



Balkrishna Industries Limited

CIN : L99999MH1961PLC012185

Registered Office : H-3/1, MIDC "A" Road, Tarapur (Boisar), District Thane, (Maharashtra)- 401506

Corporate Office Address: BKT House, C/15, Trade World, Kamala Mills Compound,
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COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF BALKRISHNA INDUSTRIES LIMITED

Day	: Wednesday
Time	: 11:30 A.M.
Date	: 13 August 2014
Venue	: Plot No G-4/1, MIDC, Tarapur, (Boisar) District Thane, (Maharashtra)- 401506

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTIONS NO.446 OF 2014

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 the Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 between Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and creditors

Balkrishna Industries Limited)
H-3/1, MIDC "A")
Road, Tarapur (Boisar), District)
Thane, (Maharashtra) 401506) ... Applicant Company

NOTICE CONVENING THE MEETING OF THE MEMBERS OF BALKRISHNA INDUSTRIES LIMITED

To

The Members of Balkrishna Industries Limited

TAKE NOTICE that by an order dated 27 June 2014, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay (Also referred to as the "Hon'ble High Court") has directed that a meeting of the members of Balkrishna Industries Limited, the Applicant Company abovenamed, be convened and held at Plot No G-4/1, MIDC, Tarapur, (Boisar), District Thane, (Maharashtra) - 401506 on 13 August 2014 at 11:30 A.M., for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Arrangement proposed to be made between the Applicant Company and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and creditors ("Scheme").

TAKE NOTICE that in pursuance of the said order, a meeting of the members of the Applicant Company will be held at Plot No G-4/1, MIDC, Tarapur, Boisar, District Thane - 401506 on 13 August 2014 at 11:30 A.M., at which time and place 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 ("Proxy Form"), duly signed by you, or your authorized representative, is deposited at the registered office of the Applicant Company situated at H-3/1, MIDC "A" Road, Tarapur (Boisar), District Thane, (Maharashtra) 401506 not later than 48 hours before the meeting.

The Hon'ble High Court has appointed Mr Sachin Nath Chaturvedi, Independent Director of the Applicant Company, failing him Mr Khurshed Doongaji, Independent Director of the Applicant Company or failing him Mr Ashok Saraf, Independent Director of the Applicant Company shall be the Chairman for the aforesaid meeting of Members of the Applicant Company.

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

Sd/-

Chairman Appointed for the Meeting

Place: Mumbai

Date: 4 July 2014

Registered Office: Plot No H-3/1, MIDC, Tarapur, (Boisar) District Thane (Maharashtra)- 401506

NOTES:

- (i) All alterations made in the Form of the Proxy should be initialed.
- (ii) Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy) at the equity shareholders' meeting. The authorised representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the equity shareholders meeting provided that a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the equity shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
- (iii) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and such proxy need not be a member of the applicant company.
- (iv) The Form of Proxy duly completed should, however, be deposited at the Registered Office of the Applicant Company not less than 48 hours before the meeting.
- (v) Members who hold shares in dematerialized form are requested to bring their client ID and DP ID number for easy identification of attendance at the meeting.
- (vi) Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTIONS NO. 446 OF 2014**

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 the Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 between Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and creditors

Balkrishna Industries Limited),
H-3/1, MIDC "A"),
Road, Tarapur (Boisar), District),
Thane, (Maharashtra) 401506) ... Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

In this statement Balkrishna Industries Limited is referred to as the "Applicant Company" or "Demerged Company". The other definitions contained in the enclosed Scheme of Arrangement ("Scheme") will also apply to this Explanatory Statement. The following statement as required under Section 393 of the Companies Act, 1956 sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the directors of the Applicant Company, in their capacity as members.

1. Pursuant to an order dated 27 June 2014, passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to above, a meeting of the members of Balkrishna Industries Limited, the Applicant abovenamed, is being convened for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme between Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and creditors.
2. A copy of the Scheme setting out the terms and conditions of the Scheme is attached to this Explanatory Statement is annexed to the notice of the meeting.
3. Further, as required under Clause 5.16(b) of SEBI Circular bearing No. CIR/CFD/DIL/8/2013 dated 21 May 2013 the Applicant Company has furnished an undertaking dated 29 January 2014 certified by the statutory auditor, M/s. Jayantilal Thakkar & Co, Chartered Accountant and duly approved by the board of the Company stating non-applicability of Para 5.16(a). The said undertaking is displayed on the website of the Applicant Company and the relevant stock exchanges, being, BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").
4. The resolution to be moved at the said meeting will be read as follows:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval of the Hon'ble High Court of Judicature at Bombay, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Hon'ble Court of Judicature at Bombay or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more Committee(s) constituted to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), the proposed arrangements embodied in the Scheme of Arrangement between Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and creditors (the "Scheme") placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the arrangements embodied in the Scheme or any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise to the Scheme, as the Board may deem fit and proper."

BACKGROUND OF THE APPLICANT COMPANY

5. Balkrishna Industries Limited ("BIL" or "Applicant Company") was incorporated on 20th November, 1961 as a public limited company under the name "Papchemi Corporation Limited" under the Companies Act, 1956 and the Registrar of Companies, Maharashtra, Mumbai issued a certificate of incorporation dated 20th November, 1961. The name of the Demerged Company was changed from "Papchemi Corporation

Limited" to "Balkrishna Paper Mills Limited" and the Registrar of Companies, Maharashtra, Mumbai, issued a certificate of change of name dated 17th May, 1971 and fresh certificate of incorporation consequent on change of name dated 20th October, 1971. The name of the Demerged Company was further changed from "Balkrishna Paper Mills Limited" to "Balkrishna Industries Limited" and the Registrar of Companies, Maharashtra, Mumbai, issued a fresh certificate of incorporation consequent on change of name dated 29th October, 1987.

6. The CIN of the Company is L99999MH1961PLC012185 and its registered office is situated at H-3/1, MIDC "A" Road, Tarapur (Boisar), District Thane, (Maharashtra) - 401506.
7. The objects for which the Company has been established are set out in its Memorandum of Association. The main object of Applicant Company is as follows:
 - "24. To carry on the business of water-proofers and manufacturer of India rubber, rubber tyres, leather, imitation leather, leather cloth, plastics, oil cloth, linoleum, tarpaulins, hospital sheeting and surgical bandages.
 - a. To manufacture and deal in rubber tyres, tubes, flaps, other rubber products and materials which are being used or capable of being used in tyres, tubes and flaps.
 - b. To manufacture, process, mix, vulcanize, regenerate, import, export and deal in reclaim rubber, rubber compounds, rubber repairs materials, rubber combinations with any metallic or non-metallic substances, rubber chemicals, synthetics resins, foam and sponge rubber and products therefrom.
 - c. To carry on the business of leasing, financing and hire purchase of all types of plant, equipment, machinery, vehicles, buildings, appliances, moveable and immovable properties.
 - d. To carry on business of computer and consultancy services of all types."
8. Three of the objects which are incidental and ancillary to the attainment of the main objects are set out in Clause 36, 37 and 40 of the Memorandum of Association of the Demerged Company and are as follows:
 - "36. To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interests, co-operation joint adventure, reciprocal concessions 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 which this Company is authorized to carry on or engage in, or in any business, undertaking or transaction which may seem capable of being carried or conducted so as directly or indirectly to benefit this Company.
 37. 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 authorized to carry on, or possessed of property suitable for the purposes of this Company.
 40. To amalgamate with any company or companies whether having objects altogether or in part similar to those of this Company or not."
9. The share capital structure of the Demerged Company as on 31 March 2013 is as under:

	Value in Rupees
Authorised Share Capital	
25,00,00,000 equity shares of Rs 2 each	
Issued, Subscribed and Paid-up Share Capital:	50,00,00,000
9,66,58,595 equity shares of Rs 2 each fully paid up	19,33,17,190

10. After 31 March 2013 there has been no change in the issued, subscribed and paid up share capital of the Company.

BACKGROUND OF BALKRISHNA PAPER MILLS LIMITED

INCORPORATION

11. Balkrishna Paper Mills Limited ("BPML" or "Transferor Company") , was incorporated on 10 March 2007 as a public limited company under the name 'Balkrishna Paper Mills Limited' under the Companies Act, 1956 and the Registrar of Companies, Maharashtra, Mumbai, issued a Certificate of Incorporation dated 10 March 2007 and a certificate of commencement of business dated 21 March 2007.
12. The CIN of the Company is CIN No U21093MH2007PLC168591 and its registered office is situated at A - 701, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (West) Mumbai - 400 013.
13. The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The relevant objects of the Transferor Company are set out hereunder:
 1. To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting, or otherwise handling of or dealing in papers and boards of all kinds including straws board, grey board, mill board, card board, box board, duplex board, triplex board and writing, printing, wall and ceiling papers and articles made from paper or pulp and materials used in the manufacture or treatment of papers and boards, to carry on the business of stationers, lithographers, printers, publishers, manufacturers of, and dealers in, paper and board boxes of all types and cartons.
14. Two of the objects which are incidental and ancillary to the attainment of the main objects set out in Clauses III B (17) and (18) of the Memorandum of Association of Transferor Company and are as follows:

17. To amalgamate, enter into foreign or Indian technical, and/or financial collaboration, partnership or into any arrangement for sharing or dealing in profits, union of interest, co-operation, joint-venture reciprocal concession, or otherwise with any person, firm, corporation or Government or Company carrying on, engaged in or about to carry on or engage in any business, undertaking or transaction which the Company is authorised to carry on and to lend money, to guarantee the contracts or otherwise acquire and hold shares or securities of any such person, firms or companies, to sell, hold, reissue with or without guarantee or otherwise deal with the same.

18. To incorporate, form or acquire company or companies as subsidiary of the company either wholly owned or otherwise in India or any part of the world subject to provisions of Companies Act, 1956.

15. (a) As per the Memorandum of Association and the latest audited annual accounts of the Transferor Company as on 30 September 2013, the authorised share capital and the issued, subscribed and paid-up share capital of the Transferor Company was as under:

	Amount in Rupees
Authorised Share Capital:	
30,00,000 equity shares of Rs 10 each.	3,00,00,000
20,00,000 Redeemable Preference Shares of Rs 10 each	2,00,00,000
TOTAL	5,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
30,00,000 equity shares of Rs 10 each fully paid-up.	3,00,00,000
19,50,000 1% Optionally Convertible Redeemable Preference Shares of Rs 10 each fully paid-up	1,95,00,000
TOTAL	4,95,00,000

- (b) Subsequently, there was a change in the above share capital of the Transferor Company. As on 31 January 2014 the authorised, issued, subscribed and paid-up share capital of the Transferor Company was as under:

	Amount in Rupees
Authorised Share Capital:	
3,80,00,000 equity shares of Rs 10 each.	38,00,00,000
20,00,000 Redeemable Preference Shares of Rs 10 each	2,00,00,000
TOTAL	40,00,00,000
Issued, Subscribed and Paid-up Share Capital:	
3,80,00,000 equity shares of Rs 10 each fully paid-up.	38,00,00,000
19,50,000 1% Optionally Convertible Redeemable Preference Shares of Rs 10 each fully paid-up	1,95,00,000
TOTAL	39,95,00,000

16. After 31 January 2014, there has been no change in the above share capital of the Transferor Company.
 17. Further, the entire equity share capital of the Transferor Company is held by the Demerged Company and its nominees.

BACKGROUND OF NIRVIKARA PAPER MILLS LIMITED

18. Nirvikara Paper Mills Limited, ("NPML" or "Resulting Company"), was incorporated on 29 June 2013 as a public limited company under the name 'Nirvikara Paper Mills Limited' under the Companies Act, 1956 and the Registrar of Companies, Maharashtra, Mumbai issued a certificate of incorporation dated 29 June 2013 and a certificate of commencement of business dated 22 August 2013.
 19. The CIN of the Company is U21098MH2013PLC244963 and its registered office is situated at BKT House, C/15 Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013.

20. The objects for which the Resulting Company is established are:

"To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting, or otherwise handling of or dealing in papers and boards of all kinds including straws board, grey board, mill board, card board, box board, duplex board, triplex board and writing, printing, wall and ceiling papers and articles made from paper or pulp and materials used in the manufacture or treatment of papers and boards, to carry on the business of stationers, lithographers, printers, publishers, manufacturers of, and dealers in, paper and board boxes of all types and cartons."

21. Two of the objects which is incidental and ancillary to the attainment of the main objects set out in Clause 17 and 18 of the Memorandum of Association of the Resulting Company is as follows:

"17. To amalgamate, enter into foreign or Indian technical, and/or financial collaboration, partnership or into any arrangement for sharing or dealing in profits, union of interest, co-operation, joint-venture reciprocal concession, or otherwise with any person, firm, corporation or Government or Company carrying on, engaged in or about to carry on or engage in any business, undertaking or transaction which the Company is authorised to carry on and to lend money, to guarantee the contracts or otherwise acquire and hold shares or securities of any such person, firms or companies, to sell, hold, reissue with or without guarantee or otherwise deal with the same.

18. To incorporate, form or acquire company or companies as subsidiary of the company either wholly owned or otherwise in India or any part of the world subject to provisions of Companies Act, 1956.”

22. The share capital of the Resulting Company as per its memorandum of association and the latest unaudited accounts as on 31 January 2014 i.e. the authorised share capital and the issued, subscribed and paid-up share capital of the Resulting Company was as under:

	Amount in Rupees
Authorised Share Capital	
50,000 equity shares of Rs 10 each	5,00,000
Issued, Subscribed and Paid-up Share Capital:	
50,000 equity shares of Rs 10 each fully paid up	5,00,000

23. After 31 January 2014, there has been no change in the above share capital of the Resulting Company. Further, the entire equity share capital of the Resulting Company is held by the Demerged Company and its nominees.

RATIONALE FOR THE SCHEME

1. The circumstances and/or reasons and/or grounds that have necessitated and/or justified the Scheme and some of the major benefits which would accrue from the proposed Scheme are briefly stated below and for these amongst other reasons, the Scheme is being proposed.
 - a. BIL, by itself and through its subsidiaries, is engaged in two distinct lines of business namely (i) manufacturing and marketing of pneumatic tyres and (ii) other businesses inter alia, manufacturing and marketing of paper boards and processing of textile fabrics.
 - b. The nature of risk and competition involved in the aforesaid line of businesses are distinct from each other necessitating different management and growth focus. Consequently the aforesaid businesses require different set of investors, strategic partners, lenders and other stakeholders for their growth.
 - c. BIL is one the market leaders in the pneumatic tyre business and has embarked on a growth strategy to consolidate its position. The packaging industry in India has been witnessing a strong growth and the paper board business is well positioned to capitalize on this growth. Paper board business, together with investment in Balkrishna Synthetics Limited, as a separate legal entity independent of BIL will result in a focused independent management and streamline the operations to achieve the growth potential of paper board business. It would also provide access to varied sources of raising funds for the growth of this business.
 - d. With a view to realize the aforesaid growth potentials, BIL proposes to re-organize and segregate, by way of a scheme of arrangement, its business, undertaking and investments in the paper board business. It is believed that the proposed scheme of arrangement will create enhanced value for shareholders and allow a focused growth strategy, which would be in the best interest of BIL, its shareholders, creditors and all other stakeholders of BIL. The restructuring proposed by this scheme of arrangement will also provide an opportunity to the investors to select investments which best suit their investment strategies and risk profiles.

SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme have been recorded in the Scheme and reproduced as under:

“3. Amalgamation Of Transferor Company With BIL

- 3.1 Upon the Scheme being effective and subject to the provisions of this Scheme, the entire Undertaking of 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 and stand transferred to and vested in BIL as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of BIL, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same 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 vest in BIL by virtue of the amalgamation and BIL shall not be obliged to create any further or additional security therefore after 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, BIL will create the security in terms of the issue or arrangement in relation thereto. Similarly, BIL 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 With respect to the assets of the Undertaking of the Transferor Company that are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by Transferor Company and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of BIL as its integral part on and from the Appointed Date.
- 3.3 With respect to the assets of the Undertaking of the Transferor Company 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 BIL 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 Transferor Company, all the rights, title and interests of Transferor Company in any leasehold properties in relation to the Undertaking 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 BIL.

- 3.4 For the avoidance of doubt, it is clarified that upon coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorneys 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, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, be transferred to and vested in BIL.
- 3.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which 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 BIL and shall be binding on and be enforceable by and against BIL as fully and effectually as if BIL had at all material times been a party thereto. Any inter-se contracts between Transferor Company and BIL shall stand cancelled and cease to operate in BIL from the Appointed Date upon the coming into effect of this Scheme.
- 3.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Transferor Company occurs by virtue of this Scheme itself, BIL 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 or other writings or tripartite arrangements with any party to any contract or arrangement to which BIL is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. BIL shall under the provisions of Part of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.
- 3.7 In so far as the various incentives, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company is concerned, the same shall, without any further act or deed, vest with and be available to BIL on the same terms and conditions on and from the Appointed Date with effect from the Effective Date.
- 3.8 (a) All debts, liabilities, duties and obligations of 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 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 BIL.
- (b) Where any of the liabilities and obligations attributed to 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 BIL. Where after the Appointed Date, Transferor Company have taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of BIL and BIL will assume liability for the same.
- (c) Without prejudice to the provisions of the foregoing Clauses and upon the Scheme becoming Effective, Transferor Company and BIL shall execute any instruments or documents or 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, Maharashtra to give formal effect to the above provisions, if required.
- (d) If and to the extent there are loans, deposits or balances inter se between Transferor Company and BIL, 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 BIL. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between Transferor Company and BIL.
- (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 Transferor Company and BIL 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 Act 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 other applicable laws/ 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 accounts made as on the date immediately preceding the Appointed Date shall be transferred to BIL. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to BIL.
- (g) Any refund under the Tax Laws due to Transferor Company consequent to the assessment and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by BIL.
- (h) Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in BIL.
- 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 transferred to and vested in BIL, so as to become on and from the Appointed

Date, the debts, liabilities, duties and obligations of BIL on the same terms and conditions as were applicable to the Transferor Company and further that 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.

7. Consideration

As the entire issued, subscribed and paid up share capital of the Transferor Company is held by BIL, upon amalgamation, BIL would not be required to issue and allot any shares to shareholders of Transferor Company. The equity shares and 1% optionally convertible redeemable preference shares so held by BIL shall stand cancelled and extinguished upon coming into effect of this Scheme.

8. Dissolution Of Transferor Company

On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up.

13. Transfer Of Assets

13.1 Subject to implementation of Part - II of this Scheme and with effect from the Effective Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, pursuant to the provisions of Sections 391 to 394 of the Act, without any further act, deed, matter or thing be demerged from the Demerged Company and be and stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis such that all the properties, assets, rights, claims, title, interest, authorities, investments and liabilities comprised in the Paper Division Undertaking immediately before the demerger shall become the properties, assets, rights, claims, title, interest, authorities, investments and liabilities of the Resulting Company by virtue of and in the manner provided in this Scheme with effect from the Effective Date

13.2 Without prejudice to the generality of Clause 13.1 above and upon coming into effect of the Scheme, with effect from the Effective Date, the entire business and undertaking of the Demerged Company in relation to the Demerged Undertaking including all the 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 Hon'ble 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, be and stand transferred to and vested in the Resulting Company as a going concern.

13.3 In respect of such of the assets and properties of the Demerged Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall with effect from the Effective Date stand so transferred by the Demerged Company upon coming into effect of the Scheme and shall, become the assets and properties of the Resulting Company.

13.4 With respect to the assets of the Demerged Company other than those referred to in clause 13.3 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 Resulting 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 Demerged Company, all the rights, title and interests of 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.

13.5 With effect from the Effective Date, all consents, permissions, licenses, 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 vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and 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.

14 Transfer Of Liabilities

14.1 upon the coming into effect of this Scheme and with effect from the Effective Date, all loans raised and utilized and all debts, duties, undertakings, liabilities including contingent liabilities, if any, whether quantified or not and obligations incurred or undertaken by the Demerged Company in relation to or in connection with the Demerged Undertaking as on the Effective Date shall pursuant to the sanction of the Scheme by the Hon'ble High Court and under the provisions of Sections 391 to 394 and other applicable provisions of the Act, without any further act, instrument or deed being required, be and shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company to the extent that they may be outstanding as on the Effective Date and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged 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 liabilities have arisen in order to give effect to the provisions of this Clause 14.

14.2 In so far as any encumbrance in respect of the loans, borrowings, debts and liabilities of the Demerged Company in relation to or in connection with the Demerged Undertaking ("Transferred Liabilities") is concerned, upon the coming into effect of this Scheme and with effect from the Effective Date, such encumbrance shall, without any further act, instrument or deed being required to

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, as and from the Effective Date 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 with effect from the Effective Date and upon the coming into effect of this Scheme.

14.3 Upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instrument or document and/or do all such acts or deeds as may be required, including filing if necessary particulars and/or modification of the charge, if any, with the respective Registrar of Companies to give formal effect to the provisions of this Clause 14.

15 Contracts, Deeds, Etc.

15.1 Subject to the other provisions of this Scheme upon coming into effect of this Scheme and with effect from the Effective Date, all contracts, deeds, bonds, agreements, indemnities, arrangements, licenses, engagements and other instruments, if any, 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 is eligible and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Resulting Company, as the case may be, and shall be binding on and be enforceable by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been originally a party or beneficiary or obligee thereto or thereunder.

15.2 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 coming into effect of the Scheme, take such actions and execute such deeds, writings or confirmations, novations or enter into arrangements with any party to any contract or arrangement to which the Demerged Company is a party in order to give formal effect to the provisions of this Scheme, if so required. The Resulting Company shall be deemed to be competent and authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to perform or carry out all formalities or compliances required on the part of Demerged Company to give effect to the provisions of this Scheme.

16 Employees

16.1 Upon the coming into effect of this Scheme:

16.1.1 All employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, if any, and who are in such employment as on the Effective Date shall be transferred to and become the employees of the Resulting Company with effect from the Effective Date (the "Transferred Employees") on the same terms and conditions of employment on which they are engaged by the Demerged Company without any break or interruption in service for the purpose of calculating retirement benefits. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company with any union/employee of the Demerged Company in relation to the Transferred Employees; and

16.1.2 In so far as any provident fund, gratuity fund or any other fund or trusts created by the Demerged Company and existing, for the benefit of the employees of the Demerged Company, is concerned, the part of such funds relating to the Transferred Employees shall be continued for the benefit of the Transferred Employees. The Resulting Company shall have the obligation to take all necessary steps to set up its own fund as soon as practicable. In the event the Resulting Company have set up their own funds the amount in such fund with the Demerged Company in respect of contributions pertaining to the Transferred Employees shall, subject to necessary approvals and permissions, if any required, be transferred to the relevant fund created by the Resulting Company. Until such time that the Resulting Company create their own funds, the Resulting Company may, subject to necessary approvals and permissions that may be required, continue to contribute in respect of the Transferred Employees to the relevant fund of the Demerged Company. At the time that the Resulting Company create their own funds, the contributions pertaining to the Transferred Employees shall be transferred to the funds created by the Resulting Company.

17. Legal Proceedings

17.1 Upon the coming into effect of this Scheme, all suits, actions and legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Effective Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except, as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal 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 cooperation with the Demerged Company.

17.2 If any proceedings are taken against the Demerged Company in respect of matters referred in Clause 17.1 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 two shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by or against the Demerged Company in respect thereof.

17.3 The Resulting Company undertake to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 17.1 above transferred to their names and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

18. Consideration

18.1 Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part III of this Scheme, the Resulting Company shall, without any further act, deed, issue and allot to each member of the Demerged Company, whose name is recorded in the register of members on the Record Date, in accordance with the terms of the Scheme and without any further application, act, deed payment, consent, acts, instrument or deed issue one fully paid up equity shares of Rs 10 of Resulting Company each credited as fully paid up for every for every nine fully paid equity share of Rs 2 each held by such shareholder or his/her/its heirs, executors, administrators or successors in the Demerged Company.

18.2 M/s Jayantilal Thakkar & Co, Chartered Accountants have issued the report on share allotment ratio on the aforesaid. M/s JM Financials Institutional Securities Limited, a Category-I Merchant Banker, has provided a fairness opinion on the aforesaid. The aforesaid report on share allotment ratio and fairness opinion have been duly considered by the Boards of Directors of the Demerged Company and the Resulting Company.

18.3 In case any member's holding in the Demerged Company is such that such member becomes entitled to a fraction of one equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such member and shall consolidate such fractions and issue the consolidated shares to a trustee nominated by the board of directors of the Demerged Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to such members in proportion to their respective fractional entitlements.

18.4 The equity shares to be issued by the Resulting Company pursuant to Clause 18.1 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 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 equity shares shall be issued to such members in dematerialized form provided that the members 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 member that equity shares are to be issued in physical form or if any member 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 member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue equity shares in physical form to such member or members.

18.5 The equity shares to be issued by the Resulting Company pursuant to Clause 18.1 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 the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company.

18.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the board of directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company after the Scheme is effected. 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 transition period.

18.7 Upon allotment of shares by the Resulting Company in terms of Clause 18.1 above, the existing shareholding of the Demerged Company in the Resulting Company shall be cancelled as an integral part of this Scheme in accordance with provisions of Sections 100 to 103 of the Act and the Order of Hon'ble High Court sanctioning the Scheme shall be deemed to be also the Order 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 unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.

18.8 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank paripassu inter-se in all respects including dividends declared, voting and other rights.

18.9 The Resulting Company shall apply for listing of its equity shares including those issued in terms of Clause 18.1 above on the BSE and NSE within 30 (thirty) days from the receipt of the order of Hon'ble High Court. The shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.

18.10 Unless otherwise determined by the Boards of Directors of the Demerged Company and the Resulting Company, allotment of shares, in terms of provisions of Clause 18.1 above shall be done within 30 (thirty) days from the date of receipt of the order of Hon'ble High

Court."

24. 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.

PRE AND POST-MERGER SHAREHOLDING PATTERN

25. In terms of Clause 24(h) of the Equity Listing Agreement, pre-amalgamation and post-amalgamation (expected) equity shareholding pattern of:

- (i) the Demerged Company has been stated below:

Sr. No.	Category	Pre-Amalgamation Shareholding (as of 31 December 2013)		Post-Amalgamation Shareholding	
		No. of equity shares	As a % of total equity capital	No. of equity shares	As a % of total equity capital
1.	Promoter and Promoter Group	56348010	58.30%	56348010	58.30%
2.	Public Shareholders	40310585	41.70%	40310585	41.70%
3.	Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL
TOTAL		96658595	100 %	96658595	100 %

- (ii) the Resulting Company has been stated below.

Sr. No.	Category	Pre-Amalgamation Shareholding (as of 31 December 2013)		Post-Amalgamation Shareholding	
		No. of equity shares	As a % of total equity capital	No. of equity shares	As a % of total equity capital
1.	Promoter and Promoter Group	50000	100%	6260890	58.30%
2.	Public Shareholders	NIL	NIL	4478954	41.70%
3.	Custodians and against which Depository Receipts have been issued	NIL	NIL	NIL	NIL
TOTAL		50000	100 %	10739844	100 %

BOARD APPROVAL AND FAIRNESS REPORT

26. The Scheme was placed before the board of directors of the Demerged Company on 30 January 2014, at which time the Board approved the Scheme.
27. In accordance with the above SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013, the Audit Committee of the Company recommended the proposed scheme, vide its report dated 30 January 2014.
28. Additionally, the Company has obtained a fairness opinion dated 30 January 2014 from M/s JM Financials Institutional Securities Limited, a Category-I Merchant Banker and M/s Jayantilal Thakkar & Co, Chartered Accountants have issued the valuation report on the aforesaid.

EXTENT OF SHAREHOLDING OF DIRECTORS

29. None of the directors, managing director or the manager of the Transferor Company, the Demerged Company or the Resulting Company has any material interest in the said Scheme, save and except to the extent of their shareholdings if any.
30. The details of the present directors of the Applicant Company and their shareholding in the Applicant, either singly or jointly, as on 30 June 2014 are as follows:

Name of Director	Shares held in Transferor Company	Shares held in Demerged Company	Shares held in Resulting Company
Demerged Company			
Shri Arvind Kumar Poddar	100	500	100
Shri Ramesh Kumar Poddar	100	100	NIL
Shri Vipul Shah	NIL	NIL	NIL
Shri Rajiv Poddar	100	10,69,790	100
Smt. Vijaylaxmi Poddar	NIL	11,67,670	100
Shri Subhash Chand Mantri	NIL	NIL	NIL
Shri Sanjay Asher	NIL	NIL	NIL
Shri Sachin Nath Chaturvedi	NIL	NIL	NIL
Shri Khurshed Minocher Doongaji	NIL	NIL	NIL
Shri Ashok Saraf	NIL	NIL	NIL
Shri Laxmidas Merchant	NIL	NIL	NIL

Transferor Company			
Name of Directors	Shares held in Transferor Company	Shares held in Demerged Company	Shares held in Resulting Company
Shri Anurag Poddar	NIL	100	NIL
Shri Sachin Nath Chaturvedi	NIL	NIL	NIL
Shri Rakesh Garodia	NIL	NIL	NIL
Shri Ankit Poddar	NIL	100	NIL
Shri Subhash Chand Mantri	NIL	NIL	NIL
Shri Shruti Jhanwar	NIL	NIL	NIL
Resulting Company			
Name of Directors	Shares held in Transferor Company	Shares held in Demerged Company	Shares held in Resulting Company
Shri Arvind Kumar Poddar	100	500	100
Shri Rajiv Poddar	100	10,69,790	100
Smt. Vijaytaxmi Poddar	NIL	11,67,670	100

31. The Scheme is conditional on and subject to:
- the Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/ or creditors of the Parties to the Scheme as may be directed by the Court or any other competent authority, as may be applicable;
 - the Parties complying with other provisions of the circular dated 4 February 2013 and 21 May 2013, including the requirements stated in clauses 25.1.1 of the Scheme;
 - the sanction or approval of the Appropriate Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required; and
 - the sanction of the Hon'ble High Court, under Sections 391 to 394 read with 78, 100-103 of the Act, in favour of BIL, BPML and NPML to the necessary Order or Orders under Section 394 of the Act, being obtained.
32. In the event of any aforesaid sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court and/or the Order or Orders not being passed as aforesaid on or before 31 March, 2015 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its Members or any other person, and Company shall bear and pay the costs, charges and expenses for and/ or in connection with the Scheme.
33. Corporate members intending to send their authorised representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the board of directors or other governing body of the body corporate not later than 48 (forty eight) hours before the commencement of the meeting, authorizing such person to attend and vote on its behalf at the meeting.
34. An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy need not be a member of the Company. The instrument appointing the proxy should however be deposited at the registered office of the Company not later than 48 (forty eight) hours prior to the commencement of the meeting.
35. The following documents will be open for inspection at the registered office/corporate office of the Company between 11 a.m. and 1 p.m. on any week day which is not a public holiday.
- Memorandum & Articles of Association of the Demerged Company, the Transferor Company and the Resulting Company;
 - Audited Balance Sheet and Profit and Loss Account for the year ended 31 March 2013 of the Demerged Company, the Transferor Company and the (Resulting Company);
 - Company Summons for Direction No. 446 of 2014 along with all Exhibits;
 - Certified copy of the order dated 27 June 2014 passed by the Hon'ble High Court in Company Summons for Direction No. 446 of 2014;
 - Complaints Report dated 4 March 2014 submitted by the Applicant Company to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE");
 - Copies of the observation letters, each dated 5 May 2014 and 6 May 2014 received from the NSE and the BSE respectively, granting their respective no-objections to the Scheme being filed with the Hon'ble High Court;
 - Copy of the Valuation report dated 29 January 2014 issued by M/s Jayantilal Thakkar & Co., Chartered Accountants
 - Copy of the Fairness opinion dated 30 January 2014 by M/s JM Financials Limited.
 - Copy of the Report of the Audit Committee dated 30 January 2014; and
 - The Scheme.
36. The soft copies of the documents mentioned in Clause 35 above (except the ones mentioned in 35(i), 35(ii), 35(iii) and 35(iv) are uploaded on the Company's website and the websites of BSE and NSE.

Dated this 4th day of July 2014 at Mumbai

Sd/-

Chairman appointed for the meeting

Registered Office: Plot No H-3/1, MIDC, Tarapur, (Boisar), District Thane (Maharashtra) – 401506

Corporate Office: BKT House, C/15, Trade World, Kamala Mills Compound, SenapatiBapar Marg, Lower Parel, Mumbai-400013

**SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956
BETWEEN
BALKRISHNA INDUSTRIES LIMITED
AND
BALKRISHNA PAPER MILLS LIMITED
AND
NIRVIKARA PAPER MILLS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND THE CREDITORS**

This Scheme of Arrangement provides for:

- (i) Amalgamation of Balkrishna Paper Mills Limited, the Transferor Company with Balkrishna Industries Limited, the Demerged Company with effect from the Appointed Date pursuant to provisions of sections 391 to 394 of the Act; and
- (ii) Subject to implementation of (i) above, with effect from the Effective Date, demerger of the Paper Division Undertaking of Balkrishna Industries Limited, into Nirvikara Paper Mills Limited, the Resulting Company pursuant to provisions of Sections 391 to 394 and other applicable provisions of the Act.
- (iii) The arrangement under this Scheme will be effected under the provisions of Sections 391 to 394 of the Act, read with other relevant provisions of the Act. The amalgamation of the Transferor Company with the Demerged Company pursuant to and in accordance with this Scheme shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961. Similarly, the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company shall take place with effect from the Effective Date and 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, as on the Effective Date shall become the properties of the Resulting Company by virtue of this Scheme;
 - (b) all the liabilities relating to the Demerged Undertaking, as on the Effective Date shall become the liabilities of the Resulting Company by virtue of this Scheme;
 - (c) the properties and the liabilities relating to the Demerged Undertaking shall be transferred by the Demerged Company to the Resulting Company at the value 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, its equity shares to the shareholders of the Demerged Company as on the Record Date on a proportionate basis;
 - (e) All the shareholders of the Demerged Company as on the Record Date 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.

DESCRIPTION OF COMPANIES

- (a) Balkrishna Industries Limited (hereinafter referred to as "BIL") is a public limited company incorporated under the provisions of the Act. The shares of BIL are listed on BSE and NSE. BIL is engaged in the business, *inter alia*, of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, *inter alia*, in pneumatic tyres;
- (b) Balkrishna Paper Mills Limited (hereinafter referred to as "BPML") is a public limited company incorporated under the provisions of the Act. BPML is a wholly owned subsidiary of BIL engaged in the business, *inter alia*, of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, *inter alia*, in paper products;
- (c) Nirvikara Paper Mills Limited (hereinafter referred to as "NPML") is a public limited company incorporated on 29 June 2013 under the provisions of the Act to engage in the business, *inter alia*, of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, *inter alia*, in paper products. NPML is a wholly owned subsidiary of BIL.

RATIONALE

- (a) BIL, by itself and through its subsidiaries, is engaged in two distinct lines of business namely (i) manufacturing and marketing of pneumatic tyres; and (ii) other businesses *inter alia*, manufacturing and marketing of paper boards and processing of textile fabrics.
- (b) The nature of risk and competition involved in the aforesaid line of businesses are distinct from each other necessitating different management and growth focus. Consequently, the aforesaid businesses require different set of investors, strategic partners, lenders and other stakeholders for their growth.
- (c) BIL is one of the market leaders in the pneumatic tyre business and has embarked on a growth strategy to consolidate its position. The packaging industry in India has been witnessing a strong growth and the paper board business is well positioned to capitalize on this growth. Paper board business, together with investment in Balkrishna Synthetics Limited, as a separate legal entity independent of BIL will result in a focused independent management and streamline the operations to achieve the growth potential of paper board business. It would also provide access to varied sources of raising funds for the growth of this business.
- (d) With a view to realize the aforesaid growth potentials, BIL proposes to re-organize and segregate, by way of a scheme of arrangement, its business, undertaking and investments in the paper board business. It is believed that the proposed scheme of arrangement will create enhanced value for shareholders and allow a focused growth strategy, which would be in the best interest of BIL, its shareholders, creditors and all other stakeholders of BIL. The restructuring proposed by this scheme of arrangement will also provide an opportunity to the investors to select investments which best suit their investment strategies and risk profiles.

GENERAL

This Scheme is divided into the following parts:

- (a) Part I, deals with definitions and share capital;
- (b) Part II, deals with the scheme of amalgamation of Transferor Company with BIL;
- (c) Part III, deals with the demerger and hiving-off of the Demerged Undertaking of the Demerged Company on a going concern and transfer to and vesting into Resulting Company; and
- (d) Part IV, deals with 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" means the Companies Act, 1956, or as applicable, the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force.

"Applicable Laws" shall mean 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 including any statutory modification or re-enactment thereof for the time being in force.

"Appointed Date" means opening business hours of 1 April 2013.

"Appropriate Authority" means and includes any governmental, statutory, departmental or public body or authority, including Securities and Exchange Board of India, BSE, NSE, Registrar of Companies, Maharashtra, National Company Law Tribunal, Company Law Board, Competition Commission of India and the High Court of Judicature at Bombay.

"BIL" or **"Demerged Company"** means Balkrishna Industries Limited, a company incorporated under the provisions of the Act under CIN L99999MH1961PLC012185 and having its registered office at H-3/1 MIDC A Road Tarapur, (Boisar), Dist. Thane, (Maharashtra)-401506.

"BPML" or **"Transferor Company"** means Balkrishna Paper Mills Limited, a company incorporated under the provisions of the Act under CIN U21093MH2007PLC168591 and having its registered office at A-701, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai 400013.

"BSE" shall mean the BSE Limited.

"Demerged Undertaking" or **"Paper Division Undertaking"** shall mean and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Demerged Company, in relation to and pertaining to paper board business on a going concern basis, together with all its assets and liabilities as described in Schedule - I and shall mean and include (without limitation):

- (a) all the movable and immovable properties including 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 to the credit of the Demerged Company in relation to the paper board business, investments including the investment in the share capital of Balkrishna Synthetics Limited, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, 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, privileges concerning the paper board business and approvals of whatsoever nature (including but not limited to benefits of 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 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 paper board business as on the Effective Date;
- (b) All the debts, liabilities, duties and obligations including contingent liabilities of the Demerged Company in relation to the paper board business as on the Effective Date; and
- (c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes 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 paper board business of the Demerged Company as on the Effective Date.

"Effective Date" means the date on which the orders of the High Court of Judicature at Bombay sanctioning the Scheme of Arrangement is filed with the Registrar of Companies, Maharashtra by BIL, the Transferor Company and the Resulting Company. Reference in this Scheme to the date of **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** shall mean the Effective Date.

"High Court" means the High Court of Judicature at Bombay and shall include the Tribunal constituted under the Act, as applicable.

"NPML" or **"Resulting Company"** means Nirvikara Paper Mills Limited, a company incorporated under the provisions of the Act

under CIN U21098MH2013PLC244963 and having its registered office at BKT House, C/15 Trade World, Kamala Mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai – 400 013.

"NSE" means National Stock Exchange of India Limited.

"Parties" or "Parties to the Scheme" means BIL, BPML and NPML.

"Record Date" means the date to be fixed by the board of directors of the Demerged Company in consultation with the Resulting Company for the purpose of reckoning names of the equity shareholders of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this Scheme as specified in Clause 18.1 of this Scheme.

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

"Scheme", "the Scheme", "this Scheme", "Scheme of Arrangement" means this Scheme of Arrangement in its present form or as modified by an agreement between the Parties submitted to the High Court of Judicature at Bombay or any other Appropriate Authority in the relevant jurisdictions with any modification thereof as the High Court or any other Appropriate Authority may direct.

"Undertaking" shall mean and include all the business, 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 and liabilities and shall mean and include (without limitation):

- (a) all the movable and immovable properties including plant and machinery, equipments, 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 to the credit of the Transferor Company, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, industrial and other licenses, permits, authorisations, 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, privileges concerning the business of the Transferor Company and approvals of whatsoever nature (including but not limited to benefits of 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 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 the debts, liabilities, duties and obligations including contingent liabilities of the Transferor Company as on the Appointed Date; and
- (c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with its 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.

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 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- 1.2.3 references to the word "include" or "including" shall be construed without limitation;
- 1.2.4 a reference to an article, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, section, paragraph or schedule of this Scheme;
- 1.2.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 1.2.6 references to dates and times shall be construed to be references to Indian dates and times;
- 1.2.7 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- 1.2.8 Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them.

2 SHARE CAPITAL

2.1 The share capital of BIL as on 30 January 2014 is as under:

	Rs.
AUTHORISED SHARE CAPITAL	
25,00,00,000 Equity Shares of Rs. 2 each	50,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
9,66,58,595 Equity Shares of Rs.2 each	19,33,17,190

After 30 January 2014 there has been no change in the Issued, Subscribed and Paid-up Share Capital of BIL.

2.2 The share capital of BPML as on 30 January 2014 is as under:

	Rs.
AUTHORISED SHARE CAPITAL	
3,80,00,000 Equity Shares of Rs. 10 each	38,00,00,000
20,00,000 Redeemable Preference Shares of Rs. 10 each	2,00,00,000
Total	40,00,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
3,80,00,000 Equity Shares of Rs.10 each	38,00,00,000
19,50,000 1% Optionally Convertible Redeemable Preference Shares of Rs. 10 each	1,95,00,000
Total	39,95,00,000

After 30 January 2014 there has been no change in the Issued, Subscribed and Paid-up Share Capital of BPML.

2.3 The share capital of NPML as on 30 January 2014 is as under:

	Rs.
AUTHORISED SHARE CAPITAL	
50,000 Equity Shares of Rs.10 each	5,00,000
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
50,000 Equity Shares of Rs.10 each	5,00,000

After 30 January 2014 there has been no change in the Issued, Subscribed and Paid-up Share Capital of NPML.

PART - II

SCHEME OF AMALGAMATION

3 AMALGAMATION OF TRANSFEROR COMPANY WITH BIL

- 3.1 Upon the Scheme being effective and subject to the provisions of this Scheme, the entire Undertaking of 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 and stand transferred to and vested in BIL as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of BIL, pursuant to Section 394(2) of the Act, subject however, to all charges, liens, mortgages, then affecting the same 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 vest in BIL by virtue of the amalgamation and BIL shall not be obliged to create any further or additional security therefore after 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, BIL will create the security in terms of the issue or arrangement in relation thereto. Similarly, BIL 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 With respect to the assets of the Undertaking of the Transferor Company that are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by Transferor Company and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of BIL as its integral part on and from the Appointed Date.
- 3.3 With respect to the assets of the Undertaking of the Transferor Company 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 BIL 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 Transferor Company, all the rights, title and interests of Transferor Company in any leasehold properties in relation to the Undertaking 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 BIL.
- 3.4 For the avoidance of doubt, it is clarified that upon coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operation of bank accounts), powers of attorneys 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, copy rights, industrial designs, trade secrets and other intellectual property and all other interests relating to the goods or services being dealt with by the Transferor Company, be transferred to and vested in BIL.
- 3.5 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which 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 BIL and shall be binding on and be enforceable by and against BIL as fully and effectually as if BIL had at all material times been a party thereto. Any inter-se contracts between Transferor Company and BIL shall stand cancelled and cease to operate in BIL from the Appointed Date upon the coming into effect of this Scheme.
- 3.6 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Transferor Company occurs by virtue of this Scheme itself, BIL 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 or other writings or tripartite arrangements with any party to any contract or arrangement to which BIL is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. BIL shall under the provisions of Part of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company to carry out or perform all such

formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

- 3.7 In so far as the various incentives, service tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company is concerned, the same shall, without any further act or deed, vest with and be available to BIL on the same terms and conditions on and from the Appointed Date with effect from the Effective Date.
- 3.8 (a) All debts, liabilities, duties and obligations of 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 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 BIL.
- (b) Where any of the liabilities and obligations attributed to 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 BIL. Where after the Appointed Date, Transferor Company have taken any further loans, liabilities or obligations such further loan shall also be deemed to have been for and on behalf of BIL and BIL will assume liability for the same.
- (c) Without prejudice to the provisions of the foregoing Clauses and upon the Scheme becoming Effective, Transferor Company and BIL shall execute any instruments or documents or 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, Maharashtra to give formal effect to the above provisions, if required.
- (d) If and to the extent there are loans, deposits or balances inter-se between Transferor Company and BIL, 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 BIL. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between Transferor Company and BIL.
- (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 Transferor Company and BIL 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 Act 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 other applicable laws/ 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 accounts made as on the date immediately preceding the Appointed Date shall be transferred to BIL. Any surplus in the provision for taxation/ duties/ levies account including advance tax and TDS as on the date immediately preceding the Appointed Date will also be transferred to the account of and belong to BIL.
- (g) Any refund under the Tax Laws due to Transferor Company consequent to the assessment and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by BIL.
- (h) Without prejudice to the generality of the above, all benefits including under income tax, excise (including Cenvat), sales tax (including deferment of sales tax), etc., to which Transferor Company is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in BIL.

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 transferred to and vested in BIL, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of BIL on the same terms and conditions as were applicable to the Transferor Company and further that 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.

4 Contracts, Deeds, etc.

4.1 Subject to the other provisions of this Scheme with effect from the Appointed Date and upon the coming into effect of this Scheme, all contracts, deeds, bonds, agreements, indemnities, arrangements, licenses, engagements and other instruments, if any, of whatsoever nature in relation to the Undertaking, to which the Transferor Company is a party or to the benefit of which the Transferor Company is eligible and which are subsisting or having effect immediately before the Appointed Date, shall remain in full force and effect against or in favour of BIL, as the case may be and shall be binding on and be enforceable by or against BIL as fully and effectually as if, instead of the Transferor Company, BIL had been originally a party or beneficiary or obligee thereto or thereunder.

4.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, BIL may, at any time after the coming into effect of the Scheme, take such actions and execute such deeds, writings or confirmations, novations or enter into arrangements with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the provisions of this Scheme, if so required. BIL shall be deemed to be competent and authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to perform or carry out all formalities or compliances required on the part of Transferor Company to give effect to the provisions of this Scheme.

5 Employees

Upon transfer and vesting of Undertaking of the Transferor Company in BIL taking place, as provided herein, BIL undertakes to engage on and from the date on which this Scheme becomes effective, all the employees of Transferor Company on the same terms and conditions on which they are engaged by Transferor Company without any interruption of service as a result of the transfer and vesting of Undertaking of the Transferor Company unto BIL. BIL agrees that the services of all such employees with Transferor Company prior to the transfer and vesting of Undertaking of the Transferor Company unto BIL 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 BIL and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the concerned authorities by BIL. 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. It is clarified that the employees of the Transferor Company who become employees of BIL 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 employees of BIL (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the employees of BIL), unless otherwise determined by the board of directors of BIL. After the Effective Date, BIL shall be entitled to vary the terms and conditions as to employment and remuneration of the employees of the Transferor Company on the same basis as it may do for the employees of BIL.

6 Legal Proceedings

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

7 Consideration

As the entire issued, subscribed and paid up share capital of the Transferor Company is held by BIL, upon amalgamation, BIL would not be required to issue and allot any shares to shareholders of Transferor Company. The equity shares and 1% optionally convertible redeemable preference shares so held by BIL shall stand cancelled and extinguished upon coming into effect of this Scheme.

8 combination of authorised Capital

- 8.1 Upon the Scheme being effective, the Authorised Capital of Transferor Company will get merged with that of BIL without payment of additional fees and duties as the said fees have already been paid. The Authorised Capital of BIL will be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act.
- 8.2 Consequently, the Memorandum and Articles of Association of BIL shall without any act, instrument or deed be and stand altered, modified and amended pursuant to section 17, 31 and 394 and other applicable provisions of the Act as set out below:
- 8.2.1 **The Authorised Share Capital of BIL is Rs. 90,00,00,000 divided into 44,00,00,000 Equity Shares of Rs. 2 each and 20,00,000 Redeemable Preference Shares of Rs. 10 each;**
- 8.2.2 **Clause V of the Memorandum of Association and Article 4 of the Articles of Association of BIL (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 16, 31, 94 and 394 and other applicable provisions of the Act, as the case may be and be replaced by the following clause:**

"The Authorised Share Capital of the Company is Rs. 90,00,00,000 (Rupees Ninety Crores only) divided into 44,00,00,000 Equity Shares of Rs. 2 each and 20,00,000 Redeemable Preference Shares of Rs 10 each with power to 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 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."

It is clarified that the approval of the members of BIL to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of BIL as required under section 17 and other applicable provisions of the Act.

9 Accounting Treatment in the Books and Financial Statements of BIL

- 9.1 On this Scheme taking effect, the investments held by BIL in the Transferor Company will stand cancelled and there shall be no further obligation outstanding on that behalf. The obligations in respect of inter-corporate loans or balances inter-se between each of the Transferor Company and BIL shall also come to an end. Corresponding effect for such cancellation of investment, loans or balances shall be given in the books of account and records of BIL. For removal of doubts, it is hereby clarified that from the Appointed Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between Transferor Company and BIL.
- 9.2 The assets, liabilities and reserves (whether capital or revenue including debit balance in profit and loss account) of the Transferor Company shall be recorded by BIL in its books of accounts at the book values and in the same form as appearing in the books of the Transferor Company as at the Appointed Date. The excess or deficit, if any, remaining after recording the aforesaid entries shall be adjusted in reserves (whether capital or revenue including balance in profit and loss account). Such policies and adjustments thereof will be as per the Accounting standards issued by the Institute of Chartered Accountants of India.
- 9.3 Suitable adjustments including to ensure uniform accounting methods and policies between the Transferor Company and BIL may be made as considered appropriate by the board of directors of BIL and effect thereof shall be given in the reserves (whether capital or revenue, including balance in profit and loss account) of BIL.

10 Business and Property in Trust and Conduct of Business for BIL

- 10.1 With effect from the Appointed Date up to the Effective Date:
- 10.1.1 Business of Transferor Company shall be deemed to have carried on and shall carry on the business and activities in ordinary course and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets for and on account of and in trust for BIL.
 - 10.1.2 Transferor Company shall carry on its business and affairs with reasonable diligence and business prudence and shall not without prior consent of BIL, alienate, charge, mortgage, encumber or otherwise deal with the said Assets or any part thereof except in the ordinary course of business or vary the terms and conditions of employment of any of its employees in a manner detrimental to their interests, or pursuant to any pre-existing obligation undertaken by Transferor Company prior to the Appointed Date.
 - 10.1.3 All profits accruing to Transferor Company or losses arising or incurred for the period falling on and after the Appointed Date shall, for all purposes, be treated as the profits or losses, as the case may be of BIL.
 - 10.1.4 All advance tax, tax deduction at source and all other taxes and duties paid by Transferor Company will be deemed to be the tax and/or duty paid by BIL.
 - 10.1.5 Transferor Company shall not, without the prior written consent of BIL, undertake any new business or a substantial expansion.
 - 10.1.6 Transferor Company shall pay all statutory dues (including advance tax) for and on account of BIL.
- 10.2 All the income or profits accruing or arising to Transferor Company or expenditure or losses arising or incurred by Transferor Company in respect thereof, shall for all purposes be treated as the income, profits, expenditure or losses (as the case may be) of BIL.
- 10.3 Without prejudice to Clause 10.2 above, with effect from the Appointed Date and upon the Scheme becoming effective, any documents of title/ rights and easements in relation thereto shall stand transferred to and be vested in and/or be deemed to have been transferred and vested in BIL and shall belong to BIL. With effect from the Appointed Date, BIL shall, in relation to such properties, be accountable for all rates, rents and taxes whatsoever. The mutation of the title to the immovable properties shall be made and duly recorded by the Appropriate Authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of BIL.
- 11 Dividend**
- 11.1 BIL and the Transferor 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 but only consistent with the past practice, or in the ordinary course. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the board of directors of BIL.
- 11.2 Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of BIL and will be available to BIL for being disposed of in any manner as it thinks fit.
- 11.3 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 BIL to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the board of directors of BIL, subject to such approval of the shareholders, as may be required.
- 12 Dissolution of TRANSFEROR COMPANY**
- On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up.

PART- III

DEMERGER AND DIVIDING OFF OF THE DEMERGED UNDERTAKING

- 13 Transfer of Assets**
- 13.1 Subject to implementation of Part – II of this Scheme and with effect from the Effective Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, pursuant to the provisions of Sections 391 to 394 of the Act, without any further act, deed, matter or thing be demerged from the Demerged Company and be and stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis such that all the properties, assets, rights, claims, title, interest, authorities, investments and liabilities comprised in the Paper Division Undertaking immediately before the demerger shall become the properties, assets, rights, claims, title, interest, authorities, investments and liabilities of the Resulting Company by virtue of and in the manner provided in this Scheme with effect from the Effective Date.
- 13.2 Without prejudice to the generality of Clause 13.1 above and upon coming into effect of the Scheme, with effect from the Effective Date, the entire business and undertaking of the Demerged Company in relation to the Demerged Undertaking including all the 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, be and stand transferred to and vested in the Resulting Company as a going concern.
- 13.3 In respect of such of the assets and properties of the Demerged Undertaking as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery, the same shall with effect from the Effective Date stand so transferred by the Demerged Company upon coming into effect of the Scheme and shall, become the assets and properties of the Resulting Company.
- 13.4 With respect to the assets of the Demerged Company other than those referred to in clause 13.3 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 Resulting 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 Demerged Company, all the rights, title and interests of 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.

- 13.5 With effect from the Effective Date, all consents, permissions, licenses, 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 vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and 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.

14 Transfer of Liabilities

- 14.1 upon the coming into effect of this Scheme and with effect from the Effective Date, all loans raised and utilized and all debts, duties, undertakings, liabilities including contingent liabilities, if any, whether quantified or not and obligations incurred or undertaken by the Demerged Company in relation to or in connection with the Demerged Undertaking as on the Effective Date shall pursuant to the sanction of the Scheme by the High Court and under the provisions of Sections 391 to 394 and other applicable provisions of the Act, without any further act, instrument or deed being required, be and shall stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company to the extent that they may be outstanding as on the Effective Date and shall become the debt, duties, undertakings, liabilities and obligations of the Resulting Company on the same terms and conditions as were applicable to the Demerged 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 liabilities have arisen in order to give effect to the provisions of this Clause 14.
- 14.2 In so far as any encumbrance in respect of the loans, borrowings, debts and liabilities of the Demerged Company in relation to or in connection with the Demerged Undertaking ("**Transferred Liabilities**") is concerned, upon the coming into effect of this Scheme and with effect from the Effective Date, 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, as and from the Effective Date 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 with effect from the Effective Date and upon the coming into effect of this Scheme.
- 14.3 Upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instrument or document and/or do all such acts or deeds as may be required, including filing if necessary particulars and/or modification of the charge, if any, with the respective Registrar of Companies to give formal effect to the provisions of this Clause 14.

15 Contracts, Deeds, etc.

- 15.1 Subject to the other provisions of this Scheme upon coming into effect of this Scheme and with effect from the Effective Date, all contracts, deeds, bonds, agreements, indemnities, arrangements, licenses, engagements and other instruments, if any, 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 is eligible and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Resulting Company, as the case may be, and shall be binding on and be enforceable by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been originally a party or beneficiary or obligee thereto or thereunder.
- 15.2 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 coming into effect of the Scheme, take such actions and execute such deeds, writings or confirmations, novations or enter into arrangements with any party to any contract or arrangement to which the Demerged Company is a party in order to give formal effect to the provisions of this Scheme, if so required. The Resulting Company shall be deemed to be competent and authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to perform or carry out all formalities or compliances required on the part of Demerged Company to give effect to the provisions of this Scheme.

16 Employees

- 16.1 Upon the coming into effect of this Scheme:

16.1.1 All employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, if any, and who are in such employment as on the Effective Date shall be transferred to and become the employees of the Resulting Company with effect from the Effective Date (the "**Transferred Employees**") on the same terms and conditions of employment on which they are engaged by the Demerged Company without any break or interruption in service for the purpose of calculating retirement benefits. The Resulting Company undertakes to continue to abide by any agreement/settlement entered into by the Demerged Company with any union/employee of the Demerged Company in relation to the Transferred Employees; and

16.1.2 In so far as any provident fund, gratuity fund or any other fund or trusts created by the Demerged Company and existing, for the benefit of the employees of the Demerged Company, is concerned, the part of such funds relating to the Transferred Employees shall be continued for the benefit of the Transferred Employees. The Resulting Company shall have the obligation to take all necessary steps to set up its own fund as soon as practicable. In the event the Resulting Company have set up their own funds the amount in such fund with the Demerged Company in respect of contributions pertaining to the Transferred Employees shall, subject to necessary approvals and permissions, if any required, be transferred to the relevant fund created by the Resulting Company. Until such time that the Resulting Company create their own funds, the Resulting Company may, subject to necessary approvals and permissions that may be required, continue to contribute in respect of the Transferred Employees to the relevant

fund of the Demerged Company. At the time that the Resulting Company create their own funds, the contributions pertaining to the Transferred Employees shall be transferred to the funds created by the Resulting Company.

17 Legal Proceedings

- 17.1 Upon the coming into effect of this Scheme, all suits, actions and legal proceedings of whatsoever nature by or against the Demerged Company pending and/or arising on or before the Effective Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Company with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. Except, as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal 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 cooperation with the Demerged Company.
- 17.2 If any proceedings are taken against the Demerged Company in respect of matters referred in Clause 17.1 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 or against the Demerged Company in respect thereof.
- 17.3 The Resulting Company undertake to have all legal or other proceedings initiated by or against the Demerged Company referred to in Clause 17.1 above transferred to their names and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

18 Consideration

- 18.1 Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part III of this Scheme, the Resulting Company shall, without any further act, deed, issue and allot to each member of the Demerged Company, whose name is recorded in the register of members on the Record Date, in accordance with the terms of the Scheme and without any further application, act, deed payment, consent, acts, instrument or deed issue one fully paid up equity shares of Rs.10 of Resulting Company each credited as fully paid up for every Nine fully paid equity share of Rs. 2 each held by such shareholder or his/her/its heirs, executors, administrators or successors in the Demerged Company.
- 18.2 M/s. Jayantilal Thakkar & Co., Chartered Accountants have issued the report on share allotment ratio on the aforesaid. M/s. J M Financial Institutional Securities Ltd., a Category-I Merchant Banker, has provided a fairness opinion on the aforesaid. The aforesaid report on share allotment ratio and fairness opinion have been duly considered by the Boards of Directors of the Demerged Company and the Resulting Company.
- 18.3 In case any member's holding in the Demerged Company is such that such member becomes entitled to a fraction of one equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such member and shall consolidate such fractions and issue the consolidated shares to a trustee nominated by the board of directors of the Demerged Company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of the expenses incurred) to such members in proportion to their respective fractional entitlements.
- 18.4 The equity shares to be issued by the Resulting Company pursuant to Clause 18.1 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 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 equity shares shall be issued to such members in dematerialized form provided that the members 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 member that equity shares are to be issued in physical form or if any member 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 member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue equity shares in physical form to such member or members.
- 18.5 The equity shares to be issued by the Resulting Company pursuant to Clause 18.1 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 the dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company.
- 18.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the board of directors of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company after the Scheme is effected. 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 transition period.
- 18.7 Upon allotment of shares by the Resulting Company in terms of Clause 18.1 above, the existing shareholding of the Demerged Company in the Resulting Company shall be cancelled as an integral part of this Scheme in accordance with provisions of Sections 100 to 103 of the Act and the Order of High Court sanctioning the Scheme shall be deemed to be also the Order 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 unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.
- 18.8 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights.
- 18.9 The Resulting Company shall apply for listing of its equity shares including those issued in terms of Clause 18.1 above on BSE and NSE

within 30 (thirty) days from the receipt of the order of High Court. The shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.

- 18.10 Unless otherwise determined by the Boards of Directors of the Demerged Company and the Resulting Company, allotment of shares, in terms of provisions of Clause 18.1 above shall be done within 30 (thirty) days from the date of receipt of the order of High Court.

19 authorised share capital

- 19.1 Upon the Scheme being effective, the Authorised Capital of the Resulting Company shall stand increased and the existing capital clause contained in the Memorandum and Association of the Resulting Company shall, upon coming into effect of this Scheme, be altered and substituted pursuant to section 17, 31 and 394 and other applicable provisions of the Act, 1956 as follows:

The authorised share capital of the Resulting Company shall be increased from 5,00,000 divided into 50,000 Equity Shares of Rs. 10 Each and Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Resulting Company shall, upon coming into effect of this Scheme, be substituted by the following new Clause:

"The Authorised Share Capital of the Company is Rs. 11,00,00,000 (Rupees Eleven Crores) divided into 1,10,00,000 Equity Shares of Rs. 10 each with power to 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 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."

- 19.2 It is clarified that the approval of the members of the Resulting Company to the Scheme shall be deemed to be their consent/ approval also to the alteration of the Memorandum and Articles of Association of the Resulting Company as required under section 17 and other applicable provisions of the Act.

20 Accounting by the Demerged Company AND the Resulting Company in respect of assets and liabilities

- 20.1 Accounting treatment in the books of the Demerged Company:

20.1.1 The assets and the liabilities of the Demerged Company being transferred to the Resulting Company shall be at values appearing in the books of accounts of the Demerged Company on the close of business on Effective Date;

20.1.2 The difference between the value of assets and value of liabilities transferred pursuant to the Scheme together with the cancellation of the investment in the Resulting Company pursuant to Clause 18.7 above shall be appropriated against the capital reserve and balance, if any, after appropriation, will be further appropriated against the securities premium account of the Demerged Company. The balances of the capital reserve and the securities premium account, as the case may be, shall stand reduced to that extent;

20.1.3 The reduction, if any, in the securities premium account of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 78 and Sections 100 to 103 of the Act and the Order of the High Court sanctioning the Scheme shall be deemed to be also the Order 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 unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.

- 20.2 In the books of the Resulting Company

20.2.1 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Resulting Company shall record the assets and liabilities comprised in the Demerged Undertaking transferred to and vested in them pursuant to this Scheme, at the same value appearing in the books of Demerged Company on the close of business on Effective Date.

20.2.2 The Resulting Company shall credit its Share Capital Account in its books of account with the aggregate face value of the new equity shares issued to the shareholders of Demerged Company pursuant to Clause 17.1 of this Scheme.

20.2.3 The excess or deficit, if any, remaining after recording the aforesaid entries shall be credited by the Resulting Company to Securities Premium Reserve Account or debited to goodwill, as the case may be.

21 Remaining undertaking

21.1 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.

21.2 All legal, taxation and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the remaining business 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.

21.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 21.2 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.

22 Saving of Concluded Transactions

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking and continuance of proceedings by or against the Resulting Company, as provided herein, shall not affect any transactions or proceedings already concluded by the Demerged Company before the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company in relation to the Demerged Undertaking as acts, deeds and things done and executed by and on behalf of the Resulting Company.

GENERAL PROVISIONS

- 23 Upon the coming into effect of this scheme, Demerged Company is expressly permitted to revise its income tax returns to the extent required. Demerged Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates on or after the Appointed Date by the Transferor Company. Similarly, the Resulting Company shall be entitled to get credit/claim refund regarding any tax paid and/or tax deduction at source certificates, pertaining to Paper Division Undertaking, on or after the Effective Date by the Demerged Company.
- 24 The Demerged Company (by its Directors or Committee thereof), Transferor Company (by its Directors or Committee thereof) and Resulting Company (by its Directors or Committee thereof), may assent to any modifications or amendment to the Scheme or agree to any terms and/or conditions which the Appropriate Authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for setting any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.
- 25 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Demerged Company are hereby authorised to give such directions and/or to take such steps as may be necessary or desirable including any directions for setting any question or doubt or difficulty whatsoever that may arise during implementation of the Scheme.
- 25.1 The Scheme is conditional on and subject to:
- 25.1.1 the Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of the Parties to the Scheme as may be directed by the Court or any other Appropriate Authority, as may be applicable;
- 25.1.2 the Parties complying with other provisions of the Securities and Exchange Board of India circular dated 4 February 2013 and 21 May 2013, including the requirements stated in clauses 25.1.1 above;
- 25.1.3 the sanction or approval of the Appropriate Authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required; and
- 25.1.4 the sanction of the High Court, under Sections 391 to 394 read with 78, 100-103 of the Act, in favour of BIL, BPML and NPML to the necessary Order or Orders under Section 394 of the Act, being obtained.
- 25.2 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 defenses that BIL, BPML and NPML have or may have under or pursuant to all appropriate and applicable laws and regulations.
- 25.3 All costs, charges and expenses including stamp duty of BIL, BPML and NPML in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and/or incidental thereto shall be borne and paid by the respective Parties as the case may be.
- 25.4 Upon allotment of shares by the Resulting Company in terms of Clause 18.1 above, the existing shareholding of the Demerged Company in the Resulting Company shall be cancelled as an integral part of this Scheme in accordance with provisions of Sections 100 to 103 of the Act and the Order of High Court sanctioning the Scheme shall be deemed to be also the Order 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 unpaid share capital or payment of paid-up share capital, and the provisions of Section 101 of the Act will not be applicable.
- 25.5 BIL, BPML and NPML acting through their respective Boards of Directors shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority/person is unacceptable to any of them.
- 25.6 In the event of this Scheme failing to take effect finally by 31st March 2015, or by such later date as may be agreed by the respective Boards of Directors of the Parties, 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, charges and expenses incurred in relation or in connection with this Scheme or as may be mutually agreed.
- 25.7 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of BIL, BPML and NPML affect the validity or implementation of the other parts and/or provisions of this Scheme.

SCHEDULE I

Assets

Building / Premises Located at:	Unit	Approx. area
Land at Ambivali	Sq. Meter	1,07,971
Building at Ambivali	Sq. Meter	19,150
Pump House at Vadavali	Sq. Meter	2,000
Residential Flats at Dombivali (R41 & R42)	Sq. Ft	16,320
Bhiwandi Warehouse (F3 & F4)	Sq. Ft	80,000

All Investments, loans and advances and other assets pertaining to the paper board business including investment in 10,00,000 Equity Shares of Rs. 10/- each in Balkrishna Synthetics Ltd.

And such other properties as may be agreed between the Demerged Company and the Resulting Company.

Liabilities

All Liabilities pertaining to the paper board business.

DCS/AMAL/NJ/24(f)/034/2014-15

May 06, 2014

The Company Secretary
Balkrishna Industries Limited,
H 3 / 1 MIDC, A Road Tarapur Boisar ,
Thane, Maharashtra ,401506.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Balkrishna Industries Limited , Balkrishna Paper Mills Limited & Nirvikara Paper Mills Limited & their respective shareholders & creditors.

We are in receipt of draft Scheme of Arrangement involving Arrangement/ Amalgamation between Balkrishna Industries Limited , Balkrishna Paper Mills Limited & Nirvikara Paper Mills Limited & their respective shareholders & creditors.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated May 02, 2014 given the following comment(s) on the draft scheme of arrangement:

- > The company shall duly comply with various provisions of the Circulars.

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,


Bhushan Mokashi
Asst. Gen. Manager


Pooja Sanghvi
Asst. Manager



Ref: NSE/LIST/237797-E

May 05, 2014

The Director & Company Secretary
Balkrishna Industries Limited
BKT House, C Wing, 15th Floor,
Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel (West),
Mumbai – 400011.

Kind Attn.: Mr. Vipul Shah

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Balkrishna Industries Limited, Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and the creditors under Sections 391 to 394 of the Companies Act, 1956.

This has reference to draft Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and the creditors submitted to NSE vide your letter dated February 07, 2014.

Based on our letter reference no Ref: NSE/LIST/230880-C submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated May 02, 2014, has given following comments on the draft Scheme of Arrangement:

“The Company shall duly comply with various provisions of the Circulars.”

Accordingly, we do hereby convey our ‘No-objection’ with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon’ble High Court.

However, the Exchange reserves its rights to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from May 05, 2014, within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:



Continuation Sheet

Ref: NSE/LIST/237797-E

May 05, 2014

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

Encl: As above

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

 NSE

Signer: Patel, Kamlesh
Date: Mon, May 5, 2014 19:48:20 IST
Location: NSE

CONFIDENTIAL

January 30, 2014

The Board of Directors
Balkrishna Industries Limited,
BKT House, C/15, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel (W),
Mumbai – 400 013

Dear Sirs

We refer to the Engagement Letter dated January 24, 2014 in respect of the proposed scheme of arrangement between Balkrishna Industries Limited (“BIL” or the “Company”), Balkrishna Paper Mills Limited (“BPML”), Nirvikara Paper Mills Limited (“NPML”) and their respective shareholders and creditors under the provisions of the Sections 391 to 394 of the Companies Act, 1956 (the “Scheme” or the “Scheme of Arrangement”).

In connection with the Scheme, you have requested us to provide a fairness opinion on the Share Allotment Ratio (hereinafter defined) recommended by Jayantilal Thakkar & Co., Chartered Accountants, appointed by the management of the Company (the “Report”).

Companies party to the Scheme

- (a) BIL is a public limited company incorporated under the provisions of the Companies Act, 1956. The shares of the BIL are listed on the BSE and NSE. BIL is engaged in the business, inter alia, of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, inter alia, in pneumatic tyres.
- (b) BPML is a public limited company incorporated under the provisions of the Companies Act, 1956. BPML is a wholly owned subsidiary of BIL engaged in the business of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, inter alia, in paper products.
- (c) NPML is a public Limited company incorporated on June 29, 2013 under the provisions of the Companies Act, 1956 to engage in the business, inter alia of manufacturing, buying, selling, exchanging, processing, importing, exporting or dealing, inter alia, in paper products. NPML is a wholly owned subsidiary of BIL.

Scheme Background

We understand that the Scheme, inter alia, provides for:

- i. Amalgamation of wholly owned subsidiary BPML into the parent company BIL. Pursuant to same, shareholding of BIL in BPML will be cancelled and no shares will be issued consequent to the said amalgamation;
- ii. Subject to satisfactory fulfillment of (i) above, the Company proposes to undertake de-merger of the paper board business of BIL along with its investment in wholly owned subsidiary Balkrishna Synthetics Limited ("BSL") (together the "Paper Division Undertaking") into NPML ("De-merger"). Pursuant to the said De-merger, shareholders of BIL will be issued shares of NPML in the same proportion as held by them in BIL and the existing shareholding of BIL in NPML will be cancelled.

Currently, NPML is a wholly owned subsidiary of BIL. The said De-merger is equivalent to a vertical split of BIL with mirror shareholding in NPML and the shares of NPML would be listed on stock exchanges on which shares of BIL are currently listed. Further, the said De-merger will be compliant with the requirements of the Section 2(19AA) of the Income tax Act, 1961. Accordingly, BIL will transfer the assets and liabilities of Paper Division Undertaking at its book value as appearing in the books of BIL.

Upon De-merger, the effective economic interest of shareholders of BIL will remain the same as shares of NPML would be issued to them in the same proportion as held by them in BIL. These shares will be issued in addition to and not in exchange for existing BIL shares. Post the issue and allotment of shares by NPML as per the Scheme, there will not be any other shareholder in NPML other than the existing shareholders of BIL. As informed by the Management of the Company and specified in the draft Scheme, the shares held by BIL in NPML will be cancelled on De-merger of the Paper Division Undertaking as part of the Scheme.

We understand that the appointed date for the proposed amalgamation is April 1 2013 and the De-merger shall take effect from the date on which the Orders of the High Court of Judicature at Bombay sanctioning the Scheme of Arrangement is filed with the Registrar of Companies, Maharashtra.

Scope and purpose

BIL had appointed Jayantilal Thakkar & Co., Chartered Accountants ("Valuer") to recommend a fair and equitable equity share entitlement ratio for the De-merger pursuant to which the Valuer has issued a valuation report dated January 29, 2014 ("Valuation Report"). The Valuation Report had recommended that all equity shareholders of BIL will be entitled to receive 1 (one) equity share of NPML of Rs. 10/- each for every 9 (nine) equity shares of BIL of Rs. 2/- each (the "Share Allotment Ratio").

In this connection, the Management of the Company has engaged JM Financial Institutional Securities Limited ("JM Financial") to submit a report on the fairness of the Share Allotment Ratio recommended by Valuer for allotment of equity shares of NPML to the equity shareholders of BIL with respect to the De-merger of the Paper Division Undertaking of BIL into NPML. Scope of work of this Report includes commenting only on the fairness of the Share Allotment Ratio recommended by the Valuer and not on the fairness or economic rationale of the De-merger per se or the valuation methods used by the Valuer.

This Report is addressed to the Board of Directors of BIL. Further, this Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter and the same has been issued as per the requirements of SEBI circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. As such the Report is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This Report has been issued only for the purpose of facilitating the Scheme of Arrangement and should not be used for any other purpose.

Sources of Information

For the said examination and for arriving at the opinion set forth below, we have:

- i) Reviewed the draft Scheme of Arrangement;
- ii) perused the Valuation Report based upon which Jayantilal Thakkar & Co., Chartered Accountants, the independent accounting firm appointed by you for the Scheme, have arrived at the fair share allotment ratio;
- iii) reviewed financial information relating to BIL, BPML, and NPML, for FY 2012 and FY 2013 from the audit reports included in the Annual reports of the respective years provided by the management;
- iv) discussed the operations and financial conditions and the future prospects of BIL, its subsidiaries (including BPML and NPML);
- v) participated in certain discussions among representatives of BIL and its advisors in connection with the Scheme;
- vi) reviewed the current shareholding pattern of BIL, BPML and NPML; and
- vii) relevant management representations received from BIL.

Scope Limitations

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by BIL for the purposes of this opinion. We express no opinion



and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not reviewed any books and records of BIL or NPML, other than those provided or made available to us. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of BIL & NPML and neither express any opinion with respect thereto nor accept any responsibility therefor. We have not made any independent valuation or appraisal of the assets or liabilities of BIL or NPML, nor have we been furnished with any such appraisals. We have not reviewed any internal management information statements or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by BIL & NPML for the purposes of this opinion. We are not experts in the evaluation of litigation or other actual or threatened claims. In addition, we have assumed that the Scheme of Arrangement will be approved by regulatory authorities and that the Scheme will be consummated substantially in accordance with the terms set forth in the Scheme of Arrangement. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of BIL or NPML, other than those disclosed in the information provided.

We understand that the management of BIL and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving BIL or any of its assets, nor did we negotiate with any other party in this regard.

In the ordinary course of business, the JM Financial group is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the JM Financial group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

We express no opinion whatever and make no recommendation at all as to BIL's underlying decision to effect the Scheme or as to how the holders of equity shares or secured or unsecured creditors of BIL should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity

shares of BIL or NPML will trade following the announcement of the Scheme or as to the financial performance of BIL or NPML following the consummation of the Scheme.

Conclusion

Based on our examination of the proposed Scheme and Valuation Report and subject to the foregoing and to the best of our knowledge and belief, we are of the opinion that the Share Allotment Ratio is fair in relation to the proposed Scheme.

Distribution of Report

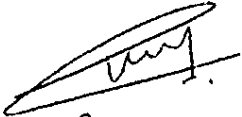
This Report is for the purpose of submission to Stock Exchanges and disclosure on the Company and Stock Exchange websites as required under the SEBI circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 (the "Purpose") and shall not be disclosed or referred to publicly or to any third party other than for the Purpose as mentioned above. The Report should be read in totality and not in parts. Further this Report should not be used or quoted for any purpose other than the Purpose mentioned in the Report.

In no circumstances however, will JM Financial or its directors, officers, employees and controlling persons of JM Financial accept any responsibility or liability including any pecuniary or financial liability to any third party.

It is understood that this Report is solely for the Purpose, and should not be relied on by anybody to whom this Report is not addressed. If this Report is used by any person other than to whom this Report is addressed or other than for the Purpose, then we will not be liable for any consequences thereof. Neither this Report nor its contents may be referred to or quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. This Report should not be shared with any other third party without our prior written consent.

Yours truly,

For JM Financial Institutional Securities Limited



Name: Ranganath Char
Designation: Managing Director



04.03.2014

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J.Towers, Dalal Street,
Mumbai - 400 001

To,
The National Stock Exchange of India Limited,
Listing Department, Exchange Plaza,
Bandra Kurla Complex,
Mumbai - 400 051

Ref: Application under Clause 24(f) of the Listing Agreement

Dear Sir(s),

We invite your kind attention to our filing under Clause 24(f) of the listing agreement submitted on February 7, 2014 with regard to our proposed scheme of arrangement.

We submit herewith Complaints Report for the period from February 10, 2014 (date of uploading of documents in the website of stock exchange) to March 3, 2014 (21 days from the date of uploading of documents in the website of stock exchange), in terms of Clause 5.15 of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013, in the specified format.

Thanking you,

Yours faithfully,
For Balkrishna Industries Limited

VRSwab.

Vipul Shah
Director & Company Secretary



Encl : a/a

Balkrishna Industries Ltd.

CIN No.: L99999MH19E1PLC012185

Corporate Office : BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India.
Tel: +91 22 6666 3890 Fax: +91 22 6666 3898/99 www.bkt-tires.com

Registered Office : H-3/1, MIDC "A" Road, Tarapur (Boisar) 401 506, Dist. Thane, Maharashtra, India.



Complaints Report
For the period from February 10, 2014 to March 3, 2014

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.		NIL	



Balkrishna Industries Ltd.
CIN No.: L99999MH1961PLC012185
Corporate Office : BKT House, C / 15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India.
Tel: +91 22 6666 3800 Fax: +91 22 6666 3898/99 www.bkt-tires.com
Registered Office : H-3/1, MIDC "A" Road, Tarapur (Boisar) 401 506, Dist. Thane, Maharashtra, India.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTIONS NO.446 OF 2014**

In the matter of the Companies Act, 1956;

And

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

And

In the matter of the Scheme of Arrangement under sections 391 to 394 of the Companies Act, 1956 between Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and creditors

Balkrishna Industries Limited)
a company incorporated under the)
Companies Act, 1956 and having) ... Applicant Company
its registered office at H-3/1, MIDC)
"A" Road, Tarapur (Boisar), District)
Thane, (Maharashtra) 401506)

FORM OF PROXY

I/We the undersigned being equity shareholder/s of **Balkrishna Industries Limited**, the Applicant Company having its registered office as aforementioned and corporate office at BKT House, C/15, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013, do hereby appoint Mr/Mrs/Ms. _____ and failing him/her Mr/Mrs/Ms. _____ as my/our proxy, to act for me/us at the Court Convened Meeting of Equity Shareholders of Balkrishna Industries Limited, the Applicant Company to be held at Plot No G-4/1, MIDC, Tarapur, Boisar, District Thane – 401506 on 13 August 2014 at 11:30 A.M., for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme Of Arrangement proposed to be made between Balkrishna Industries Limited and Balkrishna Paper Mills Limited and Nirvikara Paper Mills Limited and their respective shareholders and creditors, and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name(s) _____ (here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word Scheme) the said arrangement embodied in the Scheme, either with or without modifications(s)*, as my/our proxy may approve.

Dated this ____ day of _____, 2014.

Name: _____

Address: _____

Affix
Revenue
Stamp

(For Demat Holding) DP ID:		Client ID:	
(For Physical Holding) Folio No.:		No. of shares held:	

Signature of Shareholder(s) Sole/First Holder : _____
Second Holder : _____
Third Holder : _____
Signature of Proxy Proxy : _____

NOTES

- (i) Please affix revenue stamp before putting signature.
- (ii) Proxy need not be shareholder.
- (iii) Alterations, if any, made in the form of proxy should be initialed.
- (iv) THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF BALKRISHNA INDUSTRIES LIMITED NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE SAID MEETING
- (v) In case of multiple proxies, the proxy later in time shall be accepted.



Balkrishna Industries Limited

CIN : L99999MH1961PLC012185

Registered Office : H-3/1, MIDC "A" Road, Tarapur (Boisar), District Thane, (Maharashtra)- 401506

Corporate Office Address: BKT House, C/15, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai 400013

Telephone Number : + 91-22-66663800 | **Fax Number :** +91-22-66663898/99

Email: shares@bkt-tires.com **Website:** www.bkt-tires.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

(For Demat Holding) DP ID		Client ID	
(For Physical Holding) Folio No.		No. of shares held	

I/We hereby certify that I/we am/are registered equity shareholder/proxy for the registered equity shareholder of the Company.
I/We hereby record my/our presence at the Court Convened Meeting of the Members of the Company held on 13 August 2014
at Plot No G-4/1, MIDC, Tarapur, (Boisar) District Thane (Maharashtra)- 401506 at 11:30 A.M.

Member/Proxy name in block letters

Member/Proxy signature

*Applicable for investors holding shares in electronic forms