waiver shall be binding on the parties.
21. All costs, charges and expenses, including any taxes and duties of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 596 OF 2006**

In the matter of the Companies Act, 1956;

And

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

And

In the matter of The Associated Cement
Companies Limited, a Company incorporated
under the Indian Companies Act VII of 1913,
having its Registered Office at Cement House,
121, Maharshi Karve Road, Mumbai 400 020.

And

In the matter of the Scheme of Amalgamation
of Tarmac (India) Limited with The Associated
Cement Companies Limited.

The Associated Cement Companies Limited, a Company)
incorporated under the Indian Companies Act VII of 1913,)
having its Registered Office at Cement House, 121,)
Maharshi Karve Road, Mumbai 400 020.)

...Applicant

FORM OF PROXY

I/We, the undersigned Equity Shareholder/s of the Applicant Company hereby appoint _____
_____ of _____ and failing him/her _____ of
_____ as my/our proxy, to act for me/ us at the meeting of the Equity Shareholders of the
Applicant Company to be convened and held on Thursday the 8th day of June, 2006 at 11.30 a.m.
(11.30 hours) at Yashwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Next to Sachivalaya
Gymkhana, Mumbai – 400021, for the purpose of considering, and if thought fit, approving with or without
modification, the Scheme of Amalgamation of Tarmac (India) Limited (the "Transferor Company") with The
Associated Cement Company Limited the Applicant Company and at such meeting and at any adjournment or
adjournments thereof, to vote for me/us and in my/our name _____ (here, if
for, insert 'for'; if against, insert 'against', and in the latter case, strike out the words "either with or without modification" after "Scheme of
Amalgamation") the Scheme of Amalgamation, either with or without modification, as my/our proxy may approve.

(Strike out what is not necessary.)

Dated this _____ day of _____ 2006.

Name _____

Address: _____

Folio No.: _____

D.P. ID. No.: _____

Signature: _____

Affix
1 Rupee
Revenue
Stamp

NOTES:

1. All alterations made in the Form of Proxy should be initialled.
2. Proxy must be deposited at the Registered Office of the Applicant Company, not later than FORTY EIGHT hours before the Meeting.
3. In case of multiple proxies, proxy later in time shall be accepted.



THE ASSOCIATED CEMENT COMPANIES LIMITED

Registered Office : Cement House, 121, Maharshi Karve Road, Mumbai 400 020.

ATTENDANCE SLIP

Shareholder attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting hall.

I hereby record my presence at the Court Convened Meeting of the Shareholders of the Company at Yashwantrao Chavan Pratishthan, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021 at 11.30 a.m on Thursday the 8th June, 2006.

Folio No./Demat A/c. No.: _____

Full Name of the Shareholder
(in block letters)

Signature

* Full Name of Proxy
(in block letters)

Signature

*(To be filled in by the Proxy in case he/she attends instead of the Member)