

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
PUDUMJEE PAPER PRODUCTS LIMITED**



GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

Registrar of Companies, Pune
Pune PMT Building , 3rd Floor , Deccan Gymkhana

Certificate of Incorporation

[Pursuant to sub-section (2) of section 7 of the Companies Act, 2013 and-
rule 8 of the Companies (Incorporation) Rules, 2014]

I hereby certify that PUDUMJEE PAPER PRODUCTS LIMITED is incorporated on this Fourteenth day of January Two Thousand Fifteen under the Companies Act, 2013 and that the company is limited by shares.

The CIN of the company is U21098PN2015PLC153717.

Given under my hand at Pune this Fourteenth day of January Two Thousand Fifteen.

Signature valid
Digitally signed by
Shamrao Dattatray Patil
Date: 2015.01.14
10:53:28 GMT+05:30

SHAMRAO DATTATRAY PATIL
Assistant Registrar of Companies
Maharashtra

Mailing Address as per record available in Registrar of Companies office:

PUDUMJEE PAPER PRODUCTS LIMITED
THERGAON, PUNE - 411033,
Maharashtra, INDIA



THE COMPANIES ACT, 2013
MEMORANDUM OF ASSOCIATION
OF
PUDUMJEE PAPER PRODUCTS LIMITED
(COMPANY LIMITED BY SHARES)

1ST The name of the Company is “PUDUMJEE PAPER PRODUCTS LIMITED”.

2ND The registered office of the Company will be situated in the State of Maharashtra within the Jurisdiction of Registrar of Companies Pune.

3RD

a. THE OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE :

1. #To carry on the business of manufacturers, buyers, sellers, importers, traders, exporters of and dealers in all kinds and classes of paper, board and pulp and all other related raw materials, including Specialty paper, writing paper, printing paper, news-printing paper, absorbent paper, wrapping paper, all types of papers coated/laminated with materials like polythene, polypropylene, other polymers either organic or otherwise, natural and or synthetic waxes, natural and or synthetic rubber and such other products, wrapping paper, tissue paper, paper napkins, paper towels and all types of hygiene products made of paper or otherwise, 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, all kinds of kraft paper, manilla 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 other 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 design, manufacture, sell or otherwise deal in all kinds of printing, publication, stationery and stationery products, pharmaceutical, nutraceutical, and packaging solutions for consumer, industrial, scientific, other applications, whether flexible or rigid, and all such products and activities connected to the foregoing all kinds of packaging services like packaging and/or application machinery, and material whether containing paper or pulp based product or not, including laminates made by combining different materials, all types and forms of containers, closures, bags, pouches, portion packs, cellulosic fibres and any other fibre products made out of such fibres, any other article or things of a character similar or analogous to the foregoing or connected therewith including all allied downstream value added products, to process, treat and to do other experimentation, to work out special kinds of products, papers, boards and pulp; and manufacture and deal in the same and other produce, by-products, co-products, joint-products and commodities connected therewith including processing and disposal of waste and its products, 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 and board and all and every other article connected therewith.

#(Object Clause of the Company is altered by a Special Resolution passed by way of Postal Ballot on 25.12.2020)

b. MATTERS WHICH ARE NECESSARY FOR THE FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE 3rd (a):

1. To manufacture, purchase, sell and deal in plant, machinery, equipment, stores and materials for all or any of the purposes of the Company and to dispose of all or any portion of plant, machinery, equipment, stores and materials as may be necessary or expedient.
2. To amalgamate with any Company or Companies having objects altogether or in part similar to those of this Company.
3. To sell, lease, exchange or otherwise deal with or dispose of the whole or ant part of the property, whether movable or immovable or of any nature or kind, of the Company.
4. To sell and in any other manner deal with or dispose of the undertaking of the Company or any part thereof, for such consideration as the Company may think fit, and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the Company.

5. To enter into partnership or into any arrangement for sharing or pooling profits, merger/demerger, amalgamation, union of interests, co-operation, joint venture, reciprocal concessions or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engaged in any business or transaction which this Company is authorized to carry on or engaged in which may seem capable of being carried on or conducted so as directly or indirectly to benefit the Company.
6. To borrow or raise money or secure the payment of money or receive money with or without interest by way of debentures or otherwise in such manner as the Company may think fit, by way of joint venture ship with public participation with the association and participation of its associates by issuing units.
7. To enter into any arrangements with any Government or Authorities Central, State, Municipal, Local or otherwise, or any person or firm or Company that may seem conducive to the objects of the Company or any of them and to obtain from any such Government, Authority, Person, Firm or Company any rights, privileges, charters, contracts, licenses and concessions which the Company may think it desirable to obtain and to carry out, exercise and comply therewith.
8. To purchase, take on lease or in exchange, hire or otherwise acquire any movable, immovable or other properties and any rights or privileges which the Company may think necessary, expedient or convenient for the purpose of its activity or which may enhance the value of any other property of the Company and in particular any land, buildings, basements, machinery, plant stock in trade, vehicles and other assets.
9. To enter into any agreement and arrangements of financial collaboration, technical assistance and management with foreign or Indian experts in paper and other related industry.
10. To apply for, tender, purchase or acquire and contracts, sub-contracts, license, concession for or any relation to the objects or activity herein mentioned or any of them and to undertake, execute, carry out, dispose off or otherwise turn to account the same.
11. To let, mortgage, charge, sell or dispose of any property of the Company either absolutely or conditionally in such manner and upon such terms and conditions in all respect as may be thought fit and to accept payment for satisfaction of the same in cash.

12. To adopt such means of making known the activity carried on by the Company as may seem expedient and in particular by advertising in the press, by circulars and exhibitions of work of art and display, by publication of books and periodicals and by granting prizes, rewards, donations, gifts.
13. To procure the recognition of the Company in any country, state or place and to establish and regulate agencies for the purpose of the Company's business and to apply or join in applying to any parliament, laws, resolution, decrees, concession, orders, rights, or privileged objects or any of them and to oppose any proceeds or applications which may seem calculated directly or indirectly to be prejudicial to the interests of the Company or which may be affecting the Company's interests.
14. To create any depreciation fund, reserve fund, sinking fund, insurance fund, or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining any of the property of the company or for redemption of debentures or redeemable preference shares.
15. To remunerate or make donations by cash or other assets or by the allotment of fully or partly paid shares by all call or option or shares, debentures, debenture stock or securities of this or any other company or in any other manner whether out of Company's capital or profits or otherwise to any person or persons, firm or company for services rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription of any shares, debenture, stock or other securities of the Company.
16. To place as reserve or to distribute as bonus shares among the members or otherwise to apply as the Company may from time to time think fit, any moneys arising from the sale by the Company or forfeited shares.
17. To distribute any of the property of the Company in specie among the members subject to the provisions of the Companies Act, in the event of winding up.
18. To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the promotion, formation and registration of the Company or issue of its capital including

brokerage and commissions for obtaining application for taking, placing, underwriting or procuring the underwriting of shares, debentures or to other securities of the Company.

19. To pay all the preliminary expenses of any Company promoted by the Company or any company in which this Company is or may contemplate being interested and preliminary expenses may include all or any part of costs, and expenses of owners of any activity or property acquired by the Company.
20. To open current or fixed deposit and other accounts with bank, and to pay into and draw money from such accounts.
21. To establish branches and appoint agents in India and outside India, for or in connection with all or any of the objects of the Company.
22. To insure the whole or any part of the property of the Company either fully or partly to protect and indemnify and part or portion thereof.
23. To remunerate directors, the managing director, whole time director, officers, staff and employees of the Company and others out of or in proportion to the returns of profits of the Company as the Company may deem fit.
24. To assist the Government authorities and other institutions for rural development, and rural uplift, creating employment, social development and other activities for the benefit of general public, either actively or otherwise and by contribution of cash or otherwise and also to undertake any other CSR activities alone or conjunctively with others.
25. To train or pay for the training in India or abroad of any member or any of the Company's employees or directors or any other candidate in the interests of and for the furtherance of the Company's business.
26. To provide for the welfare of the employees or ex-employees of the Company and the wives and families or dependents or connections of such persons by building or contributing to the building of houses, dwellings, or chawls or by grants of money, pensions, allowances, bonus or other funds, institutions or trusts and to provide or subscribe or contribute towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance, clubs or other assistance as the Company shall think fit, and to subscribe or

contribute or otherwise assist to guarantee money to charitable, benevolent, religious, scientific, national, or other institution or objects which shall have any moral or any other claim to support or aid by the Company either by means of public utility.

27. To refer or agree to refer any claims, demands, disputes or any other question by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or his or their representatives or between the Company and the third party. To arbitration in or at any place outside India and to observe and perform and to do all acts, deeds and things to carry out or enforce the award.
28. To refer or agree to refer any claims, demands, disputes or any other question by or against the Company or in which the Company is interested or concerned and whether between the Company and the member or his or their representatives or between the Company and the third party. To arbitration in or at any place outside India and to observe and perform and to do all acts, deeds and things to carry out or enforce the award.
29. To indemnify officers, directors, agents, and servants of the Company against proceeding costs, damages, claims, and demands in respect of anything done or ordered to be done by them for in the interest of the Company or for any loss, damage or misfortune whatever, which shall be caused in execution of the duties of their office or in relation thereof.
30. To establish To establish and support or aid in establishment and support of associations, institutions, funds, trusts and conveniences, calculated to benefit employees or ex-employees of the Company or the dependents or relatives of such persons and to grant pension, allowances and gratuities and to make payments towards insurance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibitions or for any public object.
31. To acquire by purchase, lease, exchange or otherwise land, building, structures and hereditaments of any tenure or description whatsoever and any estate or interest therein and any rights over or connected with the land and to turn the same to account as may seem expedient and in particular by preparing buildings, sites and by constructing, reconstructing, altering, improving, decorating, re-erecting, furnishing

and maintaining office, flats, houses, laboratories, cold storage, factories, warehouse, shops, wharves, buildings, works and conveniences of all kinds and by leasing, transferring, same as may be necessary for the purpose of the Company.

32. To draw, accept and make and to endorse, discount or negotiate or to transfer promissory notes, hundies or bills of exchange, bills of lading and other negotiable instruments in connection with the business of the Company.
33. To invest or otherwise employ the money belonging or entrusted to the Company in movable or immovable properties or in securities or in such other manner as may be deemed expedient.
34. To advance, deposit or money, securities and property to or which such person and on such terms as may seem expedient, to customers and other having dealing with the Company and to give guarantee or become sureties for any such persons, firms or Companies.
35. To employ experts to investigate and examine into the condition, prospects, value, character and circumstances of any business concerns and undertaking and generally of any assets, property right.

4TH LIABILITY CLAUSE :

The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.

5TH AUTHORISED SHARE CAPITAL CLAUSE :

*The Authorized Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores Only) divided into 10,00,00,000 (Ten Crores) Equity shares of Re. 1/- each with a power to the Board of Directors to increase, from time to time or reduce its capital and to divide/sub divide the shares in the Capital for the time being into other classes and to attach thereto such preferential, qualified or such other 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.

**(Authorised Share Capital Clause of the Company is altered by a Special Resolution passed at the Extra Ordinary General Meeting held on Tuesday, the 8th December, 2015.)*

6TH SUBSCRIBERS' CLAUSE

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set against our respective names:—

Names, addresses, descriptions and occupations of subscribers	No. of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
1. Surendra Kumar Bansal S/O Shri Chandkaran Bansal 9, Meghraj, 17/1, Ideal Colony, Paud Road, Kothrud, Pune – 411038 Service (Representing Pudumjee Investment And Finance Company Ltd)	2,49,800 (Two Lacs Forty Nine Thousand Eight Hundred only)	Sd/-	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune – 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.
C/F	2,49,800 (Two Lacs Forty Nine Thousand Eight Hundred)		

DATE : 8th January, 2015
PLACE : Pune

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set against our respective names:—

Names, addresses, descriptions and occupations of subscribers	No. of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
b/f	2,49,800		
2. Surendra Kumar Bansal S/O Shri Chandkaran Bansal 9, Meghraj, 17/1, Ideal Colony, Paud Road, Kothrud, Pune – 411038 Service (Representing Pudumjee Holding Ltd)	2,25,000 (Two Lacs Twenty Five Thousand only)	Sd/-	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune – 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.
C/F	4,74,800 (Four Lacs Seventy Four Thousand Eight Hundred)		

DATE : 8th January, 2015

PLACE : Pune

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set against our respective names:—

Names, addresses, descriptions and occupations of subscribers	No. of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
b/f	4,74,800		
3. Surendra Kumar Bansal S/O Shri Chandkaran Bansal 9, Meghraj, 17/1, Ideal Colony, Paud Road, Kothrud, Pune – 411038 Service (Representing Pudumjee Hygiene Products Limited)	24,800 (Twenty Four Thousand Eight Hundred only)	Sd/-	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune – 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.
C/F	4,99,600 (Four Lacs Ninty Nine Thousand Six Hundred)		

DATE : 8th January, 2015

PLACE : Pune

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set against our respective names:—

Names, addresses, descriptions and occupations of subscribers	No. of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
b/f	4,99,600		
4. Hanuman Prasad Birla S/O Ram Chandra Birla Flat No. 11, Pudumjee Pulp & Paper Mills Colony, Thergaon, Pune – 411033 Service  C/F	100 (One Hundred only) 4,99,700 (Four Lacs Ninty Nine Thousand Seven Hundred)	Sd/-	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune – 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01- 2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.

DATE : 8th January, 2015
PLACE : Pune

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set against our respective names:—

Names, addresses, descriptions and occupations of subscribers	No. of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
b/f	4,99,700		
5. Gangadharan Nair S/O Krishnan Nair Flat No. 19, Pudumjee Pulp & Paper Mills Colony, Thergaon, Pune – 411033 Service  C/F	100 (One Hundred only)	Sd/-	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune – 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08/01/2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.
	4,99,800 (Four Lacs Ninty Nine Thousand Eight Hundred)		

DATE : 8th January, 2015
PLACE : Pune

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set against our respective names:—

Names, addresses, descriptions and occupations of subscribers	No. of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
b/f	4,99,800		
6. Ranganath Kulkarni S/O Manohar Kulkarni Nisarg Phase -1, Flat No A-6, Kaspate Wasti Road, Wakad, Pune – 411057 Service 	100 (One Hundred only)	Sd/-	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune – 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.
C/F	4,99,900 (Four Lacs Ninty Nine Thousand Nine Hundred)		

DATE : 8th January, 2015
PLACE : Pune

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set against our respective names:—

Names, addresses, descriptions and occupations of subscribers	No. of shares taken by each subscriber	Signature of subscriber	Signature, names, addresses, descriptions and occupations of witnesses
b/f	4,99,900		
7. Jagadish Patil S/O Waman Patil House No. 294, Gokul Ramnagar, Rahatani, Pune – 411017 Service 	100 (One Hundred only)	Sd/-	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune – 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.
Total	5,00,000 (Five Lacs)		

DATE : 8th January, 2015
PLACE : Pune

THE COMPANIES ACT, 2013
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION*
OF
PUDUMJEE PAPER PRODUCTS LIMITED

INTERPRETATION

Regulations in Table F in the schedule I to the Companies Act, 2013 shall apply to this Company except in so far as they are not inconsistent with any of the provisions contained in these regulations and except in so far as they are hereinafter expressly or impliedly excluded or modified. Application of Table "F"

I. 1. In these Regulations

Interpretation

"The Company" or 'This Company' means "PUDUMJEE PAPER PRODUCTS LIMITED" The Company or this Company

"The Act" means "The Companies Act, 2013" or any statutory modification or re-enactment thereof for the time being in force and Companies Act, 1956 (to the extent not repealed/not replaced by the Companies Act, 2013), as applicable. The Act

"Board of Directors" or "Board", in relation to a Board Company, means the collective body of the directors of the Company. Board

"Capital" means the Share Capital for the time being raised or to be raised for the purpose of the Company. Capital

"Director" means a director appointed to the Board of a Company. Directors

**(Articles of Association as adopted by a Special Resolution passed at the Extra Ordinary General Meeting held on Saturday, the 31st day of October, 2015.)*

"Dividend" includes any interim dividend.	Dividend
Words importing the masculine gender also include the feminine gender.	Gender
"In writing" and "Written" include printing, lithography and other modes of representing or reproducing words in a visible form.	In writing and written
"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers to the Memorandum of Association of the Company and every person whose name is entered as a beneficial owner in records of the Depository.	Member
"Month" and "year" means respectively a calendar month and calendar year.	Month and year
"Office" means the registered office for the time being of the Company.	Office
"The Register" means the Register of Members to be kept pursuant to the Act.	Register
"Persons" include corporations and firms as well as individuals.	Persons
Words importing the singular number include where the context admits or requires the plural number and vice versa.	Singular number
"Seal" means the common seal for the time being of the company.	Seal
"Ordinary Resolution" or "Special Resolution" shall have the meaning assigned thereto respectively by the Act.	Ordinary resolution and Special Resolution
The "Marginal Notes" hereto shall not affect the construction hereof.	Marginal Notes

Save as aforesaid, any words or expressions defined in the Act shall if not inconsistent with the subject or context bear the same meaning in these Articles.

The Company is a Public Company, within the meaning of Section 2 (71) of the Companies Act, 2013, and accordingly:

- (a) is not a private company;
- (b) has a minimum paid-up share capital of five lakhs rupees or such higher paid-up capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear ~~the same meaning as in the Act or any statutory~~ Interpretation modification thereof in force at the date at which these regulations become binding on the company.

Reference to any documents, agreement, circular, rules, enactment or these presents, shall be construed to refer to such documents, agreement, circular, rules, enactment or these present as amended, modified, substituted or re-enacted.

PRELIMINARY

Copies of the Memorandum and Articles of Association and other documents mentioned in Section 17 of the Act shall be furnished by the Company to any member at his request within seven days of the requirement subject to the payment of such fees as may be prescribed per copy of each of such documents. Copies of Memorandum and Articles to be given to the Members

SHARE CAPITAL AND VARIATION OF RIGHTS

- II. 1. (i) Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Shares in the Control of the Board of Directors
- (ii) The Authorised Share Capital of the Company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause 5 of the Memorandum of Association with power to increase or reduce, consolidate, convert, subdivide or cancel the capital in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf with the powers to divide the share capital, whether original increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such a manner as may for the time being be provided by the Regulations of the Company and allowed by law. Amount of Capital
- (iii) The minimum paid up Capital of the Company shall be Rs. 5,00,000/- (Rupees Five Lakhs).- Capital of the Company
- (iv) Subject to the provisions of the Act, Rules and these Articles, the Board may issue and allot shares in the capital of the Company in consideration of on payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business or as sweat equity and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. Allotment of shares otherwise than for cash
- (v) A. Subject to the provisions of the Act, where at Allotment of further

any time subsequent to the first allotment of shares share, it is proposed to increase subscribed capital of the Company by the allotment of further shares then, subject to any valid effective direction which may be given in general meeting and subject only to those directions,

- (a) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the company in proportion as nearly as circumstances admit, to the capital paid-up on these shares on that date.
 - (b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time, not being less than fifteen days and not exceeding thirty days from the date of offer within which the offer if not accepted, shall be deemed to have been declined;
 - (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any person and notice referred to in sub-clause (b) hereof shall contain a statement of this right;
 - (d) after expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declined to accept the shares offered, the Directors may dispose in such manner as they think most beneficial to the Company.
- B. Nothing in clause (c) of sub-clause (A) hereof shall be deemed (a) to extent to the time within which the offer should be accepted, or (b) to authorize any person to exercise the right of renunciation for second time, on the grounds that the person in whose favour renunciation was first made has declined to take shares comprised in the renunciation.

2. The Company may in General Meeting before the issue of any new shares determine any shares forming part of any increased capital of the Company or any of them shall be offered in the first instance to such persons (whether member or holder of debentures of the Company or any class thereof or not) in such proportion upon such terms and conditions and either at a premium or at par or subject to compliance with the provisions of the Act at a discount as such General Meeting may determine and with full power to give to any person the option to call for or be allotted shares of any class of company either at par or at premium or subject as aforesaid at a discount, such option being exercisable at time or such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any such shares. Offer of new capital
3. Except so far as otherwise provided by the condition of issue or by these articles, any capital raised by creation of new shares shall be considered part of the original capital and shall be subject to provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise. How far new shares to rank with shares of original capital
4. The Shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, on such terms and conditions either at a premium or at par and at such times, as the director may, subject to the provisions of the Act and these Articles, think fit, PROVIDED THAT option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. Shares at the disposal of the Directors

5. Subject to the provisions of the Act and these Articles, the Board may allot and issue shares in the capital of the Company as the payment of any property sold or transferred or for services rendered to the Company in the conduct of its business in the promotion of the Company and any shares which may be so issued shall be deemed to be fully paid-up shares. The Board may issue shares as fully paid-up
6. The Money (if any) which the Directors shall on allotment of shares being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares, shall immediately on the allotment become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly. Deposit and call etc. to be a debt payable immediately
7. Every member or his heirs, executors and administrators shall pay to the Company the proportion of the capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner, as the Board shall from time to time in accordance with the Company's regulations require or fix for the payment thereof. Liability of Member
8. The joint-holders of shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares. Liability of joint holders of shares
9. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,— Issue of Share Certificate
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first or such fees as per the rules prescribed in this behalf.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

PROVIDED HOWEVER THAT the Board of Directors may refuse or sub-divide or split shares certificate into denomination of less than fifty shares being the market lot except when such sub-division is required to be made to comply with a statutory order or an order of competent court of law.

10. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate or such fees as per the rules prescribed in this behalf. Issue Of Duplicate Share Certificates
- (ii) The provisions of Articles (9) and (10) shall mutatis mutandis apply to debentures of the company.
11. The certificate of shares registered in the names of two or more but not exceeding four shall be delivered to the persons first name in the register. To which of joint holders certificate to be issued
12. If any shares stand in the names of two or more persons, but not exceeding four, the person first names in the register shall as regard receipts of any dividends or bonus or service of notice all or any other matters connected with the Company except with voting at the meeting and transfer of shares be deemed the sole holder thereof. First named of joint holder deemed sole

13. In the case of death of any one or more of the shares named in the register as the joint holders of any shares the survivors or survivor shall be the only persons or person recognized by the Company as having any title to or interest in such shares but nothing herein contained shall be taken to release the estate of a joint holder from any liability on shares held by him jointly with any other person. Death of one or more joint holders of shares
14. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. Shares held in trust
15. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. Payment of Commission

(ii) the commission may be paid out of proceeds of the issue or the profits of the company or both.

(iii) the rate of commission paid or agreed to be paid shall not exceed, in case of shares, five percent of the price at which the shares are issued and in case of debentures, shall not exceed two and a half per cent of the price at which the debentures are issued.

(iv) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
16. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Companies Act, 2013 or Section 106 & 107 of the Companies Act, 1956 as applicable, and variation of Shareholder's Rights

whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

17. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. Rights of Shareholders
18. Subject to the provisions of section 55, any preference shares may, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine. Preference Shares

LIEN

19. (i) The company shall have a first and paramount lien: Company's Lien on Shares
- (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

20. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Sale of Shares under Lien
 Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
21. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. Transfer of Shares under Lien
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
22. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. Use of the proceeds of the sale
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

23. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times: Call on Shares

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the

last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

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|-----|---|---|
| 23A | The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.** | Delegation of Option or Right to Call of Shares |
| 24. | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments. | When Call deemed to be made |
| 25. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Payment by Joint Holders |
| 26. | (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent, per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part. | Payment of Call after Due Date |
| 27. | (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | Amount payable on issue of Shares |

28. The Board—

Call in advance

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

29. The Company shall keep a book called "the Register of Transfers" and therein shall fairly and distinctly enter the particular of any transfer or transmission of every shares. Register of transfers

30. (i) The duly stamped instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. Execution of instrument of Transfer

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

31. The Board may, subject to the right of appeal conferred by section 58 decline to register— Refusal of Transfer

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

31A. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.**

*** alteration in Articles of Association vide Special Resolution passed at the 2nd Annual General Meeting held on Saturday, the 17th day of September, 2016.)*

32.

Transfer of shares

(i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee conveys his no objection to the transfer within two weeks from the receipt of the notice.

(iii) For the purposes of Clause (ii) hereinabove, notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

(iv) It shall be lawful for the Company to refuse to register a transfer of shares in the Company unless a proper instrument of transfer, duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupations, if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares, or if no such share certificate is in existence, along with the letter of allotment of the shares; PROVIDED THAT where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Board may register the transfer on such terms as to indemnity as the Board may think fit; PROVIDED FURTHER THAT nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

33. The Board may decline to recognise any instrument of transfer unless—
- Decline to recognize the instrument of Transfer

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

34. Subject to the provision of Section 91 of the Act the Board of Directors may after giving not less than seven days or such lesser period as may be specified by Securities and Exchange Board, transfer books and register of members close during each time as the Directors think fit, not exceeding in the whole forty-five days in each year and not exceeding thirty days at a time.
- When transfer books and Register of members may be closed

35. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Suspension of Transfer

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

TRANSMISSION OF SHARES

36. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares. Title of Interest
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
37. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— Transmission of Shares
- (a) to be registered himself as holder of the share;
or
(b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
38. Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified, or until or unless an indemnity be given to the Company with regard to such Board may require evidence of transmission

registration which the Board at their discretion shall consider sufficient; Provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

39. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. Notice for Transfer

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

40. A person becoming entitled to a share by reason of the ~~death or insolvency of the holder~~ shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Rights on Shares after Transmission

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

41. Considering the genuineness of the case the Board may at its discretion dispense with the production of legal documents subject to such conditions as to indemnity as it may think fit. Dispense of Legal Documents.

DEMATERIALISATION OF SECURITIES

42. (i) The provisions of this Article shall apply only in respect of securities held in Depository mode and the provisions of the other Articles shall be construed accordingly. Beneficial Owner

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository;

'SEBI' means the Securities and Exchange Board of India; SEBI

'Depository' shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of Depositories Act, 1996. Depository

"Depositories Act, 1996" shall include any statutory modification or re-enactment thereof for the time being in force. Depositories Act, 1996

'Security' means such security as may be specified by SEBI from time to time. Security

- (ii) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialized form pursuant to the provisions of Depositories Act, 1996 and the Rules framed thereunder. Power to dematerialise and rematerialise of Securities

- (iii) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Options for investors

Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the

information, the depository shall enter, in its record, the name of the allottee as the beneficial owner of the security.

The Board of Directors shall have the power to fix a fee payable by the investor to the Company for the services of dematerialising and/or rematerialising of the Company's securities as they in their discretion may determine.

(iv) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 88, 89 and other applicable provisions, if any, of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Securities in depositories to be in fungible form

(v) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

Rights of depositories and beneficial owners

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(vi) Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs or in such manner as may be practicable.

Service of documents

(vii) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. Transfer of Securities

(viii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository. Every forfeited or surrendered shares held in a material form shall continue to bear the number by which the same was originally distinguished. Distinctive numbers of Securities held in a Depository

(ix) Notwithstanding the provisions of Article____, every holder of securities of the Company shall be entitled to nominate in the prescribed manner, a person to whom his securities shall vest in the event of his death, in accordance with the provisions of the Act. Nomination facility

(x) The register and index of beneficial owners maintained by a Depository under the Depositories Act, shall be deemed to be the register and index of members and security holders for the purposes of these Articles. Register and index of beneficial owners

FORFEITURE OF SHARES

43. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued. Notice for Call on Shares

44. The notice aforesaid shall— Content of Notice

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the

call was made shall be liable to be forfeited.

45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Board Resolution for Forfeiture
46. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. Disposal or cancellation of Forfeiture
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
47. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. Liability of Member
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
48. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; Declaration on Forfeiture and Transfer of forfeited shares
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (iii) The transferee shall thereupon be registered as the holder of the share; and
- (iv) The transferee shall not be bound to see to the

application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

49. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Applicability of Forfeiture Regulation

BORROWING POWERS

50. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion to borrow any sum or sums of money for the purposes of the Company provided that the total amount borrowed at any time together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the consent of the Company in General Meeting by Special Resolution, exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose. Power to Borrow
51. Subject to the provisions of the Act and these Articles, the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and, in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage or charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being. Conditions on which money may be borrowed
52. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Securities may be assignable free from equities.

53. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act may by instrument under the Seal
- Mortgage of uncalled capital
- uncalled capital and the provisions hereinbefore contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

ALTERATION OF CAPITAL

54. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
- Increase in share capital
55. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- Resolution for alteration in share capital
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
56. Where shares are converted into stock,—
- Conversion of shares into stock
- (a) the holders of stock may transfer the same or any

part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

57. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,— Reduction in share capital

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

CAPITALISATION OF PROFITS

58. (i) The company in general meeting may, upon the recommendation of the Board, resolve— General Meeting for Capitalisation of Profits

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for

distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

59. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall— Power of the Board

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

60. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. The company shall also have power, to the extent permitted by law, to re-issue the shares so bought back. Buy Back of Shares

GENERAL MEETINGS

61. (i) The Company shall unless otherwise provided by the Act in each year hold a General Meeting specified as its Annual General Meeting in addition to any other meetings in that year. Annual General Meeting

(ii) The Annual General Meeting shall be held within six months after the expiry of each Financial Year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

(iii) Every Annual General Meeting shall be called for at a time during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday and shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting

62. All general meetings other than annual general meeting shall be called extraordinary general meeting. Extraordinary General Meeting

63. The Board may, whenever it thinks fit, call an extraordinary general meeting. Calling of extraordinary general meeting by directors

(i) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 100. The requisition shall set out the matters for the consideration of the meeting. Calling of extraordinary general meeting on requisition

(ii) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company of the Act (including the provisions below) shall be applicable.

(iii) The requisition may consist of several documents in like form, each signed by one or more requisitionists.

(iv) Where two or more distinct matters are specified in the requisition, the provisions of Clause (i) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that Clause is fulfilled.

(v) If the Board of Directors does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up capital of the Company as is referred to in Clause (i) above whichever is less.

(vi) A meeting called under Clause (v) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall not be held after expiration of three months from the date of the deposit of the requisition.

(vii) Any reasonable expense incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

PROCEEDINGS AT GENERAL MEETINGS

64. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Quorum

(ii) Save as otherwise provided herein, the quorum for the general meetings of the Company shall be as specified below:

- (a) five members personally present if the number of members as on the date of meeting is not more than one thousand;
- (b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
- (c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand.

65. A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode. Length of Notice of general meeting

General meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.

66. The accidental omission to give notice of any meeting to or the non-receipt of any notice by, any member or other person to whom it should be given shall not invalidate the proceedings of the meeting. As to omission to give Notice

67. Notice of every meeting of the Company shall specify the place, date and hour of the meeting, and shall contain a statement of the business to be transacted thereat. Notice of meeting to specify place, etc., and to contain statement of business

68. Notice of every meeting of the Company shall be given to – Persons on whom Notice to be served.

- every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
- the auditor or auditors of the company; and
- every director of the company.

69. A Notice may be served by the Company either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the member to the Company for giving the notice and also by e-mail or by any other electronic means to their/its e-mail addresses, registered with the Company or provided by the depository in the manner prescribed under the Act. Manner of service of notice
70. A. In the case of the Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to :- Special business
- (i) the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and of the Auditors;
 - (ii) the declaration of dividend;
 - (iii) the appointment of Directors in the place of those retiring;
 - (iv) the appointment of and the fixing of the remuneration of the Auditors.
- B. In the case of any other meeting all business shall be deemed special.
71. Where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business, including any particular nature of the concern or interest, if any, and specifying, where any item of the business consists of the according of approval to any document by the meeting the place and time where the document can be inspected. Explanatory Statement to be annexed to notice
72. Where, by any provision contained in the Act or in these Articles special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than number of days prescribed by the Act before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its Resolutions requiring Special Notice

members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the Articles not less than number of days prescribed by the Act before the meeting.

73. The chairperson, if any, of the Board shall preside as Chairperson
Chairperson at every general meeting of the company.
74. If there is no such Chairperson, or if he is not present Election of Chairperson
within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
75. If at any meeting no director is willing to act as Election of Chairperson
Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
76. At any General Meeting, a resolution put to the vote of Questions at General
~~the meeting shall unless a poll is demanded be decided~~ Meeting how decided
on a show of hands or such other mode as may be prescribed under the 'Act'.
77. Before or on the declaration of the result of the voting Demand for poll
on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or persons specified in the Act.

The demand for a poll may be withdrawn at anytime by the person or persons who made the demand.
78. Subject to the provision of the Act the Chairman of the Time and manner of
meeting shall have the power to regulate the manner in taking poll
which the poll shall be taken. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.

79. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the two scrutineers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. Scrutineers at poll
80. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. Chairman's decision conclusive
81. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote in addition to the vote or votes to which he may be entitled as a member. Casting vote of Chairperson at general meeting
82. Notwithstanding anything contrary contained in the Articles, the company may provide Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the shareholders of the company to participate in general meetings of the company. Such participation by the shareholders at general meetings of the company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the company for the time being in force. Participation through Electronic Mode
83. Notwithstanding anything contained in the preceding Articles, the Board or the Company may and in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall pass such resolution by means of postal ballot instead of transacting the business at a General Meeting of the Company. When the Company requires to, or decides to, as the case may be, pass a resolution by means of a Certain resolutions to be passed by postal ballot

postal ballot, the provisions of Section 110 of the Act and such other rules and regulations framed there under from time to time shall be complied with.

84. (i) The Company shall cause minutes of the proceedings of every general meeting of any class of Shareholders or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered. Minutes of proceedings of meetings and resolutions passed by postal ballot
- (ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting – Certain matters not to be included in Minutes
- (a) is, or could reasonably be regarded, as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the Company.
- (iii) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause. Discretion of Chairperson in relation to Minutes
- (iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein. Minutes to be evidence
85. (i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall: Inspection of minute books of general meeting
- (a) be kept at the registered office of the Company; and
- (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Sundays.
- (ii) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and

on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above:

86. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. Adjournment of meeting
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company—
- (a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or
- (b) the meeting, if called by requisitionists under section 100, shall stand cancelled.
- (iv) it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (v) Save as aforesaid, and as provided in section 103 of the Act, when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

VOTING RIGHTS

87. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—be authorized/appointed by the Board for the purpose. Voting Rights
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

88. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. E-voting
89. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Voting by Joint Holders
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
90. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll. Business other than that upon which a poll has been demanded
91. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid. Member entitled to vote
92. Any person entitled under the Transmission Clause to ~~transfer any shares may vote at any general meeting in~~ respect thereof as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof. Votes in respect of shares of deceased or insolvent members
93. A Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Member be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute), by the Chairman of the meeting. Vote of member of unsound mind.
94. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting Qualification of voter

at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

95. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. Instrument of Proxy
96. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105. Form for Instrument of Proxy
97. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Validity of vote by Proxy

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

98. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. Number of Directors

The number of Directors shall not be less than three and not more than fifteen.

99. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act. Appointment of additional directors
100. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. The director so appointed shall hold office only upto the date which the director in whose place he is appointed would have held office if it had not been vacated. Appointment of director to fill a casual vacancy
101. The Board may appoint an alternate Director recommended for such appointment by a Director other than whole-time Director (hereinafter called the Original Director) in whose place he is being appointed ~~during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held.~~ An alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provision(s) in the Act or in this Articles for the automatic appointment shall apply to the Original Director and not to the alternate Director. Alternate Director
102. Notwithstanding anything contained to the contrary in the Articles, so long as any Debentures issued by the Company remain outstanding the holders of such Debentures shall, in accordance with the provisions of the Trust Deed securing such Debentures, have a right to appoint and nominate from time to time any person or persons as a Director or Directors on the Board of the Company and to remove and reappoint any person or persons in his or their place or places. A Director so Debenture Director

appointed under this Article is herein referred to as "the Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. The Board of Directors of the Company shall have no power to remove from office the Debenture Director. The Debenture Director shall have all the rights and privileges as any other Director of the Company other than a Managing or Wholetime Director.

103. Each director shall be paid out of the funds of the Company by the way of remuneration for the services rendered by the director, a fee not exceeding such sum as may be prescribed by law from time to time in this regard, for each meeting of the Board or Committee thereof, attended by the Board as may be decided by the Board. Remuneration of directors
104. Subject to the provisions of the Act, any Director if called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors), the Board may arrange with such Director for such special remuneration, for such extra services or special exertions or efforts, either by a fixed sum or otherwise, as may be determined by the Board and such remuneration may be either in addition to or in substitution of his remuneration above provided. Special remuneration
105. The continuing Director(s) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the continuing Director(s) may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General Meeting, but for no other purpose. Directors may act notwithstanding vacancy.
106. An interested Director shall not take any part in the discussions of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is, in any way, directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; Interested Director not to participate or vote in Board's proceedings.

Provided that this prohibition shall not apply to any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.

107. Every Director who is appointed to office of director of any other body corporate shall within the time prescribed by the Act disclose to the Company the particulars relating to his office in the other body corporate. Duty of director to make disclosure
108. Every Director of the Company shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of the Act. If such notice be not given at a meeting of the Board of Directors, the Director shall take all reasonable steps to secure that it be brought up and read at the meeting of the Board next after it is given. Disclosure of holdings
109. At the first annual general meeting of the Company held next after the date of the general meeting at which the first directors are appointed and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office. Directors to retire. annually how determined

The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Subject to the provisions of relevant provisions, of the Act and also these Articles, the Company may, at the Annual General Meeting at which a Director retires in the manner aforesaid, fill up the vacated office by electing the retiring Director or one other person thereto.

110 Without prejudice to the powers conferred by these Articles but subject however to the provisions of the Act and the restrictions imposed by the Act, it is hereby expressly declared that the Directors shall have the following powers:- Powers of Directors

- (a) To have an official seal for use abroad;
- (b) To keep a foreign register in accordance with the provisions of the Act;
- (c) To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property, effect, assets, rights, credits, royalties and business of manufacturing, growing, producing or dealing any commodities which the Company is authorized to carry on;
- (d) To purchase, take on lease for any term or terms of years, or otherwise acquire any lands, with or without mills, factories and other buildings and erections thereon, at such prices or rents, and under and subject to such terms and conditions, as the Directors may think fit, and in any such purchase lease or other acquisition to accept such title as the Directors may be advised or believe to be reasonably satisfactory;
- (e) To acquire, erect, construct, run and operate any mills, factories, workshops, foundries, plants, water-works, electricity supply works, and other works and construction and to provide, install and equip machinery engines and apparatus and equipment for any of the objects of the Company; or to let or lease the property of the Company, in part or in whole, for such rent and subject to such conditions, as may be through advisable, to sale such portions of the lands or buildings of the Company as may not be required for the purposes of the Company; to mortgage the whole or any portions of the property of the Company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company; and to buy, sell, produce, grow, convert or otherwise deal in raw materials used in manufacturing paper and allied and other

products and produce, and to sell the finished products so manufactured or the raw material or any by-product, either on the spot, or at any other place or to ship the same for sale to any part, place or country as may be thought advisable;

- (f) At their discretion to pay for any property, right or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- (g) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its unpaid capital for the time being or in such other as they may think fit;
- (h) To accept from any member so far as may be permissible by law, surrender of his shares or stock or any part thereof on such terms and conditions as shall be agreed;
- (i) To appoint any person or persons (whether incorporated or not incorporated) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds, documents and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustees;
- (j) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any

debts due and of any claims or demands by or against the Company and to refer any claims or demands by or against the Company and to refer any claims or demands by or against the Company to arbitration and observe and perform any awards made thereon PROVIDED HOWEVER THAT nothing herein contained shall empower the Directors to remit or give time for the repayment of any bets due to a Director without the Consent of the Company in General Meeting;

- (k) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- (l) To make and give receipts, release and other discharges for moneys payable to the Company and for the claims and demands of the Company;
- (m) To invest and deal with the moneys of the Company not immediately required for the purposes thereof upon such security or without security and in such manner as they may think fit and from time to time to vary such investments;
- (n) To open current, overdraft, cash credit or fixed deposit account with any bank, company, firm or individual and to operate thereon;
- (o) To execute in the name and behalf of the Company in favour of any Director or other person who may incur, or be about to incur, any personal liability whether as principal or surety for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale such other powers, provisions, covenants and agreements as shall be agreed upon;
- (p) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose;

- (q) To give any officer or other person employed by the Company a commission on the profits of any particular business or transaction and such commission shall be treated as part of the working expenses of the Company;
- (r) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the company or his widow, children or dependents that may appear to the Directors just or proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company;
- (s) Not without the consent of the Company in General Meeting, to contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed the limit prescribed by the Act;
- (t) Before recommending any dividend to set aside out of the profits of the Company such sum as they may think proper, for depreciation or to a Depreciation Fund, Insurance Fund, Reserve Fund or Sinking Fund or any Social Fund to meet contingencies, or to repay debentures or debentures stock, or for special dividends, or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes as the Directors may in their absolute discretion think conducive to the interest of the Company with power from time to time to transfer moneys standing to the credit of one Fund or any part thereof to the credit of any other Fund; and to invest the several sums so set aside or so much thereof as require to be invested; upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply expand all or any part thereof for the benefit of the Company, in such manner and

for such purposes as the Director in their absolute discretion think conducive to the interests of the Company; and to divide the Reserve Fund into such Special Funds as the Directors may think fit, and to employ the assets constituting all or any of the above funds including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or Debentures Stock, and that without being bound to keep the same separate from the other assets;

- (u) To appoint and at their discretion remove or suspend such managing agents, managers, secretaries and treasurers, officers, clerks, agents, servants and others, for permanent, temporary or special services, as they may from time to time think fit; and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and to such amounts as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause;
- (v) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or out of India and to appoint any persons to be members of such Local Board and to fix their remuneration AND from time to time and at any time to delegate, subject to the provisions of the Act, to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their power to make calls and to issue debentures, and to authorize the members for the time being of any such Local Board or any of them, to fill up

any vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions and restrictions as the Directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation;

(w) At any time and from time to time by Power of Attorney under the seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these articles) and for such period and subject to such conditions as the Directors may from time to time think fit, and any such appointment may (If the Directors think fit) be made in favour of the members or any of the members of any Local Board, established as aforesaid or in favour of any Company or the members, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Directors may think fit, and may contain powers enabling nay such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

(x) For or in relation to any of the matters aforesaid or otherwise for the purposes of the Company, to enter into all such negotiations and contracts, and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient.

111. (i) Subject to the provisions of the Act, a Director of a Company shall act in accordance with the articles of the Company. Duties of Directors
- (ii) A Director of a Company shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (iii) A Director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) A Director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (v) A Director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (vi) A Director of a Company shall not assign his office and any assignment so made shall be void.

112. (i) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) remove any director before the expiry of his period of office. Removal of Directors

(ii) Special notice shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.

(iii) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and such Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

(iv) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so

(a) ~~in the notice of the resolution~~ given to members of the Company state the fact of the representations having been made, and send a copy of the representations to every member of the Company, and

(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after receipt of representation by the Company); and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting provided that copies of the representations need not be sent or read out at the meeting, on the application either of the Company or of any other person who claims to be aggrieved, the Court is

satisfied that the rights conferred by this Clause are being abused to secure needless publicity for defamatory matter.

(v) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Articles of Association hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed; Provided special notice of the intended appointment has been given under Clause (ii) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(vi) If the vacancy is not filled under Clause (v) hereof it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Articles of Association, and all the provisions of that Section shall apply accordingly. Provided that a Director who was removed from office under this Article shall not be reappointed as a Director by the Board of Directors.

(vii) Nothing contained in this Article shall be taken :-

(a) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as a Director; or

(b) as derogating from any power to remove a Director which may exist apart from this Article.

113. (i) The remuneration of the directors shall, in so far as Remuneration it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) The fee payable to a Director (including a Managing or Whole time Director, if any) for attending a meeting of the Board or Committee thereof shall be the maximum sitting fee as may be prescribed by the Central Government under Section 197 of the Act as applied to the Company at any given time or as determined by the Board from time to time.

(b) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(c) in connection with the business of the company.

114. The Board may pay all expenses incurred in getting up and registering the company. Preliminary Expenses

115. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign Register

116. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine. Authority to Sign

117.— Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose. Attendance Register

118. (i) The Board of Directors may meet for the conduct of Board Meeting business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- (iii) The Company shall hold its first meeting of the Board of Directors within thirty days of the date of incorporation and thereafter hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.
119. Every meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means. Notice of meeting
120. The quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes; Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting, not being less than two shall be the quorum during such time. Quorum of meeting

121. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. Voting at Board Meeting

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

122. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means and has been approved by a majority of the directors or members, who are entitled to vote on the resolution. Passing of resolution by circulation

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution passed by circulation under clause 120 above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

123. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose. Casual Vacancy
124. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. Chairperson

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

125. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Delegation of Powers to the Committees

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

126. (i) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; Provided that the Board shall not exercise any power to do any act or things which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting; Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting. General powers of the Company vested in Board

(ii) No regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

127. (i) A committee may elect a Chairperson of its meetings. Chairperson of Committee
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
128. (i) A committee may meet and adjourn as it thinks fit. Voting at Committee Meetings
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
129. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. Acts of Board or Committee valid notwithstanding defect of appointment
- Provided that nothing in this clause shall be deemed to give validity to any act done by the director after his appointment has been noticed by the Company to be invalid or to have terminated. Minutes of proceedings of Board of Directors and Committees to be kept
130. The Company shall cause minutes of the meetings of the Board of Directors and of Committee(s) of the Board to be duly entered in a book or books provided for the purpose in accordance with the relevant provisions of Section 118 of the Act. The minutes shall contain a fair and correct summary of the proceedings at the meeting including the following :-
- (i) the names of the Directors present at the meetings of the Board of Directors or of any Committee of the Board;
- (ii) all orders made by the Board of Directors or Committees of the Board and all appointments of officers and Committees of Directors;

- (iii) all resolutions and proceedings of meetings of the Board of Directors and the Committees of the Board;
 - (iv) in the case of each resolution passed at a meeting of the Board of Directors or Committees of the Board, the names of the Directors, if any, dissenting from or not concurring in the resolution.
131. Any such minutes, if purporting to be signed by the Chairman of the meeting at which the proceeding take place or by the chairman of next succeeding meeting shall be evidence of the proceedings. Minutes to be evidence
132. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held. Resolution in Writing
133. All such minutes shall be signed by the Chairman of the meeting as recorded, or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall, for all purposes whatsoever, be prima facie evidence of the actual passing of the resolutions recorded and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place. By whom minutes to be signed and the effect of minutes recorded.
134. The following shall be the First Directors of the Company. First Directors
- 1. SURENDRA KUMAR BANSAL
 - 2. ARUNKUMAR MAHABIR PRASAD JATIA
 - 3. VED PRAKASH LEEKHA

135. Subject to the provisions of the Act, the Directors may, from time to time, appoint one or more of their body to be a Managing Director or Managing Directors (in which expression shall include a Joint Managing Director) or Whole-time Director or Whole time Directors of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from such office and appoint another or others in his or their place or places.

Managing Director
Committee of Director

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

136. Subject to the provisions of the Act,—

Appointment, Removal &
Remuneration of KMPs

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

137. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Authorisation for an Act
to be done by Director or
KMPs

REGISTERS

138. The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of

Statutory Registers

contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Sundays, at the registered office of the Company or at such other place as may be decided in accordance with the provisions of the Act only by the persons entitled thereto under the Act, on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules. Subject to aforesaid the Board shall have a power to refuse inspection to any other person, at its discretion.

THE SEAL

139. (i) The Board shall provide for the safe custody of the seal. Custody and Affixation

(ii) Every deed or other instrument to which seal is required to be affixed shall, unless the same is executed by a duly constituted attorney of the Company, be signed by any one Director or by the Company Secretary, if any, or by Authorised Person appointed by the Board for the purpose in whose presence it shall have been affixed.***

DIVIDENDS AND RESERVE

140. "No dividend shall be declared or paid by the Company for any financial year except- Payment of dividend when Company has inadequate or no profits

(i) out of the profits of the Company for that year arrived at after providing for depreciation or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both; or

*** (alteration in Articles of Association vide Special Resolution passed at the 5th Annual General Meeting held on Saturday, the 27th day of July, 2019.)

(ii) out of money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by that Government:

Provided that the Company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company.

Provided further that where, owing to inadequacy or absence of profits in any financial year, the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by it to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be prescribed in this behalf."

141. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. Final Dividend
142. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company. Interim Dividend
143. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. Reserve

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

144. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. Entitlement of Dividend
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
145. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company. Recovery of Calls from Dividend
146. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. Mode of Payment
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
147. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. Receipt

148. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act. Notice of Dividend

149. No dividend shall bear interest against the company. Interest

ACCOUNTS

150. (i) The Books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules. Inspection of Accounts

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

151. Subject to the provisions of Chapter XX of the Act and rules made thereunder— Mode of Winding up

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

152. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal. Indemnity

GENERAL POWER

- Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or
153. that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. General Power

SECRECY CLAUSE

154. Subject to the provisions of the Act, no member shall be entitled to require discovery of any information, respecting any details of the company's trading or any matter in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the company and which, in the opinion of the Directors it may be expedient in the interest of the members of the Company, not to Communicate to the public. Secrecy

Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Names, addresses, descriptions and occupations of subscribers	Witnesses (along with names, addresses, descriptions and occupations)
1. Sd/- Surendra Kumar Bansal S/O Shri Chandkaran Bansal 9, Meghraj, 17/1, Ideal Colony, Paud Road, Kothrud, Pune - 411038 Service (Representing Pudumjee Investment And Finance Company Ltd)	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D C Chambers, 2nd Floor, Opp. KSB Pumps Ltd., Pimpri, Pune-411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.

DATE : 8TH JANUARY, 2015

PLACE : PUNE

Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Names, addresses, descriptions and occupations of subscribers	Witnesses (along with names, addresses, descriptions and occupations)
2. Sd/- Surendra Kumar Bansal S/O Shri Chandkaran Bansal 9, Meghraj, 17/1, Ideal Colony, Paud Road, Kothrud, Pune - 411038 Service (Representing Pudumjee Holding Ltd)	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune - 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.

DATE : 8TH JANUARY, 2015

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Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Names, addresses, descriptions and occupations of subscribers	Witnesses (along with names, addresses, descriptions and occupations)
3. Sd/- Surendra Kumar Bansal S/O Shri Chandkaran Bansal 9, Meghraj, 17/1, Ideal Colony, Paud Road, Kothrud, Pune - 411038 Service (Representing Pudumjee Hygiene Products Limited)	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune - 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.

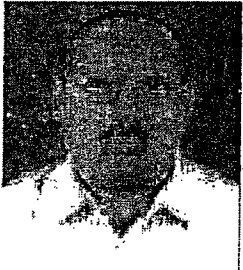
DATE : 8TH JANUARY, 2015
PLACE : PUNE

Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Names, addresses, descriptions and occupations of subscribers	Witnesses (along with names, addresses, descriptions and occupations)
4. Sd/- Hanuman Prasad Birla S/O Shri Ram Chandra Birla Flat No. 11, Pudumjee Pulp & Paper Mills Colony, Thergaon, Pune - 411033 Service 	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune - 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.

DATE : 8TH JANUARY, 2015
PLACE : PUNE

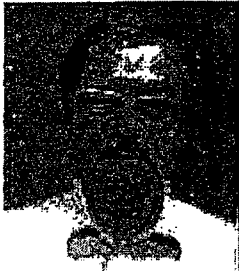
Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Names, addresses, descriptions and occupations of subscribers	Witnesses (along with names, addresses, descriptions and occupations)
5. Sd/- Gangadharan Nair S/O Krishnan Nair Flat No. 19, Pudumjee Pulp & Paper Mills Colony, Thergaon, Pune - 411033 Service 	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune - 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.

DATE : 8TH JANUARY, 2015

PLACE : PUNE

Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Names, addresses, descriptions and occupations of subscribers	Witnesses (along with names, addresses, descriptions and occupations)
6. Sd/- Ranganath Kulkarni S/O Manohar Kulkarni Nisarg Phase -1, Flat No A-6, Kaspate Wasti Road, Wakad, Pune - 411057 Service 	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune - 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.

DATE : 8TH JANUARY, 2015

PLACE : PUNE

Note: The Articles shall be signed by each subscriber of the memorandum of association who shall add his address, description and occupation, if any, in the presence of at least one witness who shall attest the signature and shall likewise add his address, description and occupation, if any, and such signatures shall be in form specified below:

Names, addresses, descriptions and occupations of subscribers	Witnesses (along with names, addresses, descriptions and occupations)
7. Sd/- Jagadish Patil S/O Waman Patil House No. 294, Gokul Ramnagar, Rahatani, Pune - 411017 Service 	Witness Sd/- Ishwer Udhavdas Thakur S/O, Udhavdas Lachhiram Thakur D.C. Chambers, 2nd Floor, Opp. KSB Pumps Ltd, Pimpri, Pune - 411018 Company Secretary C.P. 1402 I witness to subscriber who has subscribed and signed in my presence on 08-01-2015 at Pune; further I have verified his Identity Details (ID) for his identification and satisfied myself of his identification particulars as filled in.

DATE : 8TH JANUARY, 2015
PLACE : PUNE



PUDUMJEE

PUDUMJEE PAPER PRODUCTS LTD.

Registered Office

COPY OF SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF THE COMPANY AT EXTRA ORDINARY GENERAL MEETING HELD ON 31st OCTOBER, 2015.

"RESOLVED THAT pursuant to the provisions of Section 5 and 14 of Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) re-enactment thereof for the time being in force), the approval of the members be and is hereby granted for the adoption of new set of Articles of Association in place of the existing Articles of Association of the Company and the said new set of Articles of Association be and are hereby adopted as the Articles of Association of the Company in substitution for and to exclusion of all existing Articles thereof".

Certified True Copy

For **PUDUMJEE PAPER PRODUCTS LIMITED**



Vinay Jadhav
Company Secretary





PUDUMJEE

PUDUMJEE PAPER PRODUCTS LTD.

Registered Office

COPY OF SPECIAL RESOLUTIONS PASSED BY THE SHAREHOLDERS OF THE COMPANY AT THEIR EXTRA ORDINARY GENERAL MEETING HELD ON 8TH DECEMBER, 2015.

RESOLUTION NO. 1:-

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other rules framed thereunder as may be applicable the Authorized Share Capital of the Company be and is hereby increased from Rs. 5,00,000 (Rupees Five Lacs only) divided into 5,00,000 (Five Lacs) Equity Shares of Re. 1/- each to Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Re. 1/- each, by creation of additional 9,95,00,000 (Nine Crores Ninety Five Lacs) Equity Shares of Re. 1/- each.”

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this resolution.”

RESOLUTION NO. 2:-

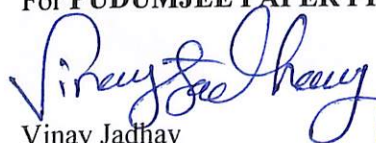
“RESOLVED THAT pursuant to the provisions of Section 13 read with Section 61 and other applicable provisions of the Companies Act, 2013, Clause 5th of the Memorandum of Association of the Company be and is hereby substituted as under :-

The Authorized Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores Only) divided into 10,00,00,000 (Ten Crores) Equity shares of Re. 1/- each with a power to the Board of Directors to increase, from time to time or reduce its capital and to divide/sub divide the shares in the Capital for the time being into other classes and to attach thereto such preferential, qualified or such other 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.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this resolution.”

Certified True Copy

For **PUDUMJEE PAPER PRODUCTS LIMITED**


Vinay Jadhav
Company Secretary





PUDUMJEE

PUDUMJEE PAPER PRODUCTS LTD.

Registered Office

COPY OF RESOLUTION PASSED BY THE SHAREHOLDERS OF THE COMPANY AT 2ND ANNUAL GENERAL MEETING HELD ON 17TH SEPTEMBER, 2016.

ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members be and is hereby accorded to alter the Articles of Association of the Company by inserting the following new Clauses in the existing Articles of Association:

23A. DELEGATION OF OPTION OR RIGHT TO CALL OF SHARES

"The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings."

31A. REFUSAL OF TRANSFER

"The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;"

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby authorized to do all such acts, deeds and things necessary to give effect to this above resolution."

Certified True Copy,

For **PUDUMJEE PAPER PRODUCTS LIMITED**

Vinay Jadhav
Company Secretary



Registered Office:

Thergaon, Chinchwad, Pune-411033 Tel: +91-20-30613333, Fax : +91-20-4077 3388
E-Mail : pune@pudumjee.com, sk@pudumjee.com. CIN: U21098PN2015PLC153717

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.





PUDUMJEE PAPER PRODUCTS LTD.

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Mumbai-400001 India.
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Fax: +91-22-22658316.
E-Mail: pudumjee@pudumjee.com

COPY OF SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF THE COMPANY AT 5TH ANNUAL GENERAL MEETING HELD ON 27th JULY, 2019.

ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY.

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Shareholders of the Company be and is hereby accorded to alter the Articles of Association of the Company by substitution of the following Clause in place of existing clause of the Articles of Association:

Article : 139 (ii)

"Every deed or other instrument to which seal is required to be affixed shall, unless the same is executed by a duly constituted attorney of the Company, be signed by any one Director or by the Company Secretary, if any, or by Authorised Person appointed by the Board for the purpose in whose presence it shall have been affixed."

RESOLVED FURTHER THAT, all the documents, agreements, instruments or such other papers executed by the Company earlier and on which the Common Seal with the signature of one Director may have been affixed be and are hereby ratified as enforceable documents, agreements notwithstanding the fact that the Common Seal may not have been affixed in conformity with the article in the Articles of Association as then existing.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby severally, authorized to do all such acts, deeds and things necessary to give effect to this above Resolution."

Certified True Copy,

For **PUDUMJEE PAPER PRODUCTS LIMITED**

Vinay Jadhav
Company Secretary



ISO 22000: 2005
RH91/10093



PCMS
ISO 9001:2015
PCMS/QMS/16292018



ISO 14001:2015
IND 16.8578/U/E



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PUDUMJEE

PUDUMJEE PAPER PRODUCTS LTD.

Registered Office

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Fax: +91-22-22658316.

E-Mail: pudumjee@pudumjee.com

COPY OF RESOLUTION PASSED BY THE SHAREHOLDERS OF THE COMPANY THROUGH POSTAL BALLOT ON 25TH DECEMBER, 2020.

APPROVAL TO THE ALTERATION OF OBJECT CLAUSE IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:

"RESOLVED THAT pursuant to the provisions of Section 13 read with the Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and subject to such approvals as may be required in this regard from appropriate authorities and subject to such terms and conditions as may be imposed by them, the Consent of the Members of the Company, be and is hereby accorded for substitution of the below mentioned Object Clause in place of the exiting Object Clause of the Memorandum of Association of the Company.

OBJECT CLAUSE:

3RD a.

1. To carry on the business of manufacturers, buyers, sellers, importers, traders, exporters of and dealers in all kinds and classes of paper, board and pulp and all other related raw materials, including Specialty paper, writing paper, printing paper, news-printing paper, absorbent paper, wrapping paper, all types of papers coated/laminated with materials like polythene, polypropylene, other polymers either organic or otherwise, natural and or synthetic waxes, natural and or synthetic rubber and such other products, wrapping paper, tissue paper, paper napkins, paper towels and all types of hygiene products made of paper or otherwise, 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, all kinds of kraft paper, manilla 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 other 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 design, manufacture, sell or otherwise deal in all kinds of printing, publication, stationery and stationery products, pharmaceutical, nutraceutical, and packaging solutions for consumer, industrial, scientific, other applications, whether flexible or rigid, and all such products and activities connected to the foregoing all kinds of packaging services like packaging and/or application machinery, and material whether containing paper or pulp based product or not, including laminates made by combining different materials, all types and forms of containers, closures, bags, pouches, portion packs, cellulosic fibres and any other fibre products made out of such fibres, any other article or things of a character similar or analogous to the foregoing or connected therewith including all allied downstream value added products, to process, treat and to



ISO 22000: 2005
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ISO 9001:2015
PCMS/QMS/16292018



ISO 14001:2015
IND 16.8578/U/E



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PUDUMJEE

PUDUMJEE PAPER PRODUCTS LTD.

Registered Office

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E-Mail: pudumjee@pudumjee.com

do other experimentation, to work out special kinds of products, papers, boards and pulp; and manufacture and deal in the same and other produce, by-products, co-products, joint-products and commodities connected therewith including processing and disposal of waste and its products, 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 and board and all and every other article connected therewith.

RESOLVED FURTHER THAT any Director and Company Secretary of the Company, be and are hereby, severally, authorised, to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, as may be considered desirable or expedient by the Board in the best interest of the Company and its Members."

Certified True Copy,

For **PUDUMJEE PAPER PRODUCTS LIMITED**

Vinay Jadhav
Company Secretary



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HIGH COURT, BOMBAY

529011

High Court
Order Copy

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION COMPANY
COMPANY SCHEME PETITION NO. 720 OF 2015

CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 399 OF 2015

Pudumjee Pulp & Paper Mills Limited

... Petitioner Company/Transferor Company
AND

COMPANY SCHEME PETITION NO. 721 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 400 OF 2015

Pudumjee Industries Limited

... Petitioner Company/Transferee Company

AND

COMPANY SCHEME PETITION NO. 722 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 401 OF 2015

Pudumjee Hygiene Products Limited

... Petitioner Company/Transferee Company

AND

COMPANY SCHEME PETITION NO. 723 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 402 OF 2015

Pudumjee Paper Products Limited

... Petitioner Company/Transferee Company



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HIGH COURT, BOMBAY

529012

In the matter of the Companies Act, 1956
(1 of 1956);

AND

In the matter of Sections 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.

CALLLED FOR HEARING

Ms. Sonam Mhatre with Moni Punjabi i/b Dhaval Vussonji & Associates
Advocates for the Petitioners.
D. R. Shah i/b A. A. Ansari for Regional Director in all Petitions.

CORAM: K.R. SHRIRAM J.

DATE : 8th January, 2016

P.C.:

1. Heard learned Counsel for parties. No objector has come before the
Court to oppose the Scheme and nor has any party controverted any
averments made in the Petitions.

2. The sanction of this Court is sought under Sections 391 to 394 of the
Companies Act, 1956 to a Scheme of Arrangement & Demerger of
Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries

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Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors.

3. The learned Counsel for the Petitioner Companies states that the First and Second Demerged / Transferor Companies are presently engaged in the business of manufacturing various kinds of papers and realty and investment and generation of wind power and the Third Demerged / Transferor Company is engaged in the business of trading in various kinds of tissue, non-tissue and allied products and the Transferee Company is engaged in the business of merger of undertaking of transferor companies for business of manufacturing and selling, pulp & paper & hygiene & allied products on sanction of the scheme of composite scheme.
4. The proposed scheme of arrangement & demerger of the Demerged Undertakings with Transferee Company will enable the Transferor Companies and the Transferee Company, which has been incorporated as a Special Purpose Vehicle for this Scheme, to streamline their business activities as the companies are 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 and 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 and would help in achieving and sustaining competitiveness and development of long term internal and core competencies.
5. The Petitioner Companies have approved the Scheme of Arrangement

& Demerger by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.

6. The Learned Advocate for the Petitioners further states that the Petitioner Companies have complied with all the directions passed in Company Summons for Directions and that the Company Scheme Petitions have been filed in consonance with the Orders passed in Company Summons for Direction and seeks sanction to the proposed Scheme.

7. The Learned Advocate appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary affidavit of compliance in the Court. Moreover, the Petitioner Companies through their Advocate undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/2013 and the Rules made thereunder whichever is applicable. The said undertaking is accepted.

8. The Regional Director has filed an Affidavit on 17th December, 2015 stating therein that save and except as stated in para 6(a) to 6(f) it appears that the scheme is not prejudicial to the interest of shareholders and public. In the light of aforesaid facts the Hon'ble Court may pass such order as may be deemed fit and proper.

In Para 6 of the said Affidavit, it is stated that:

(a) Clause No. 5.5.1.1, 6.5.1.1 and 7.5.1.1 of the Scheme states that the Transferee Company shall record the assets and liabilities of the Demerged Undertaking vested in them pursuant to this Scheme, at their respective book values, as appearing in the books of the Transferor Companies 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. In this regard, it is submitted that said clauses are not in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961, as per which the assets and liabilities of the Transferor Company shall be recorded on book value basis only and not on fair value basis. It is also pertinent to note that, as per clause No. 5.5.2.1, 6.5.2.1 and 7.5.2.1, the Transferor Companies shall reduce the book value of assets and liabilities pertaining to the respective Demerged Undertakings transferred to the Transferee Company. Therefore, on the same line of Accounting Treatment, it shall be recorded on book value in the books of the Transferee Company instead of recording it on fair value basis. Accordingly, the Advocate for the Petitioner companies vide para "A" of its letter dated 30/11/2015 has undertaken that the Resulting Transferee Company will record the assets and liabilities at book value only. Copy of the said letter is annexed hereto and marked as Exhibit B. Hence, the Petitioner Companies may be directed to amend the Scheme accordingly and ensure compliance of the aforesaid provisions of the Income Tax Act, 1961.

(b) Clause No. 5.6.1.2, 6.5.1.2 and 7.5.1.2 of the Scheme states that 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. In this regard, it is submitted that the difference between the face value and fair value of shares issued by the Transferee Company shall not be recorded as Securities Premium Account of Transferee Company as the Transferee Company is not receiving any cash or cash equivalent by issuing those shares. Hence, the creation of creation of Securities Premium Account is against the provision of Section 52 of the Companies Act, 2013, which recognizes creation of Securities Premium Account, if cash or cash equivalent is received by the Transferee Company while issuing shares. Accordingly, the Advocate for the

Petitioner companies vide para "B" of its letter dated 30/11/2015 has undertaken that the Transferee Company will credit the difference between the aggregate values of shares issued over their face value to capital Reserve Account. Copy of the said letter is annexed hereto and marked as Exhibit E. In view of the above, it is also submitted that the words, "at a premium of Rs. 19/- each per equity share" appearing in Clause 5.4.1, 6.4.1 and 7.4.1 be deleted. Consequently, the following words, "and credit to Securities Premium Account, the excess of the aggregate value of the shares over their face Value" appearing in Clause 5.5.1.2, 6.5.1.2 and 7.5.1.2 deleted. Hence, the Petitioner Companies may be directed to do necessary amendment to the Scheme/ Petition accordingly.

(c) Clause no. 5.6.1 and 6.6.1 of the Scheme provides for transferring the unissued authorized share capital of First Transferor/Demerged Company and Second Transferor/Demerged Company to the extent of Rs.1,80,00,000/- and Rs.21,00,00,000/-respectively to the authorized share capital of Transferee/Resulting company without payment of any registration fees/stamp duty by the Transferee Company for increasing its authorized capital to that extent. Cancelling the authorized share capital of the respective Demerged/ Transferor Company and thereafter, transferring the same to the authorized share capital of the Resulting Transferee Company is unknown to law and hence, that part of the Scheme shall be deleted. Accordingly, the Advocate for the Petitioner companies vide para "C" of its letter dated 30/11/2015 has undertaken that the Transferor company 1 and Transferee company 2 will not transfer their unissued authorized share capital to the Transferee company under the Scheme. Copy of the said letter is annexed hereto and marked as Exhibit E. In this regard, it is submitted that the Petitioner Companies may be directed to make suitable Corrections in the Scheme/Petition by deleting entire Clause No. 5.6 and 6.6 of the Scheme.

(d) Clause no. 5.4.1, 6.4.1 and 7.4.1 of the Scheme provides for issue of shares upon coming into effect of this Scheme. The authorized share capital of Transferee/Resulting Company may not be sufficient to issue further shares as provided in said clauses. In this regard, it is suggested that the Transferee/ Resulting Company may, if necessary, and to the extent required, increase its Authorized Share Capital to facilitate issue and allotment of Shares under this Scheme. In this connection, the Transferee/ Resulting Company may be directed to comply with provision of section 61/64 of Companies Act, 2013 corresponding to section 94/97 of Companies Act, 1956, in respect of filing of necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms.

(e) It is respectfully submitted that the tax issue, if any, arising out of the Scheme is subject to final decision of Income Tax Authorities. The approval of the Scheme by this Hon'ble may not deter the Income Tax Authority to scrutinize the tax return filed by the Transferor/Demerged Companies and Transferee/Resulting Company after giving effect to the Scheme. The decision of the Income Tax Authority is binding on the Petitioner Companies.

(f) Clause 18 of the Scheme provided for Modification and Amendments to Scheme wherein the Board of Directors of Transferor/Demerged Companies and Transferee/Resulting Company have been authorized to make any amendments to Scheme, if necessary, after the Scheme is approved by the Hon'ble High Court. Such liberty shall not be exercised by Board of Directors without obtaining prior approval from the Hon'ble High Court. The Petitioner Companies may be directed to undertake to this effect.

9. With respect to Para 6(a) of the Affidavit of the Regional Director, the Learned Counsel for the Petitioner Companies state that the Transferee Company undertakes to record the assets and liabilities of

the Demerged Undertakings vested in them pursuant to this Scheme, at their respective book values, as appearing in the books of the Transferor Companies at its closure on the day immediately preceding the Appointed Date. The Transferee / Resulting Company will record the assets and liabilities at book value in order to ensure compliance of the aforesaid provisions of the Income Tax Act, 1961. The Petitioner Companies undertake to delete the words "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" as appearing in clause nos. 5.5.1.1, 6.5.1.1 and 7.5.1.1 of the Scheme, and the Scheme shall stand amended accordingly.

10. With respect to Para 6(b) of the Affidavit of the Regional Director, the Petitioner Companies through their learned Counsel state that the Transferee Company undertakes to credit the difference between the aggregate values of shares issued over their face value to capital reserve account. The Petitioner Companies undertake to delete the words "at a premium of Rs.19/- each per equity share" appearing in Clause 5.4.1, 6.4.1 and 7.4.1 and seeks leave to add the following words into brackets after the words equity shares appearing in the sixth line in each of the aforesaid clauses:

"(of the fair value of Rs.20/- as determined in the Valuation Report issued by SSPA & Co., Chartered Accountants)".

The Petitioner Companies further undertake through their Advocate that the words "and credit to Securities Premium Account, the excess of the aggregate value of the shares over their face Value" appearing in Clause 5.5.1.2, 6.5.1.2 and 7.5.1.2 will be deleted and replaced by the words "and credit to Capital Reserve Account, the excess of the aggregate value of the shares over their face Value" appearing in Clause 5.5.1.2, 6.5.1.2 and 7.5.1.2. The Scheme shall stand amended accordingly. Further wherever the words "Securities Premium" are appearing in the Scheme will be replaced by the words "Capital

reserve".

11. With respect to Paras 6(c) and 6(d) of the Affidavit of the Regional Director, the Learned Counsel for the Petitioner Companies undertakes that the First Transferor Company/Demerged Company and Second Transferor Company/Demerged Company both undertake to not transfer their unissued authorized share capital to the Transferee Company under the Scheme. The Resulting/Transferee Company undertakes to pay the necessary stamp duty and registration fees for increase in its authorized share capital to accommodate the new shares arising out of the Scheme. The Resulting/Transferee Company undertakes to increase the authorized share capital before issue of shares arising out of the Scheme. The Petitioner Companies further undertake that the Transferee Company will comply with the provisions of section 61/64 of the companies Act, 2013 corresponding to Section 94/97 of Companies Act 1956, in respect of filing necessary forms with the Registrar of Companies after payment of necessary filing fee and stamp duty as applicable on the said forms.

12. With respect to Para 6(e) of the Affidavit of the Regional Director, the Petitioner Companies are bound to comply with all applicable provisions of the Income Tax Act, and all tax issues arising out of scheme will be met and answered in accordance with law.

13. With respect to Para 6(f) of the Affidavit of the Regional Director, the Learned Counsel for the Petitioner Companies states that the Petitioner Companies undertake that the Board of Directors will not amend the scheme without taking prior approval from this Hon'ble High Court.

14. The Learned Advocate for the Petitioner submits that they are bound

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to comply with all the above objections and prays for amendment as suggested. Hence, leave to amend granted to be carried out within two weeks from the date of order.

15. The Learned Counsel on instructions of Mr. Chandana Muthu, Joint Director, Legal in the office of the Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai states that they are satisfied with the undertakings given by the Advocate for the Petitioner Companies. The undertakings given on behalf of the Petitioner Companies are accepted.

16. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

17. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petitions Nos. 720 of 2015 to 723 of 2015 be made absolute in terms of prayer clauses (a) to (e) and (f) in the abovementioned Company Scheme Petitions.

18. The Petitioner Companies to file a copy of this Order and the Scheme duly authenticated by the Company Registrar, High Court (O.S.), Bombay, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same, within sixty days from the date of the Order.

19. The Petitioner Companies are directed to file a copy of this Order alongwith a copy of the Scheme and Form of Minutes duly authenticated by the Company Registrar, High Court, Bombay with the concerned Registrar of Companies, electronically, alongwith E-Form INC 28 in addition to the physical copy, as per the relevant provisions of the Companies Act 1956/ 2013, whichever is applicable.

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HIGH COURT, BOMBAY.

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20. The Petitioner Companies to pay costs of Rs.10,000/- each to Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the order.

21. Filing and issuance of the drawn up order is dispensed with.

22. All concerned regulatory authorities to act on a copy of this Order alongwith Scheme; duly authenticated by the Company Registrar, High Court (O.S.), Bombay.

(K.R. SHRIRAM J.)

CERTIFICATE

certify that the order uploaded is a true and correct copy of original signed order.

Uploaded by: S. Gawde
Stenographer

TRUE-COPY

(K. K. TRIVEDI)
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

TRUE COPY

Section Officer
High Court, Appellate Side
Bombay

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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 Undertaking 1' (defined herein below) of Pudumjee Pulp & Paper Mills Limited and '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.

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 Undertaking 2' (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:

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- 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 Undertaking" 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 Jatin 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- 411033 together 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 Undertaking shall be as mutually decided by the Board of Directors of the First Transferor Company and the Transferee Company.

3.9 "Demerged Undertaking" 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- 411033 together 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, relating 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 2 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 relatable 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 3 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 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 Undertaking 3 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 Undertaking 1, Demerged Undertaking 2 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.



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- 3.19 "Registrar of Companies" means the Registrar of Companies Pune, Maharashtra;
- 3.20 "Remaining Undertaking 1" 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 3.8 hereinabove.
- 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 "Remaining Undertaking 3" 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 Clauses 5.4, 6.4 and 7.4 hereunder.
- 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/1/2013 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:

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:

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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:

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
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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:

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:



Authorised capital	
5,00,000 Equity Shares of Rs. 1/-each	5
Total	5
Issued, Subscribed and Paid-up Share Capital	
5,00,000 Equity Shares of Rs. 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 NSB 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 I

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.

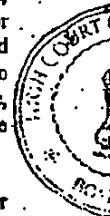
5.1.7 All approvals and permits common and applicable to both the Demerged Undertaking 1 and Remaining Undertaking 1 shall be deemed to be vested and owned jointly for the benefit of the First Transferor Company and the Transferee Company. The originals of such approvals shall be held jointly in escrow 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 1 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.

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- 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 Remaining 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 fair value of Rs.20/- as determined in the Valuation Report issued by SSPA & Co., Chartered Accountants) of the face value of Re. 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company 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.

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 Capital Reserve 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 capital reserve account, 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 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 capital reserve account, other reserves and balance, if any, in the credit balance of Profit & loss account of the First Transferor Company as may be decided by its Board of Directors 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.

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;

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- 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 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 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 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 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 Remaining 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 fair value of Rs.20/- as determined in the Valuation Report issued by SSPA & Co., Chartered Accountants) of the face value of Re 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company for every 20 (Twenty Only) equity shares of the face value of Rs.2/- (Rupees Two Only) each (credited as fully paid up) 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.
- 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 Capital Reserve 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 Capital Reserve 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 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.

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;

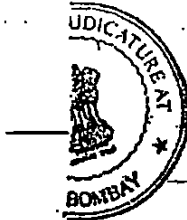
7.1.3 In respect of any movable assets comprising or pertaining to the Demerged Undertaking 3 other than those mentioned in Clause 7.1.2 above, if so required by the Transferee Company and if deemed fit and necessary by the Transferee Company in its/their sole discretion, which discretion shall be reasonably 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 relating 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 Undertaking 3, 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 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 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 fair value of Rs.20/- as determined in the Valuation Report issued by SSPA & Co., Chartered Accountants) of the face value of Re. 1/- (Rupee One Only) each (credited as fully paid up) of the Transferee Company 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 Undertaking 3 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 3 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.

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 Capital Reserve 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 Undertaking 3 transferred to the Transferee Company over the aggregate face value of Shares allotted as per Clause 7.4.1 and Capital Reserve 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. The excess of the aggregate value of the shares, issued by the Transferee Company pursuant to Clauses 5.4.1, 6.4.1 and 7.4.1 hereinabove, over their face value credited to the capital reserve 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 common to the Remaining Undertakings and Demerged Undertakings, 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.



TRUE COPY

[Signature]
R.D. Dhaval Vussong & Associates

TRUE-COPY

[Signature] 11/1/16.
(K. K. TRIVEDI)
COMPANY REGISTRAR
HIGH COURT (O.S.)
BOMBAY

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SCHEME PETITION NO. 723 OF 2015
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 402 OF 2015

In the matter of the Companies Act 1956;

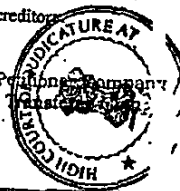
And

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 Paper Products Ltd. ... Petitioner Company



AUTHENTICATED COPY, MINUTES OF ORDER
PASSED BY THE JUSTICE K.R. SHRIRAM, ON
08.01.2016 ALONG WITH AMENDED SCHEME

Applied for authenticated copies on 13.1.16.
Authenticated copies submitted on 18.1.16.
Engrossed on 20.1.16
Examined by g. Vell
Compared with m. m. m.
Ready on 21 JAN 2016
Delivered on 21 JAN 2016

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