



KANORIA CHEMICALS & INDUSTRIES LIMITED

KCI Park Plaza
71, Park Street
7th Floor
Kolkata-700 016
Tel : 2249-9472/9473/9474
Fax : 91-33-22499466
E-mail : calall@kanoriachem.com
Website : www.kanoriachem.com

Extracts of the Minutes of the Meeting of the Board of Directors of the Company held on 16th April, 2011

Transfer of Chloro Chemicals Business

The Chairman informed the Board of a proposal to transfer by way of slump sale and on a going concern basis, the Chloro Chemicals business of the Company, comprising of Chemical manufacturing and Power generating Plants situated at Renukoot, District Sonebhadra (U.P) and Salt Works at Gujarat (hereinafter called "the division"), to Aditya Birla Chemicals (India) Limited, at a consideration of Rs. 830 Crore (Rupees eight hundred thirty Crore only). He also explained to the Board the rationale and the benefits of the proposed transfer. The Board noted that the Chloro Chemicals business involves a hazardous and risky manufacturing process and that over the past years, the returns from the said business have also not been commensurate with the investments and risks involved in it. Further capital expenditure is also needed for this division to maintain the older sections of the plants as also to replace the Mercury Cell based Caustic Soda plant with the new generation plant based on Membrane Cell technology, which will lead to greater indebtedness and also add to risks.

It was further informed that this move would enable the Company to expand in its other existing businesses as well as bring opportunities in new and related businesses through both organic growth and acquisitions.

Shri N. K. Nolkha, Chief Financial Officer of the Company made presentation before the Board covering various aspects of the above proposed transfer.

The Board further noted that a Business Transfer Agreement is needed to be executed between the Company and Aditya Birla Chemicals (India) Limited in order to implement the above proposal. A draft Business Transfer Agreement, initialled by the Chairman for the purpose of identification, was placed in this regard before the Board and perused by the Directors.

The Board deliberated the matter at length and thereafter passed the following resolutions unanimously in this regard:

"RESOLVED that subject to the approval of the shareholders of the Company under Section 293(1) (a) of the Companies Act, 1956 and other necessary approvals in this regard, the Company's Chloro Chemicals Division, comprising of Chemical manufacturing and Power generating Plants situated at Renukoot, District Sonebhadra (U.P) and Salt Works at Gujarat, be sold, transferred or otherwise disposed of on slump sale and going concern basis to Aditya Birla Chemicals (India) Limited at a consideration of Rs.830 Crore (Rupees eight hundred thirty Crore only), on the terms and conditions contained in the draft Business Transfer Agreement placed before the Meeting."



Corporate Office :

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S.N. SASTRY
Unit Head

Grasim Industries Limited
(Chemical Division Renukoot)
P.O. Renukoot-231217, Distt. Sonebhadra



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"RESOLVED FURTHER that the draft Business Transfer Agreement with regard to the above sale, transfer or disposal of the Company's Chloro Chemicals Division be and the same is hereby approved."

"RESOLVED FURTHER that the Company do take further steps for obtaining all requisite approvals including that of the shareholders and lenders of the Company, regulatory authorities and other persons, whose consent is required under the law for the above sale, transfer or disposal of the Company's Chloro Chemicals Division and for that purpose to initiate all necessary actions for convening meetings of the Equity Shareholders of the Company and to take other consequential steps in that behalf, including the preparation and circulation of the notices and explanatory statements, and filing of all other documents required to be filed in this connection."

"RESOLVED FURTHER that Shri R. V. Kanoria, Managing Director, Shri J. P. Sonthalia, Managing Director (Designate) – Chloro Chemicals and Shri T. D. Bahety, Wholetime Director of the Company, be and are hereby severally authorised on behalf of the Company to:

- finalise, settle, sign and execute the Business Transfer Agreement and such other agreements, deeds, documents, undertakings, letters, covenants, memoranda, etc. with Aditya Birla Chemicals (India) Limited and/ or any other agency, on behalf of the Company, including such modifications or amendments thereto as they may deem fit and necessary from time to time, as may be required with regard to the above matter;

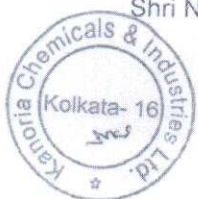
- incur such other expenses as may be necessary with regard to the above matter, including payment of fees of solicitors, advisors and other agencies and such other expenses that may be incidental to the above, as may be decided by them;

- do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution and/or as contemplated under the aforesaid documents."

"RESOLVED FURTHER that Shri R. V. Kanoria, Managing Director, Shri J. P. Sonthalia, Managing Director (Designate) – Chloro Chemicals and Shri T. D. Bahety, Wholetime Director of the Company, be and are hereby severally authorised to appoint/authorise any one or more officers/ authorised persons of the Company and to execute Power of Attorneys to perform all the acts, deeds and things in the above matter, as they may deem fit and expedient."

"RESOLVED FURTHER that the Common Seal of the Company be affixed on the agreements, deeds, other documents and the Power of Attorney(s) so granted in the presence of any one of the aforesaid Directors of the Company who shall sign the same in token thereof."

"RESOLVED FURTHER that Shri R. V. Kanoria, Managing Director, Shri J. P. Sonthalia, Managing Director (Designate) – Chloro Chemicals, Shri T. D. Bahety, Wholetime Director, Shri N. K. Nolkha, Chief Financial Officer, Shri S. K. Kak, Chief Executive Officer (Business



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Unit Head

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Development- Corporate), Shri N. K. Sethia, Company Secretary and Shri M. R. Mehta, Sr. Vice President (Administration & Taxation) of the Company, be and are hereby severally authorised in the name and on behalf of the Company to:

- finalise, settle, sign and execute any affidavits, declarations, vakalatnamas, deeds, writings, undertakings, etc., as may be required in the matter of any legal proceedings initiated by or against the Company relating to the aforesaid matter and to appoint advocates and to do all such other acts, deeds and things as may be required from time to time in relation thereto;
- take all steps for obtaining approvals and/or consents of shareholders of the Company, banks, financial institutions and other authorities or entities as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps in that behalf;
- make, execute, swear, declare and register all declarations, affidavits, applications, letters, papers and writings as may be required, necessary or expedient under the provisions of various applicable acts, rules, regulations or notifications of the Central and/or State Government(s) and/or any other Authorities, including but not limited to Courts, Municipal Authorities, Registrar of Companies, Sub-Registrar of Assurances, Telephone Authorities, Electricity Authorities, Postal Authorities, etc., and to represent the Company in all correspondences, matters and proceedings before them of any nature whatsoever in relation to the above; and
- suitably inform, apply and / or represent before the concerned Authorities at Renukoot and other places, including in respect of the requirements of the Central and/or State Government(s) and/or local authorities, including but not limited to the Sub-Registrar of Assurances, Customs Authorities, Excise Authorities, Income Tax Authorities, Sales Tax Authorities, Value Added Tax and Entry Tax Authorities, Employees' State Insurance and Provident Fund Authorities, Railways, Telephone Authorities, Electricity Authorities, Postal Authorities, and all other applicable Authorities, Agencies, etc., and/or to represent the Company before the said Authorities and Agencies and to sign and submit such applications, letters, forms, returns, memoranda, undertakings, declarations, deeds or documents and to take all the necessary steps and actions from time to time in connection with the above matter, including registration of necessary documents with the concerned Sub-Registrar of Assurances and/or other Authorities."

"RESOLVED FURTHER that the Common Seal of the Company be affixed on such agreements, undertakings, deeds or other documents as may be required (including on any modifications or amendments thereto as may be required from time to time), in the presence of any one of the Directors of the Company who shall sign the same in token thereof."

Certified to be true

For KANORIA CHEMICALS & INDUSTRIES LTD.


S.N. SASTRY

Unit Head

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(N.K. Sethia)
Company Secretary



TRUE COPY OF RESOLUTION PASSED IN THE MEETING OF BOARD OF
DIRECTORS OF THE COMPANY HELD ON 16TH APRIL 2011

To consider and approve strategic investment by the Company

The Board was informed of the proposal to purchase, by way of slump sale and on a going concern basis, Chloro Chemical Business manufacturing unit of Kanoria Chemicals and Industries Limited situated at Renukoot, Uttar Pradesh and Salt works at Gujarat ("the Business Undertaking") by the Company (the proposal to transfer/purchase the Business Undertaking is hereinafter called the "Transaction"). The Board was further informed that this move would be in line with the Company's strategy to exploit growth opportunities especially driven by increasing demand for caustic soda as well as to gain from operational synergies.

The Chairman informed the Board that, subject to the approval of the Board, it is proposed to implement the Transaction by way of slump sale and on a going concern basis from Kanoria Chemicals and Industries Limited.

The Chairman further informed the Board that in relation to the Transaction described above, the Company and Kanoria Chemicals and Industries Limited were proposing to execute, inter alia the Business Transfer Agreement.

In this behalf, the draft of Business Transfer Agreement, initialed by the Chairman of the meeting for the purpose of identification, was placed before the Board.

The rationale for and benefits of the proposed purchase were then briefly explained to the Board. The Chairman then asked Shri S. S. Gupta, Managing Director, to make a presentation to the Board about the Transaction. Shri S. S. Gupta accordingly made a presentation and explained the proposed transaction in detail.

The Board deliberated the matter at length and thereafter, passed the following resolutions unanimously:

"Resolved that the consent of Board of Directors of the Company be accorded to acquire Chloro Chemical division of Kanoria Chemicals and Industries Limited situated at Renukoot, Uttar Pradesh and Salt works at Gujarat ("Business Undertaking") by way of slump sale and on a going concern basis for a upfront cash consideration of Rs.830,00,00,000/- (Rupees Eight Hundred Thirty crores only) ("the Transaction"), subject to the obtaining of all requisite approvals."

"Resolved further that the draft of the Business Transfer Agreement as placed in the meeting in connection with the Transaction be executed and the same is hereby approved and any one of Shri Paresh Thacker of Corporate Legal Group and Shri

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ADITYA BIRLA CHEMICALS (INDIA) LIMITED

(formerly : Bihar Caustic & Chemicals Limited)

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PH.: +91 6584 262211/221/488 FAX: +91 6584 262205 E-MAIL: abcil@adityabirla.com

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Sanjay Khattry of Group Corporate Finance, both from Aditya Birla Management Corporation Private Limited be and are hereby authorized, on behalf of the company, to verify, sign and execute the said Business Transfer Agreement and other related deeds, documents, undertakings, letters covenants etc. as required in this respect."

"Resolved further that the Company do take further steps for obtaining requisite approvals of the regulatory authorities and other persons, if any, as required for the Transaction."

"Resolved further that any two of the following Directors/ Officers/ Authorised Person of the Company, viz., Shri K.C. Jhanwar, Shri S.S.Gupta, Shri Chandra Prakash Bansal, Shri Paresh Thacker and Shri Akash Mishra, acting jointly, be and hereby authorized jointly on behalf of the Company to:

- finalise, settle, sign and execute any agreement related to Business Transfer Agreement, deeds, documents, undertakings, letters, covenants, memoranda, etc., on behalf of the Company as may be required, including such modifications or amendments thereto as they may deem fit and necessary from time to time with Kanoria chemicals and Industries Limited and/ or any other agency, for the purpose of giving effect to the aforesaid Transaction;
- appoint Auditors, Solicitors, Advocates, Attorneys, Pleaders, Advisors, Registrars, Valuers, Accountants or any other one or more agencies, as may be required for the aforesaid purpose, on such terms and conditions as they may deem fit and also to execute Vakalatnama, if required, in favour of any one or more persons or firms as they may deem fit and necessary;
- consider and approve all other documents, advertisements or announcements which may be sent / required to be sent to the concerned authorities on behalf of the Company;
- incur such other expenses as may be necessary with regard to the above Transaction, including payment of fees of solicitors, merchant bankers, advisors, valuers, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them;
- do all such other acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or otherwise give effect to the Transaction contemplated under the aforesaid documents."

"Resolved further that the any one of the following Directors of the Company, viz., Shri Lalit Naik, Shri K.C.Jhanwar, and Shri S. S. Gupta be and are hereby authorised

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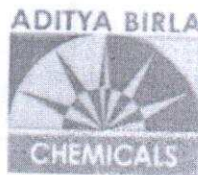
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and is hereby granted Power of Attorney to, acting severally, authorize, any one of the officers of the company/ authorised persons and also to execute Power of Attorneys to any person to perform all such acts, deeds and things in this regard, as they may deem fit and expedient, without any further reference to the Board."

"Resolved further that the Power of Attorney so granted to any one of the aforesaid Directors be executed by any one of the Directors of the Company and that the Common Seal of the Company be affixed thereon in the presence of any two of the Directors of the Company or any one of the aforesaid Directors of the Company and any one of the following persons, viz., Shri Akash Mishra, Shri C.P.Bansal, who shall sign the same in token thereof."

"Resolved further that the following Directors/Officers/ Authorised Person of the Company, viz., Shri Lalit Naik, Shri K.C.Jhanwar, Shri S.S.Gupta, and Shri Akash Mishra, be and are hereby severally authorised in the name of and on behalf of the Company to:

- finalise, settle, sign and execute any affidavits, declarations, vakalatnamas, deeds, writings, undertakings, etc., as may be required in the matter of any legal proceedings initiated by or against the Company relating to the aforesaid Transaction and to appoint advocates and to do all such other acts, deeds and things as may be required from time to time in relation thereto;
- take all steps for obtaining approvals and/or consents banks, financial institutions and other authorities or entities as may be required and for that purpose, to initiate all necessary actions and to take other consequential steps in that behalf;
- make, execute, swear, declare and register all declarations, affidavits, applications, letters, papers and writings as may be required, necessary or expedient under the provisions of various applicable acts, rules, regulations or notifications of the Central and/or State Government(s) and/or any other authorities, including but not limited to Courts, Municipal authorities, Registrar of Companies, Sub-Registrar of Assurances, Telephone authorities, Electricity authorities, Postal authorities, etc., and to represent the Company in all correspondences, matters and proceedings before them of any nature whatsoever in relation to the above; and
- suitably inform, apply and / or represent to the concerned authorities at Renukoot and other places, including in respect of the requirement of the Central and / or State Government(s) and/ or local authorities, including but not limited to the Sub-Registrar of Assurances, Customs Authorities, Excise Authorities, Income Tax Authorities, Sales Tax authorities, Value Added Tax and Entry Tax Authorities, Employees' State Insurance and Provident Fund Authorities, Railways, Airways, Airport Authorities, Telephone Authorities, Electricity Authorities, Postal

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Authorities, and all other applicable authorities, agencies, etc., and/or to represent the Company before the said authorities and agencies and to sign and submit such applications, letters, forms, returns, memoranda, undertakings, declarations, deeds or documents and to take all required necessary steps and actions from time to time in the above connection, including registration of documents with the concerned Sub-Registrar of Assurances."

"Resolved further that the Common Seal of the Company be affixed on such agreements, undertakings, deeds or documents as may be required (including on any modifications or amendments thereto as may be required from time to time), in the presence of any two Directors of the Company or any one of the aforesaid Directors of the Company and any one of the following persons, viz., Shri Akash Mishra or Shri C.P. Bansal, who shall sign the same in token thereof".

Certified to be true

For Aditya Birla Chemicals (India) Ltd.
(Formerly Bihar Caustic & Chemicals Ltd.)


(Akash Mishra)
Company Secretary


S.N. SASTRY

Unit Head

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