



PUDUMJEE

PUDUMJEE INDUSTRIES LTD.

Registered Office

JWP: 243

23rd January, 2018

The Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street, Fort,
Mumbai 400 001
SBE Scrip Code: 516092

The Assistant Vice President
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
NSE Scrip Symbol: PDUMJEIND

Dear Sir/Ma'am,

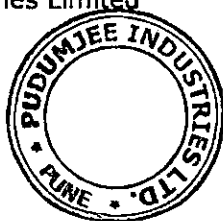
Sub: Disclosure under Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") for the proposed Scheme of Amalgamation ('Scheme') of Pudumjee Holding Limited and Pudumjee Hygiene Products Limited, wholly owned subsidiaries of Pudumjee Industries Limited ('the Company') and their respective shareholders.

1. We refer to our letter dated January 20, 2018 intimating that the Board of Directors of the Company had approved the Scheme of Amalgamation ('Scheme') of Pudumjee Holding Limited ('PHL') and Pudumjee Hygiene Products Limited ('PHPL'), wholly owned subsidiaries of the Company, with the Company.
2. Pursuant to SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15th February, 2017, the provisions of Regulation 37 of LODR do not apply to Scheme of amalgamation which solely provide for merger of a wholly owned subsidiary with the holding company. However, the Scheme is required to be filed with the stock exchanges for the purpose of disclosure.

As required under the proviso to Regulation 37(6) of LODR, we enclose herewith copy of the Scheme of Amalgamation of Pudumjee Holding Limited ('PHL') and Pudumjee Hygiene Products Limited ('PHPL'), wholly owned subsidiaries of the Company, with the Company.

Yours faithfully
For Pudumjee Industries Limited

J. W. Patil
Company Secretary



Encl: As above

Registered Office:

Thergaon, ChInchwad, Pune-411033 Tel: +91-20-30613333, Fax : +91-20-3061 3388
E-Mail : sk@pudumjee.com. CIN L74999MH1999PLC013394 GSTIN:-27AAACP0487B1ZQ

Corporate Office:

Jatla Chambers, 60, Or. V.B.Gandhi Marg, Kalaghoda. Mumbai-400001 India.
Tel: +91-22-30213333, 2267448S, 66339300, Fax: +91-22-22658316.
E-Mail: pudumjee@pudumjee.com Web Site : www.pudumjeeindustries.com.

SCHEME OF AMALGAMATION

OF

PUDUMJEE HOLDING LIMITED

AND

**PUDUMJEE HYGIENE PRODUCTS LIMITED
(Collectively, the "Transferor Companies")**

WITH

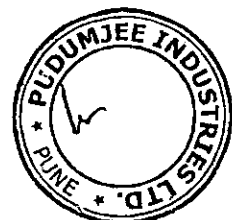
**PUDUMJEE INDUSTRIES LIMITED
(the "Transferee Company")**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

This Scheme of Amalgamation is presented under sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Act (as defined hereinafter) read with applicable Rules made thereunder, as an integrated and complete Scheme of Amalgamation ("Scheme") of Pudumjee Holding Limited and Pudumjee Hygiene Products Limited (collectively referred to as "the Transferor Companies") with Pudumjee Industries Limited (referred to as "the Transferee Company") and the dissolution of the Transferor Companies without winding up.



A. Description of Companies:

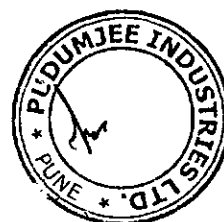
a. A brief description of the Transferor Companies is given below:

- i) Pudumjee Holding Limited ("PHL") was incorporated on 11th October, 2011 under the Companies Act, 1956 having its registered office at Thergaon, Pune – 411033 with the main object to carry on business as an investment and financing company.
- ii) Pudumjee Hygiene Products Limited ("PHPL") was incorporated on 15th July, 2004 under the Companies Act, 1956, having its registered office at Thergaon, Pune – 411033 with the main object of carrying on business of buying, selling, importing, exporting, manufacturing, marketing and agency business in all kind 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. Pudumjee Hygiene Products Limited was engaged in the business of marketing in various kinds of tissue, non tissue and allied products. After demerger of the aforesaid business as per High Court Order dated 8th January, 2016, the business of leasing of machinery remains with Pudumjee Hygiene Products Limited.

Both the companies are collectively referred to as the "Transferor Companies".

b. A brief description of the Transferee Company is given below:

Pudumjee Industries Limited ("PIL") was incorporated on 31st December, 1965 under the Companies Act, 1956 having its registered office at Thergaon, Pune – 411033 with the main object of manufacturing, trading and dealing in paper and paper products. After demerger of paper manufacturing business, as per High Order dated 8th January, 2016, the Company may be deemed to be a Core Investment



Company within the meaning of Core Investment Companies (Reserve Bank) Directions, 2016. The Company also is engaged in real estate business.

PIL is referred to as the "Transferee Company".

- c. Both the Transferor Companies are wholly owned subsidiaries of the Transferee Company.
- d. The equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

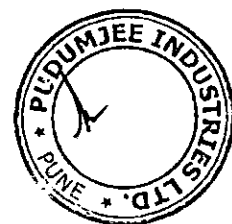
B. Purpose of the Scheme:

- a. It is proposed to consolidate the whole of the operations/businesses of the Transferor Companies and the Transferee Company into a single company by amalgamation of the Transferor Companies with the Transferee Company pursuant to a scheme of amalgamation under sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder.
- b. The Scheme provides for the transfer and vesting of the business alongwith the assets and liabilities of each of the Transferor Companies to and in the Transferee Company, as a going concern with effect from the Appointed Date (as defined hereinafter) and for various other matters consequential or otherwise integrally connected with the Scheme.

C. Rationale of the Scheme

The Transferor Companies being wholly owned subsidiaries of the Transferee Company, the proposed amalgamation will enable –

- a. Simplification of group and business structure;



- b. Cost reduction as a result of focused operational efforts, elimination of duplication of administrative expenses, optimum utilization of available resources and integrating management focus which will make the internal control systems more efficient and effective;
- c. Business synergies in the operations of the Transferee and the Transferor Companies will provide operational flexibility resulting into higher profitability and a stronger and wider capital and financial base for future growth/ expansion of the Transferee Company.

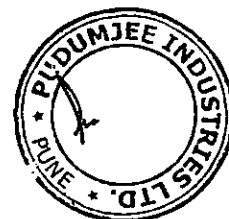
D. Compliance with Companies Act, 2013 and Income Tax Act, 1961:

The amalgamation of the Transferor Companies with the Transferee Company under the Scheme will be effected pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and in compliance with the relevant provisions of the Income Tax Act, 1961.

E. Parts of the Scheme:

This Scheme is divided into the following parts:

- a. **Part I** deals with definitions of terms used in this Scheme, share capital of the respective Transferor Companies and the Transferee Company and date when the Scheme comes into operation;
- b. **Part II** deals with the transfer and vesting of the respective Undertaking (as hereinafter defined) of each of the Transferor Companies to and in the Transferee Company;
- c. **Part III** deals with the cancellation of equity share capital of the Transferor Companies, increase in authorised capital of the Transferee Company and



alteration of object clause in the Memorandum of Association of the Transferee Company;

- d. **Part IV** deals with the accounting treatment for the amalgamation in the books of the Transferee Company;
- e. **Part V** deals with the dissolution of the Transferor Companies and the general terms and conditions applicable to this Scheme and other matters consequential and integrally connected thereto.

PART I

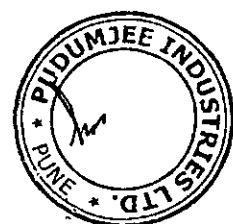
DEFINITIONS, SHARE CAPITAL AND DATE OF OPERATION

OF THE SCHEME

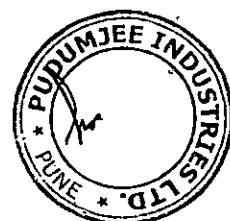
1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following terms shall have the meanings set out below:

- 1.1 **“Act”** means the Companies Act, 2013, ordinances, rules and regulations made thereunder and include any statutory re-enactment or modification thereof, or amendment thereto, from time to time and for the time being in force;
- 1.2 **“Appointed Date”** means 1st April, 2017;
- 1.3 **“Board of Directors”** or **“Board”** means the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be and shall include a Committee of Directors duly constituted or any person duly authorized by the Board of Directors or such Committee of Directors for the purpose of matters pertaining to the Scheme and/or any other consequential or incidental matters in relation thereto;



- 1.4 **"Governmental authority"** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality, Registrar of Companies, Regional Director, the Official Liquidator, National Company Law Tribunal and Courts of relevant jurisdiction, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India;
- 1.5 **"Registrar of Companies"** means the Registrar of Companies, Maharashtra, Pune;
- 1.6 **"Scheme"** or **"Scheme of Amalgamation"** or **"This Scheme"** means this Scheme of Amalgamation as submitted in its present form to the National Company Law Tribunal or this Scheme together with such modification(s) if any, made as per Clause 17 of this Scheme;
- 1.7 **"Transferor Companies"** shall mean the companies named below collectively and the term **"Transferor Company"** shall mean any of them as the context may require;
- 1.7.1 **"First Transferor Company"** or **"PHL"** means Pudumjee Holding Limited, a public company incorporated under the Companies Act, 1956 and a public company within the meaning of the Companies Act, 2013, having its registered office at Thergaon, Pune - 411033;
- 1.7.2 **"Second Transferor Company"** or **"PHPL"** means Pudumjee Hygiene Products Limited, a public company incorporated under the Companies Act, 1956 and a public company within the meaning of the Companies Act, 2013, having its registered office at Thergaon, Pune - 411033;
- 1.8 **"Transferee Company"** or **"PIL"** means Pudumjee Industries Limited (or the said Company with changed name, as may be approved by authorities),

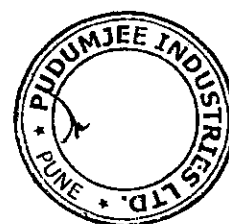


a public company incorporated under the Companies Act, 1956 and a public company within the meaning of the Companies Act, 2013, having its registered office at Thergaon, Pune - 411033;

1.9 Tribunal” or “NCLT” means the National Company Law Tribunal, Mumbai Bench as constituted and authorised as per the provisions of the Act;

1.10 “Undertaking” in relation to the Transferor Companies, shall mean the entire business and the whole of the undertakings of the Transferor Companies as a going concern, as on the Appointed date, including but not in any way limited, to the following:

- (i) All the assets and properties, (whether movable or immovable, tangible or intangible, whether present, future or contingent) including plant and machinery, investments, loans and advances, current assets, cash and bank balances, advances or deposits, rights and benefits under any agreement whether appearing in the financial statements or not (referred to as the **“Assets”**) of the Transferor Companies;
- (ii) All borrowings and debts, secured or unsecured, liabilities (whether present, future or contingent), undertakings and obligations of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising out of the business and operations of the Transferor Companies whether appearing in the financial statements or not (referred to as the **“Liabilities”**);
- (iii) All registrations, agreements, rights, claims, privileges, contracts, entitlements, assignments, grants, permits, licenses, approvals, authorisations, concessions, consents, engagements, arrangements, reversions, powers, sanctions, authorities, allotments, permissions, quotas, subsidies, special status, incentives, exemptions, relaxations, liberties, easements rights/leasing rights, tax and other benefits arising out of any law or programs or policies of the Government or any

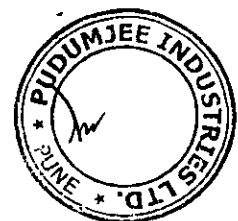


municipal or other authority or otherwise, whether past, present or future;

- (iv) All tax credits, refunds, reimbursements, claims, concessions, exemptions, benefits under service tax laws, Customs Act, Value Added tax (VAT), purchase tax, sales tax, goods and service tax or any other duty or tax or cess imposed under any Central or State law including sales tax deferrals and Minimum Alternate Tax ("MAT") paid under section 115JA/115JB of the Income Tax Act, 1961 ("IT Act"), advance tax, tax deducted at source, right to carry forward and set-off book losses/ unabsorbed losses, if any, and depreciation, MAT credit, deductions and benefits under the IT Act or any other taxing statute;
- (v) All intellectual property rights of any nature whatsoever, concerning undertakings/business being transferred in terms of this Scheme, including trade and service names and marks, patents, designs, copyrights, software and computer programs, databases, domain name(s) and including and all applications filed by the Transferor Companies for registration of any such rights and the benefits thereof and any assignment thereof or related thereto and all records of any kind;
- (vi) All employees, if any, engaged by the Transferor Companies as on the date on which the Scheme comes into operation ;
- (vii) All records, files, documents, reports, papers, programs and manuals, whether in physical or electronic form, in connection with or relating to the Transferor Companies.

1.11 "Undertakings" mean collectively the Undertakings of both the Transferor Companies;

All other relevant terms not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning



prescribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, and other applicable laws, rules, regulations and bye-laws, as the case may be, or any statutory modification or re-enactment thereof, from time to time in force.

In this Scheme, where the context so requires, words importing the singular number shall include the plural number.

2. SHARE CAPITAL

2.1 Transferor Companies:

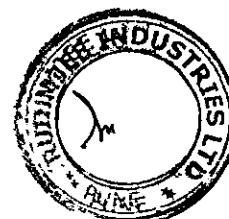
The share capital of each of the Transferor Companies is described below:

2.1.1 First Transferor Company (PHL):

As per the latest audited financial statement of the First Transferor Company as on **31st March, 2017**, the Authorised Share Capital and the issued, subscribed and paid-up share capital of the First Transferor Company was as under:

	Rs.
<u>Authorised Share Capital:</u>	
20,00,000 Equity Shares of Rs. 10 each	2,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital:</u>	
50,000 Equity Shares of Rs. 10 each	5,00,000

Subsequent to the latest audited financial statement of PHL as on 31st March, 2017, there has been no change in the authorised, issued, subscribed and paid-up capital of PHL, as on date of the approval of this Scheme by the Board of Directors/shareholders.



2.1.2 Second Transferor Company (PHPL):

As per the latest audited financial statement of the Second Transferor Company as on 31st March, 2017, the authorised share capital and the issued, subscribed and paid-up share capital of the Second Transferor Company was as under:

	Rs.
<u>Authorised Share Capital:</u>	
3,00,00,000 Equity Shares of Rs. 10 each	30,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital:</u>	
3,00,00,000 Equity Shares of Rs. 10 each	30,00,00,000

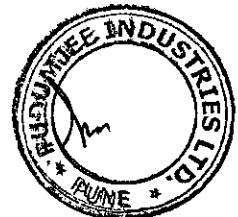
Subsequent to the latest audited financial statements of PHPL as on 31st March, 2017, there has been no change in the authorised, issued, subscribed and paid-up capital of PHPL, as on date of the approval of this Scheme by the Board of Directors/shareholders.

2.2 Transferee Company:

As per the latest audited financial statement of the Transferee Company as on 31st March, 2017, the authorised share capital and the issued, subscribed and paid-up share capital of the Transferee Company was as under:

	Rs.
<u>Authorised Share Capital:</u>	
12,50,00,000 Equity Shares of Rs. 2 each	25,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital:</u>	
1,80,00,000 Equity Shares of Rs. 2 each	3,60,00,000

Subsequent to the latest audited financial statements of PIL as on 31st March, 2017, there has been no change in the authorised, issued, subscribed and paid-up capital of PIL, as on date of the approval of this Scheme by the Board of Directors/shareholders.



3. DATE WHEN THE SCHEME COMES INTO OPERATION

The Scheme set out herein in its present form or with any modifications and amendments made under clause 17 of the Scheme, if any, as approved by the Tribunal, shall be effective from the Appointed Date.

PART II

TRANSFER AND VESTING OF UNDERTAKINGS

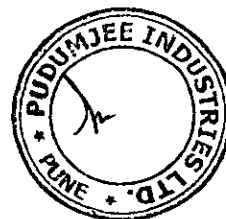
4. TRANSFER OF UNDERTAKINGS

4.1 Generally:

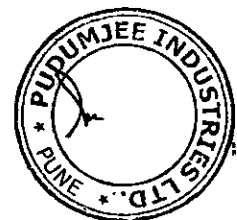
(a) On the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the Undertakings of the Transferor Companies shall be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, each as a going concern without any further act, instrument, deed, matter or thing to be made, done or executed, so as to become, on and from the Appointed Date, the Undertakings of the Transferee Company by virtue of and in the manner provided in this Scheme.

4.2 Transfer of Assets:

4.2.1 Without prejudice to the generality of clause 4.1 above, on the coming into effect of this Scheme and with effect from the Appointed Date:



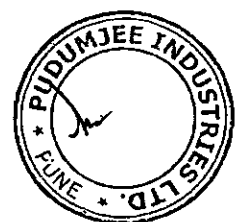
- (a) All the assets and properties comprised in each of the Undertakings, except the portions dealt with under sub-clause (b) below, of whatsoever nature and wheresoever situate and which are incapable of passing by manual delivery, shall, under the applicable provisions of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, on and from the Appointed Date, the assets and properties of the Transferee Company, subject however to the provisions of clause 4.4 herein below.
- (b) Without prejudice to the provisions of sub-clause (a) of this Clause 4.2.1 in respect of such assets and properties of each of the Transferor Companies, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by each Transferor Company to the Transferee Company and shall, upon such transfer, become the assets and properties of the Transferee Company as an integral part of the Undertakings, without requiring any deed or instrument or conveyance for the same.
- (c) In respect of movable properties of each of the Transferor Companies other than those dealt with in sub-clause (b) of this clause 4.2.1, any incorporeal property and current assets, including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, Semi-Government, local or other authority or body or with any company or other person, the same shall, on and from the Appointed Date, stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors or any other person. The Transferee Company may, without being obliged to do so, give notice in such form as it may deem fit and proper to each person, debtors or depositor.



authority, body or company, as case may be, that the said property, debts, loans, advances, balances, investments, and deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto.

(d) All registrations, agreements, rights, claims, privileges, contracts, entitlements, assignments, grants, permits, licenses, approvals, authorizations, concessions, consents, engagements, arrangements, reversions, powers, sanctions, authorities, allotments, permissions, quotas, subsidies, special status, incentives, exemptions, relaxations, tax and other benefits enjoyed, or conferred, on or held or availed of by each of the Transferor Companies and all rights and benefits that have accrued or which may accrue to the respective Transferor Companies, whether before or after the Appointed Date, shall, pursuant to the applicable provisions of the Act, without any further act, instrument or deed, cost or charge be and stand transferred to and vested in or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date, the registrations, agreements, rights, claims, privileges, contracts, entitlements, assignments, grants, permits, licenses, approvals, authorizations, concessions, consents, engagements, arrangements, reversions, powers, sanctions, authorities, allotments, permissions, quotas, subsidies, special status, incentives, exemptions, relaxations, tax and other benefits of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

4.2.2 All Assets and properties comprised in the Undertakings of the Transferor Companies as on the Appointed Date, whether or not included in the books of the Transferor Companies, and all assets and properties, which are acquired by the Transferor Companies on or after the Appointed Date, shall be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this

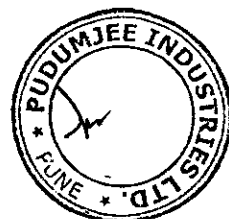


Scheme, and shall pursuant to the applicable provisions of the Act, without any further act or deed, be and stand transferred to and vested in the Transferee Company.

4.2.3 It is clarified, for the removal of doubt, that on and from the Appointed Date, for the purpose of determining the eligibility criteria or for qualifying to bid for any project or contract or work relating to the Undertaking and business of any Transferor Company transferred to the Transferee Company, the Transferee Company shall be deemed to have the benefit of the experience and track record of the concerned Transferor Company and shall be entitled to claim or rely on past experience and /or track record as if the same was that of the Transferee Company.

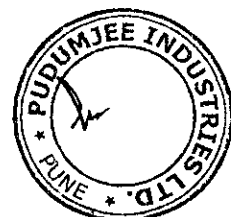
4.3 Transfer of Liabilities

4.3.1 Without prejudice to the generality of clause 4.1 above, on the coming into effect of this Scheme and with effect from the Appointed Date, all debts, loans, (including convertible loans, if any), liabilities, duties, undertakings and obligations of each of the Transferor Companies of any kind, nature and description whatsoever and howsoever arising including any guarantees, letters of credits, letters of comfort or any other instrument or arrangements which may give rise to a contingent liability in whatever form, borrowings and bills payable of, security or other deposits and advances received by, interest and other obligations or guarantees given or undertaken by the Transferor Companies as on the Appointed Date, whether or not provided in the financial statements of the Transferor Companies, shall, pursuant to the sanction of this Scheme by the Tribunal and pursuant to the applicable provisions of the Act, be transferred or be deemed to be transferred to the Transferee Company, without any further act, instrument, deed, matter or thing and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Appointed Date so as to become on and from the Appointed Date the liabilities of the Transferee Company on the



same terms and conditions as were applicable to the respective 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 debts, loans, liabilities, duties, undertakings and obligations have arisen in order to give effect to the provisions of this Clause.

- 4.3.2 All debts, loans (including convertible loans, if any), liabilities, duties, undertakings and obligations of the Transferor Companies of any kind, nature and description, whatsoever and howsoever arising including any guarantees, letters of credits, letters of comfort, or any other instrument or arrangement which may give rise to a contingent liability in whatever form, borrowings and bills payable of, security or other deposits and advances received by interest and other obligations or guarantees given or undertaken by any of the Transferor Companies or which may arise or accrue to the Transferor Companies (other than loans and liabilities that exist or may arise, *inter se*, if any of the Transferor Companies or between any of the Transferor Companies and the Transferee Company) after the Appointed Date shall be deemed to have been raised, utilised, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding, shall, pursuant to the applicable provisions of the Act, without any further act, instrument or deed be and stand transferred to and assumed by or be deemed to have been transferred to and assumed by the Transferee Company on the same terms and conditions as were applicable to the respective Transferor Companies and shall become debts, loans, liabilities, duties, undertakings and obligations of the Transferee Company on the same terms and conditions as were applicable to the respective 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 debts, loans, liabilities, duties,



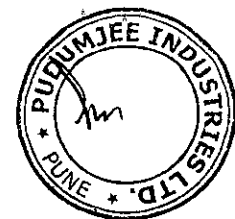
undertakings and obligations have arisen in order to give effect to the provisions of this Clause.

4.3.3 Where any of the debts, loans (including convertible loans, if any), liabilities, duties, undertakings and obligations of the respective Transferor Companies of any kind, nature and description, whatsoever and howsoever arising including any guarantees, letters of credits, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form, borrowings and bills payable of, security or other deposits and advances received by, interest and other obligations or guarantees given or undertaken by, the respective Transferor Companies as on the Appointed Date have been discharged by the concerned Transferor Companies after the Appointed Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

4.3.4 Debts, loans, liabilities, duties, undertakings and obligations if any, due or which may hereafter become due *inter-se* the Transferor Companies or between any of the Transferor Companies 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 appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any such inter-company debts, loans, liabilities, duties, undertakings and obligations with effect from the Appointed Date.

4.4 Encumbrances:

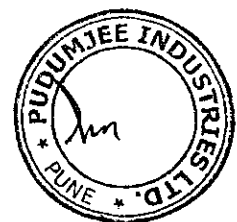
4.4.1 The transfer and vesting of the assets and properties of the Transferor Companies under clauses 4.1 and 4.2 of this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.



4.4.2 (a) In so far as the assets and properties of the Transferor Companies are concerned, the securities, charges, encumbrances, or liens, if any (referred to as the "Encumbrances"), created, over the assets and properties or any part thereof of the respective Transferor Companies transferred to the Transferee Company in terms of this Scheme shall, without any further act or deed, continue to relate or attach to such assets and properties or any part thereof of the respective Transferor Companies transferred to the Transferee Company, but such Encumbrances, if any, shall not relate or attach to any of the assets and properties of the Transferee Company or any part thereof, or the assets and properties of the other Transferor Companies or any part thereof transferred to the Transferee Company in terms of this Scheme, save to the extent warranted by the terms of any existing security arrangements to which all or any of the Transferor Companies and the Transferee Company are party, and consistent with the joint obligations assumed by them under such arrangements.

(b) Without prejudice to sub-clause (a) of this clause 4.4.2, it is clarified that any reference in any security documents or arrangements (to which a Transferor Company is a party) to any Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company, provided always that such Encumbrances, if any, shall extend only to and over the assets and properties of the respective Transferor Companies transferred to and vested in the Transferee Company in terms of this Scheme and not any of the assets and properties of the Transferee Company or the assets and properties of the other Transferor Companies transferred to the Transferee Company in terms of this Scheme.

4.4.3 The existing securities, encumbrances or liens over the assets and properties of the Transferee Company or any part thereof shall continue to relate or attach to the assets and properties of the Transferee Company to



which the same relate or attach and nothing contained in this Scheme shall operate to enlarge or extend such securities, charges, encumbrances, or liens to any of the assets or properties, if any, of the Transferor Companies or any part thereof which are transferred to and vested in the Transferee Company in terms of this Scheme.

4.4.4 Without prejudice to the foregoing provisions, the Transferee Company may execute any supplemental instruments or documents for recording the charge of the entity and do all acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the Registrar of Companies, Maharashtra, Pune, to give formal effect to the substitution of the names of the Transferor Companies with the name of the Transferee Company, if required.

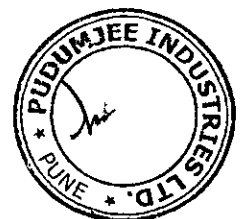
4.4.5 The provisions of this clause 4.4 shall operate in accordance with the terms of this Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

4.5 Inter-se Transactions:

Without prejudice to clauses 4.1 to 4.4, with effect from the Appointed Date, all inter-party transactions *inter-se* any of the Transferor Companies and between any of the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed.

5. CONTRACTS, DEEDS, ETC.

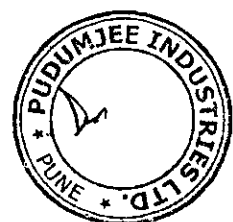
5.1 On the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and



other instruments (including all tenancies, leases, licenses and other assurances in favour of any the Transferor Companies or powers or authorities granted by or to any of the Transferor Companies) of whatsoever nature to which the Transferor Companies are a party or to the benefit of which any of the Transferor Companies may be eligible, and which are subsisting or having effect, shall, without any further act, instrument or deed, continue in full force and effect in favour of, by, for or against the Transferee Company and may be enforced as fully and effectually as if, instead of the concerned Transferor Companies, the Transferee Company had been a party or beneficiary or obligee or obligor thereto or thereunder.

5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that the vesting of the Undertakings occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme if so required, under any law or otherwise, take such actions or enter into, or issue or execute deeds, writings, confirmations, novations, declarations or other documents with, or in favour of, any party to any contract or arrangement to which any of the Transferor Companies is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, be deemed to execute any such writings on behalf of the concerned Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes referred to above.

5.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, sanctions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company, shall, without any further act, instrument or deed by Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be



bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company.

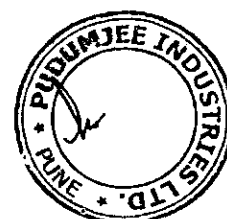
6. **LEGAL PROCEEDINGS**

All suits, actions and legal proceedings, if any, instituted and/or pending and/or arising by or against any of the Transferor Companies shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been originally instituted and/or were pending and / or arising by or against the Transferee Company.

7. **CONDUCT OF BUSINESS**

With effect from the Appointed Date:

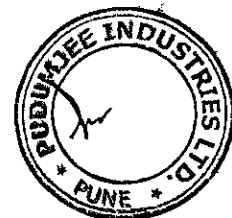
- (a) The Transferor Companies shall carry on and shall be deemed to have carried on all their business and activities relating to its respective Undertakings as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of their Undertaking on account of and for the benefit of and in trust for, the Transferee Company.
- (b) The Transferor Companies shall carry on their business with reasonable diligence and in the same manner as they had been doing hitherto and they shall not alter or substantially expand their businesses except with the concurrence of the Transferee Company.
- (c) All the profits or incomes accruing or arising to the Transferor Companies, and all expenditure or losses arising or incurred (including all taxes, if any, paid or accruing in respect of any profits and income) in



relation to their respective Undertakings shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or as the case may be, expenditure or losses (including taxes) of the Transferee Company.

(d) All taxes (including income tax, sales tax, excise duty, custom duty, service tax, VAT, goods and service tax, etc) paid or payable by the Transferor Companies in respect of their respective operations and/or the profits of the business up to the Appointed Date, shall be on account of the Transferor Companies and, in so far as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, goods and service tax, etc), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of their businesses on and after the Appointed Date, including refund of tax if any, due to transferor companies, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

(e) Any of the rights, powers, authorities and privileges attached or related or pertaining to the Undertakings and exercised by or available to the respective Transferor Companies shall be deemed to have been exercised by the Transferor Companies for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, relating or pertaining to the Undertakings that have been undertaken or discharged by the respective Transferor Companies shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

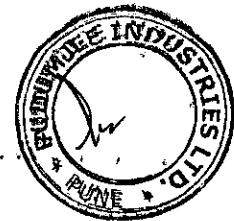


8. EMPLOYEES

On the coming into effect of this Scheme, all the employees, if any, of the Transferor Companies who are in employment of the Transferor Companies, without any break or interruption in service and on the terms and conditions as to employment and remuneration no less favourable than those applicable to them with reference to their employment with the Transferor Companies.

8.1 The amounts transferred by the Transferor Companies towards gratuity, provident fund, pension, and/or superannuation fund or trusts or retirement funds or benefits, if any, for the benefit of the employees (collectively referred to as the "Funds") and the investments made out of such Funds shall, at an appropriate stage, be transferred to the Transferee Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate funds of the Transferee Company for the benefit of the employees of the Transferor Companies or be transferred to and merged with other similar funds of the Transferee Company. In the event that the Transferee Company does not have its own funds with respect to any such Funds, the Transferee Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute thereto, until such time as the Transferee Company creates its own funds at which time the Funds and investments and contributions pertaining to the employees of the Transferor Companies shall be transferred to such funds to the Transferee Company.

8.2 With effect from the date of filing of this Scheme with the Tribunal, the Transferor Companies shall not vary or modify the terms and conditions of employment of any of their respective employees, except with the written consent of the Transferee Company.



9. **SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Undertakings of the Transferor Companies under this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Companies on or before the Appointed Date or after the Appointed Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Companies as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

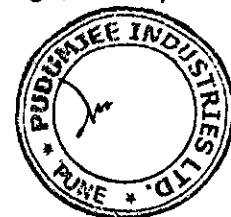
PART III

ALTERATION OF AUTHORISED SHARE CAPITAL AND OBJECTS CLAUSE OF THE TRANSFEE COMPANY

10. **CANCELLATION OF EQUITY SHARE CAPITAL OF THE TRANSFEROR COMPANIES:**

10.1 Both the Transferor Companies are wholly owned subsidiaries of the Transferee Company. On the Scheme taking effect, the entire issued, subscribed and paid-up equity share capital of all the Transferor Companies shall, *ipso facto*, without any further application, act, deed, or instrument stand extinguished and cancelled since the equity shares are held by the Transferee Company and its nominees.

10.2 On cancellation of the share capital of the Transferor Companies, the share certificates issued by each of the Transferor Companies in relation to their respective equity shares shall, without any further application, act, deed, or instrument be deemed to be and stand automatically cancelled. In relation to equity shares of any Transferor Companies which are held in dematerialized form, the Transferee Company shall do, execute and take all necessary steps, actions, matters or things and make all necessary filings, as required to give effect to the cancellation.



11. INCREASE IN AUTHORISED SHARE CAPITAL OF THE TRANSFEEE COMPANY:

11.1 Upon the scheme coming into effect, the authorised share capital of the Transferee Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of the Transferee Company, (including payment of stamp duty and fees payable to Registrar of Companies), by an amount of Rs. 32,00,00,000/- (Rupees Thirty Two Crores Only), and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital), shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under section 13 read with section 61 of the Act, or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be utilized and applied to the increased authorised share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

11.2 Accordingly, upon the Scheme taking effect and without any further application, act, deed, or instrument, the authorised share capital of the Transferee Company shall stand enhanced to an amount of Rs. 57,00,00,000 (Rupees Fifty Seven Crores Only) divided into 28,50,00,000 (Twenty Eight Crore Fifty Lakhs) equity shares of Rs. 2 (Rupees Two Only) each and the capital clause being clause V of the Memorandum of Association of the Transferee Company shall stand amended as follows:



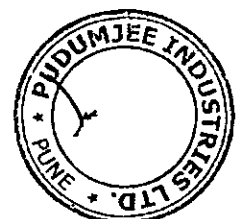
"V. The Authorised Share Capital of the Company is Rs. 57,00,00,000 (Rupees Fifty Seven Crores Only) divided into 28,50,00,000 (Twenty Eight Crore Fifty Lakhs) equity shares of Rs. 2 (Rupees Two Only) each with a power to increase, from time to time, or reduce its capital and to divide the shares in the capital for the time being into different classes and to attach thereto such preferential, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or put restrictions in such manner as may, for the time being be permitted by the Articles of Association of the Company or the legislative provisions for the time being in force in that behalf."

12. ALTERATION OF THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEEE COMPANY

12.1 Clause III of the Memorandum of Association of the Transferee Company shall, as a part of and, upon the Scheme taking effect and without any further application, act, deed, or instrument stand amended as under :

12.1.1 Sub-clauses 1 and 2 of Clause III shall be replaced with the following :

1. *To carry on the business of manufacturers, buyers, sellers, importers, exporters of and agents 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, cream-laid wove paper, glassine paper, 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, sensitized paper, chemically treated paper, litmus paper, photographic paper, glass paper, emery paper, paste-board, card-*



paper, photographic paper, glass paper, emery 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.

2. *To purchase, take on lease or in exchange, hire or otherwise acquire, transfer and deal in any lands and buildings and any estate or interest and any rights connected with any such lands and buildings and to develop and turn to account any such, land, building, estate or any interest and rights therein or in which the company is interested and in particular by laying out and preparing the same for building purposes and to carry on business of land developers, builders, engineers, contractors, erectors, designers, architects, decorators, planners, surveyors, consultants, advisers, constructors of buildings, houses, apartments, structures, residential complexes, industrial and commercial complexes, developers of housing schemes, townships, recreation centers, shopping malls, holiday resorts, hotels, motels, guest houses and construction of roads, highways, bridges, parking plazas, bus terminals and complexes whether on contract or public private partnership basis, warehouses, hospitals, nursing homes, clinics, godowns and structures for educational purposes and convenience, to purchase for development or for resale lands, house, houses, buildings, structures and other properties of any tenure, and any interest therein and purchases, sell and deal in free-hold and lease-hold lands and to make advance upon the security of lands, houses, structures and other property or any rights or interest therein and generally deal in land and constructed property.*



12.1.2 New sub-clauses 3, 4, 5 and 6 as given below shall be inserted in Clause III:

3. *To carry on the business, subject to approval(s) from appropriate Authority(ies), of an investment company, to buy, invest in and acquire and hold shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations and securities issued or guaranteed by any group company or body corporate constituted or carrying on business in India or elsewhere, or any government, trust, municipal, local or other authority, public sector undertakings, financial institutions, any other persons or otherwise and to invest and join partnership firms by original subscription, syndicate participation, tender purchase or otherwise and to manage portfolio investments and to carry on and undertake the business of finance, making loans or advances to group companies and other bodies corporate.*
4. *To carry on the business, subject to approval(s) from appropriate Authority(ies), of financing industrial enterprises and to carry on the business of a finance company and to finance, lend and advance moneys to industrial enterprises, companies, firms, individual and all other entities either upon security of any property movable or immovable or without any security and to promote and assist in the establishment and growth of industries and industrial undertakings and to make loans, give guarantees and provide securities to or on behalf of anybody corporate or other person whether promoted and/or managed by this Company or not.*
5. *To carry on the business of buying, selling, importing, exporting, manufacturing, marketing and agency business in all kind 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 and leasing of tissue converters.*
6. *To transact and carry on all kinds of agency business.*



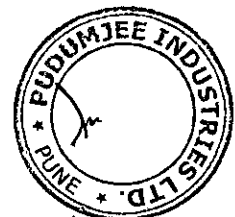
- 12.1.3 Sub-clauses 24, 46, 50, 51 and the second paragraph of clause 48 of Clause III shall stand deleted.
- 12.1.4 The new sub-clauses 1 to 6 included under paras 12.1.1 and 12.1.2 shall be the objects to be pursued by the Company and all other clauses shall be matters considered necessary in furtherance of the objects of the Company.
- 12.2 It is clarified that for the purposes of this Clause 12, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above amendment in the objects of the Transferee Company and shall be deemed to include consent under any other provision of the Act that may be applicable and no further resolution under any other provision of the Act including section 13 would be separately required.

PART IV

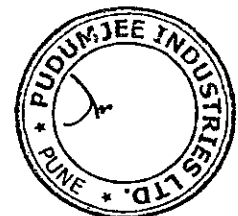
ACCOUNTING TREATMENT AND DIVIDENDS

13 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

- 13.1. The amalgamation of the transferor companies will be accounted following "Purchase Method" of accounting as per the provisions mentioned under accounting standard 14 "Accounting for Amalgamation" issued by Institute of Chartered Accountants of India. Accordingly, on the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall record, all the Assets and Liabilities recorded in the books of account of the Transferor Companies and transferred and vested in the Transferee company pursuant to this Scheme, at their respective fair values.



- 13.2. As considered appropriate for the purpose of reflecting the values of assets and liabilities of the Transferor Companies in the books of the Transferee Company on the Appointed Date, suitable effect may be given including, but not restricted to, application of uniform accounting policies and methods.
- 13.3. On this Scheme taking effect, the investment held by the Transferee Company in the Transferor Companies and by the Transferor Companies *inter-se* will stand cancelled and there shall be no further obligation outstanding in that behalf.
- 13.4. The obligations in respect of inter-corporate loans or balances, if any, of any of the Transferor Companies and the Transferee Company or the Transferor Companies *inter-se* shall come to an end and shall stand cancelled.
- 13.5. The difference between (A) the value of respective investments carried in the books of the Transferee Company and (B) the "Net Assets" of the respective Transferor Company as determined in terms of clause 13.1 and 13.2 above, shall be debited to "Goodwill Account" or credited to "Capital Reserve" Account as the case may be, in the books of the Transferee Company, and dealt with in accordance with the Accounting Standard AS-14 issued by the Institute of Chartered Accountants of India.
- 13.6. Goodwill Account, if any as per clause 13.5 above is to be amortized to income on a systematic basis over the estimated useful life. Further it will be tested for impairment at every year end .
- 13.7. The Accounting treatment and adjustment prescribed above, wherever applicable is in compliance with the accounting treatment, as prescribed under the accounting standards applicable to the Transferee Company.



13.8. All costs, charges, stamp duty incurred in connection with giving effect to this Scheme shall be debited by the Transferee Company to its statement of Profit and Loss.

14 DECLARATION OF DIVIDEND

14.1 With effect from the date of filing of this Scheme with the Tribunal, the Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders.

14.2 Until the coming into effect of this Scheme, the holders of shares of the Transferor Companies and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including their right to receive dividend.

PART V

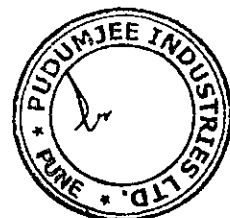
**DISSOLUTION OF TRANSFEROR COMPANIES AND
GENERAL TERMS AND CONDITIONS**

15 DISSOLUTION OF TRANSFEROR COMPANIES

On the coming into effect of this Scheme, both the Transferor Companies shall stand dissolved without winding-up and the respective Board of Directors of the Transferor Companies and any Committees thereof shall, without any further act, instruments and deed, be and stand dissolved.

16 VALIDITY OF EXISTING RESOLUTIONS, ETC.

On the coming into effect of this Scheme, the resolutions, if any, of the Transferor Companies, which are valid and subsisting, shall continue to be



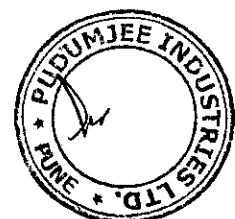
valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits imposed under the provisions of the Act, then the said limits shall be added to the limits, if any, imposed under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

17 MODIFICATION OF SCHEME

17.1 (a) The Transferor Companies and the Transferee Company by their respective Boards of Directors or any Committee thereof, or shareholders, may, if the Tribunal or any authorities under law may require or impose, in their discretion, accept any modifications or amendments or additions to this Scheme, or they may, subject to the approval of the Tribunal, make modifications or amendments or additions to this Scheme as the Board of Directors of the Transferor Companies and the Transferee Company may deem fit, and the Transferor Companies and the Transferee Company, by their respective Boards of Directors or any Director authorised in that behalf (referred to as the "Delegate"), are authorised to do and execute all acts, deeds, matters and things necessary for bringing the modified Scheme into effect.

(b) In the event that any conditions imposed by the Tribunal or any Governmental Authorities are found unacceptable by the Transferor Companies or the Transferee Company for any reason, then the Transferor Companies and the Transferee Company shall be at liberty to withdraw the Scheme.

17.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferor Companies and Transferee Company may give and are



authorised to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

18 FILING OF APPLICATIONS

The Transferor Companies and the Transferee Company shall with all reasonable dispatch, make and file all notices and applications under sections 230 to 232 of the Act and / or other applicable provisions of the Act, as the case may be, before the concerned Governmental Authorities for confirmation of this Scheme and for the dissolution without winding up of the Transferor Companies under the provisions of the Act, provided that if so directed by the Tribunal, Transferor Companies and the Transferee Company shall comply with the applicable provisions of sections 230 to 232 and other applicable provisions of the Act, as the case may be.

19 APPROVALS

The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to own the Undertakings and to carry on the business of the Transferor Companies or any of them.



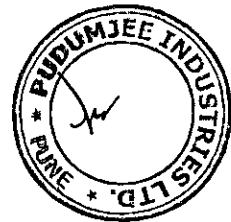
20 SCHEME CONDITIONAL UPON SANCTIONS, ETC.

This Scheme is conditional on and subject to:

- (i) The Scheme being agreed to by the requisite majority of the members of each of the Transferor Companies and the Transferee Company and by such other persons as may be required under the Act or any other Act, applicable if any;
- (ii) All approvals, sanctions or consents of the concerned Governmental Authority or the Tribunal or SEBI, as may be required by law in respect of this Scheme being obtained; and
- (iii) Compliance with such other conditions as may be imposed by Hon'ble Tribunal.
- (iv) Filing of the certified copy of the order of the Tribunal or such other competent authority, as may be applicable, with the Registrar of Companies for registration.

21 SEVERABILITY

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



22 COSTS, CHARGES AND EXPENSES

All costs, charges and expenses (including any taxes and duties) of or payable by the each of the Transferor Companies and Transferee Company in relation to or in connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Companies with the Transferee Company in pursuance of this Scheme including stamp duty on the Orders of the Tribunal, if any, and to the extent applicable and payable shall be borne and paid by the Transferee Company.

