

PUDUMJEE PULP & PAPER MILLS LIMITED

CIN: L21012MH1964PLC013058

Regd. Office: Thergaon, Chinchwad, Pune (Maharashtra) - 411033

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COURT CONVENED MEETING OF THE SECURED CREDITORS

| |
|---|
| Day : Wednesday |
| Date : July 15, 2015 |
| Time : 10:00 a.m. |
| Venue : Corporate Office :Jatia Chambers, 60, Dr. V.B.Gandhi Marg, Kalaghoda. Mumbai-400001 |

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 399 OF 2015

In the matter of the Companies Act 1956;

And

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

And

In the matter of the Scheme of Arrangement and
Reconstruction (Demerger) between Pudumjee Pulp &
Paper Mills Limited and Pudumjee Industries Limited
and Pudumjee Hygiene Products Limited and
Pudumjee Paper Products Limited and their respective
shareholders and creditors.

| | |
|---|--------------------------|
| Pudumjee Pulp & Paper Mills Limited |) |
| CIN No. L21012MH1964PLC013058 |) |
| a company incorporated under the Companies |) |
| Act, 1956 and having its registered office at |) |
| Thergaon, Chinchwad, Pune (Maharashtra) |) |
| - 411 033 |) Applicant Company |

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE
APPLICANT COMPANY**

To,
**The Secured creditors of Pudumjee Pulp & Paper Mills Limited (“PPPML” or “Applicant
Company”):**

TAKE NOTICE THAT by an Order made on June 12, 2015, in the abovementioned Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Secured Creditors of the Applicant Company, be convened and held at Jatia Chambers, 60, Dr. V.B. Gandhi Marg, Kalaghoda, Mumbai-400001 on Wednesday 15th July, 2015 at 10:00 a.m., to transact the following Special Business:

To consider and, if thought fit, approve with or without modification(s), the following Resolution under Sections 391 to 394 of the Companies Act, 1956 for approval of the proposed arrangement embodied in the Scheme of Arrangement between Pudumjee Pulp and Paper Mills Ltd. and Pudumjee Industries Ltd. and Pudumjee Hygiene Products Ltd. and Pudumjee Paper Products Ltd. and their respective shareholders and creditors ("**Scheme**"):

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 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 High Court of Judicature at Bombay or by any regulatory or other authorities, while granting such consents, approvals and permissions, which maybe agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to mean and in clued 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 arrangement embodied in the Scheme of Arrangement between Pudumjee Pulp and Paper Mills Ltd. and Pudumjee Industries Ltd. and Pudumjee Hygiene Products Ltd. and Pudumjee Paper Products Ltd. and their respective shareholders and creditors ("Scheme") placed before this meeting and initialed 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 authorized 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 arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Secured Creditors of the Applicant Company, will be held at Jatia Chambers, 60, Dr. V.B. Gandhi Marg, Kalaghoda, Mumbai-400001 on Wednesday 15th July, 2015 at 10:00 a.m., at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at Thergaon, Chinchwad, Pune (Maharashtra)- 411 033 not later than 48 hours before the time of the aforesaid meeting.

The Hon'ble High Court has appointed Mr. A. K. Jatia, Chairman of the Applicant Company, failing him, Mr. V. P. Leekha, Managing Director of the Applicant Company, failing him, Mr. S. K. Bansal, Director of the Applicant Company to be the Chairman of the said meeting.

A copy of the Scheme, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy, Attendance Slip, Copy of fairness report dated January 17, 2015 issued by Axis Capital Ltd., Complaints Report of PSE Limited dated February 28, 2015 & Complaint reports of BSE Limited & National Stock Exchange of India Limited dated March 10, 2015 And Observation letter of PSE Limited dated February 10, 2015 and Observation letters of BSE Limited & National Stock Exchange of India Limited dated April 22, 2015 are enclosed.

Sd/-

A. K. Jatia

Chairman appointed for the meeting

Place: Pune

Date : 15th June, 2015

CIN : L21012MH1964PLC013058

Registered office:

Thergaon, Chinchwad, Pune, Maharashtra - 411033.

Tel: +91-20-30613333 Fax: +91-20-3061 3388

E-mail: sk@pune.pudumjee.com. Website: www.pudumjee.com

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. The Authorized Representative of a body corporate which is a secured creditor of the Applicant Company may attend and vote at the secured creditors' meeting provided 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 secured creditors' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
3. The proxy need not be a secured creditor of the Applicant Company.

Enclosure : As above.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 399 OF 2015**

In the matter of the Companies Act 1956;

And

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

And

In the matter of the Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors.

Pudumjee Pulp & Paper Mills Limited)
a company incorporated under the Companies)
Act, 1956 and having its registered office at)
Thergaon, Chinchwad, Pune (Maharashtra))
- 411 033) Applicant Company

Explanatory statement under section 393 of the Companies Act, 1956

In this statement Pudumjee Pulp & Paper Mills Ltd. is referred to as “**the Applicant Company**” or “**PPPML**”. The other definitions contained in the enclosed Scheme of Arrangement (“**Scheme of Arrangement**”) 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 12th June, 2015, passed by the Hon'ble High Court of Judicature at Bombay, in the Company Summons for Direction No. 399 of 2015, a meeting of the members of the Applicant Company, is being convened for the purpose of considering, and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement under Sections 391 to 394 of Companies Act, 1956 between Pudumjee Pulp & Paper Mills Ltd. and Pudumjee Industries Ltd. and Pudumjee Hygiene Products Ltd. and Pudumjee Paper Products Ltd. and their respective shareholders and creditors.
2. The detailed terms of the arrangement are set out in the enclosed Scheme of Arrangement.
3. Further, as required under clause 5.16(b) of SEBI circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 (as modified by paragraph 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 the Applicant Company has furnished an undertaking dated January 17, 2015 certified by the statutory auditor, M/s. Khare & Company, Chartered Accountant and duly approved by the Board of the Applicant company stating non-applicability of Paragraph 15.6 thereunder.
4. The resolution to be moved at the 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 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 High Court of Judicature at Bombay or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to 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 arrangement embodied in the Scheme of Arrangement between Pudumjee Pulp and Paper Mills Ltd. and Pudumjee Industries Ltd. and Pudumjee Hygiene Products Ltd. and Pudumjee Paper Products Ltd. and their respective shareholders and creditors 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 authorized 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 arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

1. Background of the Applicant Company:

- a) The Applicant Company was incorporated on 19th November, 1964 as a public limited company under the name “Pudumjee Pulp & Paper Mills Limited” under the Companies Act, 1956 and the Registrar of Companies, Maharashtra, Bombay issued a certificate of incorporation dated 19th November, 1964.
- b) The registered office of the Applicant Company is situated at Thergaon, Chinchwad, Pune – 411 033, Maharashtra and its CIN is L21012MH1964PLC013058.
- c) The objects for which the Applicant Company has been established are set out in its Memorandum of Association. The relevant objects of the Applicant Company are set out hereunder:
 - (i) *To carry on the business of manufacturers of and dealers (which and allied expressions, include export and import) in greaseproof, glassine, tissue and parchment papers and also in all other kinds and classes of paper and in all kinds and classes of boards, and paper and board products and conversions, including writing, printing and absorbent papers, blotting, filter, antique, ivory-finished, coated chrome, art, polythene coated, bank or bond, badami and brown or buff papers; bible paper, cartridges, clothlined, azure-laid and wove, cream-laid and wove, gummed, hand-made, drawing and wrapping*

papers, polythene and substitutes for wrapping paper, cellophane, kraft, manila and envelope papers; tracing paper, vellum corrugated, water-proof and carbon papers; sensitised, chemically treated, litmus, photographic, glass and emery papers ; and all other kinds of paper; boards of all kinds including paper-board, paste board, card, cardboard, strawboard, greyboard or millboard, pulpboard, leather board, corrugated board, duplex and triplex boards, laminated board, hardboard, plywood board, postcards, visiting cards, chromoboards, plastic board, coated board and machine coated boards; and all kinds of articles in the manufacture of which in any form paper or board is used; and also to manufacture or deal in any other articles or things of a character similar or analogues to any of the foregoing or connected therewith.

- (ii) To manufacture and deal in all kinds and classes of pulp and pulp products and conversions; including mechanical, chemical and rayon pulps; and sulphate, sulphite and soda pulps, and all other varieties of pulp in all its forms, by converting, treating or turning to account by any process of manufacture or other method or mode, bamboo, wood, droppings, fly, cotton waste or seeds, grasses, straw, jute, jute sticks sisal fibre flax, hemp, ramie, hessian, gunny, sugarcane, bagasse, leather, asbestos, rags, waste paper, water hyacinth, seed hairs, bast, grass, leaf and wood fibres; or any other material, synthetic or otherwise as may be found appropriate ; and to manufacture and deal in all kinds of articles in which any form of pulp is used; and also to manufacture and deal in any other allied articles and things.*
- (iii) To manufacture or grow and deal in all materials and substances usable in the manufacture, production or treatment of paper, board and pulp; and deal in any of the by-products of any manufacturing or growing processes which the Company may undertake.*
- (iv) By processing, treatment and other experimentation, to work out special kinds of papers, boards and pulps; and manufacture and deal in the same and other produce, by-products and commodities connected therewith.*
- (v) To plant, cultivate, grow, raise, produce, fell, cut, gather, extract, manufacture, purchase, sell or otherwise in any manner, handle and deal in grass, timber, wood, bamboo, straw and other forest products; and fibres of cotton, jute, flax, hemp, sugarcane, leather, asbestos, water hyacinth, jute sticks or any other fibres and fibrous substance as may be found suitable; and rags, waste-paper gummies and all or any other raw stock and things as may furnish material for manufacture in any of its branches of pulp, paper or board; and to carry on business as owners, lessees, managers, of plantations and farms and hewers and cutters of bamboo, wood, timber, grasses and all other forest products.*
- (vi) To own, work, erect, install, maintain, equip, repair alter, add to or otherwise handle and deal in machinery plant and filatures for manufacture of paper, boards and pulp; or for pressing, ginning, carding, combing, scouring, mixing, processing, bleaching, printing, dyeing or furnishing pulp, paper or board; or for conversion of pulp or other products or by-products of any description and kind.*

- (vii) *To design, fabricate and manufacture plant, equipment machinery, accessories, apparatus, spares and parts required in pulp, paper, paper board and pulp conversions and products and allied industries.*
- (viii) *To carry on business as planters and growers of and dealers in timber, bamboo, grass, straw, sugar and other produce of the earth; and as distillers, dye-makers and saw mills; and to manufacture and deal in articles of all kinds in the produce or manufacture of which bamboo, timber, wood or any other forest or agricultural produce or arising there from are or may be used."*
- (ix) *To develop the resources of and turn to account any lands and any rights over or connected with the lands belonging to the company or in which the company is interested in particular by clearing, draining, fencing, planting, cultivating, building, improving, farming, irrigation, grazing, and by promoting immigration and emigration and the establishment of villages, towns, settlements and colonies.*
- (x) *To undertake the payment of all rent and the performance of all covenants, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or be otherwise acquired by the Company and to purchase the reversion and reversions or otherwise acquire the freehold or fee-simple of all or any part of the leasehold lands and buildings for the time being the property of or in possession of the company.*
- (xi) *To sell, lease, exchange or otherwise deal with or dispose of the whole or any part of the property, whether movable or immovable or of any nature or kind, of the company.*
- (xii) *To engage, deal, generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, consult, supply, captively consume and to act as agent, broker, representative, consultant, collaborator or otherwise to deal in power/electricity in all its branches at such place or places in India or abroad as may be permitted by the appropriate Government, Non-Government authorities by establishment of wind power plants, solar power plants, thermal power plants, hydraulic power plants, atomic power plants and any other type of power generation plants using conventional and/or non-conventional energy sources in use and as may be developed/invented in future and to acquire concessions, facilities or licences from electricity boards, Governments, semi Governments or local authorities for generation, distribution, production, transmission or use of such Power/Electricity and to take over along with all movable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities".*

d) The Share capital of the Applicant Company as on 31st December, 2014 is as under :-

| Particulars | Amount (Rupees in lacs) |
|--|----------------------------|
| AUTHORISED CAPITAL | |
| 4,75,00,000 Equity Shares of Rs. 2/- each | 950 |
| 50,000 14% Redeemable Cumulative Preference Shares of Rs. 100/- each | 50 |
| Total | 1000 |
| ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | |
| 4,10,00,000 Equity Shares of Rs. 2/- each | 820 |
| Total | 820 |

As on date there is no change in the capital structure of the Applicant Company.

2. Background of Pudumjee Industries Limited:

- a) Pudumjee Industries Ltd. ("PIL" or "Second Transferor Company") was incorporated on 31st December, 1965 as a private limited company under the name "F. Pudumjee and Company Private Limited" under the Companies Act, 1956 and the Registrar of Companies, Maharashtra, Bombay issued a certificate of incorporation dated 31st December, 1965. The Second Transferor Company thereafter became a public company by virtue of the provisions of Sub-section (1) of Section 43A of the Companies Act, 1956 and the word 'private' appearing in the name of the Second Transferor Company was deleted and such change was noted on the certificate of incorporation by the Registrar of Companies, Maharashtra, Bombay on 4th May, 1977 and consequent thereto the name of the Second Transferor Company became "F. Pudumjee and Company Limited". The name of the Second Transferor Company was thereafter changed from "F. Pudumjee and Company Limited" to "Pudumjee Agro Industries Limited" and a fresh certificate of incorporation consequent on change of name was issued by the Assistant Registrar of Companies, Maharashtra, Bombay dated 30th December, 1993. The name of the Second Transferor Company was thereafter changed from "Pudumjee Agro Industries Limited" to "Pudumjee Industries Limited" and a fresh certificate of incorporation consequent upon change in name was issued by the Registrar of Companies, Maharashtra, Pune dated 4th March, 2008.
- b) The registered office of the Second Transferor Company is situated at Thergaon, Chinchwad, Pune - 411 033, Maharashtra and its CIN is L74999MH1999PLC013394.

c) The objects for which the Second Transferor Company has been established are set out in its Memorandum of Association. The relevant objects of the Second Transferor Company are set out hereunder:

(i) *To take over the sole conduct and control as a going concern of the business now carried on at Lalchimney Compound off Lamington Road in Bombay in the name of **Pudumjee Paper Mills Private Limited**, upon the dissolution of such company without winding up whereupon the right of carrying on the said business and the assets of such business shall vest in the shareholders of **Pudumjee Paper Mills Private Limited**, being all the subscribers to this Memorandum of Association; and with a view thereto and if and so far as may be necessary, to enter into Agreement referred to in Clause 2 of the Articles of Association of this Company, and to carry the same into effect, with or without modification.*

(ii) *To carry on the business of manufacturers, buyers, sellers, importers, exporters of and dealers in all kinds and classes of paper, board and pulp including writing paper, printing paper, newsprinting paper, absorbent paper, wrapping paper, tissue paper, cover paper, blotting paper, filter paper, antique paper, ivory-finish paper, coated paper, art paper, bank or bond paper, badami, brown or buff paper, bible paper, cartridge paper, cloth lined paper, azure-laid paper, cream-laid wove paper, glassine, waxed paper, grease-proof paper, gummed paper, hand-made paper, parchment paper, drawing paper, kraft paper, manila paper, envelope paper, tracing paper, vellum paper, water-proof paper, carbon paper, sensitised paper, chemically treated paper, litmus paper, photographic paper, glass paper, energy paper, paste-board, card-board, straw-board, pulp board, leather board, mill board, corrugated board, box board, cartons, paper bags, paper boxes, post-cards, visiting cards, all other kinds of paper whatsoever, soda pulp, mechanical pulp, sulphite pulp, and all kinds of articles in the manufacture of which in any form, paper, board or pulp is used, and also to deal in or manufacture any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.*

(iii) *To transact and carry on all kinds of Agency business and to act as Managing Agents of any Company or concern.*

d) The Share capital of the Second Transferor Company as on 31st December, 2014 is as under :-

| Particulars | Amount (Rupees in Lakhs) |
|---|-----------------------------|
| AUTHORISED CAPITAL | |
| 12,50,00,000 Equity Shares of Rs. 2/-each | 2500 |
| Total | 2500 |

| | |
|---|------------|
| ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | |
| 1,80,00,000 Equity Shares of Rs. 2/ each | 360 |
| Total | 360 |

As on date there is no change in the capital structure of the Second Transferor Company.

3. **Background of Pudumjee Hygiene Products Limited**

- a) **Pudumjee Hygiene Products Limited** (“PHPL” or “**Third Transferor Company**”) was incorporated on 15th July, 2004 as a public limited company under the name “Pudumjee Hygiene Products Limited” under the Companies Act, 1956 and the Registrar of Companies, Maharashtra, Mumbai issued a certificate of incorporation dated 15th July, 2004.
- b) The registered office of the Third Transferor Company is situated at Thergaon, Chinchwad, Pune – 411 033, Maharashtra and its CIN is U21010PN2004PLC021212.
- c) The object for which the Third Transferor Company has been established is set out in its Memorandum of Association which is set out hereunder:

To carry on the business of buying, selling, importing, exporting, manufacturing, marketing and agency business in all kinds and classes of pulp, papers and paper Board, including tissue papers, paper napkins, paper towels, wrapping paper and all types of hygiene products made of paper or otherwise and dispensers.

- d) The Share capital of the Third Transferor Company as on 31st December, 2014 is as under :-

| Particulars | Amount (Rupees in lacs) |
|---|------------------------------------|
| AUTHORISED CAPITAL | |
| 1,50,00,000 Equity Shares of Rs.10/- each | 1500 |
| Total | 1500 |
| ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | |
| 1,50,00,000 Equity Shares of Rs. 10/- each | 1500 |
| Total | 1500 |

The entire share capital of the Third Transferor Company is currently held by the Second Transferor Company. The authorized, issued, subscribed and paid-up equity share capital of the Third Transferor Company has been increased to Rs.

3000 lacs in the month of January 2015. Therefore the share capital of the Third Transferor Company as on 14th January, 2015 is as under:

| Particulars | Amount (Rupees in lacs) |
|---|--------------------------------|
| Authorised capital | |
| 3,00,00,000 Equity Shares of Rs.10/- each | 3000 |
| Total | 3000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 3,00,00,000 Equity Shares of Rs. 10/- each | 3000 |
| Total | 3000 |

After 14th January 2015 there has been no change in the issued, subscribed and paid-up share capital of the Third Transferor Company.

4. Background of Pudumjee Paper Products Limited:

- a) Pudumjee Paper Products Limited (“PPPL” or “Transferee Company”) was incorporated on 14th January, 2015 as a public limited company which has been incorporated as a Special Purpose Vehicle for this Scheme under the name “Pudumjee Paper Products Limited” under the Companies Act, 2013 and the Registrar of Companies Maharashtra, Pune issued a certificate of incorporation dated 14th January, 2015. It is currently a subsidiary of Pudumjee Pulp & Paper Mills Limited.
- b) The registered office of the Transferee Company is situated in the State of Maharashtra at Thergaon, Chinchwad, Pune – 411 033, Maharashtra and its CIN is U21098PN2015PLC153717.
- c) The objects for which the Transferee Company is established are:

To carry on the business of manufacturers, buyers, sellers, importers, exporters of and dealers in all kinds and classes of paper, board and pulp including Specialty paper, writing paper, printing paper, news-printing paper, absorbent paper, wrapping paper, polythene and substitutes for wrapping paper, tissue paper, paper napkins, paper towels and all types of hygiene products made of paper or otherwise and dispensers, cover paper, blotting paper, filter paper, antique paper, ivory-finished paper, coated paper, art paper, bank or bond paper, badami, brown or buff paper, bible

paper, cartridge paper, clothlined paper, azure-laid paper, cream-laid and wove paper, Décor paper glassine, waxed paper, greaseproof paper, gummed paper, hand-made paper, parchment paper, drawing paper, kraft paper, manila paper, envelope paper, tracing paper, vellum paper, water proof paper, carbon paper, sensitized paper, chemically treated paper, litmus paper, photographic paper, glass paper, emery paper, paste-board, card-board, straw-board, grey-board, mill-board, pulp-board, leather-board, corrugated board, box board, duplex and triplex board, laminated board, hardboard, plywood board, chromoboard, plastic board, coated boards, machine coated board, cartons, paper bags, paper boxes, posts-cards, visiting cards, all kinds of paper whatsoever, soda pulp, mechanical pulp, sulphite pulp, and all kinds of articles in the manufacture of which in any forms, paper, board or pulp is used, and also to deal in manufacture any other article or things of a character similar or analogous to the foregoing or connected therewith, to process treat and to do other experimentation, to work out special kinds of papers, boards and pulp; and manufacture and deal in the same and other produce, by products and commodities connected therewith, to manufacture and deal in caustic soda and bleaching agents and their products and by-products and to manufacture, process and deal in lime, clay salt, orhres, chemicals and materials required in the manufacture of pulp paper ad board and all and every other article connected therewith.

d) The share capital of the Transferee Company as on 31st March, 2015 is as under:

| Particulars | Amount (Rupees in Lacs) |
|---|-------------------------|
| AUTHORISED CAPITAL | |
| 5,00,000 Equity Shares of Re.1/- each | 5 |
| Total | 5 |
| ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | |
| 5,00,000 Equity Shares of Re.1/- each fully paid up | 5 |
| Total | 5 |

As on date there is no change in the capital structure of the Transferee Company.

5. RATIONALE AND BENEFITS OF 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. The Scheme will enable that the First, Second and Third Transferor companies as well as the Transferee Company, which has been incorporated as Special Purpose Vehicle for the Scheme, to streamline their business

activities as the companies are all presently carrying on different kind of businesses, each of which evinces interest from a separate class of investors and involves risks which are separate and distinct from each other;

- b. All the manufacturing assets and liabilities related to paper and hygiene related business will be housed under one entity i.e. the Transferee Company which will enable the Transferee Company to improve its business efficiency and all the Transferor companies will be able to focus on their remaining Businesses;
- c. This will help in achieving and sustaining competitiveness and development of long term internal and core competencies.

6. SALIENT FEATURES OF THE SCHEME:

The Scheme of Arrangement and Reconstruction (Demerger) is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the demerger of the 'Demerged Undertaking1' (defined in the Scheme) of Pudumjee Pulp & Paper Mills Limited and 'Demerged Undertaking2' (defined in the Scheme) of Pudumjee Industries Limited and 'Demerged Undertaking 3' (defined in the Scheme) of Pudumjee Hygiene Products Limited into Pudumjee Paper Products Limited.

“Demerged Undertaking1” means the manufacturing business activity of the First Transferor Company manufacturing various kinds of papers, pulp, steam and allied products which shall be exclusively and legally owned by and vested in the Transferee Company (except for Land and Building situated at Thergaon, Chinchwad, Pune – 411 033 which shall be transferred on leave and license to the Transferee Company as more particularly stated hereinafter and Mumbai office situated at 60 Jatia Chambers, Dr. V.B.Gandhi Marg Mumbai-400001) along with all rights, titles, interests and ownerships therein, as a going concern.

“Demerged Undertaking2” means the manufacturing business activity of the Second Transferor Company manufacturing various kinds of papers, pulp and allied products which shall be exclusively and legally owned by and vested in the Transferee Company (except Land and Building situated at Thergaon, Chinchwad, Pune – 411 033 which shall be transferred on leave and license as more particularly stated hereinafter) alongwith all rights, titles, interests and ownerships therein, as a going concern.

“Demerged Undertaking3” means the trading business activity of the Third Transferor Company trading in various kinds of tissue, non-tissue and allied products which shall be exclusively and legally owned by and vested in the Transferee Company along with all rights, titles, interests and ownerships therein, as a going concern.

The salient features of the scheme are as under:-

5. TRANSFER AND VESTING OF DEMERGED UNDERTAKING 1

5.1 Transfer of Assets

5.1.1 Upon coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking 1 of the First Transferor Company shall, subject to the provisions of the Scheme and pursuant

to the provisions of Sections 391 to 394, and all other applicable provisions of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, registration, matter or thing, be and stand transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, as a going concern in accordance with Section 2(19AA) of the Income-Tax Act, so as to become the business, assets, properties and liabilities of the Transferee Company, along with the securities, mortgages, charges, encumbrances or liens, if any, existing as on the Effective Date, as set out more specifically in the Scheme;

The intellectual property contained in the word "Pudumjee" and all registered trade-marks and copy rights in relation thereto shall be continued to be used by the First Transferor Company together with the Transferee Company till such time as the Transferee Company uses the premises in Pune belonging to the First Transferor Company for the purposes of carrying on its business.

5.2 Transfer of Liabilities:

5.2.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date all debts and liabilities of the First Transferor Company specifically for the Demerged Undertaking 1 including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of the scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the First Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 5.2.

5.3 Encumbrances

5.3.1 The transfer and vesting of the assets comprised in the Demerged Undertaking 1 to the Transferee Company under Clause 5.1 of the scheme shall be subject to the Encumbrances, if any, affecting the same as herein after provided.

5.3.2 All Encumbrances, if any, existing prior to the Effective Date solely over the assets of the Demerged Undertaking 1 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related

or attached prior to the Effective Date, provided that if any of the assets of the Demerged Undertaking 1 have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 5.3.3 In respect of any encumbrance in respect of the loans, borrowings, debts and liabilities of the First Transferor Company which in part is connected with the Demerged Undertaking 1 ("**Transferred Liabilities**"), upon the coming into effect of the scheme and with effect from the Appointed Date subject to the approvals of those lenders in terms of detailed agreements to be executed with such lenders, such encumbrance shall, in terms of the understanding be extended to and shall operate only over the assets comprised in the Demerged Undertaking 1 which may have been encumbered in respect of the Transferred Liabilities as transferred to the Transferee Company pursuant to the 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 Appointed Date and in terms of the agreement with the lenders, such assets 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 1 are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Transferee Company pursuant to the scheme and which shall continue with the Demerged Undertaking 1 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 Appointed Date and upon the coming into effect of the scheme.
- 5.3.4 Provided always that the scheme shall not operate to enlarge the security from any loan, deposit or facility created by the First Transferor in relation to the Demerged Business by virtue of the scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative unless otherwise agreed by and between the First Transferor Company and the lenders.
- 5.3.8 Upon the coming into effect of the scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the scheme.
- 5.3.9 It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of the scheme except to the extent that such amendment is required statutorily.
- 5.3.10 The provisions of this clause 5.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security

document shall stand modified and/or superseded by the foregoing provisions.

5.4 Consideration

- 5.4.1 Upon the coming into effect of the scheme and in consideration of the transfer and vesting of the Demerged Undertaking 1 in the Transferee Company in terms of the scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot on proportionate basis equity shares to members of the First Transferor Company, in the Transferee Company, in the ratio of 37 (Thirty Seven) equity shares of the face value of Re. 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company at a premium of Rs. 19 (Rupees Nineteen Only) each per equity share for every 20 (Twenty) equity shares of the face value of Rs. 2/- (Rupee Two Only) each (credited as fully paid-up) held by such member in the First Transferor Company on record date. In case any member's shareholding in the First Transferor Company is such that such member becomes entitled to a fraction of one equity share of the Transferee Company, the Transferee Company will not issue fractional share certificate to such member and will consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of the First Transferor Company in that behalf, who will 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. During consolidation of the fractional shares, if the sum of such fractional shares is not a whole integer, the Transferee Company will issue such additional fractional share to the trustee, such that the total shares so issued shall be rounded off to the next whole integer.*
- 5.4.2 Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 5.4.1 above. It is clarified that no special resolution under Section 62(1)(c) of the Companies Act, 2013 shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Demerged Undertaking 1 under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the First Transferor Company in accordance with Clause 5.4.1 above.*
- 5.4.3 The equity shares issued and allotted by the Transferee Company in terms of the scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of equity shares of Transferee Company in terms of the scheme shall be deemed to have been carried out as if the procedure laid down under section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.*

- 5.4.4 *The shares issued to the members of the First Transferor Company by the Transferee Company pursuant to Clause 5.4.1 above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of any of the First Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of any First Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the First Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.*
- 5.4.5 *In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the First Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in the First Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of the scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the scheme and registration of new shareholders in the Transferee Company.*
- 5.4.6 *The equity shares issued and allotted by the Transferee Company in terms of the scheme shall rank paripasu in all respects with the then existing equity shares of the Transferee Company.*
- 5.4.7 *The equity shares of the Transferee Company will be listed and / or admitted to trading on the BSE Limited and NSE Limited. Accordingly, the Transferee Company shall take steps for listing simultaneously on BSE Limited and NSE Limited within a reasonable period from the Effective Date. The Transferee Company undertakes that there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approvals granted by the National Stock Exchange and the Bombay Stock Exchange.*
- 5.4.8 *The shares allotted pursuant to the scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the Stock Exchanges.*

5.5 Accounting Treatment:

5.5.1 In the books of the Transferee Company:

5.5.1.1 *The Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking 1 vested in it pursuant to the scheme, at their respective book values, as appearing in the books of the First Transferor Company at its closure on the day immediately preceding the Appointed Date or at fair values as decided by the Board of Directors of the Transferee Company thereof on the basis of significant accounting policies of the Transferee Company.*

5.5.1.2 *The Transferee Company shall credit to the share capital account, the aggregate face value of Shares issued and allotted by it pursuant to Clause 5.4.1 of the Scheme and credit to securities premium account, the excess of the aggregate value of the shares over their face value.*

5.5.1.3 *The difference being the excess of the net asset value (difference of book value or as the case may be fair value of assets over liabilities) of the Demerged Undertaking 1 transferred to the Transferee Company over the aggregate face value of Shares allotted as per Clause 5.4.1 and securities premium, after adjusting all the costs and expenses incurred as per Clause 22 of the Scheme as well as the other costs incidental with the finalization of the scheme and to put it into operation including expenses in connection with advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and any other expenses or charges attributable to the implementation of the Scheme would be credited directly to Capital Reserve. Shortfall, if any, shall be debited to the Goodwill account.*

5.5.1.4 *If considered appropriate for the purpose of application of uniform accounting methods and policies between the First Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and adjust the effect thereof in the capital reserve account or as the case may be, to the goodwill Account of the Transferee Company.*

5.5.2 In the books of the First Transferor Company:

5.5.2.1 *Upon the Scheme becoming effective, the First Transferor Company shall reduce the book value of assets and liabilities pertaining to the respective Demerged Undertaking 1 transferred to the Transferee Company.*

5.5.2.2 *The excess of the book value of assets transferred over the book value of liabilities transferred as on the Appointed Date shall be adjusted in the securities premium account, capital reserve account, other reserves and balance, if any, to the credit balance of Profit & loss account of the First Transferor Company as may be decided by its Board of Director with effect from the Appointed Date.*

5.5.2.3 In case of excess of the book value of liabilities transferred over the book value of assets transferred as on the Appointed Date shall be directly credited to the Capital reserve account of the First Transferor Company.

5.6 Combination of Authorised Capital:

5.6.1 Upon the sanction of the scheme, the unissued authorised share capital of the First Transferor Company comprising of equity and preference shares shall to the extent of Rs.1,80,00,000/- (Rupees One Crores Eighty Lacs Only) stand transferred to the Transferee Company and as a result thereof the authorised share capital of the Transferee Company shall automatically stand increased without further act, instrument or deed on the part of the Transferee Company by the authorised share capital of the First Transferor Company aggregating to Rs.1,80,00,000/- (Rupees One Crore Eighty Lacs only) represented by 65,00,000 (Sixty Five Lakhs Only) equity shares of Rs. 2/- each and 50,000 14% Cumulative Redeemable Preference Shares of Rs. 100/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall without further act, deed or instrument, be and stand altered, modified and amended, as the case may be and for this purpose the stamp duties and the fees paid on the authorised share capital of the Transferor Company shall be utilized and applied to above referred increased authorised share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in its authorised share capital to that extent.

5.6.3 Consequent upon the Scheme becoming effective the authorised share capital of the First Transferor Company will be as under:-

| Particulars | Amount (in Rs. lacs) |
|---|-----------------------------|
| Authorised Capital | |
| 4,10,00,000 Equity Shares of Rs. 2/- each | 820 |
| Total | 820 |

It is clarified that the approval of the members of the First Transferor Company to the Scheme shall be deemed to be their consent/ approval to the alteration of the Memorandum and Articles of Association of the First Transferor Company as may be required under the Act.

Demerger of the 'Demerged Undertaking 2' of the Second Transferor Company into the Transferee Company.

6. TRANSFER AND VESTING OF DEMERGED UNDERTAKING2

6.1 Transfer of Assets

6.1.1 Upon coming into effect of the scheme and with effect from the Appointed Date, the Demerged Undertaking 2 of Second Transferor Company shall, subject to the provisions of the scheme and pursuant to the provisions of Sections 391 to 394, and all other applicable provisions of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, registration, matter or thing, be and stand transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, as a going concern in accordance with Section 2(19AA) of the Income-Tax Act, so as to become the business, assets, properties and liabilities of the Transferee Company, along with the securities, mortgages, charges, encumbrances or liens, if any, existing as on the Effective Date, as set out more specifically in the scheme;

The intellectual property contained in the word "Pudumjee" and all registered trademarks and copy rights in relation thereto shall be continued to be used by the Second Transferor Company together with the Transferee Company till such time as the Transferee Company uses the premises in Pune belonging to the Second Transferor Company for the purposes of carrying on its business.

6.2 Transfer of Liabilities:

6.2.1 Upon the coming into effect of the scheme and with effect from the Appointed Date all debts and liabilities of the Second Transferor Company specifically for the Demerged Undertaking 2 including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of the scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further 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 6.2.

6.3 Encumbrances

6.3.1 The transfer and vesting of the assets comprised in the Demerged Undertaking 2 to the Transferee Company under Clause 6.1 of the scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

- 6.3.2 *All Encumbrances, if any, existing prior to the Effective Date solely over the assets of the Demerged Undertaking 2 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Demerged Undertaking 2 have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.*
- 6.3.3 *In respect of any encumbrance in respect of the loans, borrowings, debts and liabilities of the Second Transferor Company which in part is connected with the Demerged Undertaking 2 ("**Transferred Liabilities**"), upon the coming into effect of the scheme and with effect from the Appointed Date subject to the approvals of those lenders in terms of detailed agreements to be executed with such lenders, such encumbrance shall, in terms of the understanding be extended to and shall operate only over the assets comprised in the Demerged Undertaking 2 which may have been encumbered in respect of the Transferred Liabilities as transferred to the Transferee Company pursuant to the 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 Appointed Date and in terms of the agreement with the lenders, such assets 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 2 are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Transferee Company pursuant to the scheme and which shall continue with the Demerged Undertaking 2 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 Appointed Date and upon the coming into effect of the scheme.*
- 6.3.4 *Provided always that the scheme shall not operate to enlarge the security from any loan, deposit or facility created by the Demerged Undertaking 2 in relation to the Demerged Business by virtue of the scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative unless otherwise agreed by and between the Second Transferor Company and the lenders.*
- 6.3.8 *Upon the coming into effect of the scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the scheme.*
- 6.3.9 *It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is*

amended by virtue of the scheme except to the extent that such amendment is required statutorily.

6.3.10 The provisions of this clause 6.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

6.4 Consideration

6.4.1 Upon the coming into effect of the scheme and in consideration of the transfer and vesting of the Demerged Undertaking 2 in the Transferee Company in terms of the scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot on proportionate basis equity shares to members of the Second Transferor Company, in the Transferee Company, in the ratio of 9 (Nine Only) equity shares of the face value of Re 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company at a premium of Rs. 19 (Rupees Nineteen Only) each per equity share for every 20 (Twenty Only) equity shares of the face value of Rs.2/- (Rupees Two Only) each (credited as fully paidup) held by such member in the Second Transferor Company on record date. In case any member's shareholding in the Demerged Company is such that such member becomes entitled to a fraction of one equity share of the Transferee Company, the Transferee Company will not issue fractional share certificate to such member and will consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of the Demerged Company in that behalf, who will 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. During consolidation of the fractional shares, if the sum of such fractional shares is not a whole integer, the Transferee Company will issue such additional fractional share to the trustee, such that the total shares so issued shall be rounded off to the next whole integer.

6.4.2 Upon the scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 6.4.1above. It is clarified that no special resolution under Section 62(1)(c) of the Companies Act, 2013 shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Demerged Undertaking 2 under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the Second Transferor Company in accordance with Clause 6.4.1above.

6.4.3 The equity shares issued and allotted by the Transferee Company in terms of the scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company

and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of equity shares of Transferee Company in terms of the scheme shall be deemed to have been carried out as if the procedure laid down under section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.

- 6.4.4 The shares issued to the members of the Second Transferor Company by the Transferee Company pursuant to Clause 6.4 above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of any of the Second Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of any Second Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the Second Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.*
- 6.4.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the Second Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in the Second Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of the scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the scheme and registration of new shareholders in the Transferee Company.*
- 6.4.6 The equity shares issued and allotted by the Transferee Company in terms of the scheme shall rank paripasu in all respects with the then existing equity shares of the Transferee Company.*
- 6.4.7 The equity shares of the Transferee Company will be listed and / or admitted to trading on the NSE Limited and BSE Limited. Accordingly, the Transferee Company shall take steps for listing simultaneously on BSE Limited & NSE Limited within a reasonable period from the Effective Date. The Transferee Company undertakes that there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the*

status of the approvals granted by the NSE Limited and the BSE Limited.

6.4.8 The shares allotted pursuant to the scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the Stock Exchanges.

6.5 Accounting Treatment:

6.5.1 In the books of the Transferee Company:

6.5.1.1 The Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking 2 vested in it pursuant to the scheme, at their respective book values, as appearing in the books of the Second Transferor Company at its closure on the day immediately preceding the Appointed Date or at fair values as decided by the Board of Directors of the Transferee Company thereof on the basis of significant accounting policies of the Transferee Company.

6.5.1.2 The Transferee Company shall credit to the share capital account, the aggregate face value of Shares issued and allotted by it pursuant to Clause 6.4.1 of the Scheme and credit to securities premium account, the excess of the aggregate value of the shares over their face value.

6.5.1.3 The difference being the excess of the net asset value (difference of book value or as the case may be fair value of assets over liabilities) of the Demerged Undertaking 2 transferred to the Transferee Company over the aggregate face value of Shares allotted as per Clause 6.4.1 and securities premium after adjusting all the costs and expenses incurred as per Clause 22 of the Scheme as well as the other costs incidental with the finalization of the scheme and to put it into operation including expenses in connection with advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and any other expenses or charges attributable to the implementation of the Scheme would be credited directly to Capital Reserve. Shortfall, if any, shall be debited to the Goodwill account.

6.5.1.4 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Second Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and adjust the effect thereof in the capital reserve account or as the case may be, to the goodwill Account of the Transferee Company.

6.5.2 In the books of the Second Transferor Company:

6.5.2.1 Upon the Scheme becoming effective, the Second Transferor Company shall reduce the book value of assets and liabilities pertaining to the respective Demerged Undertaking 2 transferred to the Transferee Company.

- 6.5.2.2 *The excess of the book value of assets transferred over the book value of liabilities transferred as on the Appointed Date shall be adjusted in the securities premium account, capital reserve account and other reserves and balance if any, to the credit balance of the Profit & Loss account of the Second Transferor Company as may be decided by its Board of Director with effect from the Appointed Date.*
- 6.5.2.3 *In case of excess of the book value of liabilities transferred over the book value of assets transferred as on the Appointed Date shall be credited to the Capital reserve account of the Second Transferor Company.*

6.6 Combination of authorised capital:

6.6.1 *Upon the sanction of the scheme, the unissued authorized share capital of the Second Transferor Company shall to the extent of Rs. 21,00,00,000/- (Twenty One Crores only) stand transferred to the Transferee Company and pursuant thereto, the authorised share capital of the Transferee Company shall automatically stand increased without further act, instrument or deed on the part of the Transferee Company including therein the payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of the Second Transferor Company aggregating to Rs. 21,00,00,000/- (Rupees Twenty one Crores Only) represented by 10,50,00,00 (Ten Crores Fifty Lakhs) equity shares of Rs.2/- each and the Memorandum of Association and Articles of Association) of the Transferee Company (relating to the authorised share capital) shall without further act, deed or instrument, be and stand altered, modified and amended, pursuant to Sections 16, 31, 94 and 391 to 394 and other applicable provisions of the Act, as the case may be and for this purpose the stamp duties and the fees paid on the authorised share capital of the Second Transferor Company shall be utilized and applied to above referred increased authorised share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in its authorised share capital to that extent.*

6.6.3 *Consequent upon the Scheme becoming effective the authorised share capital of the Second Transferor Company will be as under:-*

| Particulars | Amount (Rupees in Lacs) |
|---|--------------------------------|
| Authorised capital | |
| 2,00,00,000/- Equity Shares of Rs. 2/- each | 400 |
| Total | 400 |

It is clarified that the approval of the members of the Second Transferor Company to the Scheme shall be deemed to be their consent/ approval to the alteration of the Memorandum and Articles of Association of the Second Transferor Company as may be required under the Act.

Demerger of the 'Demerged Undertaking 3' of the Third Transferor Company into the Transferee Company.

7. TRANSFER VESTING OF DEMERGED UNDERTAKING 3

7.1 Transfer of Assets:

7.1.1 Upon coming into effect of the scheme and with effect from the Appointed Date, the Demerged Undertaking 3 of the Third Transferor Company shall, subject to the provisions of the scheme and pursuant to the provisions of Sections 391 to 394, and all other applicable provisions of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, registration, matter or thing, be and stand transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, as a going concern in accordance with Section 2(19AA) of the Income-tax Act, so as to become the business, assets, properties and liabilities of the Transferee Company, along with the securities, mortgages, charges, encumbrances or liens, if any, existing as on the Effective Date, as set out more specifically in the scheme;

The intellectual property contained in the word "Pudumjee" and all registered trademarks and copy rights in relation thereto shall be continued to be used by the Third Transferor Company together with the Transferee Company till such time as the Transferee Company uses the premises in Pune belonging to the First and Second Transferor Company for the purposes of carrying on its business.

7.2 Transfer of Liabilities:

7.2.1 Upon the coming into effect of the scheme and with effect from the Appointed Date all debts and liabilities of the Third Transferor Company specifically for the Demerged Undertaking 3 including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of the scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Third Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 7.2.

7.3 Encumbrances

- 7.3.1 *The transfer and vesting of the assets comprised in the Demerged Undertaking 3 to the Transferee Company under Clause 7.1 of the scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.*
- 7.3.2 *All Encumbrances, if any, existing prior to the Effective Date over the assets of the Demerged Undertaking3 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Demerged Undertaking3 have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.*
- 7.3.3 *The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking3 transferred to and vested in the Transferee Company by virtue of this Scheme.*
- 7.3.4 *Any reference in any security documents or arrangements (to which the Third Transferor Company is a party) to the Demerged Undertaking3 and their respective assets and properties shall be construed as a reference to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.*
- 7.3.5 *Upon the coming into effect of the scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the scheme.*
- 7.3.6 *It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of the scheme except to the extent that such amendment is required statutorily.*
- 7.3.7 *The provisions of this clause 7.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.*

7.4 Consideration

- 7.4.1 *Upon the coming into effect of the scheme and in consideration of the transfer and vesting of the Demerged Undertaking 3 in the Transferee Company in terms of the scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot on proportionate basis equity shares to members of the Third Transferor Company, in the Transferee Company, in the ratio of 7 (Seven Only) equity shares of the face value of Re. 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company at a premium of Rs. 19 (Rupees Nineteen Only) each per equity share for every 20 (Twenty Only) equity shares of the face value of Rs.10/- (Rupees Ten Only) each (credited as fully paid-up) held by such member in the Third Transferor Company on record date. In case any member's shareholding in the Demerged Company is such that such member becomes entitled to a fraction of one equity share of the Transferee Company, the Transferee Company will not issue fractional share certificate to such member and will consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of the Demerged Company in that behalf, who will 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. During consolidation of the fractional shares, if the sum of such fractional shares is not a whole integer, the Transferee Company will issue such additional fractional share to the trustee, such that the total shares so issued shall be rounded off to the next whole integer.*
- 7.4.2 *Upon the scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 7.4.1 above. It is clarified that no special resolution under Section 62(1)(c) of the Companies Act, 2013 shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Demerged Undertaking³ under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the Third Transferor Company in accordance with Clause 7.4.1 above.*
- 7.4.3 *The equity shares issued and allotted by the Transferee Company in terms of the scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of equity shares of Transferee Company in terms of the scheme shall be deemed to have been carried out as if the procedure laid down under section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.*
- 7.4.4 *The shares issued to the members of the Third Transferor Company by the Transferee Company pursuant to Clause 7.4.1 above shall be credited to the depository account of the members, unless otherwise*

notified in writing by any member of any of the Third Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of any Third Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the Third Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.

7.4.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the Third Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in the Third Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of the scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the scheme and registration of new shareholders in the Transferee Company.

7.4.6 The equity shares issued and allotted by the Transferee Company in terms of the scheme shall rank pari passu in all respects with the then existing equity shares of the Transferee Company.

7.4.7 The equity shares of the Transferee Company will be listed and / or admitted to trading on the BSE Limited and NSE Limited. Accordingly, the Transferee Company shall take steps for listing simultaneously on BSE Limited and NSE Limited within a reasonable period from the Effective Date. The Transferee Company undertakes that there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approvals granted by the NSE Limited and the BSE Limited.

7.4.8 The shares allotted pursuant to the scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the Stock Exchanges.

7.5 Accounting Treatment:

7.5.1 In the books of the Transferee Company:

- 7.5.1.1 *The Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking³ vested in it pursuant to the scheme, at their respective book values, as appearing in the books of the Third Transferor Company at its closure on the day immediately preceding the Appointed Date or at fair values as decided by the Board of Directors of the Transferee Company thereof on the basis of significant accounting policies of the Transferee Company.*
- 7.5.1.2 *The Transferee Company shall credit to the share capital account, the aggregate face value of Shares issued and allotted by it pursuant to Clause 7.4.1 of the Scheme and credit to securities premium account, the excess of the aggregate value of the shares over their face value.*
- 7.5.1.3 *The difference being the excess of the net asset value (difference of book value or as the case may be fair value of assets over liabilities) of the Demerged Undertaking³ transferred to the Transferee Company over the aggregate face value of Shares allotted as per Clause 7.4.1 and securities premium after adjusting all the costs and expenses incurred as per Clause 22 of the Scheme as well as the other costs incidental with the finalization of the scheme and to put it into operation including expenses in connection with advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and any other expenses or charges attributable to the implementation of the Scheme would be recorded directly to Capital Reserve. Shortfall, if any, shall be debited to the Goodwill account.*
- 7.5.1.4 *If considered appropriate for the purpose of application of uniform accounting methods and policies between the Third Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and adjust the effect thereof in the capital reserve Account of the Transferee Company.*
- 7.5.2 *In the books of the Third Transferor Company:*
- 7.5.2.1 *Upon the Scheme becoming effective, the Third Transferor Company shall reduce the book value of assets and liabilities pertaining to the respective Demerged Undertaking³ transferred to the Transferee Company.*
- 7.5.2.2 *The excess of the book value of assets transferred over the book value of liabilities transferred as on the Appointed Date shall be debited to Goodwill account of the Third Transferor Company.*
- 7.5.2.3 *In case of excess of the book value of liabilities transferred over the book value of assets transferred as on the Appointed Date shall be credited to the Capital reserve account of the Third Transferor Company.*
8. *Consequent upon the Scheme becoming effective the authorized share capital of the Transferee Company will be as under:-*

| Particulars | Amount (Rupees in Lacs) |
|--|--------------------------------|
| Authorised capital | |
| 31,79,50,000 Equity Shares of Re. 1/-each | 3179.50 |
| 50,000 14% Redeemable Cumulative Preference shares of Rs. 100/- each | 50.00 |
| Total | 3229.50 |

It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

8.1 The excess of the aggregate value of the shares, issued by the Transferee Company pursuant to Clauses 5.6.1, 6.4.1 and 7.4.1 hereinabove, over their face value credited to the securities premium account will be treated as part of paid-up share capital for the purposes of Chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposit) Rules, 2014.

10. Staff, Workmen & Employees:

10.1 On the Scheme becoming effective, all staff, workmen and employees on the rolls of or engaged by the Transferor Companies for the Demerged Undertakings, in service on the Effective Date, shall be deemed to have ceased to be employees of Transferor Companies and shall be deemed to have become staff, workmen and employees of Transferee Company, with effect from the Appointed Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favourable or on the same terms and conditions than those applicable to them with reference to Transferor Companies immediately preceding the transfer.

10.2 All benefits including Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund, if any, created or existing for the benefit of such employees of the Demerged Undertakings, on and from the Effective Date, Transferee Company shall stand substituted for Transferor Companies as the case may be for all the purposes of administration or operation of such funds in accordance with provisions of such funds, or in relation to the obligation to make contributions to the said fund or funds, according to the terms provided in the respective trust deeds or other documents, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such fund or funds shall become those of the Transferee Company. It is clarified that the services of such employees of the Demerged Undertakings will be treated as having been continuous and not interrupted for the purposes of such

having been continuous and not interrupted for the purposes of such funds.

11. Legal Proceedings

- a. *All legal proceedings of whatsoever nature, whether pending or threatened, by or against the Transferor Companies pending at the Appointed Date and or arising after the Appointed Date or to which the Transferor Companies is/are a party whether as a petitioner, applicant, plaintiff or a defendant, respondent and which relates and pertains to both the Demerged Undertakings and the Remaining Undertakings, shall be the joint responsibility and liability of both, the Transferee Company and the Transferor Companies and shall be jointly defended by both the Transferee Company and the Transferor Companies and be enforced by or against Transferee Company and the Transferor Companies in the manner and to the same extent as would or might have been continued and enforced by or against Transferor Companies. The Transferor Companies shall within a period of 180 (One Hundred and Eighty) days from the Effective Date undertake and ensure that the Transferee Company is included as a party in each of the disputes, proceedings, litigations, etc. pertaining to the Demerged Undertakings and to which the Transferor Companies is a party.*
- b. *The Transferor Companies shall not be liable or be under any obligation or be responsible for any legal proceedings of any nature whatsoever in relation to the Demerged Undertakings and/ or any costs, charges, expenses, fees etc. thereof after the Effective Date.*
- c. *Notwithstanding the above, in case the proceedings referred to in Clause a above cannot be transferred for any reason as a result of any applicable laws, the Transferor Companies shall defend the same, and thereupon the Transferee Company shall reimburse, indemnify, and hold harmless the Transferor Companies against all liabilities and obligations incurred by the Transferor Companies in respect thereof.*
- d. *After the Effective Date, any question that may arise as to whether a specific litigation pertains or does not pertain to the Demerged Undertakings and/ or the Remaining Undertakings shall be as mutually decided by the Board of Directors of the Transferor Companies and the Transferee Company.*

General clauses, terms and conditions

16. Conditionality of the Scheme:

16.1 *The scheme is and shall be conditional upon and subject to:*

16.1.1 *The Scheme is being approved by the respective requisite majorities of the members and/ or creditors of the Transferor Companies and the Transferee Company, as may be required under the Act and as may be directed by the High Court;*

16.1.2 *The Scheme being sanctioned by the Hon'ble High Court and/ or any other competent authority, as may be applicable under Sections 391 to 394 of the Act;*

16.1.3 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for implementation of the scheme;

16.1.5 The certified/authenticated copies of the orders of the Hon'ble High Court under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies; and

16.1.6 Compliance with such other conditions as may be imposed by the Hon'ble High Court.

18. Modification or Amendments to the Scheme:

The Transferee Company and the Transferor Companies by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may assent to, or carry out from time to time, any modifications/ amendments to the Scheme or to any conditions or limitations that the Hon'ble High Court and/ or any other authority under law may deem fit to direct, approve or impose and which the Transferor Companies and the Transferee Company in their discretion accept such modifications or amendments or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or such person/s or such committee) for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and do all acts, deeds and things as may be necessary desirable or expedient for carrying the Scheme into effect, or to review the position relating to the satisfaction of the conditions to the scheme and if necessary, to waive any of those for bringing the scheme into effect. The Transferee Company and the Transferor Companies by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

7. PRE AND POST ARRANGEMENT SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015:

A. PPPML

| Description | Pre-Demerger | | Post-Demerger | |
|--|---------------|--------|---------------|--------|
| | Equity Shares | % | Equity Shares | % |
| (A) Shareholding of Promoter and Promoter Group | | | | |
| (1) Indian | | | | |
| Individuals / Hindu Undivided Family | 6781957 | 16.54% | 6781957 | 16.54% |
| Bodies Corporate | 17437404 | 42.53% | 17437404 | 42.53% |

| | | | | |
|---|-----------------|---------|-----------------|---------|
| Sub Total | 24219361 | 59.07% | 24219361 | 59.07% |
| (2) Foreign | | | | |
| Individuals (Non-Residents Individuals / Foreign Individuals) | 1000000 | 2.44% | 1000000 | 2.44% |
| Sub Total | 1000000 | 2.44% | 1000000 | 2.44% |
| Total shareholding of Promoter and Promoter Group (A) | 25219361 | 61.51% | 25219361 | 61.51% |
| (B) Public Shareholding | | | | |
| (1) Institutions | | | | |
| Mutual Funds / UTI | 250 | 0.00% | 250 | 0.00% |
| Financial Institutions / Banks | 6430 | 0.02% | 6430 | 0.02% |
| Insurance Companies | 4786 | 0.01% | 4786 | 0.01% |
| Sub Total | 11466 | 0.03% | 11466 | 0.03% |
| (2) Non-Institutions | | | | |
| Bodies Corporate | 3810134 | 9.29% | 3810134 | 9.29% |
| Individuals | | | | |
| Individual shareholders holding nominal share capital up to Rs. 1 lakh | 9284311 | 22.64% | 9284311 | 22.64% |
| Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 2339297 | 5.71% | 2339297 | 5.71% |
| Any Others (Specify) | 335431 | 0.82% | 335431 | 0.82% |
| Non Resident Indians | 335431 | 0.82% | 335431 | 0.82% |
| Sub Total | 15769173 | 38.46% | 15769173 | 38.46% |
| Total Public shareholding (B) | 15780639 | 38.49% | 15780639 | 38.49% |
| Total (A)+(B) | 41000000 | 100.00% | 41000000 | 100.00% |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | | | | |
| (1) Promoter and Promoter Group | 0 | 0.00% | 0 | 0.00% |
| (2) Public | 0 | 0.00% | 0 | 0.00% |
| Sub Total | 0 | 0.00% | 0 | 0.00% |
| Total (A)+(B)+(C) | 41000000 | 100.00% | 41000000 | 100.00% |

B. PIL

| Description | Pre-Demerger | | Post-Demerger | |
|---|-----------------|---------------|-----------------|---------------|
| | Equity Shares | % | Equity Shares | % |
| (A) Shareholding of Promoter and Promoter Group | | | | |
| (1) Indian | | | | |
| Individuals / Hindu Undivided Family | 2500962 | 13.89% | 2500962 | 13.89% |
| Bodies Corporate | 10208380 | 56.71% | 10208380 | 56.71% |
| Sub Total | 12709342 | 70.61% | 12709342 | 70.61% |
| (2) Foreign | | | | |
| Any Others (Specify) | 300000 | 1.67% | 300000 | 1.67% |
| Any Other | 300000 | 1.67% | 300000 | 1.67% |
| Sub Total | 300000 | 1.67% | 300000 | 1.67% |
| Total shareholding of Promoter and Promoter Group (A) | 13009342 | 72.27% | 13009342 | 72.27% |
| (B) Public Shareholding | | | | |
| (1) Institutions | | | | |
| Mutual Funds / UTI | 6000 | 0.03% | 6000 | 0.03% |
| Financial Institutions / Banks | 500 | 0.00% | 500 | 0.00% |
| Foreign Institutional Investors | 150000 | 0.83% | 150000 | 0.83% |
| Sub Total | 156500 | 0.87% | 156500 | 0.87% |
| (2) Non-Institutions | | | | |
| Bodies Corporate | 1532730 | 8.52% | 1532730 | 8.52% |
| Individuals | | 0.00% | | 0.00% |
| Individual shareholders holding nominal share capital up to Rs. 1 lakh | 2523686 | 14.02% | 2523686 | 14.02% |
| Individual shareholders holding Nominal share capital in excess of Rs. 1 lakh | 506269 | 2.81% | 506269 | 2.81% |
| Any Others (Specify) | 271473 | 1.51% | 271473 | 1.51% |
| Non Resident Indians | 26799 | 0.15% | 26799 | 0.15% |
| Hindu Undivided Families | 234014 | 1.30% | 234014 | 1.30% |
| Directors & their Relatives & Friends | 10000 | 0.06% | 10000 | 0.06% |

| | | | | |
|---|-----------------|----------------|-----------------|----------------|
| Clearing Members | 660 | 0.00% | 660 | 0.00% |
| Sub Total | 4834158 | 26.86% | 4834158 | 26.86% |
| Total Public shareholding (B) | 4990658 | 27.73% | 4990658 | 27.73% |
| Total (A)+(B) | 18000000 | 100.00% | 18000000 | 100.00% |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | | | | |
| (1) Promoter and Promoter Group | 0 | 0.00% | 0 | 0.00% |
| (2) Public | 0 | 0.00% | 0 | 0.00% |
| Sub Total | 0 | 0.00% | 0 | 0.00% |
| Total (A)+(B)+(C) | 18000000 | 100.00% | 18000000 | 100.00% |

C. PHPL

| Description | Pre-Demerger | | Post-Demerger | |
|---|-------------------|----------------|-------------------|----------------|
| | Equity Shares | % | Equity Shares | % |
| (A) Shareholding of Promoter and Promoter Group | | | | |
| (1) Indian | | | | |
| Individuals / Hindu Undivided Family | 0 | 0 | 0 | 0 |
| Bodies Corporate | 30,000,000 | 100.00% | 30,000,000 | 100.00% |
| Sub Total | 30,000,000 | 100.00% | 30,000,000 | 100.00% |
| (2) Foreign | | | | |
| Any Others (Specify) | | | | |
| Any Other | 0 | 0 | 0 | 0 |
| Sub Total | 0 | 0 | 0 | 0 |
| Total shareholding of Promoter and Promoter Group (A) | 30,000,000 | 100.00% | 30,000,000 | 100.00% |
| (B) Public Shareholding | | | | |
| (1) Institutions | | | | |
| Mutual Funds / UTI | 0 | 0 | 0 | 0 |
| Financial Institutions / Banks | 0 | 0 | 0 | 0 |
| Foreign Institutional Investors | 0 | 0 | 0 | 0 |
| Sub Total | 0 | 0 | 0 | 0 |
| (2) Non-Institutions | | | | |
| Bodies Corporate | 0 | 0 | 0 | 0 |
| Individuals | | | | |
| Individual shareholders holding nominal share capital up to Rs. 1 lakh | 0 | 0 | 0 | 0 |
| Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 0 | 0 | 0 | 0 |

| | | | | |
|---|-------------------|----------------|-------------------|----------------|
| Any Others (Specify) | | | | |
| Non Resident Indians | 0 | 0 | 0 | 0 |
| Hindu Undivided Families | 0 | 0 | 0 | 0 |
| Directors & their Relatives & Friends | 0 | 0 | 0 | 0 |
| Clearing Members | 0 | 0 | 0 | 0 |
| Sub Total | 0 | 0 | 0 | 0 |
| Total Public shareholding (B) | 0 | 0 | 0 | 0 |
| Total (A)+(B) | 30,000,000 | 100.00% | 30,000,000 | 100.00% |
| (B) Shares held by Custodians and against which Depository Receipts have been issued | | | | |
| (1) Promoter and Promoter Group | 0 | 0 | 0 | 0 |
| (2) Public | 0 | 0 | 0 | 0 |
| Sub Total | 0 | 0 | 0 | 0 |
| Total (A)+(B)+(C) | 30,000,000 | 100.00% | 30,000,000 | 100.00% |

D. PPPL

| Description | Pre-Demerger | | Post-Demerger | |
|--|----------------|----------------|-------------------|---------------|
| | Equity Shares | % | Equity Shares | % |
| (A) Shareholding of Promoter and Promoter Group | | | | |
| (1) Indian | | | | |
| Individuals / Hindu Undivided Family | *400 | 0.08% | 13,672,051 | 14.40% |
| Bodies Corporate | 499,600 | 99.92% | 47,852,965 | 50.40% |
| Sub Total | 500,000 | 100.00% | 61,525,016 | 64.80% |
| (2) Foreign | | | | |
| Individuals (Non-Residents Individuals/ Foreign Individuals) NRI Repatriable | 0 | 0 | 1,985,000 | 2.09% |
| Any Others (Specify) | 0 | 0 | 0 | 0.00% |
| Any Other | 0 | 0 | 0 | 0.00% |
| Sub Total | 0 | 0 | 1,985,000 | 2.09% |
| Total shareholding of Promoter and Promoter Group (A) | 500,000 | 100.00% | 63,510,016 | 66.89% |
| (B) Public Shareholding | | | | |
| (1) Institutions | | | | |
| Mutual Funds/ UTI | 0 | 0.00% | 3,162 | 0.00% |
| Financial Institutions / Banks | 0 | 0.00% | 12,120 | 0.01% |

| | | | | |
|---|----------------|----------------|-------------------|----------------|
| Central Government/ State Government(s) | 0 | 0.00% | - | 0.00% |
| Venture Capital Funds | 0 | 0.00% | - | 0.00% |
| Insurance Companies | 0 | 0.00% | 99,293 | 0.10% |
| Foreign Institutional Investors | 0 | 0.00% | 67,500 | 0.07% |
| Sub Total | 0 | 0.00% | 182,075 | 0.19% |
| (2) Non-Institutions | | | | 0.00% |
| Bodies Corporate | 0 | 0.00% | 8,636,746 | 9.10% |
| Individuals | | | | |
| Individual shareholders holding nominal share capital up to Rs. 1 lakh | 0 | 0.00% | 17,330,442 | 18.25% |
| Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 0 | 0.00% | 4,597,297 | 4.84% |
| Qualified Foreign Investor | 0 | 0.00% | - | 0.00% |
| Any Other (specify) | 0 | 0.00% | - | 0.00% |
| Others | 0 | 0.00% | - | 0.00% |
| Clearing member | 0 | 0.00% | - | 0.00% |
| NRI- Repatriable | 0 | 0.00% | 584,327 | 0.62% |
| NRI -Non Repatriable | 0 | 0.00% | - | 0.00% |
| NRIs | 0 | 0.00% | - | 0.00% |
| Customers | 0 | 0.00% | - | 0.00% |
| Suppliers | 0 | 0.00% | - | 0.00% |
| Foreign Nationals | 0 | 0.00% | - | 0.00% |
| Trustee for fractional share entitlement | 0 | 0.00% | 10 | 0.00% |
| Trusts | 0 | 0.00% | - | 0.00% |
| Directors | 0 | 0.00% | 4,500 | 0.00% |
| Directors Relatives | 0 | 0.00% | - | 0.00% |
| Hindu Undivided Families | 0 | 0.00% | 104,587 | 0.11% |
| Sub Total | 0 | 0.00% | 31,257,909 | 32.92% |
| Total Public shareholding (B) | 0 | 0.00% | 31,439,984 | 33.11% |
| Total (A)+(B) | 500,000 | 100.00% | 94,950,000 | 100.00% |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | | | | |

| | | | | |
|---------------------------------|----------------|----------------|-------------------|----------------|
| (1) Promoter and Promoter Group | 0 | 0.00% | 0 | 0.00% |
| (2) Public | 0 | 0.00% | 0 | 0.00% |
| Total (A)+(B)+(C) | 500,000 | 100.00% | 94,950,000 | 100.00% |

*Four individual shareholders are holding shares on behalf of Pudumjee Hygiene Products Limited

8. PRE AND POST ARRANGEMENT CAPITAL STRUCTURE :

A. PPPML

| Particulars | Pre Arrangement | | Post Arrangement | |
|---|-------------------|--------------------|-------------------|-------------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Authorised capital | | | | |
| Equity Shares of Rs. 2/-each | 47,500,000 | 95,000,000 | 41,000,000 | 82,000,000 |
| 14% Redeemable Cumulative Preference Shares of Rs. 100/- each | 50,000 | 5,000,000 | - | - |
| Total | 47,550,000 | 100,000,000 | 41,000,000 | 82,000,000 |
| Issued, Subscribed and Paid-up Share Capital | | | | |
| Equity Shares of Rs. 2/- each | 41,000,000 | 82,000,000 | 41,000,000 | 82,000,000 |
| Total | 41,000,000 | 82,000,000 | 41,000,000 | 82,000,000 |

B. PIL.

| Particulars | Pre Arrangement | | Post Arrangement | |
|--|--------------------|--------------------|-------------------|-------------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Authorised capital | | | | |
| Equity Shares of Rs. 2/-each | 125,000,000 | 250,000,000 | 20,000,000 | 40,000,000 |
| Total | 125,000,000 | 250,000,000 | 20,000,000 | 40,000,000 |
| Issued, Subscribed and Paid-up Share Capital | | | | |
| Equity Shares of Rs. 2/ each | 18,000,000 | 36,000,000 | 18,000,000 | 36,000,000 |
| Total | 18,000,000 | 36,000,000 | 18,000,000 | 36,000,000 |

C. PHPL

| Particulars | Pre Arrangement | | Post Arrangement | |
|--|-------------------|--------------------|-------------------|--------------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Authorised capital | | | | |
| Equity Shares of Rs.10/- each | 30,000,000 | 300,000,000 | 30,000,000 | 300,000,000 |
| Total | 30,000,000 | 300,000,000 | 30,000,000 | 300,000,000 |
| Issued, Subscribed and Paid-up Share Capital | - | - | - | - |
| Equity Shares of Rs. 10/- each | 30,000,000 | 300,000,000 | 30,000,000 | 300,000,000 |
| Total | 30,000,000 | 300,000,000 | 30,000,000 | 300,000,000 |

D. PPPL

| Particulars | Pre Arrangement | | Post Arrangement | |
|---|-----------------|----------------|--------------------|--------------------|
| | No. of Shares | Amount (Rs) | No. of Shares | Amount (Rs) |
| Authorised capital | | | | |
| Equity Shares of Re. 1/-each | 500,000 | 500,000 | 317,950,000 | 317,950,000 |
| 14% Redeemable Cumulative Preference shares of Rs. 100/- each | - | - | 50,000 | 5,000,000 |
| Total | 500,000 | 500,000 | 318,000,000 | 322,950,000 |
| Issued, Subscribed and Paid-up Share Capital | | | | |
| Equity Shares of Re. 1/- each | 500,000 | 500,000 | 94,950,000 | 94,950,000 |
| Total | 500,000 | 500,000 | 94,950,000 | 94,950,000 |

9. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AS ON 31ST MARCH 2015:

- a. There are no common Directors in the First transferor Company and the Second and Third Transferor Companies and the Transferee Company except A. K. Jatia who is the Director of the Pudumjee Paper Products Ltd & Whole time Director of Pudumjee Pulp & Paper Mills Ltd. and S. K. Bansal who is Director of the Pudumjee Paper Products Ltd & Pudumjee Hygiene Products & Whole time Director of Pudumjee Pulp & Paper Mills Ltd. and V. P. Leekha. who is Managing Director of the Pudumjee

Paper Products Ltd & Pudumjee Pulp & Paper Mills Ltd. & Director of Pudumjee Hygiene Products Ltd. and G. N. Jajodia who is Director of Pudumjee Industries Ltd. & Pudumjee Hygiene Products Ltd. And R. C. Saraf who is Director of Pudumjee Industries Ltd. & Additional Director of Pudumjee Hygiene Products Ltd. And R. P. Shroff who is Director of Pudumjee Industries Ltd. & Pudumjee Hygiene Products Ltd.

- b. None of the Directors or Key Managerial Personnel (KMPs) of all the Companies, or their relatives, have any material interest in the Scheme of Arrangement except to the extent of shares held by them in the respective Companies. The effect of the Scheme on interests of the Directors and KMPs and their relatives, is not any different from the effect of the Scheme on like interests of other persons. The shareholding of the present Directors and KMPs of the Applicant Company, the Second Transferor Company, the Third Transferor Company and the Transferee Company, as on March 31, 2015, is as under:

A. PPPML

Directors :-

| Name | Designation | No. of shares held as on 31.3.15 | | | |
|--------------------------------------|-----------------------------|----------------------------------|----------|-------|------|
| | | PPPML | PIL | PHPL | PPPL |
| GAUTAM KHAITAN | Director | - | - | | - |
| SURENDRA KUMAR BANSAL | Whole-time director | - | - | 10 ** | - |
| VED PRAKASH LEEKHA | Managing director | - | - | 10 ** | - |
| NANDAN SURAJRATAN DAMANI | Director | - | - | | - |
| BHUPENDRA CHAMPAKLAL DALAL | Director | - | - | | - |
| VINOD KUMAR BESWAL | Director | - | - | | - |
| VENKATESHWA R ONKARMAL SOMANI | Director | 2,150 | - | | - |
| PREETI GAUTAM MEHTA | Additional director | - | - | | - |
| ARUNKUMAR MAHABIR PRASAD JATIA | Whole-time director | 44,45,603* | 2495462# | | - |
| ASHOK KUMAR | Additional director/WTID | - | - | | - |

*Out of 44,45,603 equity shares held by Mr. Arunkumar Mahabir Prasad Jatia, 3,58,333 equity shares are held jointly with Mr. Basant Kumar Khaitan as Executor of the will of Late Shri Mahabirprasad Jatia and 20,39,270 equity shares are held as Executor of the will of Late Smt Poonam Jatia.

#Out of 24,95,462 equity shares held by Mr. Arunkumar Mahabir Prasad Jatia, 6,67,462 equity shares are held jointly with Mr. Basant Kumar Khaitan as Executor of the will of Late Shri Mahabirprasad Jatia and 8,99,000/- equity shares are held as Executor of the will of Late Smt Poonam Jatia & 9,29,000 equity shares held jointly with Late Smt Poonam Jatia.

** The shares are held by Pudumjee Industries jointly with Directors

Key Managerial Personnel :-

| Particulars | Designation | No. of shares held as on 31.3.15 | | | |
|----------------------------|---------------------|----------------------------------|-----|-------|-------|
| | | PPPML | PIL | PHPL | PPPL |
| SURENDRA KUMAR BANSAL | Whole-time director | 0 | 0 | 10 ** | 0 |
| VED PRAKASH LEEKHA | Managing director | 0 | 0 | 10 ** | 0 |
| RANGANATH MANOHAR KULKARNI | Secretary | 500 | 1 | 0 | 100## |

** The shares are held by Pudumjee Industries jointly with KMP

Beneficial interest is held by Pudumjee Hygiene Products Limited

B. PIL

Director:-

| Name | Designation | No. of shares held as on 31.3.15 | | | |
|----------------------------------|---------------------|----------------------------------|---------|------|-------|
| | | PPPML | PIL | PHPL | PPP L |
| ATUL SHANTIKUMAR DAYAL | Director | - | - | - | - |
| ARVINDKUMAR SURENDRAKUMAR SOMANY | Director | - | - | - | - |
| GAUTAM NANDKISHORE JAJODIA | Director | - | - | - | - |
| VINOD KUMAR SUBHKARAN JATIA | Director | - | 10,000 | - | - |
| RAJENDRA CHIRANJILAL SARAF | Director | - | - | - | - |
| RUSHABH PRADEEP SHROFF | Director | - | - | - | - |
| VASUDHA JATIA | Additional director | 500,000 | 150,000 | - | - |

Key Managerial Personnel

| Particulars | Designation | No. of shares held as on 31.3.15 | | | |
|--------------------------------|-------------|----------------------------------|-----|------|------|
| | | PPPML | PIL | PHPL | PPPL |
| SUDHIR VITHALRAO DUPPALIWAR | CFO | 1 | 1 | | 0 |
| JAGADISH WAMAN PATIL | Secretary | 300 | 1 | 10** | 100# |

Beneficial interest is held by Pudumjee Hygiene Products Limited

** The shares are held by Pudumjee Industries jointly with KMP

C. PHPL

Director :-

| Full Name | Designation | No. of shares held as on 31.3.15 | | | |
|----------------------------------|------------------------|----------------------------------|-----|------|------|
| | | PPPML | PIL | PHPL | PPPL |
| SURENDRA KUMAR BANSAL | Director | - | - | 10** | - |
| VED PRAKASH LEEKHA | Director | - | - | 10** | - |
| HANUMAN PRASAD BIRLA | Director | 300000 | 102 | 10** | 100# |
| GAUTAM NANDKISHORE JAJODIA | Director | - | - | | - |
| RAJENDRA CHIRANJILAL SARAF | Additional director | - | - | | - |
| RUSHABH PRADEEP SHROFF | Director | - | - | | - |

** The shares are held by Pudumjee Industries jointly with Directors

Beneficial interest is held by Pudumjee Hygiene Products Limited

Key Managerial Personnel

| Particulars | Designation | No. of shares held as on 31.3.15 | | | |
|--------------------------------|-------------|----------------------------------|-----|------|------|
| | | PPPML | PIL | PHPL | PPPL |
| SUDHIR VITHALRAO DUPPALIWAR | CFO | 1 | 1 | 0 | 0 |
| JAGADISH WAMAN PATIL | Secretary | 300 | 1 | 10** | 100# |
| PRASHANT HARNE | Manager | 0 | 0 | 0 | 0 |

Beneficial interest is held by Pudumjee Hygiene Products Limited

** The shares are held by Pudumjee Industries jointly with KMP

D. PPPL

Director

| Full Name | Designation | No. of shares held as on 31.3.15 | | | |
|--------------------------------|-------------------|----------------------------------|----------|------|------|
| | | PPPML | PIL | PHPL | PPPL |
| SURENDRA KUMAR BANSAL | Director | 0 | 0 | 10** | 0 |
| VED PRAKASH LEEKHA | Managing director | 0 | 0 | 10** | 0 |
| ARUNKUMAR MAHABIR PRASAD JATIA | Director | 4445603* | 2495462# | 0 | 0 |

#Out of 24,95,462 equity shares held by Mr. Arunkumar Mahabir Prasad Jatia, 6,67,462 equity shares are held jointly with Mr. Basant Kumar Khaitan as Executor of the will of Late Shri Mahabirprasad Jatia and 8,99,000/- equity shares are held as Executor of the will of Late Smt Poonam Jatia & 9,29,000 equity shares held jointly with Late Smt Poonam Jatia.

*Out of 44,45,603 equity shares held by Mr. Arunkumar Mahabir Prasad Jatia, 3,58,333 equity shares are held jointly with Mr. Basant Kumar Khaitan as Executor of the will of Late Shri Mahabirprasad Jatia and 20,39,270 equity shares are held as Executor of the will of Late Smt Poonam Jatia.

** The shares are held by Pudumjee Industries jointly with Directors

10. BOARD MEETING, VALUATION REPORT AND FAIRNESS OPINION:

- a) The proposal for the Scheme of Arrangement was placed before the Audit Committee of the Applicant Company at its meeting held on 17th January, 2015. The Audit Committee of the Applicant Company took into account the recommendations on the Share Exchange Ratio by SSPA & CO., Chartered Accountants and the Fairness Opinion provided by Axis Capital Ltd. acting as the independent fairness opinion provider. The Fairness opinion is attached to the explanatory statement. On the basis of the aforesaid evaluations and its own independent judgment, the Audit Committee has recommended the Scheme of Arrangement including the Share Exchange Ratio to the Board of Directors of the applicant company.
- b) The Board of Directors of the Applicant Company has taken into account the independent recommendations of the Audit Committee, the recommendations of the Share Exchange Ratio provided by SSPA & CO., Chartered Accountants and the Fairness Opinion provided by Axis Capital Ltd. in relation to the Share Exchange Ratio.
- c) Based on the aforesaid advice/opinion and on the basis of independent judgment and evaluation, the Board of Directors of the Applicant Company has come to the conclusion that the Share Exchange Ratio is fair

and reasonable and has approved the same at its meeting held on January 17, 2015.

11. **Approvals**

- a) Pursuant to the circular number CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013, both issued by the Securities and Exchange Board of India (“SEBI Circular”) read with Clause 24(f) of the Listing Agreement, the Applicant Company had filed necessary applications before the stock exchanges seeking their no-objection to the Scheme of Arrangement. The Applicant Company received Observation Letters dated February 10, 2015 from PSE Limited and April 22, 2015 from BSE Ltd. and National Stock Exchange of India Limited conveying their no-objection to the Scheme of Arrangement. Copies of the aforesaid observation letters are enclosed herewith.
- b) As required by the SEBI Circular, the Applicant Company has filed the Complaints Report (indicating NIL complaint) with PSE Limited on 3rd March 2015 and with BSE Limited and National Stock Exchange of India Limited on 10th March 2015. After filing of the Complaints Report, the Applicant Company has received nil complaints. A copy of the aforementioned Complaints Report is enclosed herewith.

12. **General:**

- a) The Scheme of Arrangement is not prejudicial to the interests of the members of the Applicant Company.
- b) The financial position of the Applicant Company will not be adversely affected by the scheme of Arrangement. Further, the rights and interests of the shareholders and creditors (secured and unsecured) of either of the companies will not be prejudicially affected by the scheme as the Applicant Company, post the scheme, will be able to meet its liabilities as they arise in the ordinary course of its business.
- c) The latest audited accounts for the quarter ended March 31, 2015 of the Applicant Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the concerned companies would lose or be prejudiced as a result of the scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the arrangement will not cast any additional burden on the shareholders or creditors of either company, nor will it affect the interest of any of the shareholders or creditors.
- d) There are no winding up proceedings pending against the Applicant Company as of date.
- e) No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 in respect of the Applicant Company.

- f) In the event of any of the sanctions and approvals referred to in the scheme not being obtained and/or the scheme not being sanctioned by the Hon'ble High Court or such other competent authority the Scheme shall stand revoked, cancelled and be of no effect.
- g) Corporate members intending to send their authorized 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.
- h) An equity shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. 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.
- i) The following documents will be open for inspection at the registered office/corporate office of the Applicant Company between 11 a.m. and 1 p.m. on any week day which is not a public holiday:
 - (i) Memorandum & Articles of Association of the First Transferor Company, the Second Transferor Company, Third Transferor Company and the Transferee Company;
 - (ii) Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2014 of the First Transferor Company, the Second Transferor Company, Third Transferor Company and the Transferee Company;
 - (iii) Company Summons for Direction No. 399 of 2015 along with all Exhibits;
 - (iv) Certified copy of the order dated 12th June, 2015 passed by the Hon'ble High Court in Company Summons for Direction No. 399 of 2015;
 - (v) Complaints Report dated 28th February 2015 submitted to PSE Limited and Complaint Report dated 10th March 2015 submitted to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE");
 - (vi) Copies of the observation letters, each dated February 10, 2015 and April 22, 2015 received from the PSE, NSE and the BSE respectively, granting their respective no-objections to the Scheme of Arrangement being filed with the Hon'ble High Court;
 - (vii) Copy of the Valuation report dated 17th January 2015 issued by SSPA & CO, Chartered Accountants

(viii) Copy of the Report of the Audit Committee dated 17th January 2015.

- j) The soft copies of Balance sheet & Profit & Loss account for the year ended 31st March 2014, Audit Committee Report, Valuation report, Fairness opinion, Complaint report, Observation letter of stock exchanges, are uploaded on the Applicant Company's website and the websites of BSE and NSE.

Dated this 15th day of June 2015 at Pune.

Sd/-
A. K. Jatia
Chairman appointed for the meeting

SCHEME OF ARRANGEMENT AND RECONSTRUCTION (DEMERGER)

BETWEEN

PUDUMJEE PULP & PAPER MILLS LIMITED

AND

PUDUMJEE INDUSTRIES LIMITED

AND

PUDUMJEE HYGIENE PRODUCTS LIMITED

AND

PUDUMJEE PAPER PRODUCTS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under sections 391 to 394 of Companies Act, 1956)

1. PREAMBLE

This Scheme of Arrangement and Reconstruction (Demerger) is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the demerger of the 'Demerged Undertaking1'(defined herein below) of Pudumjee Pulp & Paper Mills Limited and 'Demerged Undertaking2' (defined herein below) of Pudumjee Industries Limited and 'Demerged Undertaking 3'(defined herein below) of Pudumjee Hygiene Products Limited into Pudumjee Paper Products Limited.

The Scheme is divided into the following parts:

- (i) **Part A**– Dealing with definitions and share capital;
- (ii) **Part B**– Dealing with demerger of the 'Demerged Undertaking 1' (defined herein below) of Pudumjee Pulp & Paper Mills Limited (hereinafter referred to as "**the First Transferor Company**") into Pudumjee Paper Products Limited (hereinafter referred to as "**the Transferee Company**");

- (iii) **Part C** - Dealing with demerger of the 'Demerged Undertaking²' (defined herein below) of Pudumjee Industries Limited (hereinafter referred to as "**the Second Transferor Company**") into the Transferee Company;
- (iv) **Part D** - Dealing with demerger of the 'Demerged Undertaking 3' (defined herein below) of Pudumjee Hygiene Products Limited (hereinafter referred to as "**the Third Transferor Company**") into the Transferee Company;
- (v) **Part E**-Dealing with provisions common to the Transferor Companies;
- (vi) **Part F**- Dealing with general clauses, terms and conditions.

2. INTRODUCTION, RATIONALE FOR THE SCHEME OF ARRANGEMENT AND RECONSTRUCTION (DEMERGER)

2.1 Introduction

- 2.1.1 Pudumjee Pulp & Paper Mills Limited (hereinafter referred to as "**the First Transferor Company**") is a public limited company incorporated on 19th November, 1964 under the provisions of the Companies Act, 1956 and having its registered office at Thergaon, Chinchwad, Pune – 411 033. The equity shares of the First Transferor Company are listed on BSE Limited, PSE Limited and NSE Limited;
- 2.1.2 Pudumjee Industries Limited (hereinafter referred to as "**the Second Transferor Company**") is a public limited company incorporated on 31st December, 1965 under the Companies Act, 1956 and having its registered office at Thergaon, Chinchwad, Pune – 411033. The equity shares of the Second Transferor Company are listed on BSE Limited and NSE Limited.
- 2.1.3 Pudumjee Hygiene Products Limited (hereinafter referred to as "**the Third Transferor Company**") is a public limited company incorporated on 15th July, 2004 under the Companies Act, 1956 and having its registered office at Thergaon, Chinchwad Pune – 411033. It is currently a wholly owned subsidiary of the Second Transferor Company.
- 2.1.4 Pudumjee Paper Products Limited (hereinafter referred to as "**the Transferee Company**") is a public limited company incorporated on 14th

January 2015 under the Companies Act, 2013 and having its registered office at Thergaon, Pune- 411033. It is currently a subsidiary of the First Transferor Company.

The Scheme provides for the demerger of the 'Demerged Undertaking 1' (defined herein below) of Pudumjee Pulp & Paper Mills Limited, 'Demerged Undertaking 2' (defined herein below) of Pudumjee Industries Limited and Demerged Undertaking 3 (defined herein below) of Pudumjee Hygiene Products Limited into Pudumjee Paper Products Limited, in accordance with the terms of this Scheme and pursuant to the provisions of sections 391 and 394 of the Companies Act, 1956 and other relevant provisions of the Act.

2.2 Rationale and Benefits of the Scheme:

- 2.2.1 This Scheme will enable the Transferor companies as well as the Transferee Company, which has been incorporated as Special Purpose Vehicle for this Scheme, to streamline their business activities as the companies are all presently carrying on different kind of businesses, each of which evinces interest from a separate class of investors and involves risks which are separate and distinct from each other;
- 2.2.2 The demerger of the Demerged Undertakings into the Transferee Company will help the Transferee Company to shift its operations from Pune manufacturing site to a manufacturing site in the Industrial area of Mahad, Maharashtra State admeasuring 75 acres or thereabout and thereby expand its operations;
- 2.2.3 All the manufacturing assets and liabilities related to paper and hygiene related business will be housed under one entity i.e. the Transferee Company which will enable the Transferee Company to improve its business efficiency and all the Transferor companies will be able to focus on their remaining Businesses;
- 2.2.4 This will help in achieving and sustaining competitiveness and development of long term internal and core competencies.

PART A **Definitions and Share Capital**

3. **DEFINITIONS:** In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 3.1 "Act" or "the Act" means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendment thereof;
- 3.2 "Agreement" means all agreements, contracts, arrangements, understanding, bonds, engagements, deeds and instruments including hire purchase agreements, lease agreements, equipment purchase agreements, agreements with suppliers, agreements with clients/purchasers relating to the said manufacturing unit, if any and all right, title, interest, claim and benefits thereunder.
- 3.3 "All the companies" collectively mean and include Pudumjee Pulp and Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited.
- 3.4 "Appointed Date" means the 1st April, 2014 or such other date as may be fixed or approved by the High Court of Judicature at Bombay;
- 3.5 "Board of Directors" or "Board" in relation to the Transferor Companies and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized for the purposes of matters pertaining to this Scheme and/or any other matter relating thereto;
- 3.6 "BSE" means the BSE Limited formerly known as Bombay Stock Exchange Limited;
- 3.7 "Data" means all records, files, papers, manuals, data, catalogues, quotations, sales and advertising materials, engineering and process information, software licenses, drawings, lists of present and former suppliers, and other records, whether in physical form or electronic form in relation to the aforesaid manufacturing unit;
- 3.8 "Demerged Undertaking¹" means the manufacturing business activity of the First Transferor Company manufacturing various kinds of papers, pulp, steam and allied products which shall be exclusively and legally owned by and vested in the Transferee Company (except for Land and Building situated at Thergaon, Chinchwad, Pune – 411 033 which shall be transferred on leave and license to the Transferee Company as more particularly stated hereinafter and Mumbai office situated at 60 Jatia Chambers, Dr. V.B.Gandhi Marg Mumbai-400001) alongwith all rights, titles, interests and ownerships therein, as a going concern and specifically without limitation consists of the following:

3.8.1 Immoveable Assets acquired by and under Indentures of Lease dated 4th October, 2011:

- 3.8.1.1 All that piece and parcel of land known as Plot no.K-5 in the Mahad Industrial Area, within the village limits of Kalinj and outside the limits of Municipal Council in rural area, Taluka and registration sub-district Mahad District and registration district Raigad admeasuring 2,81,411 square meters or thereabouts alongwith built-up area admeasuring 35,515.194 square meters or thereabouts and bounded on or towards the North by MIDC land, on or towards the South by MIDC land, on or towards the East by Estate road and on or towards the west by private road;
- 3.8.1.2 All that piece and parcel of land known as Plot no.R-25 in the residential zone of Mahad Industrial Area, within the village limits of Nadgaon and outside the limits of Municipal Council, Taluka and registration sub-district Mahad District and registration district Raigad admeasuring 24970 square meters or thereabouts along with built-up area admeasuring 4408.738 square meters or thereabouts and bounded on or towards the North East by MIDC boundary, on or towards the South West by Estate Road, on or towards the South East by Estate road and MIDC boundary and on or towards the North West by MIDC boundary.
- 3.8.2 A token license to use all that piece and parcel of land admeasuring 29 acres or thereabout bearing Survey nos. 25,30(in parts)situate, lying and being at Thergaon, Chinchwad, Pune- 411033together with the structure standing thereon for a period of five (5) years commencing from Effective Date on such conditions as may be finally determined by the Board of Directors of the First Transferor Company and the Transferee Company so as to permit the Transferee Company to carry on its business from the said Premises. The license period may be extended further for such period and on such terms and conditions as may be mutually agreed between the Board of Directors of the First Transferor Company and the Transferee Company.
- 3.8.3 Movable Assets: All movable assets and properties whether real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent, tangible or intangible, of whatsoever nature and wherever situated pertaining to the aforesaid manufacturing unit including investments (other than non-current investments), plant and machinery, vehicles, offices,

other fixed assets, installations, boiler, pipes, tools, power lines, water pipelines, capital work-in-progress, rolling stock, loans & advances, current assets including inventories, debtors, stocks and stores, furniture, fixtures, office equipment, appliances, accessories, belonging to or in the possession of or granted in favor of and/ or enjoyed by the First Transferor Company pertaining to or in relation to the aforesaid manufacturing unit;

- 3.8.4 Employees: All employees of the First Transferor Company employed in and / or all persons that have been engaged for the purposes of carrying out the manufacturing activities of the aforesaid manufacturing unit or to whom payments are being made by the First Transferor Company for performing any services of any nature whatsoever relatable to the aforesaid manufacturing unit as on the Effective Date;
- 3.8.5 Permits and Consents: Benefit of all approvals, authorizations, consents, permits, rights, entitlements, allotments, authorities, municipal and other statutory permissions, licenses, registrations, powers and facilities of every kind, nature and description whatsoever including the rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government or Local Bodies, other records, insurance policies and all other interest, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals in connection with or relating to the aforesaid manufacturing unit;
- 3.8.6 Intellectual Property: All patents, trademarks, copyrights, trade name, designs and drawings, domain names, and utility models, inventions, computer programs, brand names which are possessed and/or owned by the First Transferor Company in relation to the Demerged Undertaking 1 including the right to use brand names which are possessed and/or owned by the First Transferor Company in relation to the Demerged Undertaking 1 including the right to use the "Pudumjee" brand name and any similar rights and the benefit of any of the foregoing (in each case whether registered or unregistered and including applications for the grant of any of the foregoing and the right to apply for any of the foregoing in any part of the world) and any other intellectual property rights of any nature whatsoever and licenses for intellectual property rights pertaining to the aforesaid manufacture of papers, pulp, steam and allied products;

- 3.8.7 All agreements, contracts, arrangements, understanding, bonds, engagements, deeds and instruments including hire purchase agreements, lease agreements, purchase order and sales orders equipment purchase agreements, agreements with suppliers, agreements with clients/purchasers relating to the said manufacturing unit, if any and all right, title, interest, claim and benefits thereunder.
- 3.8.8 Data: All records, files, papers, manuals, data, catalogues, quotations, sales and advertising materials, engineering and process information, software licenses, drawings, lists of present and former suppliers, and other records, whether in physical form or electronic form in relation to the aforesaid manufacturing unit;
- 3.8.9 Liabilities: For the purpose of this Scheme, the liabilities pertaining to the aforesaid manufacturing unit means and includes:
- 3.8.9.1 All liabilities (including contingent liabilities) to the extent outstanding as on the Appointed Date arising out of the activities or operations of the aforesaid manufacturing unit including public fixed deposits and deferred sales tax liability, and
- 3.8.9.2 All loans, advances, debts, and borrowings (whether secured or unsecured), if any, raised, incurred and/ or utilized solely for the activities or operations of the aforesaid manufacturing unit;

as on the Appointed Date of the Scheme.

After the Effective Date, any question that may arise as to whether an asset or liability pertains or does not pertain to the Remaining Undertaking and, or the Demerged Undertaking¹ shall be as mutually decided by the Board of Directors of the First Transferor Company and the Transferee Company.

- 3.9 “Demerged Undertaking²” means the manufacturing business activity of the Second Transferor Company manufacturing various kinds of papers, pulp and allied products which shall be exclusively and legally owned by and vested in the Transferee Company (except Land and Building situated at Thergaon, Chinchwad, Pune – 411 033 which shall be transferred on leave and license as more particularly stated hereinafter) along with all rights, titles, interests and ownerships therein, as a going concern specifically without limitation consists of the following:

- 3.9.1 **Immoveable Asset:** A token license to use all that piece and parcel of land admeasuring 4.63 acres or thereabouts bearing Survey nos. 25, 26(in parts)situate, lying and being at Thergaon, Chichwad, Pune- 411033together with the structure standing thereon for a period of five (5) years commencing from Effective date on such conditions as may be finally determined by the boards of the Second Transferor Company and the Transferee Company so as to permit the Transferee Company to carry on its business from the said Premises. The license period may be extended further for such period and on such terms and conditions as may be mutually agreed between the boards of the First Transferor Company and the Transferee Company.
- 3.9.2 **Movable Assets:** All movable assets and properties whether real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent, tangible or intangible, of whatsoever nature and wherever situated pertaining to the aforesaid manufacturing unit including plant and machinery, vehicles,offices, other fixed assets, installations, pipes, tools, power lines, water pipelines, capital work-in-progress, rolling stock, loans & advances, current assets including inventories, debtors,stocks and stores, furniture, fixtures, office equipment, appliances, accessories, belonging to or in the possession of or granted in favor of and/ or enjoyed by the Second Transferor Company pertaining to or in relation to the aforesaid manufacturing unit;
- 3.9.3 **Employees:** All employees of Second Transferor Company employed in and / or all persons that have been engaged for the purposes of carrying out the manufacturing activities or to whom payments are being made by the Second Transferor Company for performing any services of any nature whatsoever relatable to the aforesaid manufacturing unit as on the Effective Date;
- 3.9.4 **Permits and Consents:** Benefit of all approvals, authorisations, consents, permits, rights, entitlements, allotments, authorities, municipal and other statutory permissions, licenses, registrations, powers and facilities of every kind, nature and description whatsoever including the rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government, other records, insurance policies and all other interest, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals in connection with or relating to the aforesaid manufacturing unit;

- 3.9.5 Intellectual Property: All patents, software application, trademarks, copyrights, trade name, designs and drawings, domain names, and utility models, inventions, computer programs and brand names which are possessed and/or owned by the Second Transferor Company in relation to the Demerged Undertaking including the right to use the "Pudumjee" brand name and any similar rights and the benefit of any of the foregoing (in each case whether registered or unregistered and including applications for the grant of any of the foregoing and the right to apply for any of the foregoing in any part of the world) and any other intellectual property rights of any nature whatsoever and licenses for intellectual property rights pertaining to the aforesaid manufacture of papers, pulp and allied products;
- 3.9.6 All agreements, contracts, arrangements, understanding, bonds, engagements, deeds and instruments including hire purchase agreements, lease agreements, purchase orders and sales orders equipment purchase agreements, agreements with suppliers, agreements with clients/purchasers relating to the said manufacturing unit, if any and all right, title, interest, claim and benefits thereunder.
- 3.9.7 Data: All records, files, papers, manuals, data, catalogues, quotations, sales and advertising materials, engineering and process information, software licenses, drawings, lists of present and former suppliers, and other records, whether in physical form or electronic form in relation to the aforesaid manufacturing unit;
- 3.9.8 Liabilities: For the purpose of this Scheme, the liabilities pertaining to the aforesaid manufacturing unit means and includes:
- 3.9.8.1 All liabilities (including contingent liabilities) to the extent outstanding as on the Appointed Date arising out of the activities or operations of the aforesaid manufacturing unit;
- 3.9.8.2 All loans, advances, debts, and borrowings (whether secured or unsecured), if any, raised, incurred and/ or utilized solely for the activities or operations of the aforesaid manufacturing unit;

as on the Appointed Date of the Scheme.

After the Effective Date, any question that may arise as to whether an asset

or liability pertains or does not pertain to the Remaining Undertaking and, or the Demerged Undertaking 2 shall be as mutually decided by the Board of Directors of the Second Transferor Company and the Transferee Company

3.10 "Demerged Undertaking³" means the trading business activity of the Third Transferor Company trading in various kinds of tissue, non-tissue and allied products which shall be exclusively and legally owned by and vested in the Transferee Company along with all rights, titles, interests and ownerships therein, as a going concern and specifically without limitation consists of the following:

- 3.10.1 Movable Assets: All movable assets and properties whether real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent, tangible or intangible, of whatsoever nature and wherever situated pertaining to the aforesaid trading unit including, offices, other fixed assets, installations, pipes, tools, power lines, water pipelines, capital work-in-progress, rolling stock, current assets including inventories, debtors, stocks and stores, furniture, fixtures, office equipment, appliances, accessories, belonging to or in the possession of or granted in favor of and/or enjoyed by the Third Transferor Company pertaining to or in relation to the aforesaid trading unit except its plant and machinery;
- 3.10.2 Employees: All employees of Third Transferor Company employed in and / or all persons that have been engaged for the purposes of carrying out the trading activities or to whom payments are being made by the Third Transferor Company for performing any services of any nature whatsoever relating to the aforesaid trading unit as on the Effective Date;
- 3.10.3 Permits and Consents: Benefit of all approvals, authorizations, consents, permits, rights, entitlements, allotments, authorities, municipal and other statutory permissions, licenses, registrations, powers and facilities of every kind, nature and description whatsoever including the rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government, other records, insurance policies and all other interest, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals in connection with or relating to the aforesaid trading unit;

- 3.10.4 Intellectual Property: All patents, software application, trademarks, copyrights, trade name, designs and drawings, domain names and utility models, inventions, computer programs and brand names which are possessed and/or owned by the Third Transferor Company in relation to the Demerged Undertaking 3including the right to use the“Pudumjee” brand name and any similar rights and the benefit of any of the foregoing (in each case whether registered or unregistered and including applications for the grant of any of the foregoing and the right to apply for any of the foregoing in any part of the world) and any other intellectual property rights of any nature whatsoever and licenses for intellectual property rights pertaining to the aforesaid trade of tissue and non-tissue and allied products;
- 3.10.5 All agreements, contracts, arrangements, understanding, bonds, engagements, deeds and instruments including hire purchase agreements, lease agreements, purchase orders and sales orders, equipment purchase agreements, agreements with suppliers, agreements with clients/purchasers relating to the said trading unit, if any and all right, title, interest, claim and benefits thereunder.
- 3.10.6 Data: All records, files, papers, manuals, data, catalogues, quotations, sales and advertising materials, engineering and process information, software licenses, drawings, lists of present and former suppliers, and other records, whether in physical form or electronic form in relation to the aforesaid trading unit;
- 3.10.7 Liabilities: For the purpose of this Scheme, the liabilities pertaining to the aforesaid trading unit means and includes:
- 3.10.7.1 All liabilities (including contingent liabilities) to the extent outstanding as on the Appointed Date arising out of the activities or operations of the aforesaid trading unit;
- 3.10.7.2 All loans, advances, debts, and borrowings (whether secured or unsecured), if any, raised, incurred and/ or utilized solely for the activities or operations of the aforesaid trading unit;

as on the Appointed Date of the Scheme.

After the Effective Date, any question that may arise as to whether an asset or liability pertains or does not pertain to the Remaining Undertaking and,

or the Demerged Undertaking³ shall be as mutually decided by the Board of Directors of Third Transferor Company and the Transferee Company

- 3.11 Demerged Undertakings collectively mean and include Demerged Undertaking¹, Demerged Undertaking² and Demerged Undertaking ³ and Demerged Undertaking means any one of them;
- 3.12 "Effective Date" means the last of the dates on which the authenticated/certified true copies of the orders of the Hon'ble High Court of the Judicature at Bombay, Mumbai, sanctioning the Scheme are filed with the Registrar of Companies, Pune, by all the three companies, who are a party to this Scheme. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.
- 3.13 "Employees" means all the permanent employees of the Transferor Companies who are on the payroll of the Transferor Companies as on the Effective date.
- 3.14 "Encumbrance" means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other persons, claim, security interest, encumbrance, title defect, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income of exercise of any other attribute of ownership, right of set off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise to create any of the same and the term "Encumbered" shall be construed accordingly;
- 3.15 "Hon'ble High Court" or "High Court" means the Hon'ble High Court of Judicature at Bombay, Mumbai, having jurisdiction over all the three companies, who are a party to this Scheme, and the expression shall include all the powers of the High Court under Chapter V of the Act being vested in the National Law Tribunal constituted under Section 10FB of the Act, the National Company Law Board and the provisions of the Act as applicable to the Scheme shall be construed accordingly.
- 3.16 "Income-tax Act" means the Income-tax Act, 1961, and shall include any statutory modifications, re-enactment or amendment thereof.
- 3.17 "NSE Limited" means the National Stock Exchange of India Limited.

- 3.18 "PSE" means the Pune Stock Exchange Limited.
- 3.19 "Registrar of Companies" means the Registrar of Companies Pune, Maharashtra;
- 3.20 "RemainingUndertaking1" of First Transferor Company means all the undertakings, business, activities and operations of the First Transferor Company other than the Demerged Undertaking 1 as defined in Clause 3.8hereinabove.
- 3.21 "Remaining Undertaking 2" of Second Transferor Company means all the undertakings, business, activities and operations of the Second Transferor Company other than the Demerged Undertaking 2 defined in Clause 3.9 hereinabove.
- 3.22 "RemainingUndertaking3" of Third Transferor Company means all the undertakings, business, activities and operations of the Third Transferor Company other than the Demerged Undertaking 3 as defined in Clause 3.10 hereinabove.
- 3.23 "Remaining Undertakings" collectively mean and include Remaining Undertaking 1, Remaining Undertaking 2 and Remaining Undertaking 3 and Remaining Undertaking means any one of them;
- 3.24 "Record Date" means the date as approved by the Board of Directors of all the Companies being the date as on which persons who are the shareholders of the Transferor Companies will be allotted the shares of the Transferee Company in terms of Clauses5.4, 6.4 and 7.4hereunder.
- 3.25 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement and Reconstruction (Demerger) in its present form submitted to the High Court for sanctions with or without any modification(s) made under Clause 19 of this Scheme or as may be approved or imposed or directed by the High Court;
- 3.26 "SEBI Circulars" mean Circular NO. CIR/CFD/DIL/5/2013 dated 4th February, 2013 and Circular NO. CIR/CFD/DIL/8/2013 dated 21st May, 2013, each issued by the SEBI;
- 3.27 "Stock Exchanges" means each of the BSE Limited, PSE and the NSE Limited;
- 3.28 Transferor Companies collectively mean and include Pudumjee Pulp and Paper Mills Limited, Pudumjee Industries Limited and Pudumjee Hygiene Products Limited;

4. SHARE CAPITAL:

4.1 As on 31st March 2014, the Share Capital of the First Transferor Company is as under:

| Particulars | Amount (Rupees in lacs) |
|--|-------------------------|
| Authorised capital | |
| 4,75,00,000 Equity Shares of Rs. 2/- each | 950 |
| 50,000 14% Redeemable Cumulative Preference Shares of Rs. 100/- each | 50 |
| Total | 1000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 4,10,00,000 Equity Shares of Rs. 2/- each | 820 |
| Total | 820 |

The equity shares of the First Transferor Company are listed on BSE Limited, PSE and NSE Limited. On or after 31st March, 2014 there has been no change in the issued, subscribed and paid-up share capital of the First Transferor Company.

4.2 As on 31st March, 2014 the Share Capital of the Second Transferor Company is as under:

| Particulars | Amount (Rupees in lacs) |
|---|--------------------------------|
| Authorised capital | |
| 12,50,00,000 Equity Shares of Rs. 2/-each | 2500 |
| Total | 2500 |
| Issued, Subscribed and Paid-up Share Capital | |
| 1,80,00,000 Equity Shares of Rs. 2/ each | 360 |
| Total | 360 |

The equity shares of the Second Transferor Company are listed on BSE Limited and NSE Limited. On or after 31st March, 2014 there has been no change in the issued, subscribed and paid-up share capital of the Second Transferor Company.

4.3 As on 31st March 2014, the Share Capital of the Third Transferor Company is as under:

| Particulars | Amount (Rupees in lacs) |
|---|--------------------------------|
| Authorised capital | |
| 1,50,00,000 Equity Shares of Rs.10/-each | 1500 |
| Total | 1500 |
| Issued, Subscribed and Paid-up Share Capital | |

| | |
|--|-------------|
| 1,50,00,000 Equity Shares of Rs. 10/- each | 1500 |
| Total | 1500 |

The entire share capital of the Third Transferor Company is currently held by the Second Transferor Company. The authorized, issued, subscribed and paid-up equity share capital of the Third Transferor Company has been increased to Rs. 3000 lacs in the month of January 2015. Therefore the share capital of the Third Transferor Company as on 14th January, 2015 is as under:

| Particulars | Amount (Rupees in lacs) |
|---|--------------------------------|
| Authorised capital | |
| 3,000,00,00 Equity Shares of Rs.10/- each | 3000 |
| Total | 3000 |
| Issued, Subscribed and Paid-up Share Capital | |
| 3,000,00,00 Equity Shares of Rs. 10/- each | 3000 |
| Total | 3000 |

After 14th January 2015 there has been no change in the issued, subscribed and paid-up share capital of the Third Transferor Company.

4.4 As on 16th January 2015 the Share Capital of the Transferee Company is as under:

| Particulars | Amount (Rupees in Lacs) |
|---|-------------------------|
| Authorised capital | |
| 5,00,000 Equity Shares of Re. 1/-each | 5 |
| Total | 5 |
| Issued, Subscribed and Paid-up Share Capital | |
| 5,00,000 Equity Shares of Re. 1/- each | 5 |
| Total | 5 |

Upon issue of shares by the Transferee Company in terms of clauses 5.4, 6.4 and 7.4 herein under, the shares of the Transferee Company will be listed in due course on BSE Limited and NSE Limited. After 16th January 2015 there has been no change in the issued, subscribed and paid-up share capital of the Transferee Company.

PART B

Demerger of the 'Demerged Undertaking 1' of the First Transferor Company into the Transferee Company.

5. TRANSFER AND VESTING OF DEMERGED UNDERTAKING 1

5.1 Transfer of Assets

5.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking 1 of the First Transferor Company shall,

subject to the provisions of this Scheme and pursuant to the provisions of Sections 391 to 394, and all other applicable provisions of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, registration, matter or thing, be and stand transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, as a going concern in accordance with Section 2(19AA) of the Income-tax Act, so as to become the business, assets, properties and liabilities of the Transferee Company, along with the securities, mortgages, charges, encumbrances or liens, if any, existing as on the Effective Date, as set out more specifically in this Scheme;

- 5.1.2 In respect of such movable assets comprised in the Demerged Undertaking 1, that are capable of transfer by manual delivery or by paying over or by endorsement and delivery, or transfer by vesting and recorded pursuant to this Scheme, the same shall be so transferred, delivered or endorsed and delivered, as the case may be, to the Transferee Company to the end and intent that the same shall stand transferred and vested in the Transferee Company, on such delivery or endorsement and delivery without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company. Such delivery and transfer shall be made on a date mutually agreed upon between the Board of Directors of the First Transferor Company and the Transferee Company;
- 5.1.3 In respect of any movable assets comprising or pertaining to the Demerged Undertaking 1 other than those mentioned in Clause 5.1.2 above, if so required by the Transferee Company and if deemed fit and necessary by the Transferee Company in its/their sole discretion, which discretion shall be reasonably exercised, the First Transferor Company shall issue notices stating that pursuant to the High Court having sanctioned this Scheme under Section 394 of the Act, the relevant movable asset pertaining to the Demerged Undertaking 1 stands transferred and vested in the Transferee Company. All the investments (other than noncurrent investments) made by the First Transferor Company in relation to the Demerged Undertaking 1 shall, pursuant to the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company;
- 5.1.4 The immovable assets comprised in the Demerged Undertaking 1, shall, to the extent set out in 3.8.1 hereinabove, stand legally transferred to and vested in the Transferee Company with effect from the Appointed Date under and

pursuant to order of the High Court approving this Scheme, without requiring the execution or registration of any other deed or document or instrument of conveyance, and the order of the High Court shall for all purposes be treated as the instrument conveying such properties and assets to Transferee Company.

- 5.1.5 The immovable assets comprised in the Demerged Undertaking 1, shall, to the extent set out in 3.8.2 hereinabove, stand legally transferred to the Transferee Company on leave and license basis in the manner provided therein with effect from the Appointed Date under and pursuant to order of the High Court approving this Scheme, without requiring the execution or registration of any other deed or document or instrument of conveyance, and the order of the High Court shall for all purposes be treated as the instrument conveying such properties and assets to Transferee Company.
- 5.1.6 All approvals, authorizations, memberships, subscriptions, consents, permits, rights, entitlements, allotments, authorities, municipal and other statutory permissions, licenses, registrations, powers and facilities of every kind, nature and description whatsoever, or the benefits thereof, as the case maybe, including but not limited to the rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines (including but not limited to 22KV power feeder(s) from Maharashtra State Electricity Distribution Company Limited), electricity and other services, provisions, funds, benefits of all agreements, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government or Local Bodies, other records, insurance policies and all other interest, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals in connection with or relating to Demerged Undertaking 1 shall be transferred to and vested in the Transferee Company while all other approvals and permits obtained and in the name of the First Transferor Company pertaining to the Remaining Undertaking 1 shall continue to be retained, vested, held and owned by the First Transferor Company.
- 5.1.7 All approvals and permits common and applicable to both the Demerged Undertaking 1 and Remaining Undertaking 1 shall be deemed to be vested and owned jointly for the benefit of the First Transferor Company and the Transferee Company. The originals of such approvals shall be held jointly in escrow with a mutually appointed escrow agent. Without prejudice to the aforesaid, the notarized copies of the approvals held by the Transferee Company shall for all practical purposes deemed to be the original approvals and shall be given effect to accordingly by all government and other

authorities. It is clarified that the Demerged Undertaking is being transferred to and vested in the Transferee Company as going concerns without any break or interruption in operations thereof and that certain approvals, permits and consents are applicable, pertain to and are common to both the Remaining Undertaking 1 and the Demerged Undertaking 1, the Demerged Undertaking 1 shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations and no-objections to the limited extent as may be required by the Transferee Company to carry on and continue the operations of the Demerged Undertaking 1 on the basis of the same, upon this Scheme being effective and the Transferee Company undertakes to comply with each of the terms and conditions of such approvals, permits and consents, authorizations, etc.

- 5.1.8 All data, patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights, brand name and other intellectual properties and rights of any nature whatsoever and licenses, assignments, grants in respect thereof, granted to the First Transferor Company specifically for the Demerged Undertaking 1 shall stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in Transferee Company subject to the provisions of this Scheme, and in accordance with the provisions of the relevant laws from the Effective Date.
- 5.1.9 All existing and future incentives, unavailed credits and exemptions and other statutory benefits including income tax benefits(including MAT credit), excise (including MODVAT/ CENVAT credit), customs, VAT, sales tax, service tax, privileges, liberties, easements, contract advantages, benefits, quota rights, incentives, incentive schemes and policies, tax deferrals, subsidies, concessions including sales tax concessions, grants, rights, claims, leases, tenancy rights, liberties and special status benefits granted to the First Transferor Company of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by First Transferor Company and relating to the Demerged Undertaking 1, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act and subject to the provisions of this Scheme, and in accordance with the provisions of the relevant laws. The aforesaid benefits to which the First Transferor Company are entitled to and which pertain to the Demerged Undertaking 1 whether granted to it prior to or after the Effective Date, shall be transferred and claimed by the Transferee Company and these shall relate back to the

Appointed Date and as if the Transferee Company was originally entitled to all benefits under such incentives schemes and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the First Transferor Company. It is clarified that where applications have been made by the First Transferor Company seeking any concession or exemption from any person or party whatsoever including any government or other authority relating to the Demerged Undertaking 1, then such applications shall remain alive as on the Effective Date for the benefit of the Transferee Company and shall be considered by such persons (to whom applications are made) as though the same were made by the Transferee Company.

The intellectual property contained in the word "Pudumjee" and all registered trade-marks and copy rights in relation thereto shall be continued to be used by the First Transferor Company together with the Transferee Company till such time as the Transferee Company uses the premises in Pune belonging to the First Transferor Company for the purposes of carrying on its business.

5.2 Transfer of Liabilities:

- 5.2.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the First Transferor Company specifically for the Demerged Undertaking 1 including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "**Liabilities**") shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the First Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 5.2.

- 5.2.2 Where any such debts, liabilities, duties and obligations of the First Transferor Company as on the Appointed date have been discharged by such First Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- 5.2.3 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the First Transferor Company specifically for Demerged Undertaking 1 to or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the effective date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 5.2.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the First Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

5.3 Encumbrances

- 5.3.1 The transfer and vesting of the assets comprised in the Demerged Undertaking 1 to the Transferee Company under Clause 5.1 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- 5.3.2 All Encumbrances, if any, existing prior to the Effective Date solely over the assets of the Demerged Undertaking 1 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Demerged Undertaking 1 have not been Encumbered, such assets shall remain

unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 5.3.3 In respect of any encumbrance in respect of the loans, borrowings, debts and liabilities of the First Transferor Company which in part is connected with the Demerged Undertaking 1 (“**Transferred Liabilities**”), upon the coming into effect of this Scheme and with effect from the Appointed Date subject to the approvals of those lenders in terms of detailed agreements to be executed with such lenders, such encumbrance shall, in terms of the understanding be extended to and shall operate only over the assets comprised in the Demerged Undertaking 1 which may have been encumbered in respect of the Transferred Liabilities as transferred to the Transferee 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 Appointed Date and in terms of the agreement with the lenders, such assets 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 1 are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Transferee Company pursuant to this Scheme and which shall continue with the Demerged Undertaking 1 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 Appointed Date and upon the coming into effect of this Scheme.
- 5.3.4 Provided always that this Scheme shall not operate to enlarge the security from any loan, deposit or facility created by the First Transferor in relation to the Demerged Business by virtue of this Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative unless otherwise agreed by and between the First Transferor Company and the lenders.
- 5.3.5 Upon the effectiveness of the Scheme, the First Transferor and the Transferee Company shall in terms of the agreement with the said lenders, execute any instrument or document and/or do all such acts or deeds as may

be required, including filing of 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.

- 5.3.6 The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking 1 transferred to and vested in the Transferee Company by virtue of this Scheme.
- 5.3.7 Any reference in any security documents or arrangements (to which the First Transferor Company is a party) to the Demerged Undertaking 1 and their respective assets and properties shall be construed as a reference to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 5.3.8 Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- 5.3.9 It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- 5.3.10 The provisions of this clause 5.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

5.4 Consideration

- 5.4.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking 1 in the Transferee

Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot on proportionate basis equity shares to members of the First Transferor Company, in the Transferee Company, in the ratio of 37 (Thirty Seven) equity shares of the face value of Re. 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company at a premium of Rs. 19 (Rupees Nineteen Only) each per equity share for every 20 (Twenty) equity shares of the face value of Rs. 2/- (Rupee Two Only) each (credited as fully paid-up) held by such member in the First Transferor Company on record date. In case any member's shareholding in the First Transferor Company is such that such member becomes entitled to a fraction of one equity share of the Transferee Company, the Transferee Company will not issue fractional share certificate to such member and will consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of the First Transferor Company in that behalf, who will 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. During consolidation of the fractional shares, if the sum of such fractional shares is not a whole integer, the Transferee Company will issue such additional fractional share to the trustee, such that the total shares so issued shall be rounded off to the next whole integer.

- 5.4.2 Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 5.4.1 above. It is clarified that no special resolution under Section 62(1)(c) of the Companies Act, 2013 shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Demerged Undertaking 1 under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the First Transferor Company in accordance with Clause 5.4.1 above.
- 5.4.3 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank pari passu inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of equity shares of Transferee Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid

down under section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.

- 5.4.4 The shares issued to the members of the First Transferor Company by the Transferee Company pursuant to Clause 5.4.1 above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of any of the First Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of any First Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the First Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.
- 5.4.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the First Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in the First Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.
- 5.4.6 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari passu in all respects with the then existing equity shares of the Transferee Company.

- 5.4.7 The equity shares of the Transferee Company will be listed and / or admitted to trading on the BSE Limited and NSE Limited. Accordingly, the Transferee Company shall take steps for listing simultaneously on BSE Limited and NSE Limited within a reasonable period from the Effective Date. The Transferee Company undertakes that there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approvals granted by the National Stock Exchange and the Bombay Stock Exchange.
- 5.4.8 The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the Stock Exchanges.

5.5 Accounting Treatment:

5.5.1 In the books of the Transferee Company:

- 5.5.1.1 The Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking 1 vested in it pursuant to this Scheme, at their respective book values, as appearing in the books of the First Transferor Company at its closure on the day immediately preceding the Appointed Date or at fair values as decided by the Board of Directors of the Transferee Company thereof on the basis of significant accounting policies of the Transferee Company.
- 5.5.1.2 The Transferee Company shall credit to the share capital account, the aggregate face value of Shares issued and allotted by it pursuant to Clause 5.4.1 of the Scheme and credit to securities premium account, the excess of the aggregate value of the shares over their face value.
- 5.5.1.3 The difference being the excess of the net asset value (difference of book value or as the case may be fair value of assets over liabilities) of the Demerged Undertaking 1 transferred to the Transferee Company over the aggregate face value of Shares allotted as per Clause 5.4.1 and securities premium, after adjusting all the costs and expenses incurred as per Clause 22 of the Scheme as well as the other costs incidental with the finalization of this Scheme and to put it into operation including expenses in connection with advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and any other expenses or charges attributable to the implementation of the

Scheme would be credited directly to Capital Reserve. Shortfall, if any, shall be debited to the Goodwill account.

5.5.1.4 If considered appropriate for the purpose of application of uniform accounting methods and policies between the First Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and adjust the effect thereof in the capital reserve account or as the case may be, to the goodwill Account of the Transferee Company.

5.5.2 In the books of the First Transferor Company:

5.5.2.1 Upon the Scheme becoming effective, the First Transferor Company shall reduce the book value of assets and liabilities pertaining to the respective Demerged Undertaking I transferred to the Transferee Company.

5.5.2.2 The excess of the book value of assets transferred over the book value of liabilities transferred as on the Appointed Date shall be adjusted in the securities premium account, capital reserve account, other reserves and balance, if any, to the credit balance of Profit & loss account of the First Transferor Company as may be decided by its Board of Director with effect from the Appointed Date.

5.5.2.3 In case of excess of the book value of liabilities transferred over the book value of assets transferred as on the Appointed Date shall be directly credited to the Capital reserve account of the First Transferor Company.

5.6 Combination of Authorised Capital:

5.6.1 Upon the sanction of this Scheme, the unissued authorised share capital of the First Transferor Company comprising of equity and preference shares shall to the extent of Rs.1,80,00,000/- (Rupees One Crores Eighty Lacs Only) stand transferred to the Transferee Company and as a result thereof the authorised share capital of the Transferee Company shall automatically stand increased without further act, instrument or deed on the part of the Transferee Company by the authorised share capital of the First Transferor Company aggregating to Rs.1,80,00,000/- (Rupees One Crore Eighty Lacs only) represented by 65,00,000 (Sixty Five Lakhs Only) equity shares of

Rs.2/- each and 50,000 14% Cumulative Redeemable Preference Shares of Rs. 100/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall without further act, deed or instrument, be and stand altered, modified and amended, as the case may be and for this purpose the stamp duties and the fees paid on the authorised share capital of the Transferor Company shall be utilized and applied to above referred increased authorised share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in its authorised share capital to that extent.

- 5.6.2 The registration fee applicable under the Act and stamp duty already paid by the First Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of clause 5.6 hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Maharashtra within 30 (thirty) days from the Effective Date.
- 5.6.3 Consequent upon the Scheme becoming effective the authorised share capital of the First Transferor Company will be as under:-

| Particulars | Amount (in Rs. lacs) |
|---|-----------------------------|
| Authorised Capital | |
| 4,10,00,000 Equity Shares of Rs. 2/- each | 820 |
| Total | 820 |

It is clarified that the approval of the members of the First Transferor Company to the Scheme shall be deemed to be their consent/ approval to the alteration of the Memorandum and Articles of Association of the First Transferor Company as may be required under the Act.

5.6.4 Clause V of the Memorandum of Association of the First Transferor Company stands amended as follows:

The authorised share capital of the First Transferor Company is Rs. 8,20,00,000/- (Rupees Eight Crores Twenty Lacs Only) comprising of 4,10,00,000 (Four Crores Ten Lacs Only) equity shares of Rs. 2/- each.

PART C

Demerger of the 'Demerged Undertaking 2' of the Second Transferor Company into the Transferee Company.

6. TRANSFER AND VESTING OF DEMERGED UNDERTAKING 2

6.1 Transfer of Assets

- 6.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking 2 of Second Transferor Company shall, subject to the provisions of this Scheme and pursuant to the provisions of Sections 391 to 394, and all other applicable provisions of the Act, and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, registration, matter or thing, be and stand transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, as a going concern in accordance with Section 2(19AA) of the Income-tax Act, so as to become the business, assets, properties and liabilities of the Transferee Company, along with the securities, mortgages, charges, encumbrances or liens, if any, existing as on the Effective Date, as set out more specifically in this Scheme;
- 6.1.2 In respect of such movable assets comprised in the Demerged Undertaking 2, that are capable of transfer by manual delivery or by paying over or by endorsement and delivery, or transfer by vesting and recorded pursuant to this Scheme, the same shall be so transferred, delivered or endorsed and delivered, as the case may be, to the Transferee Company to the end and intent that the same shall stand transferred and vested in the Transferee Company, on such delivery or endorsement and delivery without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company. Such delivery and transfer shall be

made on a date mutually agreed upon between the Board of Directors of the Second Transferor Company and the Transferee Company;

- 6.1.3 In respect of any movable assets comprising or pertaining to the Demerged Undertaking 2 other than those mentioned in Clause 6.1.2 above, if so required by the Transferee Company and if deemed fit and necessary by the Transferee Companies in its/their sole discretion, which discretion shall be reasonably exercised, the Second Transferor Company shall issue notices stating that pursuant to the High Court having sanctioned this Scheme under Section 394 of the Act, the relevant movable asset pertaining to the Demerged Undertaking 2 stands transferred and vested in the Transferee Company. All the investments (other than noncurrent investments) made by the Second Transferor Company in relation to the Demerged Undertaking 2 shall, pursuant to the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company;
- 6.1.4 The immovable assets comprised in the Demerged Undertaking 2, shall, to the extent set out in 3.9.1 hereinabove, stand legally transferred to the Transferee Company on leave and license basis in the manner provided therein with effect from the Appointed Date under and pursuant to order of the High Court approving this Scheme, without requiring the execution or registration of any other deed or document or instrument of conveyance, and the order of the High Court shall for all purposes be treated as the instrument conveying such properties and assets to Transferee Company.
- 6.1.5 All approvals, authorizations, memberships, subscriptions, consents, permits, rights, entitlements, allotments, authorities, municipal and other statutory permissions, licenses, registrations, powers and facilities of every kind, nature and description whatsoever or the benefits thereof, as the case maybe, including but not limited to the rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines (including but not limited to 22KV power feeder(s) from Maharashtra State Electricity Distribution Company Limited), electricity and other services, provisions, funds, benefits of all agreements, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government or Local Bodies, other records, insurance policies and all other interest, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals in connection with or relating to Demerged Undertaking 2 shall be transferred to and vested in the Transferee Company while all other approvals and permits obtained and in the name of the Second Transferor Company pertaining to

the Remaining Undertaking 2 shall continue to be retained, vested, held and owned by the Second Transferor Company.

- 6.1.6 All approvals and permits common and applicable to both the Demerged Undertaking 2 and Remaining Undertaking 2 shall be deemed to be vested and owned jointly for the benefit of the Second Transferor Company and the Transferee Company. The originals of such approvals shall be held jointly in escrow with a mutually appointed escrow agent. Without prejudice to the aforesaid, the notarized copies of the approvals held by the Transferee Company shall for all practical purposes be deemed to be the original approvals and shall be given effect to accordingly by all government and other authorities. It is clarified that the Demerged Undertaking 2 are being transferred to and vested in the Transferee Company as going concerns without any break or interruption in operations thereof and that certain approvals, permits and consents are applicable, pertain to and are common to both the Remaining Undertaking 2 and the Demerged Undertaking 2, the Demerged Undertaking 2 shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations and no-objections to the limited extent as may be required by the Transferee Company to carry on and continue the operations of the Demerged Undertaking 2 on the basis of the same, upon this Scheme being effective and the Transferee Company undertakes to comply with each of the terms and conditions of such approvals, consents, authorizations, permits, etc.
- 6.1.7 All data, patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights, brand name and other intellectual properties and rights of any nature whatsoever and licenses, assignments, grants in respect thereof, granted to the Second Transferor Company specifically for the Demerged Undertaking 2 shall stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in Transferee Company subject to the provisions of this Scheme, and in accordance with the provisions of the relevant laws from the Effective Date.
- 6.1.8 All existing and future incentives, unavailed credits and exemptions and other statutory benefits including income tax benefits (including MAT credit), excise (including MODVAT/ CENVAT credit), customs, VAT, sales tax, service tax, privileges, liberties, easements, contract advantages, benefits, quota rights, incentives, incentive schemes and policies, tax deferrals, subsidies, concessions including sales tax concessions, grants, rights, claims, leases, tenancy rights, liberties and special status benefits granted to the

Second Transferor Company of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by Second Transferor Company and relating to the Demerged Undertaking 2, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act and subject to the provisions of this Scheme, and in accordance with the provisions of the relevant laws. The aforesaid benefits to which the Second Transferor Company are entitled to and which pertain to the Demerged Undertaking 2 whether granted to it prior to or after the Effective Date, shall be transferred and claimed by the Transferee Company and these shall relate back to the Appointed Date and as if the Transferee Company was originally entitled to all benefits under such incentives schemes and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the Second Transferor Company. It is clarified that where applications have been made by the Second Transferor Company seeking any concession or exemption from any person or party whatsoever including any government or other authority relating to the Demerged Undertaking 2, then such applications shall remain alive as on the Effective Date for the benefit of the Transferee Company and shall be considered by such persons (to whom applications are made) as though the same were made by the Transferee Company.

The intellectual property contained in the word "Pudumjee" and all registered trademarks and copy rights in relation thereto shall be continued to be used by the Second Transferor Company together with the Transferee Company till such time as the Transferee Company uses the premises in Pune belonging to the Second Transferor Company for the purposes of carrying on its business.

6.2 Transfer of Liabilities:

- 6.2.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Second Transferor Company specifically for the Demerged Undertaking 2 including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "**Liabilities**") shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other

applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies, and the Transferee Company shall meet, discharge and satisfy the same and further 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 6.2.

- 6.2.2 Where any such debts, liabilities, duties and obligations of the Second Transferor Company as on the Appointed date have been discharged by such Second Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- 6.2.3 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Transferor Companies specifically for Demerged Undertaking 2 to or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the effective date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 6.2.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Second Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

6.3 Encumbrances

- 6.3.1 The transfer and vesting of the assets comprised in the Demerged Undertaking 2 to the Transferee Company under Clause 6.1 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- 6.3.2 All Encumbrances, if any, existing prior to the Effective Date solely over the assets of the Demerged Undertaking2 shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Demerged Undertaking2 have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- 6.3.3 In respect of any encumbrance in respect of the loans, borrowings, debts and liabilities of the Second Transferor Company which in part is connected with the Demerged Undertaking 2 (“**Transferred Liabilities**”), upon the coming into effect of this Scheme and with effect from the Appointed Date subject to the approvals of those lenders in terms of detailed agreements to be executed with such lenders, such encumbrance shall, in terms of the understanding be extended to and shall operate only over the assets comprised in the Demerged Undertaking 2 which may have been encumbered in respect of the Transferred Liabilities as transferred to the Transferee 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 Appointed Date and in terms of the agreement with the lenders, such assets 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 2 are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Transferee Company pursuant to this Scheme and which shall continue with the Demerged Undertaking 2 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 Appointed Date and upon the coming into effect of this Scheme.

- 6.3.4 Provided always that this Scheme shall not operate to enlarge the security from any loan, deposit or facility created by the Second Transferor in relation to the Demerged Business by virtue of this Scheme and the Transferee Company shall not be obliged to create any further or additional security therefore after the Scheme has become operative unless otherwise agreed by and between the Second Transferor Company and the lenders.
- 6.3.5 Upon the effectiveness of the Scheme, the Second Transferor and the Transferee Company shall in terms of the agreement with the said lenders, execute any instrument or document and/or do all such acts or deeds as may be required, including filing of 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.
- 6.3.6 The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking 2 transferred to and vested in the Transferee Company by virtue of this Scheme.
- 6.3.7 Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Demerged Undertaking 2 and their respective assets and properties shall be construed as a reference to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- 6.3.8 Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- 6.3.9 It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is

amended by virtue of this Scheme except to the extent that such amendment is required statutorily.

- 6.3.10 The provisions of this clause 6.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

6.4 Consideration

- 6.4.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking 2 in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot on proportionate basis equity shares to members of the Second Transferor Company, in the Transferee Company, in the ratio of 9 (Nine Only) equity shares of the face value of Re 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company at a premium of Rs. 19 (Rupees Nineteen Only) each per equity share for every 20 (Twenty Only) equity shares of the face value of Rs.2/- (Rupees Two Only) each (credited as fully paidup) held by such member in the Second Transferor Company on record date. In case any member's shareholding in the Demerged Company is such that such member becomes entitled to a fraction of one equity share of the Transferee Company, the Transferee Company will not issue fractional share certificate to such member and will consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of the Demerged Company in that behalf, who will 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. During consolidation of the fractional shares, if the sum of such fractional shares is not a whole integer, the Transferee Company will issue such additional fractional share to the trustee, such that the total shares so issued shall be rounded off to the next whole integer.
- 6.4.2 Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 6.4.1 above. It is clarified that no special resolution under Section 62(1)(c) of the Companies Act, 2013 shall be required to be passed by the

Transferee Company separately in a general meeting for issue of shares to the members of the Demerged Undertaking 2 under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the Second Transferor Company in accordance with Clause 6.4.1 above.

- 6.4.3 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of equity shares of Transferee Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
- 6.4.4 The shares issued to the members of the Second Transferor Company by the Transferee Company pursuant to Clause 6.4 above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of any of the Second Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of any Second Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the Second Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to be issued in certificate form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.
- 6.4.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the Second Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if such changes in registered holder were

operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in the Second Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.

- 6.4.6 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank *pari passu* in all respects with the then existing equity shares of the Transferee Company.
- 6.4.7 The equity shares of the Transferee Company will be listed and / or admitted to trading on the NSE Limited and BSE Limited. Accordingly, the Transferee Company shall take steps for listing simultaneously on BSE Limited & NSE Limited within a reasonable period from the Effective Date. The Transferee Company undertakes that there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approvals granted by the NSE Limited and the BSE Limited.
- 6.4.8 The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the Stock Exchanges.

6.5 Accounting Treatment:

- 6.5.1 In the books of the Transferee Company:
 - 6.5.1.1 The Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking 2 vested in it pursuant to this Scheme, at their respective book values, as appearing in the books of the Second Transferor Company at its closure on the day immediately preceding the Appointed Date or at fair values as decided by the Board of Directors of the Transferee Company thereof on the basis of significant accounting policies of the Transferee Company.
 - 6.5.1.2 The Transferee Company shall credit to the share capital account, the aggregate face value of Shares issued and allotted by it pursuant to

Clause 6.4.1 of the Scheme and credit to securities premium account, the excess of the aggregate value of the shares over their face value.

6.5.1.3 The difference being the excess of the net asset value (difference of book value or as the case may be fair value of assets over liabilities) of the Demerged Undertaking 2 transferred to the Transferee Company over the aggregate face value of Shares allotted as per Clause 6.4.1 and securities premium after adjusting all the costs and expenses incurred as per Clause 22 of the Scheme as well as the other costs incidental with the finalization of this Scheme and to put it into operation including expenses in connection with advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and any other expenses or charges attributable to the implementation of the Scheme would be credited directly to Capital Reserve. Shortfall, if any, shall be debited to the Goodwill account.

6.5.1.4 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Second Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and adjust the effect thereof in the capital reserve account or as the case may be, to the goodwill Account of the Transferee Company.

6.5.2 In the books of the Second Transferor Company:

6.5.2.1 Upon the Scheme becoming effective, the Second Transferor Company shall reduce the book value of assets and liabilities pertaining to the respective Demerged Undertaking 2 transferred to the Transferee Company.

6.5.2.2 The excess of the book value of assets transferred over the book value of liabilities transferred as on the Appointed Date shall be adjusted in the securities premium account, capital reserve account and other reserves and balance if any, to the credit balance of the Profit & Loss account of the Second Transferor Company as may be decided by its Board of Director with effect from the Appointed Date.

6.5.2.3 In case of excess of the book value of liabilities transferred over the book value of assets transferred as on the Appointed Date shall be credited to the Capital reserve account of the Second Transferor Company.

6.6 Combination of authorised capital:

- 6.6.1 Upon the sanction of this Scheme, the unissued authorized share capital of the Second Transferor Company shall to the extent of Rs. 21,00,00,000/- (Twenty One Crores only) stand transferred to the Transferee Company and pursuant thereto, the authorised share capital of the Transferee Company shall automatically stand increased without further act, instrument or deed on the part of the Transferee Company including therein the payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of the Second Transferor Company aggregating to Rs. 21,00,00,000/- (Rupees Twenty one Crores Only) represented by 10,50,00,00 (Ten Lakhs Fifty Thousand) equity shares of Rs.2/- each and the Memorandum of Association and Articles of Association) of the Transferee Company (relating to the authorised share capital) shall without further act, deed or instrument, be and stand altered, modified and amended, pursuant to Sections 16, 31, 94 and 391 to 394 and other applicable provisions of the Act, as the case may be and for this purpose the stamp duties and the fees paid on the authorised share capital of the Second Transferor Company shall be utilized and applied to above referred increased authorised share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in its authorised share capital to that extent.
- 6.6.2 The registration fee applicable under the Act and stamp duty already paid by the Second Transferor Company on its authorized capital, which is being transferred to the Transferee Company in terms of clause 6.6.1 hereinabove, shall be deemed to have been so paid by the Transferee Company and accordingly, the Transferee Company shall not be required to pay any fee/stamp duty on the authorized capital so increased. However, the Transferee Company shall file the required returns/information/the amended copy of its Memorandum and Articles of Association with Registrar of Companies, Maharashtra within 30 (thirty) days from the Effective Date.

- 6.6.3 Consequent upon the Scheme becoming effective the authorised share capital of the Second Transferor Company will be as under:-

| Particulars | Amount (Rupees in Lacs) |
|---|--------------------------------|
| Authorised capital | |
| 2,00,00,000/- Equity Shares of Rs. 2/- each | 400 |
| Total | 400 |

It is clarified that the approval of the members of the Second Transferor Company to the Scheme shall be deemed to be their consent/ approval to the alteration of the Memorandum and Articles of Association of the Second Transferor Company as may be required under the Act.

- 6.6.4 Clause V of the Memorandum of Association of the Second Transferor Company stands amended as follows:

The authorised share capital of the Second Transferor Company is Rs.4,00,00,000/-(Rupees Seven Crores Sixty Lacs Only) comprising of 2,00,00,000(Three Crore Eighty Lacs Only) equity shares of Rs.2/- each.

PART D

Demerger of the 'Demerged Undertaking 3' of the Third Transferor Company into the Transferee Company.

7. TRANSFER VESTING OF DEMERGED UNDERTAKING 3

7.1 Transfer of Assets:

- 7.1.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking 3 of the Third Transferor Company shall, subject to the provisions of this Scheme and pursuant to the provisions of Sections 391 to 394, and all other applicable provisions of the Act, and

pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act, instrument, deed, registration, matter or thing, be and stand transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company, as a going concern in accordance with Section 2(19AA) of the Income-tax Act, so as to become the business, assets, properties and liabilities of the Transferee Company, along with the securities, mortgages, charges, encumbrances or liens, if any, existing as on the Effective Date, as set out more specifically in this Scheme;

- 7.1.2 In respect of such movable assets comprised in the Demerged Undertaking 3, that are capable of transfer by manual delivery or by paying over or by endorsement and delivery, or transfer by vesting and recorded pursuant to this Scheme, the same shall be so transferred, delivered or endorsed and delivered, as the case may be, to the Transferee Company to the end and intent that the same shall stand transferred and vested in the Transferee Company, on such delivery or endorsement and delivery without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company. Such delivery and transfer shall be made on a date mutually agreed upon between the Board of Directors of the Third Transferor Company and the Transferee Company;
- 7.1.3 In respect of any movable assets comprising or pertaining to the Demerged Undertaking 3 other than those mentioned in Clause 7.1.2 above, if so required by the Transferee Company and if deemed fit and necessary by the Transferee Company in its/their sole discretion, which discretion shall be reasonably exercised, the Third Transferor Company shall issue notices stating that pursuant to the High Court having sanctioned this Scheme under Section 394 of the Act, the relevant movable asset pertaining to the Demerged Undertaking 3 stands transferred and vested in the Transferee Company. All the investments(other than noncurrent)made by the Third Transferor Company in relation to the Demerged Undertaking 3 shall, pursuant to the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company;
- 7.1.4 All approvals, authorizations, memberships, subscriptions , consents, permits, rights, entitlements, allotments, authorities ,municipal and other statutory permissions, licenses, registrations, powers and facilities of every kind, nature and description whatsoever or the benefits thereof, as the case maybe, including but not limited to the rights to use and avail of telephone,

telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government or Local Bodies, other records, insurance policies and all other interest, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals in connection with or relating to Demerged Undertaking 3 shall be transferred to and vested in the Transferee Company while all other approvals and permits obtained and in the name of the Third Transferor Company pertaining to the Remaining Undertaking 3 shall continue to be retained, vested, held and owned by the Third Transferor Company.

- 7.1.5 All approvals and permits common and applicable to both the Demerged Undertaking 3 and Remaining Undertaking 3 shall be deemed to be vested and owned jointly for the benefit of the Third Transferor Company and the Transferee Company. The originals of such approvals shall be held jointly in escrow with a mutually appointed escrow agent. Without prejudice to the aforesaid, the notarized copies of the approvals held by the Transferee Company shall for all practical purposes deemed to be the original approvals and shall be given effect to accordingly by all government and other authorities. It is clarified that the Demerged Undertaking 3 is being transferred to and vested in the Transferee Company as going concerns without any break or interruption in operations thereof and that certain approvals, permits and consents are applicable, pertain to and are common to both the Remaining Undertaking 3 and the Demerged Undertaking 3, the Demerged Undertaking 3 shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations and no-objections to the limited extent as may be required by the Transferee Company to carry on and continue the operations of the Demerged Undertaking 3 on the basis of the same, upon this Scheme being effective and the Transferee Company undertakes to comply with each of the terms and conditions of such approvals, consents, authorizations, permits, etc.
- 7.1.6 All data, patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights, brand name and other intellectual properties and rights of any nature whatsoever and licenses, assignments, grants in respect thereof, granted to the Third Transferor Company specifically for the Demerged Undertaking 3 shall stand transferred to and vested in and/or be deemed to be and stand transferred to and vested in Transferee Company subject to the provisions of this Scheme,

and in accordance with the provisions of the relevant laws from the Effective Date.

- 7.1.7 All existing and future incentives, unavailed credits and exemptions and other statutory benefits including income tax benefits, excise (including MODVAT/ CENVAT credit), customs, VAT, sales tax, service tax, privileges, liberties, easements, contract advantages, benefits, quota rights, incentives, incentive schemes and policies, tax deferrals, subsidies, concessions including sales tax concessions, grants, rights, claims, leases, tenancy rights, liberties and special status benefits granted to the Third Transferor Company of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by Third Transferor Company and relatable to the Demerged Undertaking 3, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to the provisions of Section 394 of the Act and subject to the provisions of this Scheme, and in accordance with the provisions of the relevant laws. The aforesaid benefits to which the Third Transferor Company are entitled to and which pertain to the Demerged Undertaking 3 whether granted to it prior to or after the Effective Date, shall be transferred and claimed by the Transferee Company and these shall relate back to the Appointed Date and as if the Transferee Company was originally entitled to all benefits under such incentives schemes and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the Third Transferor Company. It is clarified that where applications have been made by the Third Transferor Company seeking any concession or exemption from any person or party whatsoever including any government or other authority relating to the Demerged Undertaking3, then such applications shall remain alive as on the Effective Date for the benefit of the Transferee Company and shall be considered by such persons (to whom applications are made) as though the same were made by the Transferee Company.

The intellectual property contained in the word "Pudumjee" and all registered trademarks and copy rights in relation thereto shall be continued to be used by the Third Transferor Company together with the Transferee Company till such time as the Transferee Company uses the premises in Pune belonging to the First and Second Transferor Company for the purposes of carrying on its business.

7.2 Transfer of Liabilities:

- 7.2.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Third Transferor Company specifically for the Demerged Undertaking³ including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the “**Liabilities**”) shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Third Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further 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 7.2.
- 7.2.2 Where any such debts, liabilities, duties and obligations of the Third Transferor Company as on the Appointed date have been discharged by such Third Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- 7.2.3 All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken by the Third Transferor Company specifically for Demerged Undertaking 3 to or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the effective date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

7.2.4 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Third Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

7.3 Encumbrances

7.3.1 The transfer and vesting of the assets comprised in the Demerged Undertaking 3 to the Transferee Company under Clause 7.1 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.

7.3.2 All Encumbrances, if any, existing prior to the Effective Date over the assets of the Demerged Undertaking³ shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Demerged Undertaking³ have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

7.3.3 The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking³ transferred to and vested in the Transferee Company by virtue of this Scheme.

7.3.4 Any reference in any security documents or arrangements (to which the Third Transferor Company is a party) to the Demerged Undertaking³ and their respective assets and properties shall be construed as a reference to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate,

including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

- 7.3.5 Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- 7.3.6 It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- 7.3.7 The provisions of this clause 7.3 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

7.4 Consideration

- 7.4.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking 3 in the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot on proportionate basis equity shares to members of the Third Transferor Company, in the Transferee Company, in the ratio of 7 (Seven Only) equity shares of the face value of Re. 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company at a premium of Rs. 19 (Rupees Nineteen Only) each per equity share for every 20 (Twenty Only) equity shares of the face value of Rs.10/- (Rupees Ten Only) each (credited as fully paid-up) held by such member in the Third Transferor Company on record date. In case any member's shareholding in the Demerged Company is such that such member becomes entitled to a fraction of one equity share of the Transferee Company, the Transferee Company will not issue fractional share certificate to such member and will consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of the Demerged Company in that behalf, who will 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. During

consolidation of the fractional shares, if the sum of such fractional shares is not a whole integer, the Transferee Company will issue such additional fractional share to the trustee, such that the total shares so issued shall be rounded off to the next whole integer.

- 7.4.2 Upon this Scheme becoming effective, the issued, subscribed and paid-up share capital of the Transferee Company shall stand suitably increased consequent upon the issuance of new equity shares in accordance with Clause 7.4.1 above. It is clarified that no special resolution under Section 62(1)(c) of the Companies Act, 2013 shall be required to be passed by the Transferee Company separately in a general meeting for issue of shares to the members of the Demerged Undertaking³ under this Scheme and on the shareholders of the Transferee Company approving this Scheme, it shall be deemed that they have given their consent to the issue of equity shares of the Transferee Company to the members of the Third Transferor Company in accordance with Clause 7.4.1 above.
- 7.4.3 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* inter-se in all respects including dividends declared, voting and other rights. The issue and allotment of equity shares of Transferee Company in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under section 62(1)(c) of the Companies Act, 2013 and any other applicable provisions of the Act have been complied with.
- 7.4.4 The shares issued to the members of the Third Transferor Company by the Transferee Company pursuant to Clause 7.4.1 above shall be credited to the depository account of the members, unless otherwise notified in writing by any member of any of the Third Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of any Third Transferor Company, the shares shall be credited to the depository account of the members provided that the members of the Third Transferor Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. It is only thereupon that the Transferee Company shall issue and directly credit to the account of such member the relevant shares of the Transferee Company. In the event that the Transferee Company has received notice from any member that shares are to

be issued in certificate form or if any member has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required, then the Transferee Company shall issue shares in certificate form to such member.

- 7.4.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of any of the Third Transferor Company, the Board of Directors of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor / transferee of the shares in the Third Transferor Company and in relation to the shares issued by the Transferee Company after the effectiveness of this Scheme. The Board of Directors of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company.
- 7.4.6 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari passu in all respects with the then existing equity shares of the Transferee Company.
- 7.4.7 The equity shares of the Transferee Company will be listed and / or admitted to trading on the BSE Limited and NSE Limited. Accordingly, the Transferee Company shall take steps for listing simultaneously on BSE Limited and NSE Limited within a reasonable period from the Effective Date. The Transferee Company undertakes that there shall be no change in the shareholding pattern or control in the Transferee Company between the Record Date and the listing which may affect the status of the approvals granted by the NSE Limited and the BSE Limited.
- 7.4.8 The shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing / trading are given by the Stock Exchanges.

7.5 Accounting Treatment:

7.5.1 In the books of the Transferee Company:

- 7.5.1.1 The Transferee Company shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking 1 vested

in it pursuant to this Scheme, at their respective book values, as appearing in the books of the Third Transferor Company at its closure on the day immediately preceding the Appointed Date or at fair values as decided by the Board of Directors of the Transferee Company thereof on the basis of significant accounting policies of the Transferee Company.

7.5.1.2 The Transferee Company shall credit to the share capital account, the aggregate face value of Shares issued and allotted by it pursuant to Clause 7.4.1 of the Scheme and credit to securities premium account, the excess of the aggregate value of the shares over their face value.

7.5.1.3 The difference being the excess of the net asset value (difference of book value or as the case may be fair value of assets over liabilities) of the Demerged Undertaking³ transferred to the Transferee Company over the aggregate face value of Shares allotted as per Clause 7.4.1 and securities premium after adjusting all the costs and expenses incurred as per Clause 22 of the Scheme as well as the other costs incidental with the finalization of this Scheme and to put it into operation including expenses in connection with advisory fees, stamp duty charges, meeting expenses, professional fees, consultant fees and any other expenses or charges attributable to the implementation of the Scheme would be recorded directly to Capital Reserve. Shortfall, if any, shall be debited to the Goodwill account.

7.5.1.4 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Third Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments and adjust the effect thereof in the capital reserve Account of the Transferee Company.

7.5.2 In the books of the Third Transferor Company:

7.5.2.1 Upon the Scheme becoming effective, the Third Transferor Company shall reduce the book value of assets and liabilities pertaining to the respective Demerged Undertaking³ transferred to the Transferee Company.

7.5.2.2 The excess of the book value of assets transferred over the book value of liabilities transferred as on the Appointed Date shall be debited to Goodwill account of the Third Transferor Company.

- 7.5.2.3 In case of excess of the book value of liabilities transferred over the book value of assets transferred as on the Appointed Date shall be credited to the Capital reserve account of the Third Transferor Company.

PART E

Provisions common to the Transferor Companies

8. Consequent upon the Scheme becoming effective the authorized share capital of the Transferee Company will be as under:-

| Particulars | Amount (Rupees in Lacs) |
|--|--------------------------------|
| Authorised capital | |
| 31,79,50,000 Equity Shares of Re. 1/- each | 3179.50 |
| 50,000 14% Redeemable Cumulative Preference shares of Rs. 100/- each | 50.00 |
| Total | 3229.50 |

It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/ approval to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

- 8.1 Clause V of the Memorandum of Association of the Transferee Company stands amended as follows:

"The Authorised Share Capital of the Company is Rs.31,79,50,000 (Rupees Thirty One Crore Seventy Nine Lacs Fifty Thousand only) divided into 31,79,50,000 (Thirty One Crore Seventy Nine Lacs Fifty Thousand) equity shares of Re. 1/- (Rupee One only) each and Rs. 50,00,000(Rupees Fifty Lacs Only) divided into 50,000(Fifty Thousand) 14% Redeemable Preference Shares of Rs. 100/-(Rupees Hundred Only) each and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Act or the provisions of the Companies Act, 2013 as applicable."

- 8.2 Articles of Association: Article 3 of the Articles of Association of Transferee Company shall stand substituted by virtue of the Scheme to be read as follows:

"3. The Authorised Share Capital of the Company is Rs. 32,29,50,000/- (Rupees Thirty Two Crores Twenty Nine Lakhs and Fifty Thousand Only) divided into 31,79,50,000 (Thirty One Crores Seventy Nine Lakhs and Fifty Thousand Only) equity shares of Re.1/- (Rupee One Only) each and 50,000(Fifty Thousand Only) 14% Redeemable Cumulative Preference shares of Rs. 100/- each

The Authorised Share Capital of the First and Second Transferor Company shall stand transferred to the Transferee Company as part hereof without attracting any incidence of taxes, stamp duty or otherwise. It is clarified that for the purposes of Clause 8 above, the consent of the shareholders of the Transferee Company to the Scheme shall be sufficient for the purposes of effecting the above amendment or increase in the authorized share capital of the Transferee Company, and no further resolution under Section 16, Section 31, Section 94 or any other applicable provisions of the Act would be required to be separately passed.

- 8.3 The excess of the aggregate value of the shares, issued by the Transferee Company pursuant to Clauses 5.6.1, 6.4.1 and 7.4.1 hereinabove, over their face value credited to the securities premium account will be treated as part of

paid-up share capital for the purposes of Chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposit) Rules, 2014.

9. Conduct of Business of the Demerged Undertakings till the Effective Date: With effect from Appointed Date and up to and including the Effective Date:

- 9.1 The Transferor Companies shall be deemed to have been carrying on and shall carry on the business and activities relating to the Demerged Undertakings for and on behalf of Transferee Company with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of Demerged Undertakings or any part thereof.
- 9.2 Any of the rights, powers, authorities, privileges related or pertaining to the Demerged Undertakings exercised by the Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of, and in trust for and as an agent of the Transferee Company.
- 9.3 All loans raised and used and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Companies in relation to or in connection with and/or insofar as they relate to the operation of the Demerged Undertakings prior to the Effective Date or Appointed Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and, to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of the Scheme, pursuant to the provisions of the Act, without any further act, instrument or deed be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the loans, debt, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- 9.4 With effect from the Appointed Date, all taxes, duties, cess paid in advance or payable by the Transferor Companies relating to the Demerged Undertakings and all or any advance tax paid including MAT credit, refunds / credit / claims relating thereto shall be treated as the liability or refund / credit / claims, as the case may be, of the Transferee Company. The Transferee Company shall be entitled to file / revise its tax returns, TDS certificates, TDS returns and other statutory returns, if required and shall have the right to claim refund / credits and / or set off all amounts paid by the Transferor Companies in relation to the Demerged Undertakings under the relevant income tax, sales tax, service tax or

any other tax laws. The right to make such revisions in the tax returns and to claim refunds / credits is expressly reserved in favor of the Transferee Company.

9.5 The Transferor Companies shall not vary the terms and conditions of employment of any of the employees of the Demerged Undertakings except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Companies, as the case may be.

9.6 The Transferor Companies shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Government, local and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals, registration and sanctions, which the Transferee Company may require pursuant to this Scheme.

10. Staff, Workmen & Employees:

10.1 On the Scheme becoming effective, all staff, workmen and employees on the rolls of or engaged by the Transferor Companies for the Demerged Undertakings, in service on the Effective Date, shall be deemed to have ceased to be employees of Transferor Companies and shall be deemed to have become staff, workmen and employees of Transferee Company, with effect from the Appointed Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favourable or on the same terms and conditions than those applicable to them with reference to Transferor Companies immediately preceding the transfer.

10.2 All benefits including Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund, if any, created or existing for the benefit of such employees of the Demerged Undertakings, on and from the Effective Date, Transferee Company shall stand substituted for Transferor Companies as the case may be for all the purposes of administration or operation of such funds in accordance with provisions of such funds, or in relation to the obligation to make contributions to the said fund or funds, according to the terms provided in the respective trust deeds or other documents, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Companies in relation to such fund or funds shall become those of the Transferee Company. It is clarified that the services of such employees of the Demerged Undertakings will be treated as having been continuous and not interrupted for the purposes of such funds.

11. Legal Proceedings

- 11.1 All legal proceedings of whatsoever nature, whether pending or threatened, by or against the Transferor Companies pending at the Appointed Date and or arising after the Appointed Date or to which the Transferor Companies is/are a party whether as a petitioner, applicant, plaintiff or a defendant, respondent and which relates and pertains to both the Demerged Undertakings and the Remaining Undertakings, shall be the joint responsibility and liability of both, the Transferee Company and the Transferor Companies and shall be jointly defended by both the Transferee Company and the Transferor Companies and be enforced by or against Transferee Company and the Transferor Companies in the manner and to the same extent as would or might have been continued and enforced by or against Transferor Companies. The Transferor Companies shall within a period of 180 (One Hundred and Eighty) days from the Effective Date undertake and ensure that the Transferee Company is included as a party in each of the disputes, proceedings, litigations, etc. pertaining to the Demerged Undertakings and to which the Transferor Companies is a party.
- 11.2 The Transferor Companies shall not be liable or be under any obligation or be responsible for any legal proceedings of any nature whatsoever in relation to the Demerged Undertakings and/ or any costs, charges, expenses, fees etc. thereof after the Effective Date.
- 11.3 Notwithstanding the above, in case the proceedings referred to in Clause 11.1 above cannot be transferred for any reason as a result of any applicable laws, the Transferor Companies shall defend the same, and thereupon the Transferee Company shall reimburse, indemnify, and hold harmless the Transferor Companies against all liabilities and obligations incurred by the Transferor Companies in respect thereof.
- 11.4 After the Effective Date, any question that may arise as to whether a specific litigation pertains or does not pertain to the Demerged Undertakings and/ or the Remaining Undertakings shall be as mutually decided by the Board of Directors of the Transferor Companies and the Transferee Company.

12. Contracts, Deeds, etc.:

- 12.1 Subject to the other provisions of this Scheme, all contracts, agreements, insurance policies, purchase orders and sales orders and other instruments, relating solely and specifically to the Demerged Undertakings and to which

Transferor Companies are a party and subsisting or having effect on the Effective Date, shall stand transferred and vested in the Transferee Company and shall be in full force and effect against or in favour of the Transferee Company, and shall be enforced by or against the Transferee Company as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or obligee thereto from inception. All contracts, deeds, bonds, agreement and other instruments pertaining to the Remaining Undertakings shall be in the custody and ownership of the Transferor Companies and all such contracts, deeds, bonds, agreement, insurance policies and other instruments that are common and applicable to the Demerged Undertakings and the Remaining Undertakings shall be owned and vested jointly in and to the benefit of both the Transferor Companies and the Transferee Company and all originals pertaining to the contracts shall be kept in the custody and ownership of the Transferor Companies and the notarized copies of the contracts so held by the Transferee Company shall for all practical purposes deemed to be the original contracts and shall be given effect to accordingly. The Transferor Companies and Transferee Company undertake to comply with and fulfill all obligations under such contracts applicable to both entities including the obligations to make payments in mutually agreed proportions.

- 12.2 Upon this Scheme being effective, all contracts, work orders, purchase orders and sales orders insurance policies that are applicable, pertain to and are common to the Remaining Undertakings and Demerged Undertakings, the Transferor Companies and the Transferee Company shall within a reasonable period of time from the Effective Date modify, revise, amend the existing contracts, execute fresh contracts to remove all entitlements, benefits and obligations relating to and pertaining to the Demerged Undertakings, and the Transferee Company shall execute separate contracts, deeds, instruments for its sole use and benefit. Until such time as the contracts as set out above are modified, the Transferee Company is entitled to the benefit of such contracts to the limited extent required to carry on and continue the operations of the Demerged Undertakings on the basis of the same and the Transferee Company shall make all payments necessary and pertaining to the Demerged Undertakings and reimburse, indemnify, and hold harmless the Transferor Companies against all liabilities and obligations incurred by the Transferor Companies in respect thereof.
- 12.3 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novations, or

other writings or tripartite arrangements with any party to any contracts or arrangement to which Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. Transferor Companies will, if necessary, also be a party to the above as a confirming party, but without any liability whatsoever. In order to enable Transferee Company to execute any such deeds, writings or confirmations on behalf of Transferor Companies and to implement or carry out all formalities required in this Scheme, Transferor Companies and Transferee Company shall, under the provisions of this Scheme, on a mutual agreement basis from time to time enter into such documents as may be required. The Transferor Companies and the Transferee Company will do all acts, deeds, matters and things and execute all the necessary deeds, documents and writings as may be required to implement and give effect to the provisions of this Scheme including attend the offices of the concerned Sub-Registrar of Assurances to admit execution and registration of any agreements or other documents that may be required to be registered and do all necessary acts, deeds and matters and things as may be necessary for the same.

13. Saving of Concluded Transactions & Proceedings:

The transfer of and vesting of the assets, liabilities and obligations of the Demerged Undertaking 1 and/or the Demerged Undertaking 2 and/or Demerged Undertaking 3 under this Scheme, shall not affect any transaction or proceedings already concluded by the Transferor Companies on or before the Appointed Date in respect of the Demerged Undertakings. to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect of the Demerged Undertakings which shall vest in the Transferee Company in terms of this Scheme as acts, deeds and things made, done and executed by and on behalf of the Transferee Company.

14. Dividends:

14.1 The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period to the Effective date as approved by their Respective Boards.

14.2 The shareholders of the Transferor Companies and the Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy

their existing rights under their respective Articles of Association including the right to receive dividends.

- 14.3 For the avoidance of doubt, it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of dividend and the shareholders of the Transferor Companies shall not be entitled to dividends, if any, declared by Transferee Company prior to the Effective date.
- 14.4 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 shareholder of the Transferor Companies and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Transferee Company respectively, and subject to the approval, if required, of the shareholders of the Transferor Companies and the Transferee Company respectively.

15. Resolutions:

- 15.1 Upon the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting on the Effective date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company with effect from Appointed Date
- 15.2 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 180 (1) (c) of the Companies Act of 2013 shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Companies which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

Part F
General clauses, terms and conditions

16. Conditionality of the Scheme:

16.1 This Scheme is and shall be conditional upon and subject to:

16.1.1 The Scheme is being approved by the respective requisite majorities of the members and/ or creditors of the Transferor Companies and the Transferee Company, as may be required under the Act and as may be directed by the High Court;

16.1.2 The Scheme being sanctioned by the Hon'ble High Court and/ or any other competent authority, as may be applicable under Sections 391 to 394 of the Act;

16.1.3 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for implementation of this Scheme;

16.1.4 Receipt of approvals of the relevant Stock Exchange and the SEBI in terms of the SEBI Circulars, as applicable;

16.1.5 The certified/authenticated copies of the orders of the Hon'ble High Court under Sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies; and

16.1.6 Compliance with such other conditions as may be imposed by the Hon'ble High Court.

17. Application to Hon'ble High Court:

The Transferee Company and the Transferor Companies shall make application(s) / petition(s) or file any other necessary document(s) as may be required under Sections 391 to 394 and other applicable provisions of the Act to the High Court, or such other competent authority, for seeking orders for dispensing with or convening, holding and conducting of the meetings of members and/or creditors and for sanction of this Scheme with such modification as may be approved by the High Court and all matters ancillary or incidental thereto.

18. Modification or Amendments to the Scheme:

The Transferee Company and the Transferor Companies by their respective Board of Directors, or any person(s) or committee authorised/ appointed by them, may assent to, or carry out from time to time, any modifications/ amendments to the Scheme or to any conditions or limitations that the Hon'ble High Court and/ or any other authority under law may deem fit to direct, approve or impose and which the Transferor Companies and the Transferee Company in their discretion accept such modifications or amendments or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors or such person/s or such committee) for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Transferor Company or the Transferee Company) and do all acts, deeds and things as may be necessary desirable or expedient for carrying the Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those for bringing this Scheme into effect. The Transferee Company and the Transferor Companies by their respective Board of Directors shall be authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

19. Effect of Non-Receipt of Approvals:

- 19.1 In the event any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Board of Directors of the Transferee Company and the Transferor Companies shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme is not sanctioned by the Hon'ble High Court or such other competent authority and/or the order or orders not being passed as aforesaid (or such extended time as may be mutually agreed between the Demerged Company and the Transferee Company), the Scheme shall at the sole option of the Transferor Company stand revoked, cancelled and be of no effect (either wholly or partially) become null and void and shall stand revoked, cancelled and be of no effect. The Transferee Company shall bear and pay all costs, charges and expenses in connection with the Scheme.

- 19.2 Further, in the case of non-receipt of approvals to the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se by the Transferor Companies or Transferee Company or their shareholders or creditors or employees or any other person.
20. Compliance with Tax Laws:
This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, including Section 2(19AA) and other relevant sections of the Income-tax Act, 1961. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Board of Directors of the Transferor Companies and the Transferee Company shall exercise their discretion to modify the Scheme to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme.
21. Remaining Business:
The remaining business, i.e. the Remaining Undertakings as specifically set out in this Scheme shall continue to belong to and be vested in and be managed by the Transferor Companies.
22. Costs, Charges and Expenses:
All costs, charges, taxes including duties, levies, damages, claims, liabilities and all other expenses including but not limited to income tax or any other taxes, stamp duty or registration charges applicable to the demerger or any actions pursuant thereto, incurred, imposed, levied, applicable in carrying out and implementing this Scheme and matters incidental thereto, shall be borne solely by the Transferee Company. In no event shall the Transferor Companies be responsible or liable for any of the costs or expenses set out above.

CONFIDENTIAL

17th January 2015

The Board of Directors,
Pudumjee Pulp & Paper Mills Limited
Thergaon, Chinchwad,
Pune - 411 033,
Maharashtra.

The Board of Directors,
Pudumjee Industries Limited
Thergaon, Chinchwad,
Pune - 411 033,
Maharashtra

The Board of Directors,
Pudumjee Hygiene Products Limited
Thergaon, Chinchwad,
Pune - 411 033,
Maharashtra

The Board of Directors,
Pudumjee Paper Products Limited
Thergaon, Chinchwad,
Pune - 411 033,
Maharashtra

Dear Members of the Board:

I. Engagement Background

We understand that the Board of Directors of Pudumjee Pulp & Paper Mills Limited ("PPPML"), Pudumjee Industries Limited ("PIL"), Pudumjee Hygiene Products Limited ("PHPL") and Pudumjee Paper Products Limited ("PPPL") is considering the demerger of the 'Demerged Undertaking 1' of PPPML and 'Demerged Undertaking 2' of PIL and 'Demerged Undertaking 3' of PHPL into PPPL through a Composite Scheme of Arrangement under section 391-394 of the Companies Act, 1956.

The scheme envisages demerger of the **Demerged Undertakings** into PPPL as per terms and conditions more fully set forth in the Scheme of Arrangement to be placed before the Board for their approval.

In consideration of the demerger of the 'Demerged Undertaking 1' of PPPML into PPPL to the Scheme of Arrangement, for every 20 (Twenty) equity shares of the face value of Rs. 2/- each held by the shareholders of First Transferor Company, the Transferee Company shall issue and allot 37 (Thirty Seven) equity share of the face value of Rs. 1/- each fully paid up (hereinafter referred to as the "Share Entitlement Ratio 1").

In consideration of the demerger of the 'Demerged Undertaking 2' of PIL into PPPL to the Scheme of Arrangement, for every 20 (Twenty) equity shares of the face value of Rs. 2 /- each held by the shareholders of Second Transferor Company, the Transferee Company shall issue and allot 9 (Nine) equity share of the face value of Rs.1/- each fully paid up

1

Axis Capital Limited (Erstwhile "Axis Securities and Sales Limited")

SEBI Merchant Banker Regn No.:MB/INM000012029 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.
CIN No. U51900MH2005PLC157853

Regd. Office: Axis House, 8th Floor, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025 &
Co.p. Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025.
Tel.: (022) 4325 1199, Fax No. (022) 4325 3000, Website: www.axiscapital.co.in

(hereinafter referred to as the "Share Entitlement Ratio 2").

In consideration of the demerger of the 'Demerged Undertaking 3' of PHPL into PPPL to the Scheme of Arrangement, for every 20 (Twenty) equity shares of the face value of Rs. 10/- each held by the shareholders of Third Transferor Company, the Transferee Company shall issue and allot 7 (Seven) equity share of the face value of Rs.1/- each fully paid up (hereinafter referred to as the "Share Entitlement Ratio 3").

In connection with the aforesaid, you requested our Fairness Opinion (the "Opinion") as of the date hereof, as to the fairness of the Share Entitlement Ratios to the Equity Shareholders of the Demerged Companies.

Scheme of Arrangement

This Scheme of Arrangement provides for:

- (i) Under this scheme, "Manufacturing Business Undertaking" of PPPML, "Manufacturing Business Undertaking" of PIL, "Trading Business Undertaking" of PHPL (hereinafter collectively referred to as the "Demerged Undertakings") will be transferred to PPPL.
- (ii) On the record date, all shareholders of the Demerged Companies will be entitled to receive shares in the Transferee Company.
- (iii) Demerged companies will retain all the undertakings, businesses and activities which are not exclusively related to or utilized by the Demerged Undertakings.

II. Basis of Opinion

In the Rationale of the scheme, it has been provided that, as part of an overall re-organization plan and in order to achieve greater efficiencies in operations and with the intent of providing focus and greater attention to Manufacturing and Trading Business of the Demerged Companies, it is considered necessary, desirable and expedient to transfer the Demerged Undertakings to the Transferee Company. The transfer therefore will enable focused management orientation to the businesses of the Demerged Undertakings. The demerger is also expected to improve the competitiveness of the businesses in their respective markets.

A brief history of each of the aforesaid companies is as under -

- a. Pudumjee Pulp & Paper Mills Limited:
PPPML is engaged in the manufacturing of specialty paper. It operates in the

following four segments viz.:

- Paper - manufacture and marketing of Paper and processing activity at Pune and Mahad;
- Real Estate - engaged in construction activity;
- Power Generation - generation of power from diesel generator (D.G).Set and Wind Power Turbine; and
- Investment - primarily engaged in purchase and sale of shares.

The equity shares of PPPML are listed on National Stock Exchange of India Limited, BSE Limited and Pune Stock Exchange.

“Manufacturing Business Undertaking” of PPPML is engaged in the manufacturing of Specialty Papers used in various sectors. Its products include Calendered Paper, Security Paper, Decor Papers, and Other Specialty Papers.

b. Pudumjee Industries Limited

PIL is engaged in manufacturing and sale of various types of papers viz. Crepe Tissue, M.G. Kraft, Carbon based tissue, Poster papers, etc. The equity shares of PIL are listed on National Stock Exchange of India Limited and BSE Limited.

“Manufacturing Business Undertaking” of PIL is engaged in the manufacturing of Specialty Papers used in various sectors. Its products include fairly wide range of papers such as Crepe Tissue, Hygiene Tissue, M.G. Tissue, Carbon Tissue, and Wrappers for fruit, flowers and food, Poster Paper, Kraft Paper etc.

c. Pudumjee Hygiene Products Limited

PHPL is engaged in trading a wide array of Hygiene Products. It is also engaged in leasing business. PHPL is a wholly owned subsidiary of PIL. The equity shares of PHPL are not listed on any stock exchange.

“Trading Business Undertaking” of PHPL is engaged in trading of wide range of hygiene products, which includes a variety of tissues, technologically advanced soap and tissue dispensers, an array of liquid soaps, hand sanitizers and washroom cleaning aids.

d. Pudumjee Paper Products Limited

PPPL is incorporated on January 14, 2015 as a special purpose vehicle for the purpose of integrating Manufacturing Business Undertaking of PPPML, Manufacturing Business Undertaking of PIL and Trading Business Undertaking of PHPL into one entity.

The key features of the Scheme provided to and relied upon by us for framing a fairness opinion on transfer of Demerged Undertakings into Transferee Company are as under:

- Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertakings (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) of the Demerged Companies shall stand transferred to and be vested in or deemed to have been transferred to or vested in, as a going concern, into the Transferee Company
- As consideration for the transfer, equity shares in the Transferee Company shall be issued to the equity shareholders of the Demerged Companies
- All the Shareholders of the Demerged Companies shall become shareholders of the Transferee Company on the record date
- Share entitlement ratios are based on a Share Entitlement Ratio Report submitted by SSPA & CO, Chartered Accountants, Mumbai.
- The equity shares of Transferee Company will be listed and admitted to trading on the BSE and NSE. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertaking as may be necessary in accordance with the applicable Laws or regulations for complying with the formalities of the BSE and NSE. On such formalities being fulfilled, the BSE and NSE shall list and/or admit such equity shares also for the purpose of trading.
- In case any member's shareholding in the Demerged Company is such that such member becomes entitled to a fraction of one equity share of the Transferee Company, the Transferee Company will not issue fractional share certificate to such member and will consolidate such fractions and issue the consolidated shares to a trustee nominated by the Board of the Demerged Companies in that behalf, who will 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. During consolidation of the fractional shares, if the sum of such fractional shares is not a whole integer, the Transferee Company will issue such additional fractional share to the trustee, such that the total shares so issued shall be rounded off to the next whole integer.

We have taken the foregoing facts (together with the other facts and assumptions set forth in section III of this Opinion) into account when determining the meaning of "fairness" for purposes of this Opinion.

III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Transferee Company and the Demerged Companies including the valuation report prepared by SSPA & CO, Chartered Accountants, Mumbai and a Draft of the Scheme of Arrangement.

We have relied upon the accuracy and completeness of all information, documents, data and explanations provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We did not review any financial forecasts relating to the Demerged Companies and/ or its subsidiaries and the Transferee Company. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged Companies and / or its subsidiaries or the Transferee Company and / or its subsidiaries. In particular, we do not express any opinion as to the value of any asset of the Demerged Companies and / or its subsidiaries or the Transferee Company and / or its subsidiaries, whether at current prices or in the future. We also believe that the same bears very limited relevance, given that all the Shareholders of the Demerged Companies shall become shareholders of the Transferee Company on the record date as explained earlier.

We do not express any opinion as to the price at which shares of the Demerged Companies and/or the Transferee Company may trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Demerged Companies and / or its subsidiaries, Transferee Company and / or its subsidiaries and their respective Shareholders.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Demerged Companies and / or its subsidiaries, Transferee Company and / or its subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals. In addition, we express no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the Scheme, or class of such persons, relative to the Entitlement Ratios or otherwise.

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the transfer and

vesting of the Demerged Undertaking of the Demerged Companies into the Transferee Company as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

We have in the past provided, and may currently or in the future provide, investment banking services to the Demerged Companies and the Transferee Company and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which services we have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Ltd. may actively trade securities of the Demerged Companies and/or the Transferee Company and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the Demerged Companies and/or Transferee Company in connection with its consideration of the Scheme and for none other. Neither Axis Capital Ltd., nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Share Entitlement Ratios are fair to the Equity shareholders of the Demerged Companies.

Very truly yours,
For Axis Capital Ltd.



Authorized Signatory



PUDUMJEE

PUDUMJEE PULP & PAPER MILLS LTD.
Registered Office

PPPMLND/4591

28th February 2015

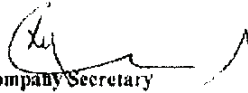
To,
The Secretary,
PUNE STOCK EXCHANGE LTD.,
Shivaleela Chambers, 3rd Floor,
R.B. Kuntekar Marg,
752, Sadashiv Peth,
PUNE 411 030

Sub: Application under 24(f) of the listing agreement for the proposed composite Scheme of Arrangement and Reconstruction (Demerger) under Sections 391 to 394 of the Companies Act, 1956 between Pudumjee Pulp & Paper Mills Ltd(PPPML), Pudumjee Industries Ltd(PIL), Pudumjee Hygiene Products Ltd(PHPL) and Pudumjee Paper Products Ltd(PPPL)and their respective Shareholders and Creditors

Dear Sir/Madam,

In continuation to our application under clause 24(f) of the Listing Agreement filed on 6th February 2015, please find enclosed herewith complaint report dated 28th February 2015 in terms of the SEBI circular no. CIR/CFD/DH/5/2013 dated 4th February 2013.
This is for your information and record.

For Pudumjee Pulp & Paper Mills Limited


Company Secretary



Encl:- Complaints Report



Registered Office:
Thergaon, Chinchwad, Pune-411033 Tel: +91-20-30613333, Fax : +91-20-30613388
E-Mail : sk@pune.pudumjee.com CIN : 21012MH1964PLC013058
Corporate Office:
Jatia Chambers, 60, Dr. V.B Gandhi Marg, Kalaghoda, Mumbai-400001 India
Tel: +91-22-30213333, 22674485, 66339300, Fax: +91-22-22658316.
E-Mail: pudumjee@pudumjee.com Web Site : www.pudumjee.com

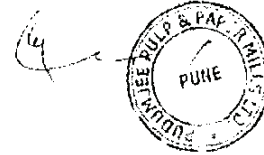
Complaints Report for the period February 6th, 2015 to February 27th, 2015

Part A

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

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | Not Applicable | | |





PUDUMJEE

PUDUMJEE PULP & PAPER MILLS LTD.
Registered Office

10th March 2015

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

Sub: Application under clause 24(f) of the listing agreement for the proposed composite Scheme of Arrangement and Reconstruction(Demerger) under Sections 391 to 394 of the Companies Act, 1956 between Pudumjee Pulp & Paper Mills Ltd(PPPMI.), Pudumjee Industries Ltd(PIL), Pudumjee Hygiene Products Ltd(PHPL) and Pudumjee Paper Products Ltd(PPPL)and their respective Shareholders and Creditors

Dear Sir/Madam,

In continuation to our application under clause 24(f) of the Listing Agreement filed on 5th February 2015, please find enclosed herewith complaint report dated 10th March 2015 in terms of the SEBI circular no. CIR/CFD/DIL/5/2013 dated 4th February 2013.
This is for your information and record.

For Pudumjee Pulp & Paper Mills Limited


Company Secretary

Encl:- Complaint Report



Registered Office:
Thergaon, Chinchwad, Pune-411033 Tel: +91-20-30613333, Fax: +91-20-3061 3386
E-Mail : sk@pune.pudumjee.com CIN L21012MH1984PLC013058
Corporate Office:
Jata Chambers, 60, Dr. V.B Gandhi Marg, Kalaghoda, Mumbai-400001 India.
Tel: +91-22-30213333, 22674485, 66339300, Fax: +91-22-22558316.
E-Mail: pudumjee@pudumjee.com Web Site : www.pudumjee.com

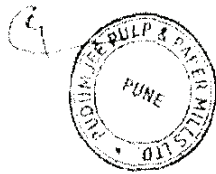
Complaints Report for the period February 17th, 2015 to March 9th, 2015

Part A

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

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | Not Applicable | | |





PUDUMJEE

PUDUMJEE PULP & PAPER MILLS LTD.

Registered Office

10th March 2015

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E),
Mumbai - 400 051

Sub: Application under clause 24(f) of the listing agreement for the proposed composite Scheme of Arrangement and Reconstruction(Demerger) under Sections 391 to 394 of the Companies Act, 1956 between Pudumjee Pulp & Paper Mills Ltd(PPMML), Pudumjee Industries Ltd(PIL), Pudumjee Hygiene Products Ltd(PHPL) and Pudumjee Paper Products Ltd(PPPL)and their respective Shareholders and Creditors

Dear Sir/Madam,

In continuation to our application under clause 24(f) of the Listing Agreement filed on 5th February 2015, please find enclosed herewith complaint report dated 10th march 2015 in terms of the SEBI circular no. CIR/CFD/DIL/5/2013 dated 4th February 2013.
This is for your information and record.

For Pudumjee Pulp & Paper Mills Limited


Company Secretary

Encl:- Complaint Report



Registered Off. ce:
Thergaon, Chinchwad, Pune-411033 Tel: +91-20-30613333, Fax: +91-20-3061 3388
E-Mail: sk@pudumjee.com CIN L21012MH1964PLC013058
Corporate Office:
Jatia Chambers, 6C, Dr. V.B. Gandhi Marg, Kalaghoda, Mumbai-400001 India
Tel: +91-22-30213533, 22674485, 66339300, Fax: +91-22-22658316.
E-Mail: pudumjee@pudumjee.com Web Site : www.pudumjee.com

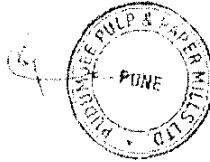
Complaints Report for the period February 17th, 2015 to March 9th, 2015

Part A

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

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---------------------|-------------------|---------------------------|
| 1. | Not Applicable | | |





PUNE STOCK EXCHANGE LTD.

PSE/SEBI/Pudumjee/2015/3722

10 February, 2015

To,
Mr. Pranav H. Variava,
Assistant Manager,
Division of Issues and Listing,
Corporation Finance Department,
Securities & Exchange Board of India.
SEBI Bhavan, Plot No. C4-A, G-Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051.

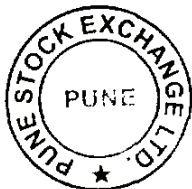
Dear Sir,

Subject: Application under clause 24(f) of the Listing Agreement for the proposed composite scheme of Arrangement & Reconstruction (Demerger) under section 391-394 of the Companies Act, 1956 read with Sections 100 to 103 of the Companies Act 1956 and Section 52 of the Companies Act 2013 and any other applicable provisions of the Companies Act, 1956 and the Companies Act 2013('the Scheme')

Scheme of Arrangement & Reconstruction between Pudumjee Pulp and Paper Mills Limited(PPPML), Pudumjee Industries Limited (PIL), Pudumjee Hygiene Products Limited (PHPL) and Pudumjee paper Products limited (PPPL) and their respective shareholder and creditors for demerger of demerged undertaking of Pudumjee Pulp and Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited to Pudumjee Paper Products Limited.

Filing of Scheme in terms of the Clause 24 (f) of the listing Agreement and Securities Exchange Board of India (SEBI) circulars CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013('the circulars')

It is with reference to the subject stated above and the submission of the draft Scheme of Arrangement & Reconstruction(Demerger) between Pudumjee Pulp and Paper Mills Limited(PPPML), Pudumjee Industries Limited (PIL), Pudumjee Hygiene Products Limited (PHPL) and Pudumjee paper Products limited (PPPL) and their respective shareholder and creditors for demerger of demerged undertaking of Pudumjee Pulp and Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited to Pudumjee Paper Products Limited.



1757

12 FEB 2015



"Shivleela Chambers", 752, Sadashiv Path, R.B.Kumthekar Marg, Pune - 411 030.
Phone : 020-24485701,24460085/86 Fax : 020 - 24460083, E-mail : punestockexchange@gmail.com



PUNE STOCK EXCHANGE LTD.

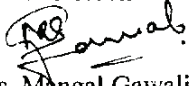
The Exchange has noted the confirmation given by the company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the Companies Act, 2013, (to the extent applicable) including re-enactment thereof, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing arrangement or the requirements of Pune Stock Exchange Limited.

We hereby convey the "No Objection" of Pune Stock Exchange with limited reference to those matters having bearing on listing/ de-listing / 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. Also, the exchange while granting the NOC does not express its opinion on the fairness or otherwise, of the valuation of the entities concerned or the exchange ratio, if any, proposed in the said scheme of amalgamation.

The Exchange reserves the rights to withdraw its No-Objection approval at any later stage if the information submitted to the exchange is round incomplete / false / incorrect or in contravention of any Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by the Statutory Authorities, etc.

Thanking You.

Yours Faithfully,
For Pune Stock Exchange Ltd.


Mrs. Mangal Gawali
Managing Director & CEO



CC: To,
The Company Secretary,
Pudumjee Pulp & Paper Mills Ltd.
Thergoan, Chinchwad,
Pune-411033



REVISED

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188



DCS/AMAL/FR/24(f)/026/2015-16

April 22, 2015

The Company Secretary
Pudumjee Pulp & Paper Mills Limited
Thergaon, Chinchwad,
Pune, Maharashtra 411 033.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygene Products Limited and Pudumjee Paper Products Limited.

We refer to your draft Scheme of Arrangement for between Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygene Products Limited and Pudumjee Paper Products Limited as filed by the company.

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 April 22, 2015 given the following comment(s) on the draft scheme of arrangement:

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

Accordingly, based on aforesaid comments offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

However, the listing of equity shares of Pudumjee Paper Products Limited on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, Pudumjee Paper Products Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Pudumjee Paper Products Limited is at the discretion of the Exchange. In addition to the above, the listing of Pudumjee Paper Products Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Pudumjee Paper Products Limited and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information about Pudumjee Paper Products Limited in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about Pudumjee Paper Products Limited to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Pudumjee Paper Products Limited between the record date and the listing which may affect the status of this approval."

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 in your application for approval of the scheme of arrangement.

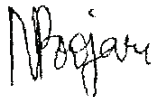
Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- 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. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the exchange.

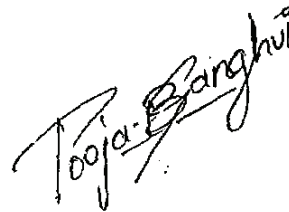
The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations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

Please note that the aforesaid observations does not preclude the company from complying with any other requirements.

Yours faithfully,



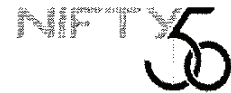
Nitin Pujari
Manager



Pooja Sanghvi
Asst. Manager



**NATIONAL STOCK EXCHANGE
OF INDIA LIMITED**



Stock of the nation

Ref: NSE/LIST/23382

April 22, 2015

The Company Secretary
Pudumjee Pulp & Paper Mills Limited
Thergaon, Chinchwad,
Pune – 411033.

Kind Attn.: Mr. S K Bansal

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956.

This has reference to draft Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors submitted to NSE vide your letter dated February 04, 2015.

Based on our letter reference no Ref: NSE/LIST/20309 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 April 22, 2015, has given following comments on the draft Scheme of Arrangement and Reconstruction (Demerger):

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

We 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 listing of equity shares of Pudumjee Paper Products Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013. Further, Pudumjee Paper Products Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfil the Exchange's criteria for listing such company and also comply with other applicable statutory requirements. However, the listing of shares of Pudumjee Paper Products Limited is at the discretion of the Exchange.

The listing of Pudumjee Paper Products Limited, pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com



1. To submit the Information Memorandum containing all the information about Pudumjee Paper Products Limited and its group companies in line with the disclosure requirements applicable for public through website of the Company.
2. To publish an advertisement in the newspaper containing all the information about Pudumjee Paper Products Limited in line with the details required as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all material information about Pudumjee Paper Products Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosure about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern or control in Pudumjee Paper Products Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections 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 April 22, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- 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

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



Pudumjee Pulp & Paper Mills Limited

Registered Office

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 399 OF 2015**

In the matter of the Companies Act 1956;

And

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

And

In the matter of the Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors.

Pudumjee Pulp & Paper Mills Ltd.)
CIN No.L21012MH1964PLC013058)
a company incorporated under the Companies)
Act, 1956 and having its registered office at)
Thergaon, Chinchwad, Pune (Maharashtra))
- 411 033).....Applicant Company

Froxy Form

Name of the Secured Creditor (s) :
Registered address :
Amount of debt/ liability (Amount in Rs.) :

I/We, being the Authorised Representative of being Secured Creditor for of the above named company, hereby appoint,

1. Name :
Address :
E-mail Id :

Registered Office:

Thergaon, Chinchwad, Pune 411033 • Tel : +91 22 30213333 • Fax : +91 22 30213334
• E-Mail : pune@pudumjee.com, info@pudumjee.com • CIN : L21012MH1964PLC013058

Corporate Office:

Jatia Chambers, 60, Dr. V. B. Gaudhi Marg, Kharjholi, Mumbai - 400011 India
• Tel : +91-22-30213333, 22674485, 66339100 • Fax : +91 22-22658316
• E-Mail: pudumjee@pudumjee.com • Web site: www.pudumjee.com





PUDUMJEE



Pudumjee Pulp & Paper Mills Limited

Registered Office

Signature :or failing him

2. Name :

Address :

E-mail Id :

Signature :or failing him

3. Name :

Address :

E-mail Id :

Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on our behalf at the Court convened Meeting of the secured creditors of the company, to be held on Wednesday, the 15th day of July, 2015 at 10.00 a.m. (ST) at the Corporate Office of the Company at Jatia Chambers, 60, Dr.V.B.Gandh. Marg, Kalaghoda, Mumbai - 400 001 for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement (Demerger) under Sections 391 to 394 of Companies Act, 1956 between Pudumjee Pulp & Paper Mills Ltd. and Pudumjee Industries Ltd. and Pudumjee Hygiene Products Ltd. and Pudumjee Paper Products Ltd. and their respective shareholders and creditors (the "Scheme of Arrangement") and at such meeting or at any adjournment or adjournments thereof, to vote _____ the Scheme of Arrangement on behalf of me/us and in my/our name(s) (here, if for, insert 'FOR' or if against, insert 'AGAINST' the resolution for and in the latter case, strike out the words, With Or Without Modification(s) after the word approving).

Strike out whichever is not applicable

Signed this.....day of2015.

Signature of Authorised Representative _____

Affix Revenue Stamp

Signature of Proxy holder(s) _____

Note:

Please affix revenue stamp before endorsing signature.

Alterations, if any, made in the form of proxy should be initialed.

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Please complete all details including details of member(s) in above box before submission. In case of multiple proxies, the proxy received later in time shall be accepted.

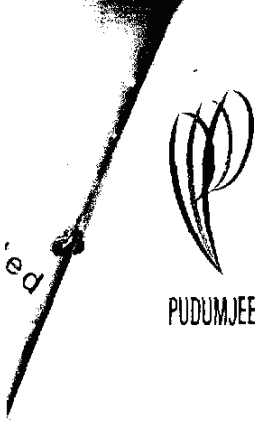
Registered Office:

Thergaon, Chinchwad, Pune-411033 • Tel: +91-20-30613333 • Fax: +91-20-30613388
• E-Mail: prmo@pudumjee.com, skp@pudumjee.com • C.I.N. B6-L2131290156-BE-0113024

Corporate Office:

Jatia Chambers, 60, Dr. V. B. Gandhi Marg, Kalaghoda, Mumbai - 400001, India
• Tel.: +91-22-30213333, 22674485, 66339300 • Fax: +91-22-22658116
• E-Mail: pudumjee@pudumjee.com • Web Site: www.pudumjee.com





Pudumjee Pulp & Paper Mills Limited
Registered Office

ATTENDANCE SLIP

Please complete and sign this attendance slip & hand over at the entrance of the meeting hall.

I/We certify that I/We am/are secured creditor(s) of the Company. I/We hereby record my/ our presence at the Court convened Meeting of the secured creditors of the company at its office at 60, Dr. V. B. Gandhi Marg, Kalaghoda, Mumbai – 400 001 on Wednesday, the 15th day of July, 2015 at 10.00 a.m. (ST)

Name of Secured creditor :-

Name of Proxy (If any) :-

Value of debt/ liability (Amount in Rs.) :-

Signature of Authorised representative of Secured Creditor/ Proxy

Registered Office:
Therqaon, Chinchwad, Pune 411033 • Tel : +91-20-30613333 • Fax: +91-20-30613388
• E-Mail : pune@pudumjee.com, sk@pudumjee.com • C.I.N. No U21012RP/1964PLC011058

Corporate Office:
Jatia Chambers, 60, Dr. V. B. Gandhi Marg, Kalaghoda, Mumbai - 400001 India
• Tel.: +91-22-30213333, 22674485, 66339300 • Fax: +91 22-22658316
• E-Mail: pudumjee@pudumjee.com • Web Site: www.pudumjee.com

