

INFORMATION MEMORANDUM



PUDUMJEE

PUDUMJEE PAPER PRODUCTS LIMITED

Our Company (Corporate Identification Number U21098PN2015PLC153717) was incorporated on January 14, 2015 as a public limited company under the provisions of the Companies Act, 2013.

Registered Office: Thergaon, Chinchwad, Pune - 411033.

Tel.: +91 20 30613333 **Fax:** +91 20 40773388 **Website:** www.pudumjee.com

Contact Person: Mr. Vinay Jadhav, Company Secretary and Compliance Officer

E-mail: investors.relations@pudumjee.com

OUR PROMOTERS

PUDUMJEE PULP & PAPER MILLS LIMITED, PUDUMJEE INDUSTRIES LIMITED, PUDUMJEE HYGIENE PRODUCTS LIMITED, PUDUMJEE HOLDING LIMITED

INFORMATION MEMORANDUM FOR LISTING OF 94,950,000 EQUITY SHARES OF RE. 1/- EACH

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISKS

Investment in equity and equity-related securities involves a degree of risk and investors should not invest in the equity shares of our Company unless they can afford to take the risk of losing their investment. For taking an investment decision, investors must rely on their own examination of our Company including the risks involved.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). Our Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on our Company's website viz. www.pudumjee.com. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad – 500 032.

Tel: +91 4067161500; **Fax:** +91 4023430832

Email: einward.ris@karvy.com;

Contact Person: Mr. Varghese P A



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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Information Memorandum and references to any statute or regulations or policies shall include amendments thereto, from time to time:

| Term | Description |
|--|--|
| “Pudumjee Paper Products” or “PPPL” or “Company” “our Company” or “Resulting Company” or “Transferee Company” or “us” or “we” or “our” | Pudumjee Paper Products Limited, a public limited company incorporated under the Companies Act, 2013 and having its registered office at Thergaon, Chinchwad, Pune – 411033. |
| Demerged Undertaking 1 | 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 – 411033 which shall be transferred on leave and license to the Transferee Company and Mumbai office situated at 60 Jatia Chambers, Dr. V. B. Gandhi Marg Mumbai -400001) along with all rights, titles, interests and ownerships therein, as a going concern and as defined in detail in the Scheme |
| Demerged Undertaking 2 | 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) along with all rights, titles, interests and ownerships therein, as a going concern and as defined in detail in the Scheme |
| Demerged Undertaking 3 | 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 as defined in detail in the Scheme |
| The “Group” or Group Companies | Companies as defined in section IV – Group Companies |

Conventional and General Terms

| | |
|-----------------------------------|--|
| AGM | Annual General Meeting of the Members of our Company |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| Articles/ Articles of Association | The Articles of Association of our Company |
| Appointed Date | April 01, 2014 |
| Auditors | The statutory auditors of our Company, namely Khare & Co., Chartered Accountants, Pune. |
| Bn/bn. | Billion |
| BSE | BSE Limited |
| Board/ Board of Directors | Board of Directors of our Company |
| CAGR | Compounded annual growth rate |
| CDSL | Central Depository Services (India) Ltd. |
| Companies Act | The Companies Act, 1956 or the Companies Act, 2013, as amended from time to time or any re-enactment thereof |
| Depository | A body corporate registered under SEBI (Depositories and Participant) Regulations, 1996 |
| Depositories Act | Depositories Act, 1996 as amended from time to time |
| DP/Depository | A depository participant as defined under the Depositories Act |

| | |
|---|---|
| Participant | |
| DPID | Depository Participant Identity |
| Director(s) | The Director(s) on the Board of our Company |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| Effective Date | February 01, 2016 |
| EGM | Extraordinary General Meeting of the members of our Company |
| EPS | Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares outstanding during that fiscal year |
| Equity Share(s) | The ordinary equity share(s) of our Company with a face value of Re. 1/- unless otherwise specified in the context thereof |
| ESI | Employee's State Insurance |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations there under as amended from time to time |
| FEMA Regulations | FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time |
| FII(s) | Foreign Institutional Investors registered with SEBI under applicable laws |
| Financial Year/Fiscal Year/FY | Any period of twelve months ended March 31, of that particular year, unless otherwise stated |
| First Transferor Company or PPPML | Pudumjee Pulp & Paper Mills Limited |
| GAAP | Generally Accepted Accounting Principles |
| GDP | Gross Domestic Product |
| GoI/ Government | Government of India, unless otherwise specified |
| ICAI | The Institute of Chartered Accountants of India |
| IT | Information Technology |
| Income Tax Act | The Income Tax Act, 1961, as amended from time to time |
| India | The Republic of India |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| MoU | Memorandum of Understanding |
| Mn / mn | Million |
| Memorandum or Memorandum of Association | Memorandum of Association of our Company |
| Mutual Fund | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| NEFT | National Electronic Fund Transfer |
| NOC | No Objection Certificate |
| NSDL | National Securities Depository Limited |
| NSE | The National Stock Exchange of India Limited |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time. |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PIL or Second Transferor Company | Pudumjee Industries Limited |
| PHPL or Third Transferor Company | Pudumjee Hygiene Products Limited |
| Promoters | Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited, Pudumjee Holding Limited |
| RBI | The Reserve Bank of India |
| Registered Office | The registered office of our Company located at Thergaon, Chinchwad, Pune - 411 033. |
| RoC | The Registrar of Companies, Maharashtra located at PMT building, Pune Stock Exchange, 3 rd Floor, Deccan Gymkhana, Pune – 411004. |
| Re./Rs./Rupees/INR | Rupees, being the lawful currency for the time being of India |

| | |
|-----------------------|--|
| | |
| Scheme/ this Scheme | Scheme of Arrangement and Reconstruction (Demerger) presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 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 as sanctioned by the High Court of Judicature at Bombay on January 08, 2016 and effective from February 01, 2016. |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992 |
| SCRR | Securities Contract Regulation (Rules), 1957, as amended from time to time |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time |
| SEBI Regulations/ICDR | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time |
| Stamp Act | The Indian Stamp Act, 1899, as amended from time to time. |
| State Government | The Government of a State of India |
| Stock Exchange(s) | The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) |
| Takeover Code | The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| Transferor Companies | Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited and Pudumjee Hygiene Products Limited |

GENERAL INDUSTRY TERMS

| Term | Description |
|-----------------------|------------------------|
| GSM | Grams per Square Meter |
| Sq. ft. | Square Feet |
| Sq. metres / Sq. mtr. | Square Metres |
| MT | Metric Tonne |
| KG | Kilo Gram |

FORWARD LOOKING STATEMENTS

This Information Memorandum includes statements which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future ”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, and similar expressions or variations of such expressions, that are “forward-looking statements”.

Our forward looking statements contain information regarding, among other things, our financial condition, future plans and business strategy. We have based these forward looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things:

- General political, social and economic conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Strikes or work stoppages by our employees or contractual employees;
- Increasing competition in, and the conditions of, the Indian Paper industry;
- Failure to undertake projects on commercially favorable terms;
- Changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, foreign direct investment policies, affecting the retail industry generally in India;
- Accidents and natural disasters; and
- Other factors beyond our control.

We undertake no obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, and the risks, uncertainties and assumptions discussed in “Risk Factors” and elsewhere in this Information Memorandum, any forward looking statement discussed in this Information Memorandum may change or may not occur, and our actual results could differ materially from those anticipated in such forward looking statements.

CURRENCY OF PRESENTATION

In this Information Memorandum all references to “Rupee(s)” and “Re./Rs.” and INR are to Indian Rupees, the legal currency of the Republic of India.

Certain Conventions, Use of Market Data

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements. The fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular fiscal year are to the twelve month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “Re. /Rs.” are to Indian Rupees, the official currency of the Republic of India.

For additional definitions, please see the section titled “Definitions and Abbreviations” of this Information Memorandum.

Unless stated otherwise, industry data used throughout this Information Memorandum has been obtained from the published data and industry publications. Such published data generally states that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified.

The information included in this Information Memorandum about various other companies is based on their respective Annual Reports and information available/made available by the respective companies.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below before making an investment in our equity shares.

The risks described below and any additional risks and uncertainties not presently known to our Company or that are currently deemed immaterial could adversely affect our Company's business, financial condition or results of operations and the trading price of our Equity Shares could decline. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

RISKS RELATING TO OUR COMPANY'S BUSINESS

I. INTERNAL RISK FACTORS

1. Our business may be affected by certain disruptions

Industrial disruptions, work stoppages, labour disputes, refurbishments, installation of new plants, shifting of existing facilities to Mahad, plant shut down, lack of demand etc. can result in production losses, which may adversely affect our profitability. Production may fall below historic or estimated levels as a result of these causes.

2. Any inability to manage working capital, predominantly in inventories and book debt, may affect our cash flows and adversely affect our results of operations and financial condition

Currently, a significant portion of our Company's revenues are generated from products that are characterized by high investments in working capital, predominantly in inventories and book debt. Any increase in these investments due to a change in the business scenario may constrain our cash flows and adversely affect our results of operations and financial condition.

3. We are highly dependent on our senior management to manage our current operations and meet future business challenges.

Our future success is highly dependent on expertise, experience and services of Company's senior management to maintain strategic direction, manage current operations and risk profile and meet future business challenges, including the planned expansion and the addition of new projects. Loss of, or inability to attract or retain, such persons could adversely affect our business and results of operations. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, and we may not be able to further augment our management team appropriately and this could have a materially adverse effect on our business, results of operations and financial condition.

4. We face competition from other established companies and future entrants into the industry

We operate in the domestic market where we face competition from various players. Growing competition may force us to reduce the prices of our products, which may reduce revenues and margins and/or decrease market share, either of which could impact our results of operations.

5. Our Company's business is dependent upon its ability to procure supply of raw materials for its operations and the supply and cost of which can be subject to significant variations due to factors beyond the control of our Company

The ability of our Company to manufacture and produce final product is dependent on its ability to procure raw materials and fuel in a cost effective and efficient manner. One of the key ingredients in the manufacture of final product is Pulp & Waste Paper. Our Company is dependent on various foreign & domestic suppliers to provide certain raw materials. If our Company is not able to obtain adequate supplies of these materials or fuel in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of

these supplies, the business, operations and financial condition of our Company may be materially and adversely impacted.

- 6. The Company is partially dependent on third party transportation providers for the supply of raw materials and delivery of finished products. Any failure by such providers to deliver the raw materials on time or any strike by such transporters or any hike in cost of transportation by such operators could have an impact on our production schedules and this could in turn have an adverse impact on our operations and profitability of our company**

The Company vendor/ customers uses third-party transportation providers for supply of raw material and for delivery of its products to its customers. Transportation strikes by members of various Indian Transport Union have occurred in the past, and could occur in the future also. This could have an adverse impact on the timely receipt of supplies by the Company and in turn our ability to deliver our finished products to our customers. In addition, increase in transportation costs may have an adverse effect on its business and results of operations.

- 7. Our Company may not have adequate insurance to cover any and all losses incurred in our business operations**

Our manufacturing & operational activities could result in personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. Although we believe that our Company has insurance that is customary for operating paper manufacturing plants in India, this insurance may not provide adequate coverage and is also subject to certain deductibles, exclusions and limits on coverage.

- 8. Our operating results depend on competitive advantage our Company enjoys with our key large customers.**

Our certain products face competition from national & overseas competitors therefore our margins may get affected depending up on the extent of flexibility the company has in its cost structure since we are dependent on bought out raw material & energy. However owing to continuous research & development efforts “Pudumjee” has attained its name for quality & reliability.

- 9. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our failure to obtain and/or renew any approvals or licenses in future may have an adverse impact on our business operations**

Our Company is resultant of de-merger of paper manufacturing & trading business of PPPML, PIL & PHPL pursuant to the Scheme. Pursuant to the said demerger scheme, all business approvals will be transferred in our Company's name. Further, our Company requires certain approvals, licences, registrations and permissions to operate our business, some of which may have expired and for which we may have either made, or are in the process of making, an application for obtaining the approval for its renewal. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected.

- 10. Our Company is exposed to market risk from interest rate fluctuations**

An increase in interest rates or an increase in the margin on which finance can be obtained may increase our Company's financing costs and such increase in interest rates may increase the cost of borrowing, which could have an adverse impact on our business, financial condition and results of operations.

- 11. There are outstanding litigations against our Company and our Group Companies**

There are legal proceedings pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, our Company may need to make provisions in our financial statements, which could increase our expenses and our current liabilities.

There are certain claims pending in various courts and authorities at different levels of adjudication against our Company and Group Companies.

12. Our ability to pay dividends in the future will depend upon our future earnings, cash flows, working capital requirements, lender's approvals and other factors

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Our business is capital intensive and we may plan to make additional expenditures to complete the projects that we are developing, or to develop new projects. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our future earnings and financing arrangements for the projects, financial condition and results of operations.

13. Our manufacturing activities are dependent on the availability of skilled and unskilled labour. Our inability to attract labour or maintain harmonious relationship with them could affect the operations of the company

The company currently has harmonious industrial relations with its workers. Although, the Demerged Companies did not had any significant problems right from their inception any strikes, lockouts etc. can significantly reduce our productivity and affect our business operations.

14. Our financing arrangements contain certain restrictive covenants which could adversely impact our ability to conduct our business operations and adversely affect our results of operations

The indebtedness incurred and the restrictions imposed on us by our current or future loan arrangements could adversely impact our ability to conduct our business operations and result in other significant adverse consequences, including, but not limited to, the following:

We may be required to obtain approval from our lenders regarding, among other things, any amalgamation or merger, incurrence of additional indebtedness, disposition of assets and expansion of our business, change in capital structure, change in management, payment of dividends and modification in any project documents. We cannot assure investors that we will receive such approvals in a timely manner or at all;

We may be required to maintain certain financial ratios. If we breach any financial or other covenants contained in any of our financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Furthermore, certain of our financing arrangements may contain cross default provisions which could automatically trigger defaults under other financing arrangements. Additionally, because some of our borrowings are secured against our assets, our lenders may be able to sell those assets to enforce their claims for repayment;

Our ability to obtain additional financing through debt or equity instruments now or in the future and to acquire assets (including any shares, debentures or partnership interest), or make certain investments may be impaired which may increase our vulnerability to general adverse economic, industry and competitive conditions and limit our flexibility in planning for, or reacting to, changes in our business and the industry;

Our ability to enter into any partnership, profit-sharing, royalty agreement or other similar agreements; or enter into management contracts or other similar arrangements may be impaired.

15. Our Promoters and Promoter Group exercise significant control and influence over the business affairs of our Company and their interests may conflict with those of the investors and other shareholders of our Company

As of the date of this Information Memorandum, the shareholding of Promoters and Promoter Group in our Company is 66.89%. Due to the majority of shareholding, our Promoters will have the ability to control and influence the business affairs of our Company including matters such as sale of all or substantially all of the assets of our Company, assumption of additional debt, sale of brands belonging to our Company, timing and distribution of dividends, election of officers and directors and change of control transactions and other matters. The interests of our Promoters may differ and conflict with those of the investors and other shareholders of our Company which may cause them to act in a manner that may not be in the best interests of the shareholders of our Company.

16. Our Promoters and directors are interested in our Company to the extent of their shareholding

As of the date of this Information Memorandum, the shareholding of our Promoters and Directors in our Company is 66.89%, and 0% (excluding Mr. Jatia whose shareholding is shown under Promoters) respectively. To the extent of their respective shareholding in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares; our Promoters and directors are interested.

17. The company has availed unsecured loans from related parties which may be recalled by the lenders at any time

Our company has availed or may avail certain unsecured loans, which is repayable on demand. In case, the lenders demand unsecured loan before maturity period, it may affect adversely our financial condition and results of operations.

18. Some of our group companies have incurred losses in the last three financial years

Some of our group companies have incurred losses during their last three financial years (as per their audited financial statements), as set forth in table below:

Loss-making Group Companies:

| S. No. | Name of Group Company | (Rs. In Lacs.) Profit / (Loss) after Tax | | |
|--------|----------------------------------|---|------------|------------|
| | | FY 2014-15 | FY 2013-14 | FY 2012-13 |
| 1 | Pudumjee Plant Laboratories Ltd. | (187.85) | (196.58) | (168.98) |
| 2 | Pudumjee Hygiene Products Ltd.* | (243.03) | (254.08) | (298.04) |

*Note: The financial are including financial of demerged business.

19. The statements contained in this Information memorandum are based on current management plans and estimates and may be subject to change. In addition, industry statistical and financial data contained in this Information memorandum may be incomplete or unreliable

We have not independently verified data from industry publications and other sources contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the paper industry herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable and should not be unduly relied upon.

II. EXTERNAL RISK FACTORS

20. Competition in the Industry

Our Company operates in a competitive scenario comprising of Indian and multinational players resulting in a stiff competition from these players. Though our Company and its management believe that the continuous research & development efforts not only expand its product offering but also has created the name “Pudumjee” for quality & reliability, the same can have a significant impact on the future financial performance of our company.

21. Changes in Government policies

Changes in Government policy, changes in interest rates, revision of duty or tariff structure, changes in EXIM policy, changes in tax laws, changes in environmental regulations and emission norms etc. may have an adverse impact on the financial performance of our Company and can lead to increased capital cost to meet the changed regulations. Due to the competitive nature of the market, the cost increases as a result of these changes may not be easily passed on to the customers, thus adversely impacting our profitability.

22. Political instability or changes in the government may delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations

The government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. A change in the government in future may result in a significant change in the government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

23. Legal and Compliance Risk

Our Company is subject to extensive regulation by SEBI, Stock Exchanges, RBI and other market regulators in India. New laws/rules and changes in any law and application of current laws/rules could affect the manner of operations and profitability.

24. Terrorist attacks and other acts of violence

Terrorist attacks and other acts of violence or war may adversely affect Indian and worldwide financial markets. These acts may result in loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

25. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer

India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business.

26. Depreciation of the Rupee against foreign currencies may have an adverse effect on our results of operations

We are exposed to foreign exchange rate risk on the pulp, waste papers, and other inputs imported used as raw materials for manufacturing papers at our plant. To this extent we are exposed to currency risk and accordingly, any depreciation of the Rupee against these currencies will significantly increase the Rupee cost to us which will impact our profitability.

III. RISKS RELATING TO OUR INDUSTRY

27. The Indian Paper Industry is affected by a number of factors, which are beyond the control of our Company

A number of factors influence supply and demand for paper. These include, among others, production, overcapacity, general economic conditions, competitors' actions and local, State and Central Government policies. These in turn affect the prices and margins of our Company.

28. Slowdown/deceleration of the Indian economy

The level of general economic activity in India has a direct impact on demand for our Company's products. The level of economic activity is influenced by a number of factors, including national and international economic activity, political and regulatory policy, and climatic conditions such as monsoons and drought, prices of international crude oil, etc. If the pace of growth of the Indian economy slows or turns negative, the business, financial condition and future results of operations of our Company would be materially and adversely affected.

29. Increase in taxes and other levies imposed by the Central or State Governments on the acquisition of Capital goods/components, purchase of raw materials or finished goods may have an adverse effect on the profitability of our Company

Customs duty on raw material, consumables and machinery along with excise duty on finished goods with central sales tax, VAT and state entry tax and other levies affect our company. These taxes and levies affect the cost of production and sales price of our products and hence the demand for our products. Any increase in any of these taxes or levies or the imposition of new taxes or levies in the future may have an adverse impact on our Company's business and financial condition.

30. The Paper industry is subject to various environmental and other regulations. Any significant change in the regulations may result in additional cost and reduction in profitability

Our operations are subject to various environmental laws and regulations relating to environmental protection. The discharge of pollutants exceeding the permitted levels may cause damage which give rise to liabilities causing the state pollution control boards and third parties to initiate action. Stricter laws and regulations, or stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition or results of operation. Our failure to obtain required licenses or renew expired licenses or to otherwise comply with various regulatory requirements may have a material adverse effect on our financial conditions and results of operations.

Recently Maharashtra Pollution Control Board (MPCB) has stipulated to meet BOD parameter in treated waste water from earlier 30 mg/l down to 10 mg/l. We are working for achieving the desired results by adopting improved technology and have requested MPCB to allow us to operate in the interim BOD level of 20 mg/l and eventually compliance with 10 mg/l before the year end. Our application is under favourable consideration.

IV. RISKS RELATING TO THE INVESTMENT IN OUR EQUITY SHARES

31. Our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop

The price of the Equity Shares may fluctuate as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian paper industry and changing perceptions in the market about investments in the Indian paper industry, adverse media reports on us or the Indian paper industry, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations.

There has been no recent public market for the Equity Shares prior to the listing of the Equity Shares and an active trading market for the Equity Shares may not develop or be sustained after the listing of Equity Shares. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to the listing of Equity Shares.

32. Any future issuance of Equity Shares may dilute prospective investors' shareholding and sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

33. .Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares

The Indian securities markets are smaller than securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have

occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

34. There may be restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time

Upon listing and trading of the Equity Shares, we may be subject to a daily circuit breaker imposed by all stock exchanges in India, which may not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker may be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

SECTION III – INTRODUCTION

YOU SHOULD READ THE FOLLOWING SUMMARY TOGETHER WITH RISK FACTORS AND MORE DETAILED INFORMATION ABOUT OUR COMPANY AND FINANCIAL DATA INCLUDED ELSEWHERE IN THIS INFORMATION MEMORANDUM.

SUMMARY OF INDUSTRY

(The information in this section is derived from various publicly available sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.)

India has witnessed steady GDP growth in the past decade and it is one of the fastest emerging economies of the world. The major factor in this growth is the mass consuming population of the country. Consumers today are much more evolved and their demands and needs are very different. The Indian paper industry has been divided on a three dimensional matrix identified by size, grades manufactured and raw material utilized. Historically, tariff rates have protected smaller units utilizing “unconventional” raw material. Over the years, the investments levels, technological changes, industry structure and intensity of competition have been significantly influenced by the Government tariff policy.

Source: Company

KEY DRIVERS OF GROWTH

- **Rising urbanization**
- **Spending on education**
- **Rising proportion of working age population**
- **Growing demand for packaged food**
- **Change in Consumer Preferences**
- **Growing hygiene awareness**

For further details please refer the Chapter “Industry Overview”

SUMMARY OF BUSINESS

Business Overview

Our Company's current business is resultant of de-merger of Paper business of the Pudumjee Pulp & Paper Mills Ltd., Pudumjee Industries Ltd. and Pudumjee Hygiene Product Ltd's pursuant to the Scheme of Arrangement. Consequently, our Company's business has been designed to be paper manufacturing business with a capacity of about 60,000MT per annum of Specialty Papers, on our state-of-art manufacturing machines.

These Paper Machines can produce wide range of products from 17 gsm to 100 gsm basis weight, with an ability to go even higher. Supported by dedicated team, superior technology, PPPL are able to offer its customers a wide range of tailor made products for various applications such as

- 1) Opaque Laminating Base used for Laminating, printing, packaging, Chocolate & Toffee wrapping
- 2) Glassine for packing of food products soaps etc.
- 3) Base paper for melamine crockery, Paper for decorative market segment,
- 4) Bible Printing used in Printing of Bible, Dictionary, Books. Also leaflet in pharma (Insert & Outserts)
- 5) Vegetable parchment paper for packing of butter, cheese etc.
- 6) Kraft paper used as release base paper for label, Incense stick packing etc.
- 7) Tissue paper used as napkins, kitchen towel, Toilet rolls etc.

The Hygiene Products Division of the Company markets the converted tissue products such as bathroom rolls, kitchen towel, napkins, dispensers, etc. under its brand name "GREENLIME" which are well received including those by Luxury Hotels, Airports, Corporate Offices, etc.

Our Competitive strengths


- Research & Development
- Extensive distribution network
- Strong brand recall
- Proven and experienced work force and management team
- Cost efficient sourcing and locational advantage
- Wide range of Product Portfolio

Our Business Strategy

- Strengthening in-house R & D set up
- Build stronger ties with the users & prospective customers
- Standardizing products specification
- Continuous products innovations
- Cost reduction
- Relocation of expanded manufacturing facilities

For further details please refer the Chapter titled —Business Overview

SUMMARY OF FINANCIAL INFORMATION

| | |
|---|--------------------------|
|  <div style="text-align: center;"> PUDUMJEE PAPER PRODUCTS LTD. Regd. Office : Thergaon, Pune 411 033. Tel.No 020-40773333, E-Mail sk@pune.pudumjee.com, Website : www.pudumjee.com, CIN U21098PN2015PLC153717 STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 31st DECEMBER, 2015. </div> | |
| (Rs. in Lacs) | |
| PART I | Nine Months Ended |
| | 31/12/2015 |
| 1 a) Gross Sales/Income from Operations | 37,844 |
| Less : Excise Duty | 1,931 |
| Net Sales/Income from Operations (Net of Excise Duty) | 35,913 |
| b) Other operating income | 121 |
| Total Income from operations (Net) | 36,034 |
| 2 Expenditure | |
| a) Cost of Materials consumed | 19,122 |
| b) Purchases of stock-in-trade | 4,097 |
| c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (912) |
| d) Employee benefits expenses | 2,743 |
| e) Depreciation and amortization expenses | 404 |
| f) Fuel, Power & Water expenses | 5,723 |
| g) Net Foreign Exchange Loss | 235 |
| h) Other expenses | 3,183 |
| i) Total | 34,595 |
| 3 Profit/(Loss) from Operations before Other Income, Finance cost & exceptional items (1-2) | 1,439 |
| 4 Other Income | 628 |
| 5 Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4) | 2,067 |
| 6 Finance cost | 1,292 |
| 7 Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6) | 775 |
| 8 Exceptional items | - |
| 9 Profit/(Loss) from ordinary activities before Tax (7-8) | 775 |
| 10 Tax expenses | 156 |
| 11 Net Profit/(Loss) for the period from ordinary activities after tax (9-10) | 619 |
| 12 Extraordinary items (Net of tax expenses) | - |
| 13 Net Profit/(Loss) for the period (11-12) | 619 |
| 14 Paid-up Equity Share Capital Face value Re.1/- per share. | 950 |
| 15 Basic/Diluted EPS for the period before & after extra ordinary items (not annualised) (Rs) | 0.65/0.65 |
| Segmentwise Revenue, Results & Capital Employed | Nine Months Ended |
| | 31/12/2015 |
| 1 Segment Revenue | |
| a) Paper | 32,089 |
| b) Hygiene Products | 3,945 |
| Net Sales/Income from operations | 36,034 |
| 2 Segment Results- Profit/(Loss) before tax and interest : | |
| a) Paper | 1,425 |
| b) Hygiene Products | 27 |
| Total | 1,452 |
| Less : | |
| i) Interest | 1,184 |
| ii) All other unallocable expenditure (Net of unallocable income) | (507) |
| Profit/(loss) before tax | 775 |
| 3 Capital Employed | |
| a) Paper | 18,787 |
| b) Hygiene Products | 1,851 |
| Total | 20,638 |
| Notes: 1 (a) Pursuant to the Scheme of Arrangement between the Company and transferor Companies, namely, Pudumjee Pulp & paper Mills Ltd., Pudumjee Industries Ltd. and Pudumjee Hygiene Products Ltd. as sanctioned by the Bombay High Court, which has become effective from 1st of February, 2016, the business of paper manufacturing and hygiene products have been demerged from the respective companies and merged with this Company with effect from 1st April, 2014, the appointed date. (b) The above results have been prepared after giving effect to aforesaid scheme of arrangement. 2 The auditors have carried out limited review of the results for the Nine months ended 31 st December, 2015 3 The results given above are in respect of Nine months ended 31st December, 2015 as requested by the Board of Directors of the transferor Companies to enable them to inform their Stock Exchanges. Such consolidated results in respect of the other periods were not separately | |
| <div style="display: flex; justify-content: space-between;"> <div> Place : Mumbai Date : 20th February 2016 </div> <div style="text-align: right;"> On Behalf of The Board Of Directors, V.P. Leekha Managing Director </div> </div> | |

SCHEME OF ARRANGEMENT AND RECONSTRUCTION (DEMERGER)

Scheme of Arrangement and Reconstruction (Demerger) (“Scheme”) between Pudumjee Pulp & Paper Mills Limited (“PPPML”) and Pudumjee Industries Limited (“PIL”) and Pudumjee Hygiene Products Limited (“PHPL”) and Pudumjee Paper Products Limited (“PPPL”) and their respective shareholders and creditors:

Rationale of the Scheme

- i. This Scheme will enable the Transferor companies as well as the Transferee Company, which has been incorporated as special purpose vehicle for the Scheme, to streamline their business activities as the companies are all presently carrying on different kind of businesses, each of which evinces interest from a separate class of investors and involves risks which are separate and distinct from each other;
- ii. 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;
- iii. 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;
- iv. This will help in achieving and sustaining competitiveness and development of long term internal and core competencies.

The salient features of the Scheme are as follows:

a) Demerger of the Demerged Undertaking 1 into PPPL (‘Part B’ of the Scheme)

The Appointed Date in relation to the Part B of the Scheme is the 1st day of April, 2014 or such other date as may be approved by the High Court of Judicature at Bombay.

With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Demerged Undertaking 1 as defined in the Scheme, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in PPPL.

Upon this Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking 1 to PPPL in terms of this Scheme, PPPL shall, without any further act or deed, issue and allot to equity Shareholders whose name appears in the records of PPPML, on the Record Date, 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 PPPL 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 PPPML.

b) Demerger of the Demerged Undertaking 2 into PPPL (‘Part C’ of the Scheme)

The Appointed Date in relation to the Part C of the Scheme is the 1st day of April, 2014 or such other date as may be approved by the High Court of Judicature at Bombay.

With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Demerged Undertaking 2 as defined in the Scheme, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in PPPL.

Upon this Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking 2 to PPPL in terms of this Scheme, PPPL shall, without any further act or deed, issue and allot to equity Shareholders whose name appears in the records of PIL, on the Record Date, in the ratio of 9 (Nine) 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 PPPL 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 PIL.

c) *Demerger of the Demerged Undertaking 3 into PPPL ('Part D' of the Scheme)*

The Appointed Date in relation to the Part D of the Scheme is the 1st day of April, 2014 or such other date as may be approved by the High Court of Judicature at Bombay.

With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Demerged Undertaking 3 as defined in the Scheme, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in PPPL.

Upon this Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking 3 to PPPL in terms of this Scheme, PPPL shall, without any further act or deed, issue and allot to equity Shareholders whose name appears in the records of PHPL, on the Record Date, in the ratio of 7 (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 PPPL for every 20 (Twenty) equity shares of the face value of Rs. 10/- (Rupee Ten Only) each (credited as fully paid-up) held by such member in PHPL.

- d)** PPPL shall bear and pay 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 thereof

The Scheme is and shall be conditional upon and subject to:

- i. The Scheme 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;
- ii. 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;
- iii. 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;
- iv. Receipt of approvals of the relevant Stock Exchange and the SEBI in terms of the SEBI Circulars, as applicable;
- v. 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
- vi. Compliance with such other conditions as may be imposed by the Hon'ble High Court.

Subject to provisions of the Scheme and save as provided in the Scheme, there shall be no change in the shareholding pattern or control in PPPL between the Record Date and the listing which may affect the status of approval of Stock Exchanges.

- e)** The Effective date of the Scheme is 01st February, 2016.

f) Treatment for fractional shares

All fractional entitlements of Equity Shares of the Company against the shareholders of PPPML / PIL /PHPL arising as per the share entitlement ratio were consolidated and transferred to the Trustee Mr. I. U. Thakur, a Practicing Company Secretary nominated by the Board of the concerned Transferor Companies 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.

g) Approval and Sanction of the Scheme

PPPML obtained No-Objection to the Scheme pursuant to Clause 24(f) of the Listing Agreement entered with Stock Exchanges from BSE, NSE and PSE vide their letters dated 22nd April, 2015 and 10th February, 2015 respectively.

PIL obtained No-Objection to the Scheme pursuant to Clause 24(f) of the Listing Agreement entered with Stock Exchanges from BSE and NSE vide their letters dated 22nd April, 2015.

The Hon'ble High Court of Judicature at Bombay, vide Order dated 08th January, 2016, has sanctioned the Scheme. Pursuant to the Scheme, the Demerged Undertaking 1, Demerged undertaking 2 and Demerged Undertaking 3 have been vested with our Company from the Appointed Date of 1st April, 2014 under Sections 391 to 394 of the Companies Act, 1956, effective from 01st February, 2016.

i) Listing on Stock Exchanges

The Equity Shares of our Company allotted pursuant to the Scheme, subject to applicable regulations, shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company for listing.

Our Company has made an application to SEBI through NSE vide letter dated 25th February, 2016 for relaxation from the strict enforcement of the requirement of Rule 19(2)(b) of the Securities Contract Regulation (Rules), 1957 (SCRR) for the purpose of listing the shares of PPPL. This application is being made in accordance with SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, this Information Memorandum will be available on the website of the BSE and NSE and also on the website of our Company i.e. www.pudumjee.com.

PPPL will publish an advertisement in the newspapers containing details in accordance with the SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. PPPL also undertakes that all material information about itself shall be disclosed to stock exchanges on a continuous basis so as to make the same available to public.

GENERAL INFORMATION

Pudumjee Paper Products Limited (PPPL) was incorporated on 14th January, 2015 as a public limited company under the provisions of the Companies Act, 2013 as a special purpose vehicle for the Scheme. Pursuant to the Scheme, Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3 have been vested with our Company from the appointed date of 01st April, 2014 in accordance with Sections 391 to 394 of the Companies Act, 1956.

Registered Office : Thergaon, Chinchwad, Pune – 411033.

Corporate Identity Number of our Company : U21098PN2015PLC153717

Registrar of Companies : **The Registrar of Companies, Pune**
PMT building, 3rd Floor,
Deccan Gymkhana, Pune – 411004.

Company Secretary & Compliance Officer : Mr. Vinay Jadhav
Tel.:(020) 30613333
Fax: (020) 40773388
Email id:investors.relations@pudumjee.com

Board of Directors

The composition of the Board of Directors is as follows:

| Sl. No. | Name of the Director | Designation |
|---------|------------------------------------|------------------------------------|
| 1 | Mr. Arunkumar Mahabir Prasad Jatia | Non Executive Chairman |
| 2 | Mr. Ved Prakash Leekha | Managing Director |
| 3 | Mr. Surendra Kumar Bansal | Non Executive Director |
| 4 | Mr. Nandan Damani | Independent Non Executive Director |
| 5 | Mr. Vinod Kumar Beswal | Independent Non Executive Director |
| 6 | Mrs. Madhu Dubhashi | Independent Non Executive Director |

For further details of the Board of Directors of our Company, please see the section titled “Management”.

Authority for Listing

The Hon’ble High Court of Judicature at Bombay, vide order dated 08th January, 2016 has approved the Scheme of Arrangement and Reconstruction (Demerger) for transfer of Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3 into PPPL. In accordance with the Scheme, Demerged Undertaking 1 of PPPML, Demerged Undertaking 2 of PIL and Demerged Undertaking 3 of PHPL were transferred to and vested with PPPL, with effect from the appointed date viz. 1st April, 2014 pursuant to Section 391 to 394 of the Companies Act, 1956. In accordance with the said Scheme, the Equity shares of our Company to be issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfillment of listing criteria by our Company as permitted by BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application for listing by our Company. The Company has received in-principle approvals from BSE and NSE in relation to listing of equity shares issued pursuant to the Scheme vide their letter dated 22nd March, 2016 and 10th March, 2016 respectively.

Eligibility Criterion

There being no initial public offering or rights issue of securities, the eligibility criteria of SEBI (ICDR) Regulations, 2009 are not applicable. However, SEBI vide its letter no. SEBI/HO/CFD/DIL3/OW/P/2016/000008600/1 dated 22nd March, 2016, granted relaxation of clause (b) to sub-rule (2) of Rule 19 thereof by making an application to SEBI under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. The Company has submitted the Information Memorandum, containing information about itself, making disclosures in

line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites www.bseindia.com and www.nseindia.com. The Company has made the said Information Memorandum available on its website www.pudumjee.com. The Company has published an advertisement on 23rd March, 2016, in the newspapers containing its details as per the SEBI Circular no.CIR/CFD/DIL/5 /2013 dated February 4, 2013 with the details required as in terms of para 6 of part B of the said Circular. The advertisement draws specific reference to the availability of the Information Memorandum on its website.

Prohibition by SEBI

Our Company, Promoter and Promoter Group, Directors and Group Companies and natural persons behind our companies with which the directors of our Company are associated, as directors or promoters, have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of para 6 of part B of SEBI Circular SEBI/CFD/DIL/5/2013 dated February 4, 2013 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Bankers to our Company

State Bank of India

Address: Commercial Branch Mumbai, N.G.N. Vaidya Marg, Fort, Mumbai – 400 023.

Tel: 022-22662205; Fax: 022-22626474; E-mail: sbi.06070@sbi.co.in; Website: www.sbi.co.in

Bank of India

Address: - Mumbai Mid Corporate Branch Bank of India Building, Mezzanine Floor 70-80 Mahatma Gandhi Road, Fort, Mumbai-400 001.

Tel: 022-22620282; Fax: 022-22692196; E-mail: mumbaisouth@bankofindia.co.in; Website: www.bankofindia.co.in

Statutory Auditors

Khare & Co.

Mini Apartments, 795, Bhandarkar Institute Road,

Deccan Gymkhana, Pune- 411004.

Tel.: (020) 25679706

E-mail: yp_shukla@yahoo.com

Contact Person: Mr. Y. P. Shukla

Registrar & Share transfer Agent:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No 31 & 32,

Gachibowli, Financial District, Nanakramguda,

Serilingampally, Hyderabad – 500 032.

Tel: (040) 67161500 Fax: (040) 23430832; E-mail: einward.ris@karvy.com

Contact Person: Mr. Varghese P A

CAPITAL STRUCTURE

The Capital Structure of the Company – Pre-Scheme of Arrangement

(Rs. in Lacs)

| Particulars | Aggregate Nominal Value |
|---|-------------------------|
| Authorised Share Capital 5,00,000 Equity Shares of Re. 1/- each | 1000.00 |
| Issued, Subscribed and Paid-up Share Capital 5,00,000 Equity Shares of Re. 1/- each | 5.00 |

Post issue and allotment of equity shares pursuant to the Scheme, the share capital of our Company as at the date of this Information Memorandum is set forth below:

(Rs. in Lacs)

| Particulars | Aggregate Nominal Value |
|--|-------------------------|
| Authorised Share Capital 10,00,00,000 Equity Shares of Re. 1/- each | 1000.00 |
| Issued, Subscribed and Paid-up Share Capital 9,49,50,000 Equity Shares of Re. 1/- each | 949.50 |

NOTES FORMING PART OF CAPITAL STRUCTURE:

1. The Authorized Share Capital of the Company at the time of Incorporation was Rs. 5,00,000/- (Rupees Five Lacs) divided into 5,00,000 Equity Shares of Rs. 1/- each. Subsequently, the Authorised Share Capital of our Company was increased to Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 10,00,00,000 (Ten Crores) Equity Shares of Re. 1/- each vide a Special Resolution passed by shareholders of our Company at an Extra Ordinary General Meeting Held on 8th December, 2015.

2. Equity Share Capital History:

| Sr. No. | Date of Allotment | Consideration (Cash, Bonus, Kind, Etc.) | No. of Equity Shares | Cumulative No. of Equity Shares | Face Value (Re.) | Issue Price (including Premium / Fair Value) (Rs.) |
|---------|---------------------------------|--|----------------------|---------------------------------|------------------|--|
| 1 | 16 th January, 2015 | Cash- Subscribers to Memorandum | 5,00,000 | 5,00,000 | 1 | 20 |
| 2 | 17 th February, 2016 | Other than cash (Pursuant to the Scheme) | 9,44,50,000 | 9,49,50,000 | 1 | 20* |

* Pursuant to the order of Bombay High Court excess of the fair value of the shares over their face value i.e. Rs. 19 per equity Shares will be treated as Capital Reserve.

3. The details of the Scheme and share entitlement ratio are given under the heading “Scheme of Arrangement and Reconstruction (Demerger)”.

4. The Company presently does not intend or propose to alter the capital structure for a period of six months from the date of this Information Memorandum, by way of split or consolidation of the denomination of Equity Shares or issue of Equity Shares (including any issue of securities convertible into or exchangeable, directly or indirectly, for Equity Shares) on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

5. Equity Share capital build-up of Promoters in our Company

A. Pudumjee Pulp & Paper Mills Limited

| Sr. No. | Date of Allotment | Consideration (Cash, Bonus, Kind, Etc.) | No. of Equity Shares | Face Value (Re.) | Issue Price (including Premium / Fair Value) (Rs.) | % of Pre-Demerger Capital | % of Post-Demerger Capital | Lock - in Period |
|---------|---------------------------------|---|----------------------|------------------|--|---------------------------|----------------------------|------------------|
| 1 | 16 th January, 2015 | Cash | 2,55,000 | 1 | 20 | 51% | 0.27% | N.A. |
| 2 | 17 th February, 2016 | Allotment pursuant to the Scheme | 4,30,526 | 1 | 20* | - | 0.45% | N.A. |

Note: None of the Equity Shares held by Pudumjee Pulp & Paper Mills Limited is pledged.

* Pursuant to the order of Bombay High Court excess of the fair value of the shares over their face value i.e. Rs. 19 per equity Shares will be treated as Capital Reserve.

B. Pudumjee Industries Limited

| Sr. No. | Date of Allotment | Consideration (Cash, Bonus, Kind, Etc.) | No. of Equity Shares | Face Value (Re.) | Issue Price (including Premium / Fair Value) (Rs.) | % of Pre-Demerger Capital | % of Post-Demerger Capital | Lock - in Period |
|---------|---------------------------------|---|----------------------|------------------|--|---------------------------|----------------------------|------------------|
| 1 | 17 th February, 2016 | Allotment pursuant to the Scheme | 1,68,13,769 | 1 | 20* | - | 17.71% | N.A. |

Note: None of the Equity Shares held by Pudumjee Industries Limited is pledged.

* Pursuant to the order of Bombay High Court excess of the fair value of the shares over their face value i.e. Rs. 19 per equity Shares will be treated as Capital Reserve.

C. Pudumjee Hygiene Products Limited (Wholly owned subsidiary of PIL)

| Sr. No. | Date of Allotment | Consideration (Cash, Bonus, Kind, Etc.) | No. of Equity Shares | Face Value (Re.) | Issue Price (including Premium) (Rs.) | % of Pre-Demerger Capital | % of Post-Demerger Capital | Lock - in Period |
|---------|--------------------------------|---|----------------------|------------------|---------------------------------------|---------------------------|----------------------------|------------------|
| 1 | 16 th January, 2015 | Cash | 20,000 | 1 | 20 | 4% | 0.02% | N.A. |

Note: None of the Equity Shares held by Pudumjee Hygiene Products Limited is pledged.

D. Pudumjee Holdings Limited (Wholly owned subsidiary of PIL)

| Sr. No. | Date of Allotment | Consideration (Cash, Bonus, Kind, Etc.) | No. of Equity Shares | Face Value (Re.) | Issue Price (including Premium) (Rs.) | % of Pre-Demerger Capital | % of Post-Demerger Capital | Lock - in Period |
|---------|--------------------------------|---|----------------------|------------------|---------------------------------------|---------------------------|----------------------------|------------------|
| 1 | 16 th January, 2015 | Cash | 2,25,000 | 1 | 20 | 45% | 0.24% | N.A. |

Note: None of the Equity Shares held by Pudumjee Holdings Limited is pledged.

6. Details of shareholding of Promoters and Promoter Group as on the date of this Information Memorandum is as under:

| Sl. No. | Name of the Shareholder | No. of Shares | % Shareholding |
|------------------|-------------------------------------|--------------------|----------------|
| Promoters | | | |
| 1 | Pudumjee Pulp & Paper Mills Limited | 6,85,526 | 0.72 |
| 2 | Pudumjee Holding Limited | 2,25,000 | 0.24 |
| 3 | Pudumjee Hygiene Products Limited | 20,000 | 0.02 |
| 4 | Pudumjee Industries Limited | 1,68,13,769 | 17.71 |
| Sub-total | | 1,77,44,295 | 18.69 |

| Promoter Group | | | |
|-----------------------|--|--------------------|--------------|
| 1 | Suma Commercial Private Limited | 1,03,09,452 | 10.86 |
| 2 | Thacker and Company Limited | 1,29,15,362 | 13.60 |
| 3 | Chem Mach Private Limited | 47,14,192 | 4.96 |
| 4 | Mr. Arunkumar Mahabir Prasad Jatia | 42,06,850 | 4.43 |
| 5 | Mr. Arunkumar Mahabir Prasad Jatia Jointly With Mr. Basant Kumar Khaitan (Executors of the will of Shri. Mahabir Prasad Jatia) | 9,63,273 | 1.01 |
| 6 | Mr. Arunkumar Mahabir Prasad Jatia (Executor of the will of Smt. Poonam Jatia) | 41,77,199 | 4.40 |
| 7 | Ms. Vrinda Jaita | 9,92,500 | 1.05 |
| 8 | Ms. Vasudha Jatia | 9,92,500 | 1.05 |
| 9 | Mst. Yashvardhan Jatia | 43,24,729 | 4.55 |
| 10 | Fujisan Technologies Limited | 3,94,056 | 0.42 |
| 11 | Pudumjee Investment & Finance Company Limited | 17,75,605 | 1.87 |
| 12 | Kairos Investment | 0 | 0.00 |
| 13 | Arun Jatia HUF | 0 | 0.00 |
| 14 | Yashvardhan Jatia Trust | 0 | 0.00 |
| 15 | Poonam Jatia Family Trust | 0 | 0.00 |
| 16 | Mahabir Prasad Jatia Family Trust | 0 | 0.00 |
| Sub-Total | | 4,57,65,718 | 48.20 |
| Total | | 6,35,10,013 | 66.89 |

7. Details of shareholding of directors of our Promoters as on the date of this Information Memorandum is as under:

| Sr. No. | Name of the Shareholder | No. of Shares | % Shareholding |
|----------------|------------------------------------|----------------------|-----------------------|
| 1 | Mr. Arunkumar Mahabir Prasad Jatia | 93,47,322 | 9.84 |
| 2 | Mr. Ved Prakash Leekha | Nil | Nil |
| 3 | Mr. Surendra Kumar Bansal | Nil | Nil |
| 4 | Mr. Nandan Damani | Nil | Nil |
| 5 | Mr. Vinod Kumar Beswal | Nil | Nil |
| 6 | Mrs. Madhu Dubhashi | Nil | Nil |

8. The Promoters, Promoter Group, directors of our Promoters, the Directors and their immediate relatives have not purchased or sold or financed, directly or indirectly, purchase of equity shares of the Company within six months immediately preceding the date of this Information Memorandum.
9. The Company, the directors or Promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of the Company from any person.
10. Equity Shares being issued in the Scheme are fully paid up at the time of allotment.

11. Shareholding Pattern of the Company before and after the Scheme (as on date of this Information Memorandum):

Shareholding Pattern of the Company before the Scheme:-

Summary statement holding of specified securities

| Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of equity shares held in dematerialized form |
|------------------------------------|----------------------|---|------------------------|---|---|
| (A) Promoter & Promoter Group | 7 | 5,00,000 | 5,00,000 | 100 | - |
| (B) Public | 0 | 0 | 0 | 0 | 0 |
| (C1) Shares underlying DRs | 0 | 0 | 0 | 0 | 0 |
| (C2) Shares held by Employee Trust | 0 | 0 | 0 | 0 | 0 |
| (C) Non Promoter-Non Public | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 7 | 5,00,000 | 5,00,000 | 100.00 | 0 |

Statement showing shareholding pattern of the Promoter and Promoter Group

| Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of equity shares held in dematerialized form |
|--------------------------------------|----------------------|---|------------------------|---|---|
| A1) Indian | 7 | 5,00,000 | 5,00,000 | 100.00 | - |
| Mr. Hanuman Prasad Ramchandra Birla* | | 100 | 100 | 0.02 | - |
| Mr. Ranganath Manohar Kulkarni* | | 100 | 100 | 0.02 | - |
| Mr. Jagadish Waman Patil* | | 100 | 100 | 0.02 | - |
| Mr. Gangadharan Krishnan Nair* | | 100 | 100 | 0.02 | - |
| Pudumjee Pulp & Paper Mills Limited | | 2,55,000 | 2,55,000 | 51.00 | - |
| Pudumjee Holding | | 2,25,000 | 2,25,000 | 45.00 | - |

| | | | | | |
|---|----------|-----------------|-----------------|---------------|----------|
| Limited | | | | | |
| Pudumjee Hygiene Products Limited | | 19,600 | 19,600 | 3.92 | - |
| Sub Total A1 | 7 | 5,00,000 | 5,00,000 | 100.00 | - |
| A2) Foreign | | | | | |
| Individuals (Non Resident Individuals/ Foreign Individuals) | - | - | - | - | - |
| Sub Total A2 | 0 | 0 | 0 | 0 | - |
| A=A1+A2 | 7 | 5,00,000 | 5,00,000 | 100.00 | - |

** Equity shares are held as nominee of Pudumjee Hygiene Products Limited.*

Shareholding Pattern of the Company after the Scheme:-

Summary statement holding of specified securities

| Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of equity shares held in dematerialized form |
|------------------------------------|----------------------|---|------------------------|---|---|
| (A) Promoter & Promoter Group | 27 | 6,35,10,013 | 6,35,10,013 | 66.89 | 5,25,10,016 |
| (B) Public | 12,705 | 3,14,39,987 | 3,14,39,987 | 33.11 | 2,91,26,337 |
| (C) Non Promoter-Non Public | | | | | |
| (C1) Shares underlying DRs | 0 | 0 | 0 | 0 | 0 |
| (C2) Shares held by Employee Trust | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 12,732 | 9,49,50,000 | 9,49,50,000 | 100.00 | 8,16,36,353 |

Statement showing shareholding pattern of the Promoter and Promoter Group

| Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of equity shares held in dematerialized form |
|--|----------------------|---|------------------------|---|---|
| A1) Indian | | | | | |
| Promoters | 16 | 1,77,44,295 | 1,77,44,295 | 18.69 | 67,44,298 |
| Pudumjee Pulp & Paper Mills Limited | | 6,85,526 | 6,85,526 | 0.72 | 4,30,526 |
| Pudumjee Holding Limited | | 2,25,000 | 2,25,000 | 0.24 | 0 |
| Pudumjee Hygiene Products Limited | | 19,600 | 19,600 | 0.02 | 0 |
| Pudumjee Industries Limited | | 1,68,13,769 | 1,68,13,769 | 17.71 | 63,13,772 |
| Hanuman Prasad Ramchandra Birla* | | 100 | 100 | 0.00 | 0 |
| Ranganath Manohar Kulkarni * | | 100 | 100 | 0.00 | 0 |
| Jagadish Waman Patil * | | 100 | 100 | 0.00 | 0 |
| Gangadharan Krishnan Nair* | | 100 | 100 | 0.00 | 0 |
| Total Promoters | | 17,744,295 | 17,744,295 | 18.69 | 67,44,298 |
| Promoter Group : | 9 | 4,37,80,718 | 4,37,80,718 | 46.11 | 4,37,80,718 |
| Arunkumar Mahabir Prasad Jatia | | 42,06,850 | 42,06,850 | 4.43 | 42,06,850 |
| Arunkumar Mahabir Prasad Jatia (executor of the will of Smt. PoonamJatia) | | 41,77,199 | 41,77,199 | 4.40 | 41,77,199 |
| Arunkumar Mahabir Prasad Jatia Jointly With Basant Kumar Khaitan (Executors of The Will of Shri. Mahabir Prasad Jatia) | | 9,63,273 | 9,63,273 | 1.01 | 9,63,273 |
| Yashvardhan Jatia | | 43,24,729 | 43,24,729 | 4.55 | 43,24,729 |
| Chem Mach Pvt. Ltd. | | 47,14,192 | 47,14,192 | 4.96 | 47,14,192 |
| Fujisan Technologies Ltd. | | 3,94,056 | 3,94,056 | 0.42 | 3,94,056 |
| Suma Commercial Private Limited | | 1,03,09,452 | 1,03,09,452 | 10.86 | 1,03,09,452 |
| Thacker and Co Ltd | | 1,29,15,362 | 1,29,15,362 | 13.60 | 1,29,15,362 |
| Pudumjee Investment & Finance Co Ltd. | | 17,75,605 | 17,75,605 | 1.87 | 17,75,605 |
| Kairos Investment | | 0 | 0 | 0 | 0 |
| Arun Jatia HUF | | 0 | 0 | 0 | 0 |
| Yashvardhan Jatia Trust | | 0 | 0 | 0 | 0 |
| Poonam Jatia Family Trust | | 0 | 0 | 0 | 0 |
| Mahabir Prasad Jatia Family Trust | | 0 | 0 | 0 | 0 |
| Sub Total A1 | 25 | 6,15,25,013 | 6,15,25,013 | 64.80 | 5,05,25,016 |

| | | | | | |
|--|-----------|-------------------|-------------------|--------------|--------------------|
| A2) Foreign | | | | | |
| Promoter Group : | | | | | |
| Individuals (Non Resident Individuals/ Foreign Individuals) | 2 | 19,85,000 | 19,85,000 | 2.09 | 19,85,000 |
| Vrinda Jatia | | 9,92,500 | 9,92,500 | 1.05 | 9,92,500 |
| Vasudha Jatia | | 9,92,500 | 9,92,500 | 1.05 | 9,92,500 |
| Sub Total A2 | 2 | 19,85,000 | 19,85,000 | 2.09 | 19,85,000 |
| Total Promoter and Promoter Group | 27 | 63,510,013 | 63,510,013 | 66.89 | 5,25,10,016 |

* Equity shares are held as nominee of Pudumjee Hygiene Products Limited.

Statement showing shareholding pattern of the Public shareholder

| Category & Name of the Shareholders | No. of shareholder | No. of fully paid up equity shares held | Total no. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of equity shares held in dematerialized form |
|--|---------------------------|--|------------------------------|---|--|
| B1) Institutions | | | | | |
| Mutual Funds | 1 | 462 | 462 | 0 | 0 |
| Financial Institutions / Banks | 5 | 1,481 | 1,481 | 0 | 508 |
| Insurance Companies | 1 | 462 | 462 | 0 | 0 |
| Foreign Portfolio Investors | 1 | 67,500 | 67,500 | 0.07 | 67,500 |
| Foreign Bank | 1 | 1,850 | 1,850 | 0 | 1,850 |
| Sub Total B1 | 9 | 71,755 | 71,755 | 0.08 | 69,858 |
| B2) Central Government/ State Government(s)/ President of India | 0 | 0 | 0 | 0 | 0 |
| B3) Non-Institutions | | | | | |
| Individual share capital upto Rs. 2 Lacs | 12,148 | 1,90,35,428 | 1,90,35,428 | 20.05 | 1,68,83,322 |
| Individual share capital in excess of Rs. 2 Lacs | 18 | 47,61,815 | 47,61,815 | 5.02 | 47,61,815 |
| Any Other | | | | | |
| Trust | 3 | 1,847 | 1,847 | 0 | 0 |
| Non Resident Indians | 180 | 7,92,638 | 7,92,638 | 0.83 | 6,99,677 |
| Clearing Members | 19 | 60,773 | 60,773 | 0.06 | 60,773 |
| Bodies Corporate | 328 | 67,15,731 | 67,15,731 | 7.07 | 66,50,892 |
| Halan Properties Private Limited | 1 | 30,97,500 | 30,97,500 | 3.26 | 30,97,500 |
| Sub Total B3 | 12,696 | 3,13,68,232 | 3,13,68,232 | 33.04 | 2,90,56,479 |
| Total Public Shareholding | 12,705 | 3,14,39,987 | 3,14,39,987 | 33.11 | 2,91,26,337 |

12. Top Ten shareholders of our Company as on the date of this Information Memorandum as also Ten days prior to the date of Information Memorandum are as under:

| Sr. No. | Name of the shareholder | No. of Shares | % Shareholding |
|----------------|--|----------------------|-----------------------|
| 1 | Pudumjee Industries Limited | 1,68,13,769 | 17.71 |
| 2 | Thacker and Co Ltd | 1,29,15,362 | 13.60 |
| 3 | Suma Commercial Private Limited | 1,03,09,452 | 10.86 |
| 4 | Chem Mach Pvt Ltd | 47,14,192 | 4.96 |
| 5 | Yashvardhan Jatia | 43,24,729 | 4.55 |
| 6 | Arunkumar Mahabir Prasad Jatia | 42,06,850 | 4.43 |
| 7 | Arunkumar Mahabir Prasad Jatia (executor of the will of Smt. Poonam Jatia) | 41,77,199 | 4.40 |
| 8 | Halan Properties Private Limited | 30,97,500 | 3.26 |
| 9 | Pudumjee Investment & Finance Co Ltd | 17,75,605 | 1.87 |
| 10 | Manju Gaggar | 6,82,650 | 0.72 |
| Total | | 6,30,17,308 | 66.36 |

13. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of our Company.

14. There shall be only one denomination for the equity shares of our Company, subject to applicable regulations and the Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

15. The Company has 12,732 members as on the date of this Information Memorandum.

STATEMENT OF POSSIBLE TAX BENEFITS

The Board of Directors,
Pudumjee Paper Products Limited
Pune – 411 033

Sub.: Tax benefits

We refer to the proposed listing of the shares of Pudumjee Paper Products Limited, (“the Company”). We express our views on the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961 for inclusion in the Information Memorandum for the proposed listing of shares of the Company.

The company doesn't have any special tax benefit other than those related with demerger. In view of the individual nature of tax benefits, each investor is advised to consult his own tax consultant with respect to the specific tax implications.

We hereby give our consent to include statement regarding the tax benefits available to the Company and to its shareholders in the Information Memorandum for the proposed listing of equity shares which the company intends to submit to the Stock Exchanges.

LIMITATIONS

Our views expressed in the statement are based on the facts and assumptions indicated by management. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Pudumjee Paper Products Limited and shall not, without our prior written consent, be disclosed to any other person.

Yours faithfully,

For G.N. Angal & Co.
FRN 113250W

S/d
A.G. Angal
Partner
M. No. 046633
Date: 27.02.2016
Place: Pune

SECTION IV - ABOUT US

OUR INDUSTRY

The information in this section is derived from various publicly available sources, government publications, IMAGES and other industry sources. This information has not been independently verified by us or respective legal or financial advisors, and no representation is made as to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

INDUSTRY OVERVIEW

Paper & Board - Global Scenario

- The paper and paper board product group comprises newsprint, printing and writing paper, and other paper and paper board. The latter is further subdivided into specialty paper, wrapping and packaging paper, household and sanitary paper, and other paper and paper board not elsewhere specified (NES).
- Paper and paper board production increased over the period 2010 –2014, from 394 million tonnes to 399 million tonnes. Production in 2014 remained roughly the same in the previous three years.
- Almost all of this growth was due to an 8 percent rise in production in the Asia – Pacific region, this offset the decline of 5 percent in Northern America. Production in all of the other three regions remained roughly the same. In 2014, the regional distribution of production was as follows: Asia-Pacific 187 million tonnes (47 percent); Europe, 105 million tonnes (26 percent); Northern America, 84 million tonnes (21 percent); Latin America and Caribbean, 20 million tonnes (5 percent); and Africa, 4 million tonnes (1 percent).
- With respect to international trade, about a quarter of production is exported (roughly the same as the proportion of fibre furnish that is exported). Global trade remained quite stable at around 108 million tonnes over the period. Thus, the changes in global demand (e.g. high growth in demand in Asia-Pacific and declining demand in Europe and Northern America) seem to have had more of an impact on international trade in fibre furnish than on trade in paper and paper board.
- There was some growth in net trade between the regions in the observed period. Europe and Northern America are net exporting regions, with net exports of 12 million tonnes and 8 million tonnes respectively in 2014. Asia-Pacific, Latin America and Caribbean, and Africa are all net importers, with net imports of 7 million tonnes, 6 million tonnes and 5 million tonnes respectively in 2014.
- The two largest paper and paper board producers in 2014 were China (109 million tonnes) and the USA (72 million tonnes). Their combined production accounted for 45 percent of global production. The other three largest producers were Japan (26 million tonnes), Germany (23 million tonnes) and the Republic of Korea (12 million tonnes), which accounted for another 15 percent of global production. China and the Republic of Korea were the only countries that increased their production (by 13 percent and 6 percent respectively) over the observed period. Production in Japan and Germany remained about the same in 2010 and 2014, while the USA saw a decline of 4 percent.
- Trends in paper and paper board consumption were similar to the trends in production, except that India (rather than the Republic of Korea) was the fifth - largest consumer in the world. Consumption in China increased by 9 percent, from 97 million tonnes in 2010 to 106 million tonnes in 2014. After a pause in 2013 when production and consumption fell slightly, in the following year China resumed its growth. Consumption remained quite stable in India, Germany and Japan, while it gradually decreased by 6 percent in the USA. Total consumption in the five largest consumers amounted to 235 million tonnes in 2014, or 59 percent of global consumption.
- Wrapping and packaging paper accounted for over half (221 million tonnes, or 55 percent of the total) of all production in 2014. Printing and writing paper was the second - largest (103 million tonnes or 26 percent of the

total), followed by household and sanitary paper (8 percent), newsprint (7 percent), and other paper and paperboard. The two main trends in the different products are the gradual decline in graphic papers (news print and printing and writing papers) and growth in other paper, paperboard grades. Newsprint production fell by 17 percent, from 33 million tonnes in 2010 to 27 million tonnes in 2014, and printing and writing paper declined by 6 percent (from 110 million tonnes to 103 million tonnes) over the same period. Wrapping and packaging paper production increased by 8 percent (from 204 million tonnes to 221 million tonnes) over the period. Household and sanitary paper production also increased (by 12 percent, from 28 million tonnes to 32 million tonnes) and production of other paper remained roughly the same over the period.

(Food and Agriculture Organization of United Nations 2014, Global Forest Products Facts and Figures).

Source: Indian Paper Manufacturers Association Report

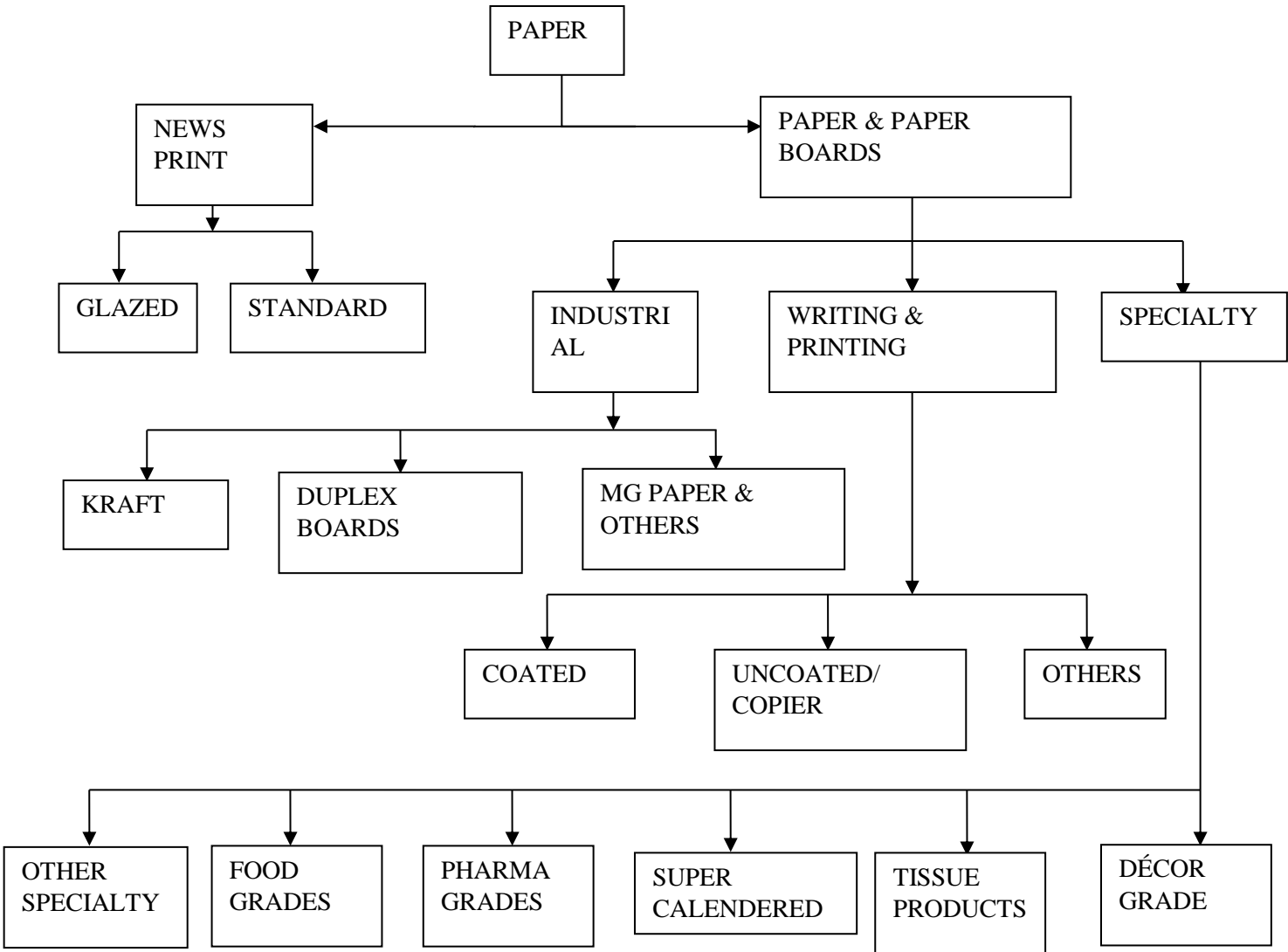
Paper Industry structure:

Basic industry structure relates to:

- (i) An Integrated Pulp and Paper Mills wherein pulp is manufactured from woody raw materials and converted in house into different kinds of paper products.
- (ii) The other being Paper Mills based on purchased inputs like readymade market pulp or waste paper processed in-situ for recycled pulp etc.

Different paper products are shown in the chart below:

PAPER INDUSTRY PRODUCTS



Different paper qualities are produced from pulp manufactured (a) by chemical pulping of woody raw materials and termed as 'wood free pulp' obtaining upto 50% pulp yield on wood (b) mechanical / semi-chemical pulps produced through partial chemical treatment so as to retain some woody component and thus achieve higher yields of pulp.

Application of different qualities of paper is broadly as follows;

- 1) Wood free Printing and Writing Papers for application in printing of books, writing material, copier paper etc. For high quality colour printing etc., the paper surface is coated with clay etc bonded with an adhesive mixture treated for smoothness and other surface properties to develop multi colour printing quality.

Such coated paper could both be on wood free and wood containing (mechanical pulp/semi- chemical pulp based) papers.

- 2) Newsprint – covers 'Standard Newsprint' used in daily newspapers and 'Glazed Newsprint' for improved printing results.
- 3) Packaging papers including Kraft Paper, Duplex Boards, MG Papers etc defined as: Kraft Papers – essentially made from wood pulp through chemical pulping as a high strength material, in natural light brown (unbleached) colour, used as Wrapping Papers, Grocer's bags, Multiwall sacks, Liners for Corrugated Boxes etc. Duplex Boards – Heavy Boards made of multiple layers for use, in packaging of goods in the form of folding carton, container box etc, MG Papers manufactured with one side glazed surface suitable for printing and used in different packaging applications.
- 4) Specialty papers cover a wide range of products from Security Papers like Currency, Cheques, Postal Stamps etc to papers for Cigarette Tissue, Papers for Tea Bags, Coffee Filters, Engine and Automotive application, Label and Release Liners, Décor Paper for Laminates and coverings, Wall Paper, Paper for Flexible Packaging, Protective Wraps including Metalizing Base, Waxing Base and Laminating Base, Barrier Paper with functional coatings, Fine Printing like Bible, Inkjet Printing Papers etc. The Global Market size for Specialty Papers depending on the nature of products and their application may be upto 5 Million Tones and growing. The growth rate in Asian Region especially in China and India is amongst the highest.

Specialty papers, Globally, indeed touch everyday life of each individual.

Source: Company

Indian Paper Industry

As per Indian Paper Manufacturers' Association data the annual turnover of the Paper Industry is estimated to be INR 50,000 crores and production of about 11.38 million tones per annum of paper and Indias' current domestic consumption of Paper Boards stands at 13.9 million tones per annum (mtpa), representing per capita consumption of 11.5 kg. In comparison the Global average is 57 kg per capita and developing countries like Indonesia at 23 kg and China at 42 kg per capita respectively.

Demand of paper in India is growing at 5-6% per annum. Under baseline scenario, domestic consumption is projected to rise from 13.9 mtpa at present to 23.5 mtpa.

The Government have focused on various initiatives like 'Make in India', 'Digital India', 'Skill India' etc, that are expected to drive Indias' growth story over the coming years. Spending on education has been rising steadily from 2.7% in 2004-05 to 3.1% in 20011-12 in rural areas and from 5% to 5.7% in urban areas, of the overall household spending, and on an average overall spending on education is about 5% which is bound to increase due to above mentioned development programme and with the rising incomes. India's 'positive demographic dividend' – the large working population, presently around 60% of the total population – that is set to increase to over 64% in the next 10 years and expanding middle class to almost 1 billion people (almost 70% of the population) by 2025 is bound to fuel overall growth in paper consumption. Rising standards of living and concern about health and hygiene is bound to increase demand for specialty papers as seen in the developed world. Thus, whereas developed economies like North America and Europe are experiencing decline in demand, due to Electronic application substituting Writing and Printing Paper, loss of competitive manufacturing requiring Packaging Papers, consequently 'Asia Pacific' region offers growth potential. India is expecting growth rate in Paper consumption in sync with its growth of GDP.

A current view of the Industry is summarized here below:

- Industry manufactures (1) Writing & Printing Paper, (2) Paperboard/ Packaging, (3) Newsprint, (4) Specialty Paper, and (5) Other grades of Paper.
- Industry has strong backward linkages with the farming community and has agro forestry roots.
- Compliant with Government's Environment Charter
- Annual turnover of around INR 50,000 crores.
- Industry provides direct employment to 5 lakh persons, and indirectly to 15 lakh persons.
- Number of Mills : 750-800
- India's share in world production of paper is currently 2.6%.
- As per UN Population Prospects (2012), India's population would rise to 1.42 billion by 2025.that would imply GDP per capita rise to around USD 4500 – 5350 from the current levels of only about USD 1625.
- Per capita paper consumption in India is currently around 11.5 kgs (global average 57 kgs), projected to rise to at least 17 kgs by 2024-25.
- Domestic production of paper is currently about 11.38 million TPA, projected to rise to 22.00 million TPA by 2024-25 (baseline scenario).

Source: Indian Paper Manufacturers Association Report and Company

Growth of Paper Industry in India

Indian Paper industry was deregulated in July 1997 under economic liberalization policy of the government. Industrial licensing was removed for most types of paper, except for SSI reserved items. 100% FDI is allowed for most types of paper except those requiring industrial license. The Indian Paper Industry, consist of small, medium and large Paper Mills, having capacities ranging from 5 to 800 tonnes per day. There are over 750 units.

Per capita paper consumption in India projected to rise at least 17 kgs by 2024-25 and Domestic production of paper projected to rise to 22.00 million TPA by 2024-25 (baseline scenario). Higher growth rates in specialty papers are arising from the growing middle class working population having higher disposable income to spend on education, health and hygiene related expenses on better living standards and quality of life.

At present, India is a USD 2 trillion economy. Since the year 2000, it has expanded by about 5 times [when India's GDP was USD 477 billion]. Assuming a growth to be 12-14% (at current prices) over the next 10 years, [7-8% growth + inflation / GDP Deflator of 4-6%], India could be a USD 6.3-7.5 trillion economy by 2025 – becoming the 3rd largest economy after US and China.

As per UN Population Prospects (2012), India's population would rise to 1.42 billion by 2025. That would imply GDP per capita to rise to around USD 4,500-5,350 from the current levels of only about USD 1,625.

Source: Indian Paper Manufacturers Association Report

Avenues / Vehicles leading to accelerated Growth on Sustainable Basis

1. The Government has focussed on various initiatives like Make in India, Digital India, Skill India etc., that are expected to drive India's growth story over the coming years.
2. The crucial factor for each, whether it is skilled workers for manufacturing or services, is education, which will play a big role.

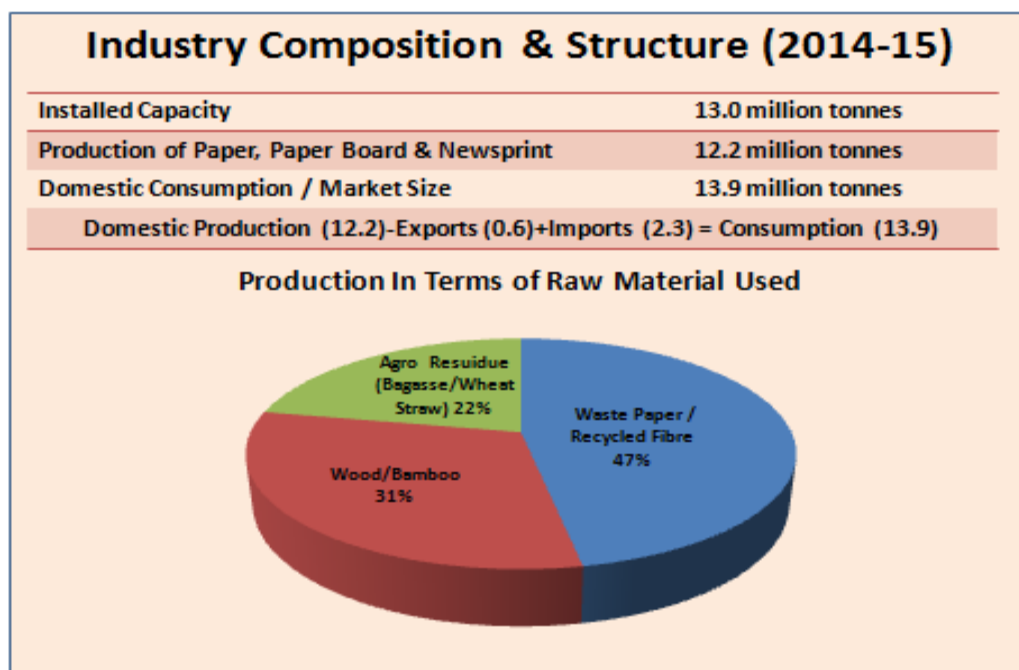
3. And as seen over the past decade, with rising incomes and aspirations, coupled with Government initiatives, the overall thrust to education has improved.
4. While this is a normal feature of development – rise in incomes leads to a shift from spending on food to non-food items.
5. Spending on education has also been rising steadily from 2.7% in 2004-05 to 3.1% in 2011-12 in rural areas and from 5% to 5.7% in the urban areas of the overall household spending.
6. On an average, all-India spending on education is about 5% of the overall household spending.

India's paper market is undoubtedly poised to grow, as elaborated earlier, with Government efforts focused industrial growth from 'Make in India' and skill development projects, demographic benefit arising from large percentage of working population and the resultant accelerated growth. Government's consideration of the impending demand of "Participation of Private Sector in Afforestation of Degraded Forests" for cultivation of forest raw materials, would address long standing demand of the industry to enable it to source its raw material requirements.

It is well-known that, Specialty Papers demand grows with the higher living standards which India is foreseeing with rising middle class population, and their increased earnings resulting in surpluses being expended towards higher quality of life. This would give rise to demand in papers for Food packaging, Food baking, higher quality wrapping & packaging for precision components of industry, Fine Printing Papers for Pharma packaging, packaging paper to replace plastics for environmental protection, Décor paper for laminates into furniture, Greaseproof & Glassine papers, Crepe tissues and Towels for hygiene applications.

Source: Indian Paper Manufacturers Association Report and Company

The following diagram shows the current & expected composition of the industry

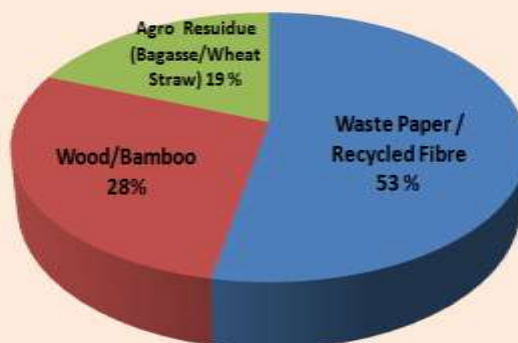


Source: Indian Paper Manufacturers Association (IPMA)

Projected Production & Consumption (2024-25)

| | |
|--|---|
| Production of Paper, Paperboard and News Print | 22.0 million tonnes (baseline scenario) |
| | 33.4 million tonnes (optimistic scenario) |
| Domestic Consumption | 23.5 million tonnes (baseline scenario) |
| | 36.9 million tonnes (optimistic scenario) |

Projected Production In Terms of Raw Material Used



Source: Indian Paper Manufacturers Association (IPMA)

Raw Material and Other Inputs

The Indian Pulp & Paper Industry has agro forestry roots and strong backward linkages with the farming community, wherefrom the key raw material, plantation wood is sourced. Of the total demand for wood, around 90% is sourced from industry driven agro / social forestry, with the rest from Government sources and imports.

India is a wood fibre deficient country and inadequate raw material availability domestically is a major constraint for the Indian Pulp & Paper Industry as there is no dedicated enabling policy for industrial plantation. Wood prices have gone up steeply, more than doubling in the last three years. Mill delivered cost of domestic wood in India is between USD 175-200 per tonne as against USD 100 per tonne in other Asian countries, which erodes the competitive advantage Indian market enjoys due to lesser conversion cost.

Specialty papers for reasons of stringent quality requirement, need higher quality fibre furnish using market pulp. The main producers of fibre furnish are the USA, China, Japan, Brazil and Canada. Together these countries produced 236 million tones of fibre furnish in 2014 (59% of the global total).

For various other grades of papers recovered waste paper is being increasingly used such that the recovered paper account for more than half of all fibre used to make paper and in the year 2010 the recovered paper consumption globally amounted to 210 million tones (53% of the total) compared with 222 million tones (55% of the total) in 2014.

The pulp and paper industry consume large amount of energy and water.(requirement of the Specialty Paper Mills are even higher). In India, energy costs account for 15-19 per cent of net sales. Energy costs vary depending on the fuel used for generating steam and power. The level of energy consumption in the paper industry is also dependent on the scale of operations. Larger units benefit from the Cogeneration potential using High Pressure Steam in Turbine for Power and extracted low pressure steam for process application. The cost of power has increased since the availability of grid power being unreliable and the industrial segment cross-subsidizing power to other segments. This has resulted in larger mills setting up captive power capacities and source power through open access system to take care of their energy requirements.

Source: Indian Paper Manufacturers Association Report & Company

KEY DRIVERS OF GROWTH

Following are the major factors which would drive the growth potential of the business of the industry.

Rising urbanization: India has the highest urban population rate of change among BRIC nations. The country's urban population accounted for 31.6 per cent of its total population in 2012. The country's urban population is expected to grow 2.5 per cent above the 1.3 per cent growth in the total population. Expanding middle class is likely to be almost 1 billion people (almost 70% of the population) by 2025.

Spending on education: Spending has also been rising steadily from **2.7%** in 2004-05 to **3.1%** in 2011-12 in rural areas and from **5%** to **5.7%** in the urban areas of the overall household spending. On an average, all-India spending on education is about 5% of the overall household spending.

Rising proportion of working age population: Large working age population, presently around 60% of the total population – that is set to increase to over 64% in the next 10 years. Currently 50% of the population is below 25 years of age. India's median age of 27 makes it a young country with a large productive workforce. Nearly two-third of India's population is in the working age group. The increase in disposable incomes and changing consumer behavior, greater penetration of education, print and media, demographic transformation towards a younger population and a shift in lifestyle that inculcates more aspirations.

Packaged Food : The growing popularity of ready-to-eat products, liquid packaging and other perishable products will result in higher demand for attractive and durable packaging, thus increasing demand for paper.

Consumer Choices: There is a major change in the consumer preference due to which there is a major shift from unbranded/unorganized sector to branded products coupled with fast emergence of e-commerce.

Growing hygiene awareness :- Improved living standard and higher disposable income in the hands of the people has increased awareness and demand for high quality paper and hygiene paper products.

Source: IPMA and Company

KEY INDUSTRY REGULATIONS AND POLICIES

We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. The regulations set out below are not exhaustive and are only intended to provide general information to investors.

Industrial Laws:

1. The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract Labour and to every contractor who employs or who employed on any day of the preceding 12 months 20 or more workmen. It does not apply to establishments where the work performed is of intermittent or casual nature. It aims to prevent any exploitation of the persons engaged as contract labour, who are generally neither borne on pay roll or muster roll nor is paid wages directly. It provides for registration requirements of the principal employer, who has the responsibility for proper wage payments by the contractor to the labour.

2. The Factories Act, 1948

The Factories Act, 1948 (“**Factories Act**”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. Section 2(m) of the Act, defines, a ‘factory’ to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has set out rules in respect of the prior submission of plans and their approval for the establishment, registration and licensing of factories. The Act provides that occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions. There is a prohibition on employing children below the age of 14 years in a factory.

3. The Workmen Compensation Act, 1923

The Workmen Compensation Act, 1923 ("WCA") has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment.

In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

4. The Minimum Wages Act, 1948

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (nature of work) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

5. The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 was enacted with the objective of providing of payment of bonus to employees on the basis of profit or on the basis of productivity. This Act ensures that a minimum annual bonus

is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. Every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or Rs.100, whichever is higher.

6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was introduced with the object to institute provident fund for the benefit of employees in factories and other establishments. It empowers the Central Government to frame the "Employee's Provident Fund Scheme", "Employee's Deposit linked Insurance Scheme" and the "Employees' Family Pension Scheme" for the establishment of provident funds under the EPFA for the employees. It also prescribes that contributions to the provident fund are to be made by the employer and the employee.

7. The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947 makes provisions for investigation and settlement of industrial disputes and for providing certain safeguards to the workers.

8. Industrial Employment Standing Orders Act, 1946

The main objectives of the Act, besides maintaining harmonious relationship between the employers and the employees, are to regulate the conditions of recruitment, discharge, disciplinary action, leave, holidays, etc. of the workers employed in industrial establishments.

This order regulate the conditions of employment, grievances, misconduct etc. of the workers employed in industrial undertakings.

Environmental Laws:

9. The Environmental Protection Act, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

10. Environmental Legislation

We are required under applicable law to ensure that our operations are compliant with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974, as amended ("Water Pollution Act"), the Air (Prevention and Control of Pollution) Act, 1981, as amended ("Air Pollution Act") and the Environment Protection Act, 1986, as amended ("Environment Act").The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards.

The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for surface water. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of surface water, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

11. The Central and State Pollution Control Boards constituted under the Air Pollution Act are to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the

previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. The Environment Act has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution. **Foreign Investment Regime**

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act ("FEMA"), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the Foreign Investment Promotion Board ("FIPB") is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. At present, foreign investment upto 100% in companies engaged in manufacturing activities is permitted under the automatic approval route unless it attracts Press Note 1 (2005 Series) conditions.

Tax Related Legislations

12. Maharashtra Value Added Tax, 2002

Maharashtra Value Added Tax, 2002 was legislated in the year 2002 to provide for introducing Value Added System of taxation for the levy and collection of tax on sale or purchase of goods in the State of Maharashtra and for matters connected therewith and incidental thereto. Value Added Tax (VAT) is charged by laws enacted by each State on sale of goods affected in the relevant States. VAT is a multi-point levy on each of the entities in the supply chain with the facility of set-off of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. VAT is not chargeable on the value of services which do not involve a transfer of goods. Periodical returns are required to be filed with the VAT Department of the respective States by the Company.

13. Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic /Foreign Company whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. U/s 139(1) every Company is required to file its Income tax Return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

14. Central Sales Tax Act, 1956

In accordance with the Central Sales Tax Act, every dealer registered under the Act shall be required to furnish a return in Form I (monthly/ quarterly/ annually) as required by the State Sale Tax laws of the assessing authority together with treasury Challan or bank receipt in token of the payment of taxes due.

REGULATION FOR IMPORTS & EXPORTS

15. Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code).

16. Central Excise Act, 1944

In accordance with the Central Excise Act & Central Excise Rules, every person who produces or manufactures any excisable goods is required to get itself registered with the Jurisdictional Deputy or Assistant Commissioner of Central Excise. Hence this Act is applicable on our Company. Further the provisions of the Central Excise Rules provide that the manufacturer of final products (other than SSI's) shall submit the duty on goods removed from the factory or warehouse during the month by the fifth day of following month. Also a Monthly Return in Form ER1 is required to be submitted to the Superintendent of Central Excise within 10 days after the close of the month.

17. Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/divisions/ units/factories.

OUR BUSINESS

Our Company's current business is resultant of de-merger of paper manufacturing business of the PPPML, PIL and marketing of hygiene products business of PHPL pursuant to the composite scheme of arrangement.

Our Company's business is manufacturing of specialty papers & trading of paper & hygiene products. The specialty paper business comes to our Company with over 4 decades of proven expertise and state-of-the-art manufacturing facilities. Our Company manufactures about 60,000 MT per annum of Specialty Papers on two four drinier Paper Machines and two M.G. Paper Machines along with necessary infrastructure including utilities, water, power and steam systems, waste water treatment and disposal arrangement meeting applicable statutory requirements. Our Company has an established market throughout India for the 'Specialty' and other papers it manufactures and for the hygiene products it markets under the brand name "Greenlime". The paper manufactured are also exported to certain countries.

PUDUMJEE Group are pioneers in the specialty paper products in India since about 45 years and have developed requisite technology for a wide range of specialty paper products. The product portfolio ranges from glassine and grease resistance papers, laminating base paper for flexible packaging, packing tissues for precision engineering components and tools etc., Décor paper for furniture and laminates, label release papers, fine papers for printing bible, parchmentine for textile cones, etc. and M.G. papers, Crepe tissues for bathroom, facial and towel applications, etc. More recently products like papers for baking cakes, etc., paper for pharma packaging, saturating paper for application for mosquito repellent, paper for packing surgical instruments, etc. have been successfully developed and sold.

The hygiene products division of the Company markets the converted tissue products such as bathroom rolls, kitchen towel, facial, napkins, dispensers, etc. under its brand name "GREENLIME" which has a good recall value by luxury hotels, airports, corporate offices, etc.

Our Company focuses on research & development in the Company as it continually opens fresh avenues to develop tailor-made products and market newer products which can be produced on the four paper machines in 17 gsm to 100 gsm basis weight, with an ability scale up higher.

The Company is ISO 14001 and Forest Stewardship Council (FSC) certified. Our Company is fully conscious of its obligations towards environmental protection and energy conservation and sustainable growth manifests through use of recycled paper meeting nearly half of its raw material requirement, recycling of process water in the manufacturing to reduce water consumption and sourcing renewable wind power to meet part requirements. The tissue converting Unit is "Green Seal" certified.

Foreseeing future growth prospects, our Company has acquired an 80 acre developed site at Maharashtra Industrial Development Corporation at Mahad in Maharashtra State. This offers potential growth to expand output of existing products besides new products like release liner for label application and food packaging papers. The new site shall be developed with utmost consideration for environment protection, Captive Power Co-Generation Plant to optimize the energy efficiency and minimize costs.

We are a performance driven company with a strong focus on customer satisfaction.

We believe our competitive strengths are:

- **Research & Development**

In-house Research and Development have been the hallmark of Company's strength in order to develop and tailor make customers requirement of Specialty Papers. Historically, past years of highly protected market economy restricting imports through high incidence of import duties and taxes, gave an impetus to our Company's self reliance and develop import substitute through a strong in-house research and development set up. This has served our Company well to meet expanding product base as per market requirement.

I-T supported process controls on-Machine, regular quality checks help maintain the parameters to meet customers requirement. Continual updating of technology and process improvements keep our company in a competitive mode.

- ***Extensive distribution network***

Wide spread PAN India distribution network ensures availability of our products and services to our customers through an efficient supply chain network. Close interaction of our Company's sales team with the distributors and dealers ensures desired control and helps to meet the demand. The distributors are placed in all major cities providing easy accessibility to the customers. In addition, the company also has an effective reach in Europe, South-East Asia, U.A.E, and Iran amongst others countries. Similarly for the hygiene products, as a commitment to high service standards, we have established branch offices in all major towns and cities across India. This, combined with a strong and efficient distribution network, helps us offer competitive service to our customers all over India.

- ***Strong brand recall***

PUDUMJEEs products have a strong presence in the Indian market and we believe that it is user's preferred choice. Our customer focused initiative, backed by qualified team of personnel and research facilities have helped us establish a loyal and expanding customer base. Our brand "Greenlime" has established its presence in market & institutional consumers viz. offices, luxury hotels, airports, etc.

- ***Proven and experienced management team*** – The promoters entered into the paper manufacturing business in the year 1970. The Board of Directors of the Company is led by the Chairman Mr. Arunkumar Mahabir Prasad Jatia. Mr. Jatia is B.S. in Finance & Business Economics from University of Southern California, USA, an Alumni of Harvard Business School and possesses experience of over 32 years in Business Administration, Finance and Foreign Trade. Mr. Ved Prakash Leekha, Managing Director of our Company is B.E. (Mechanical) and has a wide and varied experience of over four decades in Pulp and Paper Industry. He is also the Managing Director of Pudumjee Pulp & Paper Mills Ltd. and was in charge of Paper business functions of that Company. He is assisted by a team of qualified and experienced professionals at various levels in the organization. Dr. Ashok Kumar is Chief Executive Officer (Operations), M.E. (Chemical), Ph.D (Pulp Processing) is a veteran in the Paper Industry with over 3 decades of varied experience and is the Executive Director of PPPM. Mr. Gautam Jajodia is Chief Executive Officer (Marketing), B.Com and Master in Business Administration and has a long business experience. He is the Executive Director of Pudumjee Industries Ltd. and was in-charge of its paper manufacturing business and hygiene products business. Dr. Nandakumar Vithal Gune, is the Senior General Manager (Operations) of the Company. He holds a B.Tech. (Chemical) and Ph.D (Chemical Engineering). He has over three decades of varied experience in the industry. Mr. Hanuma Prasad Birla Chief Financial Officer, B.Com and an Associate Member of The Institute of Cost Accountants of India and has over 30 years of experience in finance and related matters.

- ***Cost efficient sourcing and locational advantage***

Company's manufacturing facilities at Pune have locational advantage for its nearness to the major market at Mumbai in Western India, providing easy access to supply chain management due to nearness of port and availability of skilled manpower. The new site at Mahad is also similarly placed vis-à-vis market in Mumbai and the port facilities to cater to supply of fiber raw materials which are almost entirely imported including coal, etc...

- ***Wide range of Product Portfolio***

The company's ability to offer a wide range of products consist of products meant for various usage & applications provides potential opportunity for the present and growing market demand. Renewed efforts also offer to expand the export market in South East Asia and markets nearer India.

OUR BUSINESS STRATEGY

Specialty papers are, essentially, value added products serving niche applications with demanding requirements. Lot of efforts, therefore, goes into developing these products and fulfilling critical requirements. This calls for significant research & development facilities and continuous interaction with users to ensure successful application. Company's plans therefore include further strengthening the in-house R&D setup and build stronger ties with the users and prospective customers. This would lead to further improvement in the performance of existing products and development more high value products.

Pudumjee's current products have a good acceptance in the market place. However, conscious efforts shall be undertaken in further standardizing and branding Pudumjee's products which would not only improve our position in the Indian market, but would also enable the company to expand export market for its products. Effective steps are being planned in the following areas:

1. Standardizing the product specifications and compliance thereof so as to qualify for brand building of the products to match global standards. The focus shall be on the performance of respective products vis-à-vis end use applications. Alongside, brand building the distributing network with trained personnel shall be further strengthened so that they are in a position to interact with the end users and provide value to their operations.
2. Product innovation is an ongoing exercise. It shall be accelerated through data collection from the market place, getting user's feedback so as to develop appropriate products meeting user's needs. Strengthening of in-house R&D with facilities for research and Pilot Plant facilities for in-house development of newer products. This would help accelerate the development and growth of products.
3. As explained earlier, the specialty paper market is on a growth trajectory in keeping with India's growth of middle class, increasing income and rising standard of living which would fuel consumption of specialty paper all round viz. Glassine products, papers for food packaging, baking, etc., Décor Papers for furniture and laminates and various other grades for day to day use. Whereas there is inbuilt potential in the existing four Paper Machines of the Company to enhance capacities by rebuilding which would not only increase production, improve product quality but also help reduce costs, there are also plans to install an additional Paper machine to manufacture Release liner paper for application in Label Industry, a niche market, presently being served with imported paper. This would expand the product base and manufacturing capacity of the Company at the site in Mahad as mentioned elsewhere. Effective steps shall be taken in the near future. In the meanwhile Company would explore possibilities to tie up with an overseas know-how partner.
4. The current manufacturing site of the Company at Pune is now surrounded by inhabitants due to City's expansion over time and imposes several environmental restrictions due to neighbourhood. Also the land area available is restricted limiting the possibility to install new machines and expand capacity. The mills at existing site having expanded from time to time does not have an optimal energy balance in terms of process steam and power and thus not allowing potential in-house cogeneration power benefit.

It is planned to install additional machines for new products at new site in Mahad, progressively relocate the manufacturing facilities from Pune to Mahad site including rebuilding and modernizing the machines so as to enlarge their capacity, incorporate technology to enhance product quality in due course.

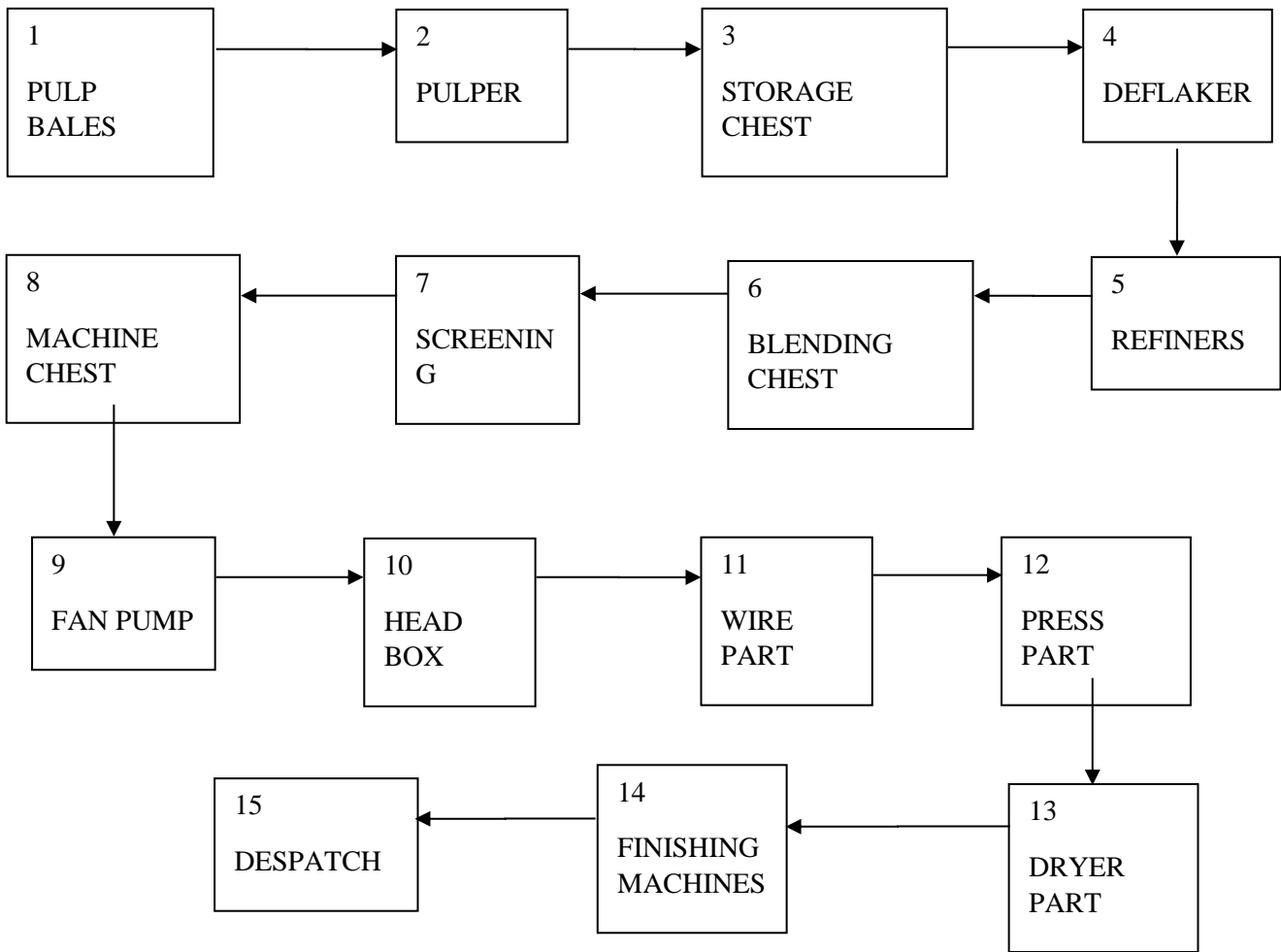
Our Business:

PUDUMJEEs have a unique position in the field of Specialty Papers being a dominant producer and in the field of Crepe tissue for hygiene products as one of the prominent manufacturer. PUDUMJEEs expertise and know-how gained over the year and its manufacturing facilities would serve as a spring board for the growth of the Company towards enhanced output and taking up the manufacture of new products as well.

Our Products:

1. Papers for pharmaceutical industry serving as excellent base for coating and lamination to develop high MVTR and OTR properties thus avoiding the use of aluminium foil etc. Oil laminating base papers are used mainly for blister packaging and ORS pouches.
2. Bactite papers made under hygienic conditions suitable for steam, ETO and gamma sterilization having heat sealeability, water resistance and peelability properties used for packaging of medical instruments, surgical gloves, syringes and sterilized medical equipment.
3. Glassine paper having high strength, transparency and gloss for packing of food products, soaps, electronic items, precision engineering items, flowers etc.
4. Greaseproof papers having excellent grease resistance and oil hold out properties used for packing of burgers, sandwiches, base paper for pizza liners and other oily products.
5. Grease proof slip easy and high wet strength papers catering to special market segment of cup cakes, muffins, pastries and sweets and wrapping of meat, fish, cottage cheese and frozen food products.
6. Bake oven papers used as tray liner for baking of cakes, cookies, pizza, breads etc.
7. Vegetable parchment papers used for packing of butter, margarine and cheese wrapping etc..
8. TDL posters loaded with TiO₂ used for wrapping of burgers, pizzas and other fast food products.
9. Papers for decorative market segments having barrier papers, décor print base papers, shuttering base papers, over lay papers and absorbent papers having high wet strength, controlled porosity and high absorption properties.
10. Low GSM packing tissue papers having good formation, high strength and used for packing of precious items, art pieces, garment inserts, leather goods, jewellery and kites.
11. Parchmentine papers having high strength and oil resistance properties used for filament winding of cones in textile industry.
12. Base papers used for crockery specially melamine tableware, antirust tissue for wrapping of silverware, blades and other tarnishable items to provide corrosion resistance, absorbent porous kraft used as filter paper.
13. Bible papers – Low GSM high capacity papers having good smoothness, brightness and printing characteristics used in printing of holy books, bibles, dictionaries and annual reports and variants used in pharma inserts and outserts.
14. Napkin and facial Tissues which are crepe soft tissues having soft feel, good bulk, high absorbency and good strength used as napkins and for facial applications. The products are made from ECF virgin pulps, hygienically safe to use and are biodegradable.
15. Bathroom/Toilet Tissue – these are manufactured from imported pulp and also with recycled fibre furnish having soft feel, absorbency, high bulk and water dispersing characteristics
16. Towelling Tissue – These products are designed for performance that offers superior wet strength characteristics and absorbency and suitable for multiple end uses in household kitchen and are available in virgin fiber as well as recycled fiber furnish.
17. Diaper Papers – These papers are made under well-controlled hygienic conditions and are used for baby diapers and sanitary napkins.
18. MG Poster papers – These papers are specially designed for foil and poly lamination having good porosity, high strength and good sealeability. They have wide application in printing and packaging industry including packing of chewing gums and chocolate etc.
19. Kitchen rolls, Napkins, Towels, Toilet rolls and other tissue products, Dispensers, Soaps, Wet wipes, etc. in retail / wholesale packs.

PAPER MANUFACTURING PROCESS:



- 1) **Pulp bales:** Pulp is a lignocellulosic fibrous material prepared by chemically or mechanically separating cellulose fibers from wood.
- 2) **Pulper:** Todisintegrate (i.e mixed the dry pulp in water in particular consistency) the fibers by mechanical action.
- 3) **Storage chest:** The pulp is stored in storage chest at particular consistency.
- 4) **Deflaker :** Deflaker removes, fiber bundles etc.
- 5) **Refiners:** The pulp is refined to particular freeness which will depend upon paper to be produced and properties required..
- 6) **Blending Chest:** Various chemicals are added to obtain required characteristics to the finished paper.
- 7) **Screening:** It removes unwanted Sand, dirt, specks and other foreign materials.
- 8) **Machine Chest:** This chest is usually last largest tank that contain thick stock pulp before it is delivered to the paper machines.
- 9) **Fan Pump:** The Fan Pump dilutes thick stock with white water and send thin stock to the head box.
- 10) **Head Box:** The head box Spread the stock evenly along the width of the paper machine, Accelerate the stock up to the machine Operating speed & Suspend the pulp fibers through out the outgoing slurry.
- 11) **Wire Part:** In Wire part slurry of fiber is filtered out to form a wet web of fibers.
- 12) **Press Part:** Paper web goes from wire part to press part through couch roll where the wet fiber web passes between the synthetic felts between large rolls loaded under pressure to squeeze out as much water with the help of vacuum.
- 13) **Dryer Part:** In this section pressed sheet passes through the series of steam heated drying cylinders & finally wound in reels.
- 14) **Finishing machine:** The paper after drying is smoothened under high load, temperature and Pressure in calendaring section. After that paper goes for rewinder/Cutter/Slitter to cut the paper as per customer's requirement in reel form or in sheets. And final product goes to finishing and packing section.
- 15) **Dispatch:** The Dispatch department distribute according to dispatch schedule.

Marketing

Our Company has always endeavored to create brand equity for all its stakeholders with its marketing and brand building initiatives. Responsible, focused and consistent efforts are continuously being made to strengthen our brand recall. Right communication strategy have been planned to ensure maximum exposure, through various marketing channels. The perfect mix of unique and innovative products and strategically creating its demand in the market has resulted in top of the mind recall of its flagship brands Pudumjee & Greenlime. Our Company's strong pan-India distribution network and 30+ sales force ensure servicing our customers at the micro level and also our presence across the country. Our customer focused R&D, principles, and transparent policies ensure high credibility in domestic and export markets.

Human Resource

Our Company emulates best HR practices and standards. The approach includes training, progressive and performance driven remuneration, talent retention and work-life balance programs. We believe in offering a plethora of experiences to our employees, to make ready to take up challenges. In line with this guiding principles, we enable our willing employees to choose from these experiences a meaningful learning environment so as to make the most out of the time spent on each assignment.

Pursuant to the Scheme, respective employees of Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Ltd and Pudumjee Hygiene Products Ltd related to the Demerged Undertaking¹, Demerged Undertaking² and Demerged Undertaking³, employees have been transferred to the Company. There are about 650 employees on the rolls of the Company as on the date of this IM.

Internal control systems

Our Company has in place robust internal control procedures commensurate with its size and operations. The Board of Directors, insofar as the internal control system is concerned, sets the guidelines, verifying its adequacy, effectiveness and application. Our Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the safeguard of the Company's assets so that the main company risks (operational, compliance-related, economic and financial) are properly identified and managed over time.

Competition

Being a specialty paper manufacturer, our company faces restricted competition for its products like Glassine, Grease Proof and other food grade papers. However, for generic products like Crepe Tissue, Bible paper, Packaging paper the company does face challenges from domestic competitors. But, due to the company's continuous R & D efforts, it has continually expanded its products offering, pioneering many a product line in India and have established, in the market place, its name for quality and reliability

Information Technology

The company extensively uses information technology in its production & other process and continues to strive to upgrade and adopt the new technology keeping in view cost benefit analysis similarly various functions such as those of accounting, marketing, material procurement are conducted through an Enterprise Resource Planning System.

HISTORY OF THE COMPANY AND CERTAIN CORPORATE MATTERS

Brief History of the Company

The Company was incorporated on 14th January, 2015 as 'Pudumjee Paper Products Limited' under the provisions of the Companies Act, 2013 with the Registrar of Companies, Maharashtra, Pune vide registration no.11-153717. (CIN: U21098PN2015PLC153717) as Special Purpose Vehicle for demerger of Paper Manufacturing Business of Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited and Trading Business of Pudumjee Hygiene Products Limited on going concerns basis.

For information on the Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, please see the sections entitled "Our Industry", "Our Business" and "Our Management" on pages 32, 44 and 54, respectively.

Changes in the Registered Office

There has been no change in the Registered Office since the date of incorporation of the Company.

Main Object of the Company

The main objects enable us to carry on the current business as well as the business proposed to be carried out. The main objects of the Company are:

"To carry on the business of manufacturers, buyers, sellers, importers, exporters of and dealers in all kinds and classes of paper, board and pulp including Specialty paper, writing paper, printing paper, news-printing paper, absorbent paper, wrapping paper, polythene and substitutes for wrapping paper, tissue paper, paper napkins, paper towels and all types of hygiene products made of paper or otherwise and dispensers, cover paper, blotting paper, filter paper, antique paper, ivory-finished paper, coated paper, art paper, bank or bond paper, badami, brown or buff paper, bible paper, cartridge paper, clothlined paper, azure-laid paper, cream-laid and wove paper, Décor paper glassine, waxed paper, greaseproof paper, gummed paper, hand-made paper, parchment paper, drawing paper, kraft paper, manilla paper, envelop paper, tracing paper, vellum paper, water proof paper, carbon paper, sensitized paper, chemically treated paper, litmus paper, photographic paper, glass paper, emery paper, paste-board, card-board, straw-board, grey-board, mill-board, pulp-board, leather-board, corrugated board, box board, duplex and triplex board, laminated board, hardboard, plywood board, chromoboard, plastic board, coated boards, machine coated board, cartons, paper bags, paper boxes, posts-cards, visiting cards, all kinds of paper whatsoever, soda pulp, mechanical pulp, sulphite pulp, and all kinds of articles in the manufacture of which in any forms, paper, board or pulp is used, and also to deal in manufacture any other article or things of a character similar or analogous to the foregoing or connected therewith, to process treat and to do other experimentation, to work out special kinds of papers, boards and pulp; and manufacture and deal in the same and other produce, by products and commodities connected therewith, to manufacture and deal in caustic soda and bleaching agents and their products and by-products and to manufacture, process and deal in lime, clay salt, orhres, chemicals and materials required in the manufacture of pulp paper and board and all and every other article connected therewith.

Amendments to the Memorandum of Association

Except as stated below, there has been no change in the Memorandum of Association of the Company since its Incorporation:

| Sr. No. | Date of Amendment | Nature of Amendment |
|---------|---------------------------------|--|
| 1 | 08 th December, 2015 | Clause 5 th of the Memorandum of Association was amended to reflect the increase in the Authorized Share capital of the Company from Rs. 5,00,000/- divided into 5,00,000 Equity Shares of Re. 1/- each to Rs. 10,00,00,000/- Equity Shares of Re.1 each .* |

* Pursuant to the Special Resolution passed by shareholders of the Company at an Extra Ordinary General Meeting Held on 8thDecember, 2015.

Adoption of New Articles of Association of the Company

Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated 31st October, 2015.

Major Events and Achievements of the Pudumjee Group

The business of paper manufacturing has been demerged into the company on going concern basis from Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited (Transferor Companies), pursuant to the scheme of arrangement and reconstruction (Demerger) sanctioned by the Hon'ble Bombay High Court on 08th January, 2016. The Transferor Companies manufacturing units were established in Pune in the year 1968 and onwards. The objectives were clearly defined through the choice of products so as to add value in terms of meeting specific requirements of customers. Pioneering with a humble beginning through offering specialty paper products like Glassine and Greaseproof Papers for packaging applications, the manufacturing units have grown over the years to expand the products offering through range of specialty papers and soft tissues. Today, our company is proud to have an installed capacity of about 60,000 Tonnes per annum (TPA) that represents a full range of high quality specialty paper manufacturing in the country from a single location.

Certifications, Awards and Recognitions

The Pudumjee Group through its Companies has received certificates such as ISO 14001:2008, FSC-meeting requirements of the Chain of Custody as also Green Seal Certification for its Hygiene operations for conversion of Soft Tissue.

The Subsidiaries

The Company does not have any subsidiary Company, as on date of this Information Memorandum.

Injunctions or Restraining Orders

The Company is not operating under any injunction or restraining order.

Capital raising activities through equity and debt

For details please refer chapter "Capital Structure"

Revaluation of assets, if any

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into Equity

There have been no defaults and no rescheduling of borrowings with financial institutions/ banks and none of the outstanding loans have been converted into equity shares.

The Shareholders

The Company currently has 12,732 Shareholders as of the date of this Information Memorandum. For further details regarding the Shareholders, see section "Capital Structure" on page 23.

Technology, Market Competence and other details regarding the Company

For details regarding the description of the activities, services, products, market of each segment, the growth of the Company and the standing of the Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/ facility creation, market capacity build-up, marketing and competition, see sections "Our Management", "Our Business" and "Our Industry" on pages 54, 44 and 32 respectively.

Time and cost overruns

There have been no significant time and cost overruns in the development or construction of any of the projects.

Changes in the activities of the Company since incorporation

There has been no change in the activities of the Company since its incorporation on 14th January, 2015 which may have had a material effect on the profit/ loss account of the Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Shareholders Agreement

There are no subsisting shareholders agreements among the shareholders in relation to the Company, to which the Company is a party or otherwise has notice of the same.

Strategic / Financial Partners and Other Material Contracts

The Company does not have any strategic partners/financial partners and it has not entered any material contracts other than in ordinary course of the of business.

Lock out or Strikes

There have been no lock-outs or strikes in the Company since incorporation.

OUR MANAGEMENT

Board of Directors

In terms of Articles of Association, the Company is required to have not less than three Directors and not more than fifteen Directors. As on date of this IM, the Company has 6 (Six) Directors out of which 3 (Three) are Independent Directors.

The following table sets forth details regarding the Board of Directors

| Sr. No. | Name, Father's Name, Age, Designation, Address, Experience, Qualifications, Occupation, Term & DIN | Nationality | Other Directorships |
|---------|---|-------------|--|
| 1 | <p>Name : Mr. Arunkumar Mahabir Prasad Jatia</p> <p>Father's name : Late Mr. Mahabir Prasad Jatia</p> <p>Age: 53 years.</p> <p>Designation : Chairman and Non Executive Director</p> <p>Address: Jatia Chambers, 60, V. B. Gandhi Marg, Kalaghoda, Fort, Mumbai – 400001.</p> <p>Experience: 33 years</p> <p>Qualification : B.S. (Finance and Business Economics)</p> <p>Occupation: Industrialist</p> <p>Date of appointment: 14th January, 2015</p> <p>Term: Liable to Retire by rotation</p> <p>DIN : 01104256</p> | Singaporean | <ol style="list-style-type: none"> 1. Pudumjee Investment & Finance Company Limited 2. Thacker and Company Limited 3. Pudumjee Plant Laboratories Limited 4. Suma Commercial Private Limited 5. Pudumjee Pulp & Paper Mills Limited 6. Chem Mach Private Limited |
| 2. | <p>Name : Mr. Ved Prakash Leekha</p> <p>Father's name : Mr. Nand Lal Leekha</p> <p>Age: 76 years</p> <p>Designation : Managing Director</p> <p>Address: F. No. 211/212, Sr. No.3, Hissa No. 11, Bldg. A, Eves Garden, Baner, Pune - 411045.</p> <p>Experience: 40 years</p> <p>Qualification: B.E.(Mechanical)</p> <p>Date of appointment: 14th January, 2015</p> <p>Occupation: Service</p> | Indian | <ol style="list-style-type: none"> 1. Pudumjee Hygiene Products Limited 2. Pudumjee Pulp & Paper Mills Limited |

| | | | |
|---|---|--------|--|
| | <p>Term : 5 years (liable to retire by rotation)</p> <p>DIN : 00048568</p> | | |
| 3 | <p>Name : Mr. Surendra Kumar Bansal</p> <p>Father's name : Mr. Chandkaran Bansal.</p> <p>Age: 56 years.</p> <p>Designation : Director (Non Executive)</p> <p>Address: 9, Meghrajshree, 17/1, Ideal Colony, Kothrud, Pune – 411038.</p> <p>Experience: 33 years</p> <p>Qualification: B.Com, ACA, ACS.</p> <p>Occupation: Service</p> <p>Date of appointment: 14th January, 2015</p> <p>Term: Liable to Retire by rotation</p> <p>DIN : 00031115</p> | Indian | <ol style="list-style-type: none"> 1. Thacker and Company Limited 2. Pudumjee Plant Laboratories Limited 3. Pudumjee Investment and Finance Company Limited 4. Pudumjee Hygiene Products Limited 5. Pudumjee Holding Limited 6. Fujisan Technologies Limited 7. Pudumjee Pulp & Paper Mills Limited |
| 4 | <p>Name : Mr. Nandan Damani</p> <p>Father's name : Late Mr. Surajratan Fatehchand Damani</p> <p>Age: 63 years.</p> <p>Designation : Additional Director (Non Executive Independent)</p> <p>Address :Damani House, 11, Cuffe Parade, Colaba, Mumbai – 400005.</p> <p>Experience: 42</p> <p>Qualification: B.Sc.</p> <p>Occupation: Industrialist</p> <p>Date of appointment: 21st October, 2015</p> <p>Term: Upto the date of the ensuing Annual General Meeting of the Company, eligible for re-appointment.</p> <p>DIN : 00058396</p> | Indian | <ol style="list-style-type: none"> 1. The Nav Bharat Refrigeration and Industries Limited 2. Simplex Realty Limited 3. Graphite India Limited 4. Shreelekha Global Finance Limited 5. Enas Foundation 6. New Textiles Private Limited 7. Simplex Renewable Resources Private Limited 8. Lucky Vyapaar and Holdings Private Limited 9. Pudumjee Pulp & Paper Mills Limited |

| | | | |
|----|--|--------|--|
| 5 | <p>Name : Mr. Vinod Kumar Beswal</p> <p>Father's name : Mr. Jhabarmal Beswal</p> <p>Age: 61years.</p> <p>Designation : Additional Director (Non Executive Independent)</p> <p>Address: - 408 4th Floor Rewa Chambers 31 V D Thakersey Marg, New Marine Lines, Mumbai – 400020.</p> <p>Experience: 40</p> <p>Qualification : B.Com, C.A.</p> <p>Occupation: Chartered Accountant.</p> <p>Date of appointment: 21st October, 2015</p> <p>Term: Upto the date of the ensuing Annual General Meeting of the Company, eligible for re-appointment.</p> <p>DIN : 00120095</p> | Indian | <ol style="list-style-type: none"> 1. Pudumjee Pulp & Paper Mills Limited 2. Thacker and Company Limited 3. Foods and Inns Limited 4. Kunal Consultancy Private Limited 5. Jalaram Mercantiles Private Limited |
| 6. | <p>Name : Ms. Madhu Dubhashi</p> <p>Father's name : Jagdish Chander Agarwal</p> <p>Age: 65 years</p> <p>Designation : Additional Director (Non-Executive Independent)</p> <p>Address : B-29, GATE NO. 3, ABHIMANSHREE SOCIETY, NCL PASHAN ROAD, PUNe - 411008</p> <p>Experience: 38 years</p> <p>Qualification : Economics (Honours) (Delhi University), PGDBM (IIM, Ahmedabad)</p> <p>Occupation: Management Consultant</p> <p>Date of appointment: 14th November, 2015</p> <p>Term : Upto the date of the ensuing Annual General Meeting of the Company, eligible for re-appointment.</p> <p>DIN : 00036846</p> | Indian | <ol style="list-style-type: none"> 1. SBI Funds Management Private Limited 2. Tube Investments of India Limited 3. Axis Finance Limited 4. CR Retail Malls (India) Limited 5. JM Financial Properties and Holdings Limited 6. Majesco Limited 7. Majesco Software and Solutions Private Limited |

Brief Profile of the Directors

1. Mr. Arunkumar Mahabir Prasad Jatia

Mr. Arunkumar Mahabir Prasad Jatia is associated with the Pudumjee Group for more than 17 years and has contributed towards its growth. Mr. Jatia is B.S. (Finance and Business Economics) from University of Southern California – USA and an Alumni of Harvard Business School. He has a wide experience in Business Administration and Finance and Foreign Trade for over 33 years. Mr. Jatia possesses natural managerial talent with progressive outlook. He is currently the Executive Chairman of Pudumjee Pulp & Paper Mills Limited and is part of the Promoter Group of the Company.

2. Mr. Ved Prakash Leekha

Mr. Ved Prakash Leekha is B.E. (Mechanical) and is associated with the Pudumjee Group for more than 15 years. He has a wide and varied experience of over four decades in Paper Industry in various positions. He has expertise in Paper Technology, Project & Development and General management etc. He has successfully carried out many capital expenditure programmes in the Paper Industry. He is also the Managing Director of Pudumjee Pulp & Paper Mills Limited.

3. Mr. Surendra Kumar Bansal

Mr. Surendra Kumar Bansal is a Bachelor of Commerce, Associate member of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India. Mr. Bansal is associated with the Pudumjee Group since 1984. He has wide and varied experience in finance, Legal, corporate laws and taxation matters. He is a Director and Chief Financial Officer of Pudumjee Pulp & Paper Mills Limited.

4. Mr. Nandan Damani

Mr. Nandan Damani is an industrialist and entrepreneur, presently serving as the Chairman & Managing Director of Simplex Realty Limited. He completed his Bachelor of Science from Mumbai University. He brings with him 42 years of rich experience across businesses and industries as diverse as textiles, real estate, and renewable energy.

5. Mr. Vinod Kumar Beswal

Mr. Vinod Kumar Beswal is a senior Chartered Accountant in practice since 1976. He is the CEO of VK Beswal and Co engaged in taxation practice and also partner of audit firm. He has expertise in Taxation, Company Law and Audit. He has Contributed various articles on taxation.

6. Mrs. Madhu Dubhashi

Mrs. Madhu Dubhashi is a graduate in Economics (Honours) from Miranda House, Delhi University and a post graduate in Business Management from the Indian Institute of Management, Ahmedabad.

She has experience of more than four decades in the capital market and financial service sectors, which includes Project Appraisal, Financial Structuring, Financial Syndication, Share Valuation, Corporate Restructuring, Merchant Banking and Merger & Acquisition. She has worked for various organisations.

She has organized and also addressed several seminars and lectures. She has contributed a number of articles and papers on various issues.

Relationship between the Directors

None of the Directors are related to each other in terms of the provisions of the Companies Act, 2013.

Confirmations

- There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which the Directors were selected as Director or as a Member of Senior Management.

- The terms of appointment with Mr. Ved Prakash Leekha, Managing Director, do not provide for any benefits upon termination of employment except the retirement benefits as applicable to the employees of the Company and pension payable to him during his lifetime and thereafter to his wife.
- None of the Directors is or was a Director of any listed company during the last five years preceding the date of this IM, whose shares have been/were suspended from being traded on the BSE Limited and National Stock Exchange of India Ltd., during the term of their directorship in such company.

Further, except mentioned hereunder where Mr. Arunkumar Mahabir Prasad Jatia, Mr. Ved Prakash Leekha, Mr. Surendra Kumar Bansal, Mr. Nandan Damani , Mr. Vinod Kumar Beswal and Mrs. Madhu Dubhashi, were the directors, none of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company:

| Sr. No. | Particulars | Information |
|---------|---|---|
| 1. | Name of the company | Pudumjee Pulp & Paper Mills Limited |
| 2. | Name of the stock exchanges on which the company was listed | Pune Stock Exchange Limited |
| 3. | Date of delisting on stock exchanges and Nature of delisting | 13 th April, 2015 Voluntary De-Recognition of Pune Stock Exchange Limited by SEBI. |
| 4. | Reasons for delisting | SEBI vide its Order No.WTM/RKA/MRD/28/2015 dated 13 th April, 2015 allowed the exit of Pune Stock Exchange Limited as a Stock Exchange and all the listed companies ceased to be listed with effect from said date. |
| 5. | Relisting of the company | No. |
| 6. | Date of relisting, in the event the company is relisting | Not applicable |
| 7. | Name of the stock exchanges on which the company was relisted | Not applicable |
| 8. | Term (along with the relevant dates) in the above company | a) Mr. A. K. Jatia (26 th June, 1998 to date) b) Mr. V. P. Leekha (01 st April, 2000 to date) c) Mr. S. K. Bansal (01 st February, 2005 to date) d) Mr. Nandan Damani (26 th July, 2014 to date) e) Mr. V. K. Beswal (01 st December, 2011 to date) |

| Sr. No. | Particulars | Information |
|---------|---|--|
| 1. | Name of the company | The Nav Bharat Refrigeration and Industries Limited |
| 2. | Name of the stock exchanges on which the company was listed | Delhi Stock Exchange Limited (DSE) |
| 3. | Date of delisting on stock exchanges and Nature of delisting | As per the Securities and Exchange Board India (SEBI) circular number CIR/MRD/DSA /18/2014 dated 22 nd May, 2014 |
| 4. | Reasons for delisting | In terms SEBI, vide its circular number CIR/MRD/DSA /18/2014 dated 22 nd May, 2014, DSE has been de-recognized consequently the Company is considered as a Unlisted company and moved to Dissemination Board of Bombay Stock Exchange Limited |
| 5. | Relisting of the company | No |
| 6. | Date of relisting, in the event the company is relisting | Not applicable |
| 7. | Name of the stock exchanges on which the company was relisted | Not applicable |
| 8. | Term (along with the relevant dates) in the above company | Mr. Nandan Damani (21 st April, 1976 to date) |

BORROWING POWERS OF THE BOARD

The Articles, subject to the provisions of the Act, authorize the Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Pursuant to the approval of the shareholders at the Extra-Ordinary General Meeting held on 31st October, 2015, the Board of Directors of the Company has been authorised to borrow any sum or sums of monies to the extent of Rs. 1000 Crore over and above the aggregate of the paid up share capital and free reserves for the time being.

Terms of Appointment and Compensation to the Executive Director

The compensation payable to the Executive Directors is governed as per the terms of their appointment and is subject to the provisions of Section 2(54), 2(94), 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof).

The Company has only one Executive Director designated as Managing Director, as on the date of the IM. The details of the terms of appointment and compensation are as follows:

Mr. Ved Prakash Leekha

Mr. Ved Prakash Leekha was appointed as the Managing Director of the Company pursuant to the Board resolution dated 17th January, 2015 and Shareholders' resolution dated 18th September, 2015 for a period of five years with effect from 17th January, 2015.

Pursuant to the Shareholders' resolution, Mr. Ved Prakash Leekha was drawing no remuneration from the Company for the period ended 31st March, 2015 from date of his appointment, since Mr. Ved Prakash Leekha was drawing remuneration from Pudumjee Pulp & Paper Mills Limited (PPPML), the erstwhile Holding Company, which since 1st April, 2014 by virtue of the Scheme stands paid by the Company.

The Board of Directors vide their resolution dated 22nd January, 2016, has allowed remuneration (including remuneration drawn from PPPML), subject to requisite approvals if any, at the following terms and conditions with effect from 1st April, 2015:

- (a) The Managing Director shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, marketing and administration and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors and the - Chairman of the Company.
 - (b) Remuneration at the rate of Rs. 4,50,000/- per month upto 31st March, 2015 and thereafter Rs. 6,45,000/- per month including Dearness Allowance ;
 - (c) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at the rate of Rs. 1,20,000/- per month and thereafter Rs.2, 30,000/- per month.
 - (d) Expenses of electricity, gas and water, furnishing of the residential accommodation.
 - (e) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges and traveling expenses incurred for himself, his wife and dependent children.
 - (f) Leave Travel Assistance to cover air or first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
 - (g) Membership fees including entrance and other fees for any two Clubs.
 - (h) Personal accident insurance premium.
 - (i) Participation in the Provident Fund.
 - (j) Gratuity as per the Company's rules applicable to its Executive staff members.
 - (k) Pension, by whatever name called, at Rs. 1,45,000/- per month to Mr. V.P. Leekha during his life time from a date next following the date of his leaving the service and to his spouse thereafter.
 - (i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave at the end of tenure.
 - (ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
 - (l) Maintenance of telephone at his place of residence and Mobile phones at the entire cost of the Company.
 - (m) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as Chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.
- In the event of absence or inadequacy of profits in any year the said remuneration as stated in clause (b) above together with the payments, benefits and amenities shall nevertheless be paid or allowed as minimum remuneration for such year.

Remuneration to Non-Executive Directors

Each of the Non-Executive Independent Directors of the Company is entitled to a sitting fee of Rs. 10,000 per Board and Audit Committee meeting and Rs. 5,000/- per Nomination and Remuneration Committee Meeting and Rs.1000/- per Stakeholders' Relationship Committee Meeting attended by him/her.

In addition, the Independent Directors would be entitled to reimbursement of the expenditure that may be incurred in travelling to the place of Board Meetings and other Committee Meetings of the Company and back to their normal place of residence.

During the period from the date of incorporation i.e. 14th January, 2015 to 31st March 2015, the Company did not have any Non-Executive Independent Directors, on its Board and no sitting fees were paid by Company.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Directors except the normal remuneration for services rendered as Directors.

The Company has no bonus or profit sharing plan for the Directors.

Shareholding of Directors

| Sl. No. | Name of the Director | No of Shares | % Shareholding |
|---------|-----------------------------------|--------------|----------------|
| 1 | Mr. Arunkumar Mahabirprasad Jatia | 9347322 | 9.84 |
| 2 | Mr. Ved Prakash Leekha | Nil | 0.00 |
| 3 | Mr. Surendra Kumar Bansal | Nil | 0.00 |
| 4 | Mr. Nandan Damani | Nil | 0.00 |
| 5 | Mr. Vinod Kumar Beswal | Nil | 0.00 |
| 6 | Mrs. Madhu Dubhashi | Nil | 0.00 |

The Articles of Association of the Company do not require the Directors of the Company to hold any qualification shares.

Interest of Directors

All of the Directors may be deemed to be interested only to the extent of fees, if any, payable to them for attending meetings of the Board of Directors or committees thereof as well as to the extent of reimbursement of expenses payable to them under the Articles of Association and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company.

The Directors may also be regarded as interested in the equity shares held by them or to the companies, firms and trusts, in which they are interested as directors, members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Further, the Directors are interested to the extent of equity shares that they are holding and are allotted to them pursuant to the Scheme, and also to the extent of any dividend payable to them and other distributions in respect of the equity shares.

Except as stated otherwise in this IM, the Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of the IM in which the Directors are directly or indirectly interested.

The Directors have no interest in any property acquired or proposed to be acquired by the Company within the two years preceding the date of this IM.

Other than Mr. Arunkumar Mahabir Prasad Jatia, who belongs to the Promoter Group, none of the Directors have any interest in the promotion of the Company other than in the ordinary course of the business.

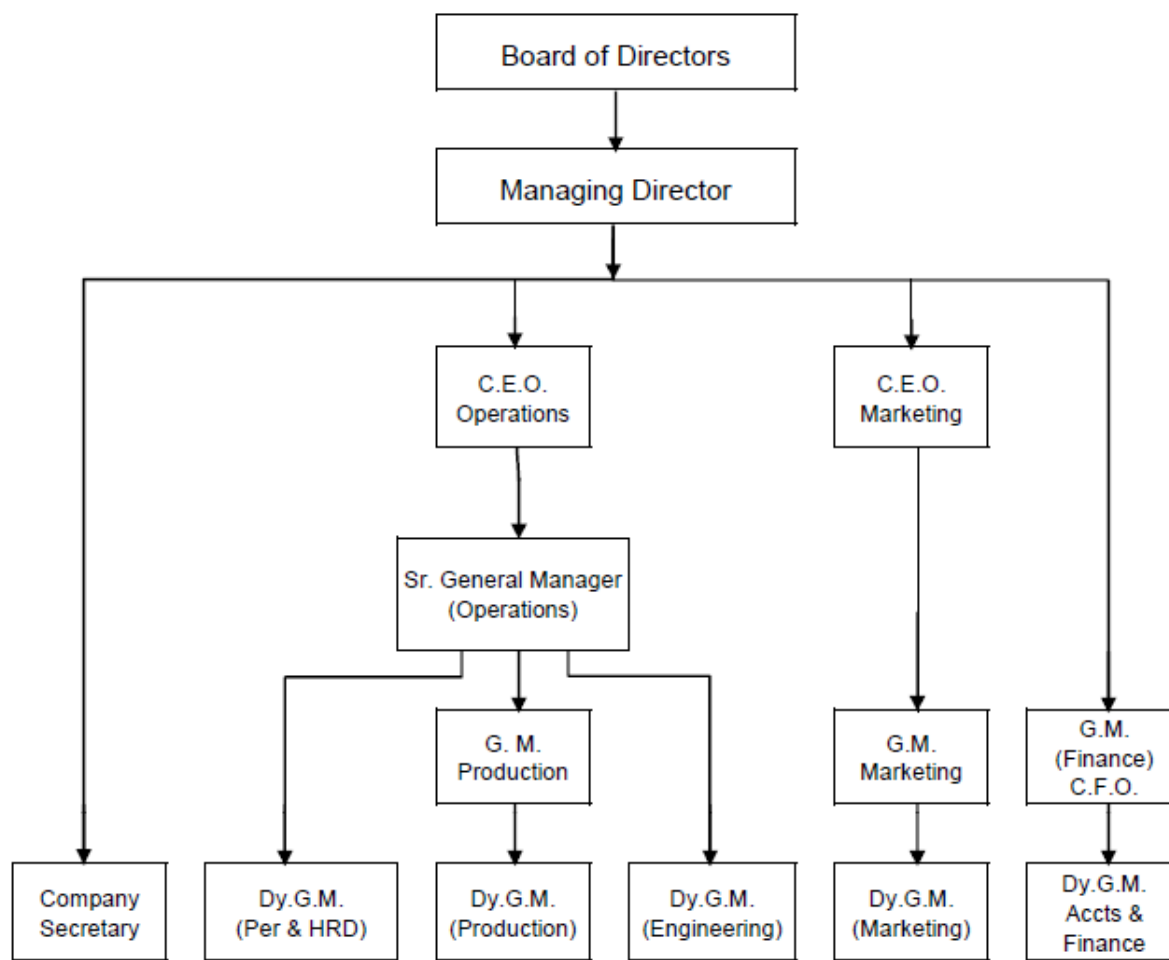
For further details, please see the section entitled “Related Party Transactions” on page 80.

Changes in the Board of Directors since incorporation of the Company

| Sl. No | Name of the Director | Appointment/Resignation | Date |
|--------|-------------------------------------|-------------------------|----------------|
| 1 | Mr. Arun Kumar Mahabir Prasad Jatia | Appointment | First Director |
| 2 | Mr. Ved Prakash Leekha | Appointment | First Director |
| 3 | Mr. Surendra Kumar Bansal | Appointment | First Director |

| | | | |
|---|------------------------|--|---------------------------------|
| 4 | Mr. Nandan Damani | Appointment as an Additional Director (Non-Executive Independent) | 21 st October, 2015 |
| 5 | Mr. Vinod Kumar Beswal | Appointment as an Additional Director (Non-Executive Independent) | 21 st October, 2015 |
| 6 | Ms. Madhu Dubhashi | Appointment as an Additional Director(Non-Executive Independent) | 14 th November, 2015 |

ORGANIZATION CHART - SHOWING MANAGEMENT ORGANIZATION STRUCTURE.



Corporate Governance

The Company has complied with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015('SEBI Regulations 2015') and other applicable regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board has been constituted in compliance with the Companies Act, 2013 and SEBI Regulations 2015. The Board functions either as a full board or through various committees constituted to oversee specific functions. The executive management provides the Board detailed reports on its performance periodically.

Currently, the Board has six Directors and the Chairman is a Non-Executive Director. Since the Chairman is a Non-Executive Director and part of the Promoter of the Company, half of the Board consists of Independent Directors. Further, in accordance with the requirements of the SEBI Regulations 2015, we have a woman director on the Board.

The Company has adopted the Corporate Governance Code as per SEBI Regulations, 2015 prior to listing.

THE COMMITTEES OF BOARD:

The Board has constituted the following Committees, as per the provisions of the SEBI Regulations 2015:

A) Audit Committee

The Company has formed the Audit Committee vide a resolution passed at the meeting of the Board of Directors held on 14th November, 2015. The constituted Audit Committee comprises of the following Members:

| Sr. No | Name of the Director | Category |
|--------|-----------------------------------|------------------------------------|
| 1 | Mr. Vinod Kumar Beswal, Chairman | Independent Non Executive Director |
| 2 | Mr. Nandan Damani | Independent Non Executive Director |
| 3 | Mrs. Madhu Dubhashi | Independent Non Executive Director |
| 4 | Mr. Arunkumar Mahabirprasad Jatia | Non Executive Director |

Meetings of the Committee:

The Audit Committee is required to meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings as per regulation 18 of the SEBI Regulations 2015.

Date of the Audit Committee Meeting:

| Sr. No. | Date of the Meeting |
|---------|---------------------------------|
| 1. | 22 nd January, 2016 |
| 2. | 20 th February, 2016 |

Role and Powers

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act, 2013 and as per regulation 18 of the SEBI Regulations 2015 and the terms of reference of the Audit Committee together with its powers shall be as under:

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the Company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the Company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters;
9. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
10. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
11. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;

12. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
13. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / IM / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
14. approval or any subsequent modification of transactions of the Company with related parties;
15. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
17. discussion with internal auditors of any significant findings and follow up there on;
18. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
19. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. to review the functioning of the whistle blower mechanism;
22. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) Internal audit reports relating to internal control weaknesses; and
- 5) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 6) Statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/IM/notice in terms of Regulation 32(7).

The powers of Audit committee include:

- 1 .To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

B) Nomination and Remuneration Committee

The Company has formed the Nomination and Remuneration Committee vide a resolution passed at the meeting of the Board of Directors held on 14th November, 2015.

The constituted Nomination and Remuneration Committee comprises of the following Members:

| S. No | Name of the Director | Category |
|-------|------------------------|------------------------------------|
| 1 | Mr. Vinod Kumar Beswal | Independent Non Executive Director |
| 2 | Mr. Nandan Damani | Independent Non Executive Director |
| 3 | Mrs. Madhu Dubhashi | Independent Non Executive Director |

Meetings of the Committee

Date of the Nomination and Remuneration Committee Meeting:

| S. No. | Date of the Meeting |
|--------|--------------------------------|
| 1. | 22 nd January, 2016 |

Role and Powers:

The scope and function of the Committee is in accordance with section 178 of the Companies Act, 2013 and as per regulation 19 of the SEBI Regulations 2015 and its terms of reference shall include the following:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

C) Stakeholders' Relationship Committee

The Company has formed the Stakeholders' Relationship Committee vide a resolution passed at the meeting of the Board of Directors held on 14th November, 2015. The constituted Stakeholders' Relationship Committee comprises of the following Members:

| S. No | Name of the Director | Category |
|-------|-----------------------------------|------------------------------------|
| 1 | Mr. Nandan Damani | Independent Non Executive Director |
| 2 | Mr. Arunkumar Mahabirprasad Jatia | Non Executive Director |
| 3 | Mr. Surendra Kumar Bansal | Non Executive Director |

Role and Powers:

The scope and function of the Stakeholders' Relationship Committee is as per Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Regulations 2015 and the terms of reference of the Committee includes the consideration and resolution of the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, if any.

KEY MANAGEMENT PERSONNEL (KMPs):

As per the Scheme of Arrangement and reconstruction (Demerger), all the employees of Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited and Pudumjee Hygiene Products Limited engaged in the Demerged Undertaking on and from the Effective Date, shall from such date become the employees of Pudumjee Paper Products Limited without any interruption of service.

Accordingly the Personnel so transferred and are Key Managerial Personnel of this Company are as follows:

Mr. Ved Prakash Leekha, aged 76 years, is the Managing Director of the Company. For further details, in relation to Mr. V.P.Leekha, please see section 'Our Management' on page 54.

Mr. Hanuman Prasad Birla, aged 62 years, is the Chief Financial Officer of the Company. He holds a Bachelor's Degree in Commerce and is a Fellow Member of the Institute of Cost and Works Accountants of India. He has over 30 years experience in field of finance.

Mr. Vinay Jadhav, aged 28 years, is the Company Secretary and Compliance Officer of the Company with effect from 21st October, 2015. He is Associate Member of The Institute of Company Secretaries of India and holds a Bachelor's degree in Commerce from Pune University. He has over 3 years of post qualification experience in Corporate & Securities Laws and Compliances.

BUSINESS HEADS:

Dr. Ashok Kumar, aged 59 years, is the Chief Executive Officer (Operations) of the Company. He holds a M.E. (Chemical) and Ph.D (Pulp Processing). He has over three decades of varied experience in the Paper Industry and is the Executive Director of PPPML.

Mr. Gautam Jajodia, aged 44 years, is the Chief Executive Officer (Marketing) of the Company. He holds a Bachelor's Degree in Commerce and Master in Business Administration and has a long business experience. He is the Executive Director of PIL.

Dr. Nandakumar Vithal Gune, aged 66 years, is the General Manager - Operations of the Company. He holds a B.Tech. (Chemical) and Ph.D (Chemical Engineering). He has over three decades of varied experience in the process industry, research and teaching and process and Product Development, Quality Assurance and Environment Management.

Mr. Baijnath Kalidas Sharma, aged 67 years, is the Senior General Manager – Production of the Company. He holds a Bachelor's Degree in B.sc. He has over four decades of varied experience in the paper manufacturing.

Relationship between Key Management Personnel

None of the Key Management Personnel are related to each other.

Arrangements and Understanding with Major Shareholders

None of the key management personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers or suppliers or others, of the Company.

Shareholding of the Key Management Personnel

None of the Key Management Personnel in the Company hold any shares of the Company as on the date of filing of this IM, except Mr. Hanuman Prasad Birla, who is holding 5,55,000 Equity shares of the Company.

Bonus or profit sharing plan of the Key Management Personnel

The Company does not have a performance linked bonus or a profit sharing plan for the Key Management Personnel.

Employee Stock Option Plan / Employee Stock Purchase Scheme

The Company does not have any scheme of employee stock option or employee stock purchase.

Loans taken by Directors / Key Management Personnel

The Company has not granted any loans to the Directors and/ or Key Management Personnel.

Changes in the Key Management Personnel since incorporation:

There have been no changes in the Key Management Personnel of the Company since incorporation.

Interest of Key Management Personnel

Apart then mentioned in this IM, the Key Management Personnel of the Company do not have any interest in the Company other than the extent of the remuneration, rent or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of the business.

COMPENSATION PAID TO KEY MANAGERIAL PERSONNEL IN PREVIOUS YEAR

Since the paper manufacturing business of Pudumjee Pulp & Paper Mills Limited has been taken over by the Company pursuant to the Scheme, with effect from 1st April, 2014, the following personnel were employees of Pudumjee Pulp & Paper Mills Limited and drew remuneration there from as per following details :

| Name of Key Managerial Personnel | Compensation (excluding retirement benefit paid / payable) paid in FY 2014-15 (Rs. In Lacs) |
|---|---|
| Ved Prakash Leekha | 76.91 |
| H.P.Birla | 26.41 |
| Vinay Jadhav (Appointed with effect from 24 th June, 2015) | Not applicable |

Confirmations:

We confirm that:

- All the persons named as the Key Management Personnel above are the permanent employees of the Company
- Except for the terms set forth in the appointment letters and stated in this IM, the Key Management Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Presently, we do not have ESOP/ESPS scheme for the employees.
- Except as stated otherwise in this IM, we have not entered into any contract, agreement or arrangement during the period from date of incorporation from the date of this IM in which any Officer is interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

THE PROMOTERS

Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited and Pudumjee Holding Limited are the Promoters of the Company.

A. PUDUMJEE PULP & PAPER MILLS LIMITED(“PPPML”)

1. Incorporation and Registered Office

Pudumjee Pulp & Paper Mills Limited (PPPML) was incorporated on 19th November 1964 and commenced production of paper in January 1968 having plant at Thergaon on the outskirts of Pune City. The Registered Office of the Company is Thergaon, Pune – 411 033.

2. Brief History

The Company is one of the leading listed Specialty Paper Mills in India. The Company has ventured into real estate business in partnership with G:Corp Properties Pvt. Ltd. and is currently in the process of constructing residential units having an aggregate saleable area of over 10 lac sq. feet at Thergaon, Pune. The Company is also in the process of constructing residential and commercial units having an aggregate saleable area of over 1.60 lacs sq.feet at Thergaon, Pune. Pudumjee Pulp & Paper Mills Limited is listed with BSE Limited and National Stock Exchange of India Limited.

3. Capital Structure as on 31st December, 2015

| (Rs. in Lacs) | |
|---|----------------|
| Particulars | Amount |
| Authorised Capital | |
| 4,75,00,000 Equity Shares of Rs. 2 each | 950.00 |
| 50,000 14% (free of Company's tax but subject to deduction of tax at source at the prescribed rates) Redeemable Cumulative Preference Shares of Rs.100/- each | 50.00 |
| Total | 1000.00 |
| Issued, Subscribed and Paid-Up | |
| 4,10,00,000 Equity Shares of Rs.2each | 820.00 |
| Total | 820.00 |

4. Share Holding Pattern of the Company as on 31st December, 2015

Summary statement holding of specified securities

| Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of equity shares held in dematerialized form |
|------------------------------------|----------------------|---|------------------------|--|---|
| (A) Promoter & Promoter Group | 10 | 2,52,19,361 | 2,52,19,361 | 61.51 | 2,52,19,361 |
| (B) Public | 9,455 | 1,57,80,639 | 1,57,80,639 | 38.49 | 1,46,93,993 |
| (C1) Shares underlying DRs | - | - | - | - | - |
| (C2) Shares held by Employee Trust | - | - | - | - | - |
| (C) Non Promoter-Non Public | - | - | - | - | - |
| Grand Total | 9,465 | 4,10,00,000 | 4,10,00,000 | 100.00 | 3,99,13,354 |

Statement showing shareholding pattern of the Public shareholder

| Category & Name of the Shareholders | No. of shareholder | No. of fully paid up equity shares held | Total no. shares held | Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) | Number of equity shares held in dematerialized form(Not Applicable) |
|--|--------------------|---|-----------------------|--|---|
| B1) Institutions | | | | 0 | |
| Mutual Funds/ | 1 | 250 | 250 | 0 | |
| Financial Institutions/ Banks | 5 | 1680 | 1,680 | 0 | 1,275 |
| Insurance Companies | 1 | 250 | 250 | 0 | |
| Sub Total B1 | 7 | 2180 | 2,180 | 0.01 | 1,275 |
| B2) Central Government/ State Government(s)/ President of India | 0 | 0 | | 0 | |
| B3) Non-Institutions | | | | | |
| Individual share capital upto Rs. 2 Lacs | 8,930 | 1,02,86,389 | 1,02,86,389 | 25.09 | 92,55,298 |
| Individual share capital in excess of Rs. 2 Lacs | 8 | 15,79,746 | 15,79,746 | 3.85 | 15,79,746 |
| NBFCs registered with RBI | 1 | 1681 | 1,681 | 0 | 1,681 |
| Any Other | 509 | 39,10,643 | 39,10,643 | 9.54 | 38,55,993 |
| Various Shareholders | 168 | 3,96,548 | 3,96,548 | 0.97 | 3,46,298 |
| Various Shareholders | 62 | 53,720 | 53,720 | 0.13 | 53,720 |
| Halan Properties Private Limited | 1 | 16,50,000 | 16,50,000 | 4.02 | 16,50,000 |
| Various Shareholders | 278 | 18,10,375 | 18,10,375 | 4.42 | 18,05,975 |
| Sub Total B3 | 9,448 | 1,57,78,459 | 1,57,78,459 | 38.48 | 1,46,92,718 |
| Total Public Shareholding | 9,455 | 1,57,80,639 | 1,57,80,639 | 38.49 | 1,46,93,993 |

5. Board of Directors

| Name | Designation |
|-------------------------------------|-------------------------------------|
| Mr. Arun Kumar Mahabir Prasad Jatia | Executive Chairman |
| Mr. Ved Prakash Leekha | Managing Director |
| Mr. Surendra Kumar Bansal | Whole-time Director and CFO |
| Dr. Ashok Kumar | Executive Director |
| Mr. Bhupendra Champaklal Dalal | Non- Executive Independent Director |
| Mr. Vinod Kumar Beswal | Non-Executive Independent Director |
| Mr. Gautam Khaitan | Non-Executive Independent Director |

| | |
|-------------------------|------------------------------------|
| Mr. Nandan Damani | Non-Executive Independent Director |
| Ms. Preeti Gautam Mehta | Non-Executive Independent Director |

6. Financial performance for the last three financial years

(Rs. In Lacs)

| Particulars | For the year ending 31.03.2013 | For the year ending 31.03.2014 | For the year ending 31.03.2015 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Number of Shares | 4,10,00,000 | 4,10,00,000 | 4,10,00,000 |
| Equity capital | 820.00 | 820.00 | 820.00 |
| Reserves & Surplus (excluding revaluation reserves) | 12,722.47 | 14,016.30 | 15,865.41 |
| Net worth | 13,542.47 | 14,836.30 | 16,685.41 |
| Turnover/ sales | 20,905.80 | 24,138.79 | 29,147.75 |
| Other Income | 517.23 | 717.21 | 970.04 |
| Profit/(Loss) after tax | 1681.20 | 1437.73 | 2,026.95 |
| EPS (Rs.) | 4.10 | 3.51 | 4.94 |
| Book Value per share (Rs.) | 33.03 | 36.19 | 40.70 |

Note:- The above financials are including financials of demerged business.

7. Share price data for last 6 months

| Month | BSE | | NSE | |
|------------------|-----------|----------|-----------|----------|
| | High(Rs.) | Low(Rs.) | High(Rs.) | Low(Rs.) |
| September - 2015 | 30.90 | 24.50 | 29.70 | 24.25 |
| October - 2015 | 29.95 | 24.60 | 30 | 24.35 |
| November - 2015 | 41.85 | 29.20 | 42 | 28.75 |
| December - 2015 | 54.50 | 37.40 | 54.70 | 35.50 |
| January - 2016 | 56.25 | 36.80 | 55.95 | 36.55 |
| February - 2016 | 49.60 | 14.10 | 49.80 | 14.35 |

High and low prices are based on intraday trading prices. Source: www.bseindia.com, www.nse-india.com.

8. Particulars of high, low and average prices of the shares during the preceding three years

| BSE | | | | | |
|-------------|------------|--------------|-----------|-------------|--------------------|
| Fiscal Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low | Average Price(Rs.) |
| 2014-15 | 25.05 | 13.03.2015 | 10.10 | 16.05.2014 | 17.57 |
| 2013-14 | 14.54 | 06.01.2014 | 9.12 | 10.09.2013 | 11.83 |
| 2012-13 | 19.00 | 17.04.2012 | 10.01 | 26.03.2013 | 14.50 |

High and low prices are based on intraday trading prices. Source: www.bseindia.com. Average price is calculated as the average of the High and low prices for the respective year as mentioned above.

| NSE | | | | | |
|-------------|------------|--------------|-----------|-------------|--------------------|
| Fiscal Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low | Average Price(Rs.) |
| 2014-15 | 24.90 | 13.03.2015 | 10.35 | 13.05.2014 | 17.62 |
| 2013-14 | 14.25 | 06.01.2014 | 7.40 | 11.07.2013 | 10.82 |
| 2012-13 | 19.05 | 13.04.2012 | 10 | 03.09.2012 | 14.52 |

High and low prices are based on intraday trading prices. Source: www.nse-india.com. Average price is calculated as the average of the High and low prices for the respective year as mentioned above.

9. Change in Control in last three years

There is no change in control in the last three years.

10. Payment or benefit to Promoters

No amount or benefit is paid or given to any of the Promoters except to the extent of their shareholding in the Company.

B. PUDUMJEE INDUSTRIES LIMITED

1. Incorporation and Registered Office

PUDUMJEE INDUSTRIES LIMITED ('PIL') was incorporated on 31st December, 1965 and has registered office at Thergaon, Pune – 411 033.

2. Brief history

Pudumjee Industries Limited (PIL), incorporated on 31st December 1965 as private limited company in the name and style of F.Pudumjee & Co.Ltd, is engaged in the manufacture of specialty papers. The Company had venture into with real estate business prime textile. It became a deemed Public Limited Company u/s 43A(1) on 4th May, 1977 and subsequently was converted into a Public Limited Company on 31st January, 1986. The name of the Company was changed to Pudumjee Agro Industries Limited on 30th December, 1993.

The Company was a subsidiary of Pudumjee Pulp & Paper Mills Limited from April 1977 to February 1987. By the Order of the Hon'ble Board of Industrial and Finance Reconstruction, the erstwhile Kapil Agro Ltd (KAL) amalgamated with the Company in the year 1990. The amalgamation was done to broad base the activities of the Company. Subsequently, on 4th March, 2008, the Company's name was changed to Pudumjee Industries Limited, taking into account the closure of the agro unit.

PIL is listed on the BSE Limited and National Stock Exchange of India Limited.

3. Capital Structure as on 31st December, 2015

| (Rs. in Lacs) | |
|--|----------------|
| Particulars | Amount in Rs. |
| Authorised Capital | |
| 12,50,00,000 Equity Shares of Rs. 2 each | 2500.00 |
| Total | 2500.00 |
| Issued, Subscribed and Paid-Up | |
| 1,80,00,000 Equity Shares of Rs.2each | 360.00 |
| Total | 360.00 |

4. Share Holding Pattern of the Company as on 31st December, 2015: Summary statement holding of specified securities

| Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2) | Number of equity shares held in dematerialized form |
|-------------------------------|----------------------|---|------------------------|---|---|
| (A) Promoter & Promoter Group | 12 | 1,30,09,342 | 1,30,09,342 | 72.27 | 1,30,09,342 |

| | | | | | |
|------------------------------------|--------------|--------------------|--------------------|------------|--------------------|
| (B) Public | 3,586 | 49,90,658 | 49,90,658 | 27.73 | 49,90,658 |
| (C1) Shares underlying DRs | 0 | 0 | 0 | 0 | 0 |
| (C2) Shares held by Employee Trust | 0 | 0 | 0 | 0 | 0 |
| (C) Non Promoter-Non Public | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 3,598 | 1,80,00,000 | 1,80,00,000 | 100 | 1,80,00,000 |

Statement showing shareholding pattern of the Promoter and Promoter Group

| Category of shareholder | Nos. of shareholders | No. of fully paid up equity shares held | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of equity shares held in dematerialized form |
|---|-----------------------------|--|-------------------------------|---|--|
| A1) Indian | | | | | |
| Individuals/Hindu undivided Family | 10 | 1,27,09,342 | 1,27,09,342 | 70.61 | 1,27,09,342 |
| Chem Mach Pvt. Ltd | | 61,450 | 61,450 | 0.34 | 61,450 |
| Yashvardhan Jatia | | 5,500 | 5,500 | 0.03 | 5,500 |
| Fujisan Technologies Limited | | 8,75,680 | 8,75,680 | 4.86 | 8,75,680 |
| Pudumjee Pulp & Paper Mills Ltd | | 9,56,725 | 9,56,725 | 5.32 | 9,56,725 |
| Suma Commercial Private Limited | | 18,48,525 | 18,48,525 | 10.27 | 18,48,525 |
| Pudumjee Investment & Finance Company Ltd | | 39,45,790 | 39,45,790 | 21.92 | 39,45,790 |
| Thacker And Company Limited | | 25,20,210 | 25,20,210 | 14 | 25,20,210 |
| Arun Kumar Mahabir Prasad Jatia Jointly With Basant Kumar Khaitan (Executor of Will of Shri Mahabir Prasad Jatia) | | 6,67,462 | 6,67,462 | 3.71 | 6,67,462 |
| Arunkumar Mahabir Prasad Jatia (executor of the will of smt. Poonam jatia) | | 8,99,000 | 8,99,000 | 4.99 | 8,99,000 |
| Arunkumar Mahabir Prasad Jatia | | 9,29,000 | 9,29,000 | 5.16 | 9,29,000 |
| Sub Total A1 | 10 | 1,27,09,342 | 1,27,09,342 | 70.61 | 1,27,09,342 |

| | | | | | |
|--|----|-------------|-------------|-------|-------------|
| A2) Foreign | | | | 0 | |
| Individuals (Non Resident Individuals/ Foreign Individuals) | 2 | 3,00,000 | 3,00,000 | 1.67 | 3,00,000 |
| Vasudha Jatia | | 1,50,000 | 1,50,000 | 0.83 | 1,50,000 |
| Vrinda Jatia | | 1,50,000 | 1,50,000 | 0.83 | 1,50,000 |
| Sub Total A2 | 2 | 3,00,000 | 3,00,000 | 1.67 | 3,00,000 |
| A=A1+A2 | 12 | 1,30,09,342 | 1,30,09,342 | 72.27 | 1,30,09,342 |

5. Board of Directors

| Name | Designation |
|--------------------------------------|------------------------------------|
| Mr. Vinod Kumar Subhkaran Jatia | Chairman and Independent Director |
| Mr. Gautam Nandkishore Jajodia | Executive Director |
| Ms. Vasudha Jatia | Promoter Director |
| Mr. Atul Shantikumar Dayal | Non-Executive Independent Director |
| Mr. Arvindkumar Surendrakumar Somany | Non-Executive Independent Director |
| Mr. Rajendra Chiranjilal Saraf | Non-Executive Independent Director |
| Mr. Rushabh Pradeep Shroff | Non-Executive Independent Director |

6. Financial Performance

(Rs. In Lacs)

| Particulars | For the year ending 31.03.2013 | For the year ending 31.03.2014 | For the year ending 31.03.2015 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Number of Shares | 1,80,00,000 | 1,80,00,000 | 1,80,00,000 |
| Equity capital | 360.00 | 360.00 | 360.00 |
| Reserves & Surplus (excluding revaluation reserves) | 3,723.46 | 3,793.49 | 3,958.92 |
| Net worth | 4,083.46 | 4,153.49 | 4,318.92 |
| Turnover/ sales | 13358.34 | 13797.71 | 15,705.15 |
| Other Income | 228.28 | 246.53 | 302.74 |
| Profit after tax | 70.21 | 70.03 | 166.02 |
| EPS (Rs.) | 0.39 | 0.39 | 0.92 |
| Book Value per share (Rs.) | 22.68 | 23.07 | 23.99 |

Note :- The financials are including financials of demerged business.

7. Share price data for last 6 months

| Month | BSE | | NSE | |
|------------------|-----------|----------|-----------|----------|
| | High(Rs.) | Low(Rs.) | High(Rs.) | Low(Rs.) |
| September - 2015 | 13.65 | 11.80 | 13.60 | 12.00 |
| October - 2015 | 13.65 | 11.40 | 13.20 | 11.05 |
| November- 2015 | 14.68 | 11.72 | 15.40 | 11.80 |
| December - 2015 | 21.90 | 15.41 | 22.15 | 16.00 |
| January - 2016 | 26.15 | 19.10 | 25.40 | 18.65 |
| February - 2016 | 22.25 | 9.50 | 21.50 | 9.35 |

High and low prices are based on intraday trading prices. Source: www.bseindia.com, www.nse-india.com.

8. Particulars of high, low and average prices of the shares during the preceding three years

| BSE | | | | | |
|-------------|------------|--------------|-----------|-------------|--------------------|
| Fiscal Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low | Average Price(Rs.) |
| 2014-15 | 15.90 | 28.07.2014 | 7.54 | 17.04.2014 | 11.72 |
| 2013-14 | 11.21 | 05.04.2013 | 5.50 | 01.10.2013 | 8.35 |
| 2012-13 | 16.90 | 17.04.2012 | 9.00 | 25.03.2013 | 12.95 |

High and low prices are based on intraday trading prices. Source: www.bseindia.com. Average price is calculated as the average of the High and low prices for the respective year as mentioned above.

| NSE | | | | | |
|-------------|------------|--------------|-----------|-------------|--------------------|
| Fiscal Year | High (Rs.) | Date of High | Low (Rs.) | Date of Low | Average Price(Rs.) |
| 2014-15 | 16.60 | 30.07.2014 | 7.25 | 01.04.2014 | 11.92 |
| 2013-14 | 9.95 | 21.05.2013 | 6.40 | 17.10.2013 | 8.17 |
| 2012-13 | 18.95 | 18.05.2012 | 9.00 | 25.03.2013 | 13.97 |

High and low prices are based on intraday trading prices. Source: www.nse-india.com. Average price is calculated as the average of the High and low prices for the respective year as mentioned above.

9. Change in Control in last three years

There is no change in control in the last three years.

10. Payment or benefit to Promoters

No amount or benefit is paid or given to any of the Promoters except to the extent of their shareholding in the Company.

C. PUDUMJEE HYGIENE PRODUCTS LIMITED

1. Incorporation and Registered Office

PUDUMJEE HYGIENE PRODUCTS LIMITED ('PHPL') was incorporated on 15th July, 2004 and having registered office at Thergaon, Pune – 411 033. It is a Wholly owned subsidiary of the Pudumjee Industries Limited.

2. Brief History

PHPL is engaged in marketing hygiene products under the brand name "Greenlime" and has a wide customer range, which includes large institutions in Hotel Food Service Segment. It has also leased Machinery to tissue converters.

3. Capital Structure as on 31st December, 2015

| | | (Rs. in Lacs) |
|--|--|----------------|
| Particulars | | Amount in Rs. |
| Authorised Capital | | |
| 3,00,00,000 Equity Shares of Rs.10 each | | 3000.00 |
| Total | | 3000.00 |
| Issued, Subscribed and Paid-Up | | |
| 3,00,00,000 Equity Shares of Rs. 10 each | | 3000.00 |
| Total | | 3000.00 |

4. Share Holding Pattern of the Company as on 31st December, 2015

| Category | Number of shares | Percentage of total share capital |
|---|------------------|-----------------------------------|
| Promoter & Promoter Group (Pudumjee Industries Limited) | 3,00,00,000 | 100% |
| Non-Promoter | Nil | Nil |
| Total | 3,00,00,000 | 100% |

5. Board of Directors

| Name | Designation |
|--------------------------------|------------------------------------|
| Mr. Gautam Nandkishore Jajodia | Non-Executive Director |
| Mr. Ved Prakash Leekha | Non-Executive Director |
| Mr. Surendra Kumar Bansal | Non-Executive Director |
| Mr. Hanuman Prasad Birla | Non-Executive Director |
| Mr. Rajendra Chiranjilal Saraf | Non-Executive Independent Director |
| Mr. Rushabh Pradeep Shroff | Non-Executive Independent Director |

6. Financial Performance**(Rs. In Lacs)**

| Particulars | For the year ending 31.03.2013 | For the year ending 31.03.2014 | For the year ending 31.03.2015 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Number of Shares | 1,50,00,000 | 1,50,00,000 | 3,00,00,000 |
| Equity capital | 1,500.00 | 1,500.00 | 3,000.00 |
| Reserves & Surplus (excluding revaluation reserves) | (1,901.28) | (2,152.57) | (2,396.03) |
| Net worth | (401.28) | (652.57) | 603.97 |
| Turnover/ sales | 3,858.83 | 4,523.73 | 4,819.90 |
| Other Income | 17.03 | 18.86 | 20.88 |
| Profit/(Loss) after tax | (298.04) | (254.08) | (243.03) |
| EPS (Rs.) | (1.98) | (1.69) | (0.81) |
| Book Value per share (Rs.) | (2.68) | (4.35) | 2.01 |

Note :- The financials are including financials of demerged business.**7. Change in Control in last three years**

There is no change in control in the last three years.

8. Payment or benefit to Promoters

No amount or benefit is paid or given to any of the Promoters except to the extent of their shareholding in the Company.

D. Pudumjee Holding Limited

1. Incorporation and Registered Office

PUDUMJEE HOLDING LIMITED ('PHL') was incorporated on 11th October, 2011 and having registered office at Thergaon, Pune – 411 033. It is a wholly owned subsidiary of the Pudumjee Industries Limited.

2. Brief History

The Company has been incorporated as Investment Company.

3. Capital Structure as on 31st December, 2015

| (Rs. in Lacs) | |
|---|----------------|
| Particulars | Amount in Rs. |
| Authorised Capital | |
| 20,00,000 Equity Shares of Rs. 10 each | 2,00.00 |
| Total | 2,00.00 |
| Issued, Subscribed and Paid-Up | |
| 50,000 Equity Shares of Rs. 10 each | 5.00 |
| Total | 5.00 |

4. Share Holding Pattern of the Company as on 31st December, 2015

| Category | Number of shares | Percentage of total share capital |
|---|------------------|-----------------------------------|
| Promoter & Promoter Group (Pudumjee Industries Limited) | 5,00,000 | 100% |
| Non-Promoter | Nil | Nil |
| Total | 5,00,000 | 100% |

5. Board of Directors

| Name | Designation |
|--------------------------------|------------------------|
| Mr. Gautam Nandkishore Jajodia | Non-Executive Director |
| Mr. Surendra Kumar Bansal | Non-Executive Director |
| Mr. Hanuman Prasad Birla | Non-Executive Director |

6. Financial Performance

| (Rs. In Lacs) | | | |
|---|--------------------------------|--------------------------------|--------------------------------|
| Particulars | For the year ending 31.03.2013 | For the year ending 31.03.2014 | For the year ending 31.03.2015 |
| Number of Shares | 50,000.00 | 50,000.00 | 50,000.00 |
| Equity capital | 5.00 | 5.00 | 5.00 |
| Reserves & Surplus (excluding revaluation reserves) | (2.99) | (3.03) | (4.38) |
| Net worth | 2.01 | 1.97 | 0.62 |
| Turnover/ sales | Nil | Nil | Nil |
| Other Income | Nil | 0.18 | 0.16 |
| Profit/(Loss) after tax | (0.38) | (0.04) | (1.35) |
| EPS (Rs.) | (0.76) | (0.08) | (2.70) |
| Book Value per share (Rs.) | 4.02 | 3.94 | 1.24 |

7. Change in Control in last three years

There is no change in control in the last three years.

8. Payment or benefit to Promoters

No amount or benefit is paid or given to any of the Promoters except to the extent of their shareholding in the Company.

Promoters Group

| Sl. No. | Name of the Persons in the Promoter Group | No. of Shares | % Shareholding |
|--------------|--|--------------------|----------------|
| 1 | Suma Commercial Private Limited | 1,03,09,452 | 10.86 |
| 2 | Thacker and Company Limited | 1,29,15,362 | 13.60 |
| 3 | Chem Mach Private Limited | 47,14,192 | 4.96 |
| 4 | Arunkumar Mahabir Prasad Jatia | 42,06,850 | 4.43 |
| 5 | Arunkumar Mahabir Prasad Jatia (Executor of the will of Smt. Poonam Jatia) | 41,77,199 | 4.40 |
| 6 | Arunkumar Mahabir Prasad Jatia Jointly With Basant Kumar Khaitan (Executors of the will of Shri. Mahabir Prasad Jatia) | 9,63,273 | 1.01 |
| 7 | Vrinda Jaita | 9,92,500 | 1.05 |
| 8 | Vasudha Jatia | 9,92,500 | 1.05 |
| 9 | Yashvardhan Jatia | 43,24,729 | 4.55 |
| 10 | Fujisan Technologies Limited | 3,94,056 | 0.42 |
| 11 | Pudumjee Investment & Finance Company Limited | 17,75,605 | 1.87 |
| 12 | Kairos Investment | 0 | 0.00 |
| 13 | Arun Jatia HUF | 0 | 0.00 |
| 14 | Yashvardhan Jatia Trust | 0 | 0.00 |
| 15 | Poonam Jatia Family Trust | 0 | 0.00 |
| 16 | Mahabir Prasad Jatia Family Trust | 0 | 0.00 |
| Total | | 4,57,65,718 | 48.20 |

The Promoters and Promoter Group are interested in the Company to the extent of their respective shareholding, the dividends received by them on such shareholding, and the remuneration received from the Company.

The Promoters are not interested in the properties acquired or proposed to be acquired by the Company in the past two years before filing of the IM.

For details of the Promoters' shareholding in the Company, please see the sections entitled "Capital Structure" and "Our Management" on pages 23 and 54, respectively.

Except as disclosed in section entitled "Our Management" on page 54, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the IM or proposes to enter into any such contract in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

For further details of related party transactions, as per Accounting Standard 18, please see the section entitled "Related Party Transactions" on page 80.

Other than the Group Companies, the Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by the Company.

The Promoters have no interest in acquisition of land, construction of building and supply of machinery undertaken by the Company.

The Promoters are not related to any sundry debtors of the Company.

Companies with which the Promoters have disassociated in the last three years

The Promoters have not disassociated themselves from any of the companies during the preceding three years.

Change in the management and control of the Company

The Promoters are the original promoters of the Company and there has not been any change in the management or control of the Company.

Confirmations from the Promoters

The Promoters have confirmed that they have not been declared as wilful defaulter by RBI or any other government authority and there are no violations of securities laws committed by the Promoters in the past, nor any such proceedings are pending against the Promoters. The Promoters has further confirmed that they have not been prohibited or debarred from accessing or operating in the capital markets for any reasons, or restrained from buying, selling or dealing in securities, under any order or directions made by SEBI or any other authorities and that no action has been taken against them or any entity promoted or controlled by them by any regulatory authorities.

RELATED PARTY TRANSACTIONS

Details of related party transactions during the Financial Year 2014-15 are as follows:

| (Rs. in Lacs) | | | |
|--|-----------------|---------------------|-----------------|
| Nature of Transaction | Holding Company | Fellow Subsidiaries | Group Companies |
| Inter Corporate Deposits Given PIL | - | - | 95 |
| Reimbursement of Expenses paid | - | - | - |
| Interest Income from PIL | - | - | 2.05 |
| Allotment of Shares | - | - | - |
| Outstanding Balances as on March 31, 2015: | - | - | |
| Receivable | | | 96.84 |
| Payable | | | - |

- Our Company was incorporated on 14th January, 2015 as a Public Limited Company under the provisions of the Companies Act, 2013,

GROUP COMPANIES

The definition of 'group companies' was amended pursuant to the SEBI ICDR Regulations, to include companies covered under applicable accounting standards and such other companies as are considered material by our Board. Pursuant to a resolution dated 21st October, 2015, our Board has formulated the Materiality Policy. Our Company has considered (i) the Companies included in the list of related parties prepared in accordance with Accounting Standard 18 in our restated financial statement; and (ii) other companies which are considered material by our Board, as group companies.

For the purposes of (ii) above, a Company has been considered material if:

- a. Our Company or the Promoters have a direct or indirect interest in such company.

Pursuant to the above Materiality Policy, the following entities are identified as Group Companies of our Company:

Companies forming part of the Group

Unless otherwise stated none of the companies forming part of the Group Companies is a sick company under the meaning of SICA and none of them are under winding up or had remained defunct and for which application was made to the Registrar of Companies for striking off the name of the company, during the five years preceding the date of this Information Memorandum.

1. **Name of Group Company: Pudumjee Pulp & Paper Mills Limited***
2. **Name of Group Company: Pudumjee Industries Limited***
3. **Name of Group Company: Pudumjee Hygiene Products Limited***
4. **Name of Group Company: Pudumjee Holding Limited***

(*for further details of above group companies, please refer page no. 69 of Information Memorandum)

5. **Name of Group Company: Pudumjee Investment & Finance Company Limited**

Date of incorporation: 24.07.1991

Principal business: Financial Services, Loans & Advances, dealing in shares & stocks etc.

Capital Structure of the Company:

| (Rs. in Lacs) | |
|--|----------------------|
| Particulars | Amount in Rs. |
| Authorised Capital | |
| 20,00,000 Equity Shares of Rs.10 each | 200.00 |
| 30,00,000 12% Non Cumulative Redeemable Preference Shares of Rs. 10/- each | 300.00 |
| Total | 500.00 |
| Issued, Subscribed and Paid-up | |
| 19,90,000 Equity Shares of Rs.10 each | 199.00 |
| 30,00,000 12% Non Cumulative Redeemable Preference Shares of Rs. 10/- each | 300.00 |
| Total | 499.00 |

Shareholding Pattern of the Company as on 31st December, 2015:

| Category | Number of shares | Percentage of total share capital |
|---|------------------|-----------------------------------|
| Promoter& Promoter Group (Pudumjee Pulp & Paper Mills Limited) | 19,90,000 | 100% |
| Non-Promoter | Nil | Nil |
| Total | 19,90,000 | 100% |

Interest of the Promoter:

Pudumjee Investment & Finance Company Limited is a 100% subsidiary of Pudumjee Pulp & Paper Mills Limited.

Financial Performance:**(Rs. In Lacs)**

| Particulars | For the year ending 31.03.2013 | For the year ending 31.03.2014 | For the year ending 31.03.2015 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Number of Equity Shares | 19,90,000 | 19,90,000 | 19,90,000 |
| Equity capital | 199.00 | 199.00 | 199.00 |
| Number of Preference Shares | 30,00,000 | 30,00,000 | 30,00,000 |
| Preference Capital | 300.00 | 300.00 | 300.00 |
| Reserves & Surplus (excluding revaluation reserves) | (447.00) | (486.18) | (483.44) |
| Net worth | 52.00 | 12.82 | 15.56 |
| Turnover/ sales | 83.36 | 248.03 | 1,572.19 |
| Other Income | Nil | 0.29 | 0.14 |
| Profit after tax | (52.51) | (39.18) | 2.74 |
| EPS (Rs.) | 2.64 | (1.97) | 0.14 |
| Book Value per share (Rs.) | 2.61 | 0.64 | 0.78 |

2. Name of Group Company: Pudumjee Plant Laboratories Limited**Date of incorporation: - 21.04.1994****Principal business: Plant propagation****Capital Structure of the Company:****(Rs. in Lacs)**

| Particulars | Amount in Rs. |
|---------------------------------------|---------------|
| Authorised Capital | |
| 50,00,000 Equity Shares of Rs.10 each | 500.00 |
| Total | 500.00 |
| Issued, Subscribed and Paid-Up | |
| 24,90,000 Equity Shares of Rs.10 each | 249.00 |
| Total | 249.00 |

Shareholding Pattern of the Company as on 31st December, 2015:

| Category | Number of shares | Percentage of total share capital |
|---------------------------|------------------|-----------------------------------|
| Promoter & Promoter Group | 2,49,00,000 | 100% |
| Non-Promoter | Nil | Nil |
| Total | 2,49,00,000 | 100% |

Interest of the Promoter:

The Promoters are interested in the Company to the extent of their respective shareholding.

Financial Performance:

| Particulars | (Rs. In Lacs) | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| | For the year ending 31.03.2013 | For the year ending 31.03.2014 | For the year ending 31.03.2015 |
| Number of Shares | 24,90,000 | 24,90,000 | 24,90,000 |
| Equity capital | 249 | 249 | 249 |
| Reserves & Surplus (excluding revaluation reserves) | (1,594.64) | (1,791.22) | (1,979.07) |
| Net worth | (1,345.64) | (1,542.72) | (1,730.07) |
| Turnover/ sales | 13.83 | 36.66 | 9.95 |
| Other Income | 1.33 | 2.95 | 2.85 |
| Profit/(Loss) after tax | (166.45) | (196.58) | (187.84) |
| EPS (Rs.) | (6.68) | (7.89) | (7.54) |
| Book Value per share (Rs.) | (54.04) | (61.94) | (69.48) |

Nature and Extent of Interest of Group Companies -**(i) In the promotion of the Company**

The Group Companies do not have any interest in the promotion or any business interest or other interests in the Company, except to the extent of their shareholding in the Company.

(ii) In the properties acquired or proposed to be acquired by the Company in the past two years before filing the IM with SE.

The Group Companies are not interested in the properties acquired or proposed to be acquired by the Company in the two years preceding the filing of the IM.

(iii) In transactions for acquisition of land, construction of building and supply of machinery

The Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Related Business Transactions within the Group Companies and significance on the financial performance of the Company

There is no transactions with the Group Companies. For more information, please see the section entitled “Related Party Transactions” beginning on page 80.

Sale/Purchase between the Company and the Group Companies

There is no Sale/Purchase between the Company and the Group Companies.

Business Interest of Group Companies

For details, please see the section entitled “Related Party Transactions” on page 80.

Other than as stated above, the Group Companies does not have any business interest in the Company.

DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act.

The dividend, if any, will depend on a number of factors including but not limited to, the future expansion plans and capital requirements, profit earned during the financial year, liquidity and applicable taxes including dividend distribution tax payable by the Company. In addition, the ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements the Company is currently availing of or may enter into to finance the fund requirements for the business activities.

The Company has not declared dividend since its incorporation on 14th January, 2015.

SECTION V – FINANCIAL INFORMATION

Unaudited Financial statements of our Company as on December 31, 2015, after considering the financials of demerged undertakings which have been transferred to the Company on February 1, 2016 with effect from appointed date (i.e. April 1, 2014) through the scheme of Arrangement and Reconstruction (Demerger) are as follows -

LIMITED REVIEW REPORT

Khare & Company
Chartered Accountants

Office:

Mini Apartments,
795, Bhandarkar Institute Road,
Deccan Gymkhana,
Pune 411 004
Tel: (020) 25679706
PAN: ADWPS 9180 J
Service Tax Code No: ADWPS 9180 JSD002
FRN: 105100W
Membership No: 016203

Proprietor

Y. P. Shukla

M. Com : FCA

Residence:

Row House No, 20,
Karan Avenue, Pashan NDA
Road,
S. No 1/2B, Bavdhan, Pune –
411021
Tel: (020) 2295 3765
E-mail:
yp_shukla@yahoo.com

Review Report to,

Pudumjee Paper Products Ltd,

Thergaon,
Pune – 411 033

We have reviewed the accompanying statement of Unaudited Financial Results of **Pudumjee Paper Products Limited**, Thergaon, Pune 411 033, after giving effect of the scheme of demerger for the nine months ended 31st December, 2015. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400. Engagements to review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Khare and Co.
Chartered Accountants
FRN. 105100W

Y.P. Shukla
Proprietor

Membership No. 16203

Dated: 20th February 2016.

Place: Mumbai



PUDUMJEE PAPER PRODUCTS LTD.
Regd. Office : Thergaon, Pune 411 033.
Tel.No 020-40773333, E-Mail sk@pune.pudumjee.com,
Website : www.pudumjee.com, CIN U21098PN2015PLC153717
STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE
NINE MONTHS ENDED 31st DECEMBER, 2015.

| | | (Rs. in Lacs) |
|---|--|---|
| | | Nine Months Ended |
| | | 31/12/2015 |
| PART I | | |
| 1 | a) Gross Sales/Income from Operations Less : Excise Duty Net Sales/Income from Operations (Net of Excise Duty) | 37,844 1,931 35,913 |
| | b) Other operating income | 121 |
| | Total Income from operations (Net) | 36,034 |
| 2 | Expenditure | |
| | a) Cost of Materials consumed | 19,122 |
| | b) Purchases of stock-in-trade | 4,097 |
| | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (912) |
| | d) Employee benefits expenses | 2,743 |
| | e) Depreciation and amortization expenses | 404 |
| | f) Fuel, Power & Water expenses | 5,723 |
| | g) Net Foreign Exchange Loss | 235 |
| | h) Other expenses | 3,183 |
| | i) Total | 34,595 |
| 3 | Profit/(Loss) from Operations before Other Income, Finance cost & exceptional items (1-2) | 1,439 |
| 4 | Other Income | 628 |
| 5 | Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4) | 2,067 |
| 6 | Finance cost | 1,292 |
| 7 | Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6) | 775 |
| 8 | Exceptional items | - |
| 9 | Profit/(Loss) from ordinary activities before Tax (7-8) | 775 |
| 10 | Tax expenses | 156 |
| 11 | Net Profit/(Loss) for the period from ordinary activities after tax (9-10) | 619 |
| 12 | Extraordinary items (Net of tax expenses) | - |
| 13 | Net Profit/(Loss) for the period (11-12) | 619 |
| 14 | Paid-up Equity Share Capital Face value Re.1/- per share. | 950 |
| 15 | Basic/Diluted EPS for the period before & after extra ordinary items (not annualised) (Rs) | 0.65/0.65 |
| Segmentwise Revenue, Results & Capital Employed | | Nine Months Ended |
| | | 31/12/2015 |
| 1 | Segment Revenue | |
| | a) Paper | 32,089 |
| | b) Hygiene Products | 3,945 |
| | Net Sales/Income from operations | 36,034 |
| 2 | Segment Results- Profit/(Loss) before tax and interest : | |
| | a) Paper | 1,425 |
| | b) Hygiene Products | 27 |
| | Total | 1,452 |
| | Less : | |
| | i) Interest | 1,184 |
| | ii) All other unallocable expenditure (Net of unallocable income) | (507) |
| | Profit/(loss) before tax | 775 |
| 3 | Capital Employed | |
| | a) Paper | 18,787 |
| | b) Hygiene Products | 1,851 |
| | Total | 20,638 |
| Notes: | | |
| 1 (a) Pursuant to the Scheme of Arrangement between the Company and transferor Companies, namely, Pudumjee Pulp & paper Mills Ltd., Pudumjee Industries Ltd. and Pudumjee Hygiene Products Ltd. as sanctioned by the Bombay High Court, which has become effective from 1st of February, 2016, the business of paper manufacturing and hygiene products have been demerged from the respective companies and merged with this Company with effect from 1st April, 2014, the appointed date. | | |
| (b) The above results have been prepared after giving effect to aforesaid scheme of arrangement. | | |
| 2 The auditors have carried out limited review of the results for the Nine months ended 31 st December, 2015 | | |
| 3 The results given above are in respect of Nine months ended 31st December, 2015 as requested by the Board of Directors of the transferor Companies to enable them to inform their Stock Exchanges. Such consolidated results in respect of the other periods were not separately | | |
| | | On Behalf of The Board Of Directors, |
| | | V.P. Leekha Managing Director |
| Place : Mumbai | | |
| Date : 20th February 2016 | | |

PUDUMJEE PAPER PRODUCTS LTD.

PROFORMA BALANCE SHEET AS AT 31 DECEMBER, 2015

| Particulars | Rs. In Lacs |
|------------------------------------|--------------------|
| I. EQUITY AND LIABILITIES | |
| (1) Shareholders' Funds | |
| (a) Share Capital | 949.50 |
| (b) Reserves and Surplus | 19,279.62 |
| (2) Non-Current Liabilities | |
| (a) Long-term borrowings | 6,843.33 |
| (b) Deferred tax liabilities (Net) | 1,185.40 |
| (c) Other Long-term Liabilities | 373.75 |
| (d) Long term provisions | 894.74 |
| (3) Current Liabilities | |
| (a) Short-term borrowings | 2,393.07 |
| (b) Trade payable | 7,125.92 |
| (c) Other current liabilities | 2,319.47 |
| (d) Short-term provisions | 237.45 |
| Total | 41,602.25 |
| II. Assets | |
| (1) Non-current assets | |
| (a) Fixed assets | |
| (i) Tangible assets | 9,240.11 |
| (ii) Intangible assets | 7,768.04 |
| (iii) Capital work-in-progress | 6,536.02 |
| (b) Long term loans and advances | 653.43 |
| (2) Current assets | |
| (a) Inventories | 9,098.33 |
| (b) Trade receivables | 6,000.19 |
| (c) Cash and Bank Balances | 439.51 |
| (d) Short term loans & Advances | 1,866.62 |
| Total | 41,602.25 |

Note – Proforma Balance-sheet is management certified.

Audited Financials statements of our Company as on December 31, 2015, prior to considering the financials of demerged undertakings which have been transferred to the Company through the scheme of arrangement are as follows:

INDEPENDENT AUDITORS REPORT

To
The Members of
Pudumjee Paper Products Ltd.,

We have audited the accompanying standalone financial statements of Pudumjee Paper Products Ltd. ("the Company"), which comprise the Balance Sheet as at 31st December, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December, 2015, and its profit and cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015(" the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act , We give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.
- 2 As required by Section 143 (3) of the Act,
 - (a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow statement dealt with by this Report are in agreement with the books of account
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The Company has adequate internal financial control and in our opinion the same is operating effectively.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) During the year there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

Place of Signature: Pune

Dated 22nd February, 2016.

For KHARE & CO.
Chartered Accountants
FRN 105100W

Y. P. Shukla
Proprietor
Membership No. 16203

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date of the financial statements for the period ended 31st December 2015.

- i The Company has no Fixed Assets;
- ii The Company has no Inventories;
- iii
 - a) The Company has granted unsecured loan to an associate Company covered in the register maintained under Section 189 of the Companies Act, 2013 wherein the balance of principal amount and interest recoverable is Rs. 95.99 lacs;
 - b) According to the information and explanations given to us the party is repaying the principal amount as stipulated and have also been regular in payment of interest;
 - c) According to the information and explanation given to us, we are of the opinion that there are no overdue amounts in case of principal and interest.
- iv In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories of shares etc., fixed assets and also for the sale of shares and services. We have not observed any continuing failure to correct major weaknesses in the internal control system;
- v The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and rules framed there under;
- vi According to the information and explanations given to us, the Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013;
- vii
 - a) According to the records of the Company, and the information and explanations given to us, the Company is regular in depositing with the appropriate authorities undisputed applicable statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other outstanding statutory dues. No undisputed amounts payable in respect of above were in arrears for more than six months from the date they become payable as on 31.12.2015;
 - b) The Company has no disputed Statutory dues during the period;
 - c) During the year there were no amounts to be transferred to investor education and protection fund in accordance with the provisions of section 125 the companies act,2013 and rules made there under;
- viii The Company has no losses and the Company has not incurred cash Loss during the period;
- ix According to the information and explanations given to us, the Company has not obtained any loans from financial institutions or banks. The Company does not have any outstanding debentures and therefore there was not any default in repayment of dues;
- x The Company has not given any guarantee for loan taken by others from Banks or financial institutions during the period;
- xi According to the information and explanations given to us, the Company has not obtained any term loans during the period;
- xii To the best of our knowledge and belief, and according to the information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit for the period.

Place of Signature: Pune

Dated 22nd February 2016.

For **KHARE & CO.**
Chartered Accountants
FRN 105100W

Y. P. Shukla
Proprietor
Membership No. 16203

PUDUMJEE PAPER PRODUCTS LTD
BALANCE SHEET AS AT 31ST DECEMBER 2015

| | Note No | AS AT 31/12/2015 Amt In Lacs | AS AT 31/03/2015 Amt In Lacs |
|----------------------------------|------------|------------------------------------|------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1.SHAREHOLDERS' FUNDS | | | |
| Share Capital | 1 | 5.00 | 5.00 |
| Reserves & Surplus | 2 | 98.89 | 96.12 |
| | | 103.89 | 101.12 |
| 2.CURRENT LIABILITIES | | | |
| Trade Payable | 3 | 2.67 | 0.11 |
| Provision for Income Tax | 4 | 0.72 | 0.41 |
| (Less Advance Income Tax Etc.) | | 3.39 | 0.52 |
| | | 107.28 | 101.64 |

II. ASSETS

| | | | |
|----------------------------------|---|--------|--------|
| 1) NON-CURRENT ASSETS | | | |
| Long Term Loans & Advances | 5 | 87.03 | 96.84 |
| 2) CURRENT ASSETS | | | |
| Cash & Cash Equivalents | 6 | 6.27 | 4.74 |
| Short Term Loans & Advances | 7 | 8.85 | 0.06 |
| | | 15.12 | 4.80 |
| 3) MISCELLANEOUS EXPENSES | | | |
| | 8 | 5.13 | - |
| | | 107.28 | 101.64 |

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST DECEMBER 2015

| | For the period ended 31/12/2015 Amt In Lacs | For the year ended 31/03/2015 Amt In Lacs |
|--|--|--|
| REVENUE FROM OPERATIONS | | |
| I) Revenue from Operations | - | - |
| II) Other Income | | |
| Interest on Loans & Advances to Associates | 8.71 | 2.05 |
| Interest on Term Deposit | 0.24 | 0.05 |
| Other Interest | 0.01 | 0 |
| III) TOTAL REVENUE (I + II) | 8.96 | 2.10 |
| IV) EXPENSES | | |
| Interest | | |
| Others | 0.04 | - |

| | | | | | |
|--|---|-------------|-------------|-------------|-------------|
| Other Expenses | | | | | |
| Directors Sitting Fees | | 0.20 | | - | |
| Professional Fees | | 0.09 | | - | |
| Audit Fees | | 2.58 | | 0.11 | |
| Office & Miscellaneous Expenses | 9 | 1.12 | | - | |
| Preliminary Expenses Written Off | | <u>1.28</u> | 5.27 | <u>0.26</u> | 0.37 |
| TOTAL EXPENSES (IV) | | | <u>5.31</u> | | <u>0.37</u> |
| V. Profit/(Loss)before tax (III - IV) | | | 3.65 | | 1.73 |
| VI. Tax expense: | | | | | |
| Current tax | | | 0.88 | | 0.61 |
| Deferred tax | | | - | | - |
| VII. Profit/(Loss) for the year (V - VI) | | | 2.77 | | 1.12 |
| VIII. Earning per equity share: | | | | | |
| Basic and diluted Re | | | 0.55 | | 0.22 |

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 2015

(Rs. in Lacs)

| | | For the period ended 31.12.2015 | | For the year ended 31.03.2015 |
|---|--------|---------------------------------------|--------|-------------------------------------|
| <u>A) CASH FLOW FROM OPERATING ACTIVITY</u> | | | | |
| Net Profit / (Loss) before Taxation & Extraordinary Items | | 3.65 | | 1.73 |
| Adjustment for : | | | | |
| Miscellaneous Expenses- Preliminary Expenses | (5.13) | | - | |
| Other Income | (8.96) | | (2.10) | |
| | | (14.09) | | (2.10) |
| Operating Profit/(Loss) Before Working Capital Changes | | (10.44) | | (0.37) |
| (Increase)/Decrease in Loans & Advances | (8.79) | | (0.06) | |
| Increase/(Decrease) in Liabilities | 2.56 | | 0.11 | |
| | | (6.23) | | 0.05 |
| Cash Generated /(Used) from Operations | | (16.67) | | (0.32) |
| Income Tax (Paid) / Refund Received (Net) | | (0.57) | | (0.20) |
| <u>B) Cash flow from Investing Activities</u> | | | | |
| Change In Loans & Advances | | 9.81 | | (96.84) |
| Interest Received | | 8.96 | | 2.10 |
| Net Cash from / (Used) in Investing Activities | | 18.77 | | (94.74) |
| <u>C) Cash Flow from Financing Activities</u> | | | | |
| Proceeds from Shares | | - | | 100.00 |
| Net cash from / (Used) in Financing Activities | | - | | 100.00 |
| <u>D) Net Change in Cash & Cash Equivalents (A+B+C)</u> | | 1.53 | | 4.74 |
| Cash & Cash Equivalents (Opening Balance) | | 4.74 | | - |
| Cash & Cash Equivalents (Closing Balance) | | 6.27 | | 4.74 |
| Note : Figures in Brackets Represent Cash Outflows. | | | | |

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER 2015

| | AS AT 31/12/2015 Amt In Lacs | AS AT 31/03/2015 Amt In Lacs |
|---|---|---|
| NOTE 1' - SHARE CAPITAL | | |
| AUTHORISED | | |
| 5,00,000 Equity Shares of Re. 01/- each | 5.00 | 5.00 |
| | <u>5.00</u> | <u>5.00</u> |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 5,00,000 Equity Shares of Re.01/- each fully paid up | 5.00 | 5.00 |
| | <u>5.00</u> | <u>5.00</u> |

1.1 The Reconciliation of the number of shares outstanding :

| | As At 31/12/2015 No. of Shares | As At 31/03/2015 No. of Shares |
|--|---|---|
| Issued subscribed and fully Paid up | | |
| No of Equity Shares at the beginning of the year | 5,00,000 | Nil |
| No. of equity shares issued , subscribed and fully paid up during the year | - | 5,00,000 |
| Equity Shares at the end of the year | 5,00,000 | 5,00,000 |

1.2 The details of Shareholders holding more than 5% shares

| | As At 31/12/2015 | | As At 31/03/2015 | |
|--|-----------------------------|--------|-----------------------------|--------|
| Name of the Shareholder | No. of Shares | % held | No. of Shares | % held |
| - Equity Shares | | | | |
| - Pudumjee Pulp & Paper Mills Ltd (Holding Company) | 2,55,000 | 51.00% | 2,55,000 | 51.00% |
| - Pudumjee Holding Limited | 2,25,000 | 45.00% | 2,25,000 | 45.00% |

NOTE 2' - RESERVES & SURPLUS

GENERAL RESERVE

| | | |
|---|-------|-------|
| Share Premium Account On Equity Shares as per last Balance Sheet | 95.00 | 95.00 |
|---|-------|-------|

PROFIT & LOSS ACCOUNT

| | | |
|-----------------------------------|---------------------|---------------------|
| Balance as per last Balance Sheet | 1.12 | - |
| Profit/(Loss)for the Year | <u>2.77</u> | <u>1.12</u> |
| | <u>98.89</u> | <u>96.12</u> |

NOTE 3' - TRADE PAYABLES

| | | |
|------------------|--------------------|--------------------|
| Sundry Creditors | 2.67 | 0.11 |
| | <u>2.67</u> | <u>0.11</u> |

NOTE 4' - PROVISION FOR INCOME TAX

(Less Advance Income Tax Etc.)

0.72

0.41

0.72**0.41****NOTE 5' - LONG TERM LOANS & ADVANCES**

Deposit Government Authority

0.25

-

Loans & Advances to Associates

86.78

96.84

87.03**96.84****NOTE 6' - CASH & BANK BALANCES**

On Current Accounts with Banks

2.17

0.74

Other Deposit with Bank

4.10

4.00

(Maturing within 12 Months)

6.27**4.74****NOTE 7' - SHORT TERM LOANS & ADVANCES**

Interest Receivable

8.85

0.06

8.85**0.06****NOTE 8' - MISCELLANEOUS EXPENSES**

Preliminary Expenses

6.41

-

Less : Written Off

1.28

5.13

-

NOTE 9' - OTHER EXPENSES**OFFICE & MISCELLANEOUS EXPENSES**

Filing Fees

0.16

-

Interest Other

0.01

-

Membership, Subscription & Joining Fees

0.68

-

Printing & Stationary

0.15

-

Profession Tax

0.05

-

Registration & License Fees

0.05

-

Sundry Expenses

0.02 1.12

-

1.12

-

NOTE 10-

10.1 Following applicable significant accounting policies have been adopted in preparation and presentation of the financial statements.

a) The Accounts are maintained on accrual basis.

b) Revenue recognition is postponed to a later year only when it is not possible to estimate it with reasonable accuracy.

10.2 Computation of Basic and diluted Earnings per share (EPS)

As At

As At

31.12.201531.03.2015

Net Profit after tax as per Profit & Loss A/C
(Rs. in Lacs)

2.77

1.12

No. of Equity Shares of Re.01/- each

5,00,000

5,00,000

Basic EPS after tax

Re.0.55

Re.0.22

10.3 A) Related Party disclosure (Accounting Standard 18):

- i) Holding Company
 - a) Pudumjee Pulp & Paper Mills Limited
- ii) Associate Firms/Companies
 - b) Pudumjee Industries Limited
 - c) Pudumjee Plant Laboratories Limited
 - d) Pudumjee Investment & Finance Co Limited
 - e) Pudumjee Holding Limited
 - f) Pudumjee Hygiene Products Limited

B) Key Management Personnel
Mr. A. K. Jatia
Mr. V. P. Leekha

C) Transaction with related parties.

| (AmtInLacs) | | | |
|-------------|--|------------|------------|
| Sr | Particulars | 31.12.2015 | 31.03.2015 |
| I | Share Capital including share premium thereon received from Pudumjee Pulp & Paper Mills Ltd. | 0 | 51.00 |
| II | Advance given to Pudumjee Industries Limited (Associate Company) | NIL | 95.00 |
| III | Interest charged during the period / year | 8.85 | 2.05 |
| IV | Balance due at the end of the period / year | 95.63 | 96.84 |
| V | Maximum amount due during the period / year | 96.84 | 96.84 |

10.4 The Company was incorporated on 14th January 2015 as a Special Purpose Vehicle. Accordingly the Board of Directors of the Company at its meeting held on 17th January 2015 has considered and approved a Scheme of Arrangement between the Company and Pudumjee Pulp & Paper Mills Ltd (PPPM), Pudumjee Industries Ltd (PIL) and Pudumjee Hygiene Products Ltd (PHPL) which is sanctioned by Bombay High Court on 08th January 2016. In terms of the scheme the Paper manufacturing business of PPPM and PIL and business of hygiene and other products of PHPL have been demerged into Company with effect from appointed date i.e. 1st April 2014. As consideration of this transfer the Company has allotted 9,44,50,000 shares of Re.1 each (on a fair value of Rs.20 per share), on 17th February,2016 to the eligible shareholders of PPPML, PIL and PHPL determined on the record date appointed for the purpose. In view of the scheme having been implemented on 1st February,2016, these financial statements do not include the effect of the scheme.

10.5 Contingent liability/Commitment Nil.

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis of Financial Condition and Results of Operations as reflected in the Financial Statements.

Business Overview:

Our Company's current business is resultant of de-merger of Paper business of the Pudumjee Pulp & Paper Mills Ltd., Pudumjee Industries Ltd. and Pudumjee Hygiene Product Ltd's pursuant to the Scheme of Arrangement. Consequently, our Company's business has been designed to be paper manufacturing business with a capacity of about 60,000MT per annum of Specialty Papers, on our state-of-art manufacturing machines.

PUDUMJEE Group are pioneers in the specialty paper products in India since about 45 years and have developed requisite technology for a wide range of specialty paper products. The product portfolio ranges from glassine and grease resistance papers, laminating base paper for flexible packaging, packing tissues for precision engineering components and tools etc., Décor paper for furniture and laminates, label release papers, fine papers for printing bible, parchmentine for textile cones, etc. and M.G. papers, Crepe tissues for bathroom, facial and towel applications, etc. More recently products like papers for baking cakes, etc., paper for pharma packaging, saturating paper for application for mosquito repellent, paper for packing surgical instruments, etc. have been successfully developed sold.

The hygiene products division of the Company markets the converted tissue products such as bathroom rolls, kitchen towel, facial, napkins, dispensers, etc. under its brand name "GREENLIME" which has a good recall value by luxury hotels, airports, corporate offices, etc.

Significant developments subsequent to the last Financial Year

Last year's operating results represent stable operation of the Company despite facing odds in the market place due to falling demand and other challenges such as cost escalation etc. During the current operating year there has been a considerable setback in the cost of energy since Company draws bulk of their power requirement from State grid which have since June 2014 enhanced their tariff cross subsidy surcharge giving setback in terms of profitability of the Company. To address this challenge, the Company has focused on purchase of lower cost bilateral power through open access system and are also taking up a project to install a 132 KV / 22 KV Sub-station at their premises which would reduce the power cost availing the benefits from high tension tariff. The Sub-station would become operational during 2017-18.

With the expected introduction of "GST" tax regime the local taxes applicable at Pune may be withdrawn and this would give the benefit of local body tax incidence now applicable on various inputs. The pace of market growth has slowed down due to economic conditions set in from the beginning of 2015 and this is affecting the overall business volume of the Company. Efforts are being made to identify such niche markets and introduction of new products whereby Company's business volume can be preserved.

Factors affecting the results of operations

1. General Economic Conditions

Looking to the current demand-supply gap and growing literacy and population is expected to accelerate the growth of the industry to over 8% in the coming years. India is the fastest growing paper market in the world. Macroeconomic factors such as a recession or any other economic instability, political uncertainty, social upheavals or acts of God affecting India or our other geographic markets.

2. Changes in Government Policies

Our manufacturing activities are subject to environmental laws and regulations promulgated by the Ministry of Environment of Government of India, State Pollution Control Board among other laws which regulate discharge of effluents, emissions, hazardous substances etc. Any changes in the policies relating to our industry could impact our operations in terms of investment needs to upgrade the pollution abatement / treatment costs.

Whereas the Company has been fully compliant with the statutory environmental regulations, recently Maharashtra Pollution Control Board (MPCB) have stipulated on our renewed Consent to Operate, stringent conditions of meeting BOD parameter in treated waste water from earlier 30 mg/l down to 10 mg/l. We have taken immediate action to implement improved technology treatment for which pilot plant studies have been carried out and we are working towards break through for achieving the desired results adopting improved new technology and have requested MPCB to allow us to operate in the interim BOD level of 20 mg/l and eventually compliance with 10 mg/l before the year end. Our application is under favourable consideration.

3. Raw Material Availability and cost

Since our Company manufactures special varieties of paper it is dependent upon import of various grades of Pulp and Waste Papers for its raw material needs as they are not available indigenously in the desired quality & quantity as raw material.

Adverse foreign exchange fluctuation and consequent rising cost of US Dollars puts pressure on the Company's margins and at times affects viability of its products.

4. Energy needs

Paper requires substantial energy by way of power and coal for its production. Cost of these inputs therefore forms a significant proportion of its overall product cost. The availability of these inputs and fluctuation in their pricing coupled with the regulatory restrictions imposed from time to time affects the margins of this product and at times their viability. The new manufacturing site of the Company shall, however, have Captive Power Co-generation facilities to help optimize energy costs.

5. Changes in the demand for our products

The demand for Company's products is also affected by supplies from international players. However, the consistent quality maintained by the Company, in many cases, offsets the edge which, at times the international players may have in terms of pricing their product coupled with the duty structure of imports resorted by them.

6. Changes in the foreign exchange control regulations, interest rates and tax laws in India

Taxes and other levies imposed by the Central or State Governments in India that affect the industry we operate in, includes customs duties, excise duties, sales tax, value added tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Any new taxes/ changes in existing tax policies by the Government of India or other State Governments may have a material adverse effect on our business, financial condition and results of operations.

7. Supply Chain & Working Capital Management

Our distribution network ensures our product availability to our customers translating into efficient supply chain, focused customer service and short turnaround times for product delivery. Our dealer base is supported

by an efficient sub dealer and distribution network and sales team, leading the products to retail outlets and making our products available on the shelf across most places at all times.

A significant portion of our Company's revenues are generated from products that are characterized by high investments in working capital, predominantly in inventories and debt. Our Company has incurred high investments primarily due to our wide product range and large distribution network.

8. Competition and Pricing

The Company operates in a competitive market environment. The company faces Competition from both unorganised & other organised player leading to difficulties in improving market share. Further it faces competition from cheaper imports in certain product categories produced/ marketed by the company.

Significant Accounting Policies

1) Basis of preparation:-

These financial statements are prepared in accordance with the generally accepted accounting principles in India (IGAAP) under the historical cost convention on accrual basis and comply in all material aspects with the Accounting Standards notified under Section 113 and other relevant provisions of the Companies Act, 2013.

2) Use of Estimates:-

Preparation of financial statements in conformity with IGAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in differences between the actual results and estimates which are recognized in the financial statements of future periods.

3) Fixed Assets:-Fixed Assets are valued at cost. The depreciation is provided on all the assets based on the useful lives of the assets on straight line method w.e.f. 01/04/2014,in accordance with schedule II of the Companies Act 2013.

4) Inventory :-Finished paper stock is valued at lower of cost or market value. All other inventories are valued at lower of cost on First In First Out Method or realizable value.

5) Revenue Recognition:-

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales are recognized when significant risk and rewards of ownership of the goods have passed to the buyer which coincides with delivery/transfer and are recorded net of trade discounts. Interest income is recognized on time basis taking into account the amount outstanding and the applicable rate.

6) Provisions, Contingent Liabilities and Contingent Assets:-

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized, but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

7) Taxation:-

Tax expenses comprise of Current and Deferred Tax. Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as at the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

Changes in accounting policies

There is no change in accounting policies.

Business Performance Review

Hereunder summarized performance of the Company including the demerger entities for the nine months ended 31st December, 2015.

| Sr. No. | Particulars | Rs. In Lacs |
|---------|---|-------------|
| 1 | Total Income from Operation | 36,034 |
| 2 | Total Expenditure | 34,595 |
| 3 | Profit/(Loss) from Operations before Other Income, Finance cost & exceptional items (1-2) | 1,439 |
| 4 | Other income | 628 |
| 5 | Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4) | 2,067 |
| 6 | Finance cost | 1,292 |
| 7 | Tax expenses | 156 |
| 8 | Net Profit/(Loss) for the period from ordinary activities after tax (5-6-7) | 619 |

Segmentwise Revenue & Results

| Sr. No. | Particulars | Rs. In Lacs |
|---------|--|---------------|
| 1 | Segment Revenue | |
| | a) Paper | 32,089 |
| | b) Hygiene Products | 3,945 |
| | Net Sales/Income from operations | 36,034 |
| 2 | Segment Results- | |
| | Profit/(Loss) before tax and interest : | |
| | a) Paper | 1,425 |
| | b) Hygiene Products | 27 |
| | Total | 1,452 |
| | Less : | |
| | i) Interest | 1,184 |
| | ii) All other unallocable expenditure (Net of unallocable income) | (507) |
| | Profit/(loss) before tax | 775 |

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

The Company is exposed to interest rate risk on its floating rate debt and on additional debt financing that may be needed for various reasons, including funding capital expenditures and the repayment or refinancing of outstanding debt. Upward fluctuations in interest rates increase the costs of both existing and new debt. Fluctuations in interest rates also impact the value of our Company's investment portfolio.

Competitor Risk

Being specialty paper manufacturer, our company faces competition for its various products from national & overseas players. Our Company is backed by its research & development efforts & marketing initiative that help to create differentiation & provide optimum service to its customers.

Human Resource Risk

Company's ability to deliver value is shaped by its ability to attract, train, motivate, empower and retain the best professional talents. It continuously strives to benchmark HR policies and practices prevails in the industry and carries out necessary improvements where feasible to attract and retain the best talent.

Significant Economic Changes

Except as discussed above, to our knowledge there are no known factors which will have a material adverse impact on our operations and profitability.

Known trends or uncertainties

Our Company's business has been impacted and is expected to continue to be impacted by the trends identified above in the section titled "*Management Discussion and Analysis*" and the uncertainties described in the section titled "*Risk Factors*". To the best of our knowledge, except as has been described in this Information Memorandum, there are no known factors, which our Company would expect to have a material adverse impact on its revenues or income from operations.

Future relationship between costs and income

Other than as described in the chapters "*Risk Factors*" and "*Management Discussion and Analysis*" and elsewhere in the Information Memorandum, to our Company's knowledge, there are no known factors which will have a material adverse impact on its operation and finances.

Increase in revenue

In addition to increases in the volume of sales of our Company's products, the introduction of the new products and/or brands would also likely contribute to increases in our Company's revenues.

Total turnover of each major industry segment

Except as disclosed under "*Industry Overview*" section, we don't have total turnover of each major industry segment in which we operated.

New product or business segment

Other than as described in the section titled “*Business Overview*”, to the Company’s knowledge, there are no new products or business segments.

Seasonality

We are a company dealing with paper products, demand for which is not seasonal in nature.

Significant dependence on a single or few suppliers or customers

We are not significantly dependent on a single or few suppliers or customers.

Competitive Conditions

For details of competitive conditions we face, see sections titled “*Risk Factors*” and “*Business Overview*” of this Information Memorandum.

MATERIAL DEVELOPTMENTS SUBSEQUENT TO LAST FINANCIAL YEAR

The Hon'ble High Court of Judicature at Bombay, vide Order dated 08th January, 2016, has sanctioned the Scheme. Pursuant to the Scheme, the Demerged Undertaking 1, Demerged undertaking 2 and Demerged Undertaking 3 have been vested with our Company with effect from April 1, 2014 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956.

The aforesaid order of the Hon'ble High Court of Judicature at Bombay was filed by our Company with the Registrar of Companies ("ROC"), Maharashtra, Pune on 01st February, 2016 which is the Effective Date of the Scheme.

As per the Scheme of Arrangement and Reconstruction (Demerger) PPPML, PIL and PHPL have transferred all assets, debts, liabilities, duties and obligations of every kind of its Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3 respectively to PPPL. Further, PPPL issued and allotted equity shares on 9,44,50,000 to every member of PPPML, PIL and PHPL, whose name appears in the register of members of PPPML, PIL and PHPL, on the record date i.e. 12th February, 2016.

Our Company has received in-principle approvals from NSE and BSE on 10th March, 2016 and 22nd March, 2016 respectively.

Our Company has received copy of letter dated 22nd March, 2016 from SEBI addressed to National Stock Exchange of India Limited granting relaxation to the Company from the applicability of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Our Board, in its meeting held on 21st October, 2015, approved the Materiality Policy on Outstanding Litigation in terms of which claim amount exceeding Rs.25 lacs are considered as material and have been accordingly disclosed in this chapter. In terms of the Materiality Policy on Outstanding Litigation, except as stated in this Information Memorandum, there are no outstanding or pending litigations, suits, criminal or civil prosecutions, proceedings initiated for economic offences or civil offences or litigations for tax liabilities against our Company, our Directors or our Promoters or Group Companies and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters or Directors, No legal action has been pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last five years immediately preceding the year of the issue of this Information Memorandum. Further, in terms of the Materiality Policy on Outstanding Litigation, except as stated in this Information Memorandum, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or Group Companies by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company.

Furthermore, In terms of the Materiality Policy on Outstanding Litigation, except as stated in this section, there are no: (i) litigations or legal actions, pending or taken, by any Ministry or Department of the Government or a statutory authority against our Promoters during the last 5 years; (ii) litigations involving our Company, Promoters, Directors, Group Companies or any other person, whose outcome could have material adverse effect on the position of our Company; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non - payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last five years and in case of any prosecutions filed (whether pending or not), fines imposed or compounding of offences done in the last five years, for our Company and Subsidiaries; and (vi) material frauds committed against our Company in the last five years.

The Listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India. Neither our Company nor its Promoters, members of the Promoter Group, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

Our Board, in its meeting held on 21st October, 2015, determined that outstanding dues to creditors in excess of 5 Crores (being one per cent of the total revenue from operations for the last completed financial year as per the proforma financial statements of our Company) are considered as material outstanding dues as on 31st December, 2015 and have been accordingly disclosed in this chapter. Further, all outstanding dues to small scale undertakings and other creditors as on 31st December, 2015 have been disclosed in a consolidated manner in this chapter. Details of material outstanding dues to creditors and details of outstanding dues to small scale undertakings and other creditors are disclosed on our website at www.pudumjee.com.

LITIGATION BY OR AGAINST OUR COMPANY*

- I. Criminal Matters filed by the Company: Nil**
- II. Criminal Matters filed against the Company: Nil**
- III. Taxation Matters filed by the Company: Nil**
- IV. Taxation Matters filed against the Company: Nil**
- V. Civil Matters filed by the Company: Nil**
- VI. Civil Matter filed against the Company: Nil**
- VII. Labour Cases filed by the Company: Nil**
- VIII. Labour Cases filed against the Company: Nil**

LITIGATION BY OR AGAINST PROMOTERS AND/OR DIRECTORS OF OUR COMPANY*:

Pudumjee Pulp & Paper Mills Limited (“PPPML”)

I. Criminal Matters filed by PPPML

- a)** Criminal Complaint No. 568/SS/2013 has been filed by PPPML against Glory Poly Films Limited under the provisions of section 138 of the Negotiable Instruments Act, 1881 before the 16th Metropolitan Magistrate Court at Ballard Pier inter alia for the dishonor of cheque no.126276 amounting to Rs.19,50,000 , cheque no. 126277 amounting to Rs.19,50,000, cheque no.126278 amounting to Rs 19,50,000/- Total amounting to Rs.58,50,000/-(Rupees Fifty Eight Lakhs and Fifty Thousand Only). The cheque was returned on 07th February, 2013 with the Exceeds Arrangement. The matter has been heard from time to time and is presently pending.
- b)** Criminal Complaint No.3976/SS/2010 has been filed by PPPML against Blue Bird(India) Limited under the provisions of section 138 of the Negotiable Instruments Act, 1881 before the 33rd Metropolitan Magistrate Court at Ballard Pier inter alia for the dishonor of cheque no. 30444, 30445, 30466,30488, 30450,30451, 30452, 30453, 30454,30455, 30456,30457,30458,30459, 30461, 30462, 30463 total amounting to Rs.1,91,00,196/- (Rupees One Crore Ninety One Lakhs One Hundred and Ninety Six Only). The cheque was returned on 16th December, 2009, 17th December, 2009, 19th December, 2009, 22nd December, 2009 with the noting Insufficient Funds , Effect not cleared present again. The matter has been heard from time to time and is presently pending.
- c)** Criminal Complaint No.585/SW/2005 has been filed by PPPML against one Mr. Jatin Chedda under the provisions of Indian Penal Code U/s 416,419, 463,464,465,468,470 before the 38th Metropolitan Magistrate Court at Ballard Pier inter alia claiming for amount Rs.26,98,613.88 and inter alia praying for prosecuted and punishment under the said section of IPC. The matter has been heard from time to time and is presently pending, the next date in the 06th April, 2016.
- d)** Criminal Complaint No.3183/2014 has been filed by PPML against PCI Papers under the provisions of section 138 of the Negotiable Instruments Act, 1881 before the 33rd Metropolitan Magistrate Court at Ballard Pier inter alia for the dishonor of cheque no. 770827, cheque no.770828,cheque no.770829, cheque no.770830, Cheque no.770831 amounting to Rs.90,76,092/- (Rupees Ninety Lakhs Seventy Six Thousand and Ninety Two Only). The cheque was returned on 07th August, 2013, 10th August, 2013, 20th March, 2013 and 30th August, 2013 with the noting Account closed The matter has been heard from time to time and is presently pending.

II. Criminal Matters against PPPML

Criminal Appeal No.998 of 2011 (“**Appeal**”) has been filed by the Maharashtra Pollution Control Board against PPPML before the High Court of Judicature at Bombay against an order for acquittal dated 30th August, 2010 passed by the Session Court, Pune (“**Impugned Order**”) - inter alia praying that the said Impugned Order be quashed and set aside. The Appeal was admitted and heard from time to time and is presently pending final hearing, the next date in the matter is not known.

III. Taxation Matters filed by PPPML

a) Income Tax Matters by PPPML

There are 5 cases filed by PPPML aggregating to Rs. 44,46,000.00 (Rupees Forty Four Lakhs and Forty Six Thousand Only). The matters have been heard from time to time and are presently pending.

b) Excise Duty, Custom Duty, Sales Tax and Octroi Matters by PPPML

There are 13 cases by PPPML aggregating to Rs. 2,89,31,998.00 (Rupees Two Corers and Eighty Nine Lakhs and Thirty One Thousand Nine Hundred Ninety Eight Only) -. The matters have been heard from time to time and are presently pending.

IV. Taxation Matters filed against PPPML

a) Income Tax Matters against PPPML

There are 2 cases against PPPML - aggregating to Rs. 3,62,73,000/- (Rupees Three Crores Sixty Two Lakhs and Seventy Three Thousand Only) -. The matters have been heard from time to time and are presently pending

b) Electricity Duty :

State of Maharashtra has filed Special Leave Petition in Supreme Court against company and certain others captive power producers in terms of which the entitlement of full exemption of payment of Electricity Duty for the period from 01.04.2000 to 30.04.2005 was confirmed.

V. Civil Matters filed by PPPML

a) Appeal has been filed by PPPML against the judgment in original suit no. 1236 of 99 in terms of which Mr. Kaushal Kishore Agrawal (Respondent) was to be issued 150 number of shares of the Company. The appeal continue to be pending for the want of appearance of respondent, Mr. Kaushal Kishore Agrawal.

b) Suit No.3220/1998 has been filed by PPPML against Hitesh & Co. recovery suit before the High Court of Judicature at Bombay inter alia claiming and prayed for Rs.26,98,613.88 along with interest. The matter has been heard from time to time and is presently pending, the next date in the matter is (this matter is decreed we are in the process of executing the decree but not able to trace the property of the Defendant so still pending)

c) Appeal No.1583 of 2008 has been filed by PPPML against Navbharat Press Limited under the provisions of Civil Procedure Code before the High Court of Judicature at Bombay against an order passed dismissing the said suit on 6th March, 2008 inter alia claiming the outstanding dues of Rs Rs.29,62,243.80 The .Hon’ble 5th Jt. Civil Judge, Senior Division, Pune vide its Judgment dated 06th March, 2008 is pleased to reject and the dismissed the suit. The matter has been admitted and will come up in the due course of time.

- d) PPPML has filed a Winding Up Petition No.11 of 2003 against Navbharat Press Limited under the provisions of Companies Act before the High Court of Judicature at Nagpur inter alia claiming for outstanding payment dues of Rs.29,12,591.80 and inter alia praying for winding up the company. The matter has been admitted is presently pending and will come up in board in due course of time.
- e) Summary Suit has been filed by PPPML against PCI PAPERS under the provisions of Order 37 of Civil Procedure Code Summary Suit before the High Court of Judicature at Bombay inter alia claiming recovery of dishonoured cheques – outstanding payment of Rs 1,44,59,144 along with interest. The matter has been heard from time to time and is presently pending, the next date is not known as the matter will come up on board on regular course.

VI. Labour Cases –against PPPML

- a) A Ref.IDA No.-172 of 2006 has been filed by one Mr. Gulam Mustafa Shaikh an ex-workman, against PPPML under the provisions of misconduct under Model Standing order before the Labour Court, at Pune inter alia apprehending the termination of his services and praying for reinstatement with back wages. The Company has filed its reply in the matter on 10th November, 2006 and as an when necessary later on and the same is pending before the Labour Court, at Pune.
- b) A Ref.IDA No.241 of 2014 has been filed by one Mr. S. C. Shukla an ex-workman, against PPPML under the provisions of negligence charge sited termination before the Labour Court, at Pune inter alia apprehending the termination of his services and praying for–reinstatement with back wages. - The Company has filed its reply in the matter on 23rd June, 2015 and the same is pending before the Labour Court, at Pune.
- c) A Complaint ULP No.91 of 2015 has been filed by one Mr. S. B. Vinode against PPPML under the provisions of misconduct under Model Standing Order before the Labour Court, at Pune inter alia apprehending the termination of his services and praying for reinstatement with back wages. The Company has filed its reply in the matter on 20th August, 2015 and the same is pending before the Labour Court, at Pune.

Pudumjee Industries Limited (“PIL”)

I. Criminal Matters by PIL

- a) Criminal Complaint Nos. 1546/SS/07 has been filed by PIL against S.M.Dyecham under the provisions of section 138 of the Negotiable Instruments Act, 1881 before the 16th Metropolitan Magistrate Court at Ballard Pier inter alia for the dishonor of cheque no 177180, Cheque no.177181, cheque no.177182, cheque no.177221, cheque no.177222, cheque no.177223, cheque no. 177224 . The cheque was returned on 22nd July, 2002 and 23rd July, 2002 and total amounting to Rs 12,58,349.75 with noting Funds Insufficient.
- b) Criminal complaint no.1548/SS/07 has been filed by PIL against S.M Dyecham under the provision of S.138 of the Negotiable Instruments Act, 1881 before the 16th Metropolitan Magistrate Court at Ballard Pier inter alia for the dishonor of cheque no.177186, Cheque no.177188, cheque no.177189, cheque no.177190, cheque no.191577 cheque no.191578, cheque no.191579, cheque no.191580 . The cheque was returned on 09th October, 2002 and total amounting to Rs 16,98,860/- with noting Funds Insufficient
- c) Criminal complaint no.1549/SS/07 has been filed by PIL against S.M Dyecham under the provision of S.138 of the Negotiable Instruments Act, 1881 before the 16th Metropolitan Magistrate Court at Ballard Pier inter alia for the dishonor of cheque no.177191, Cheque no.177192, cheque no.177193,

cheque no.177194, cheque no.177195 cheque no.191581, cheque no.191582,cheque no.191583,cheque no.191584,cheque no.191585 . The cheque was returned on 22nd October, 2002 total amounting to Rs 22,09,587 with noting Payment stopped by the Drawer.

Total of all cheques amount to Rs 51,66,796/- (Rupees Fifty One Lakhs Sixty Six Thousand Seven Hundred and Ninety Six Only). The matter has been heard from time to time and is presently pending.

II. Criminal Matters against PIL: Nil

III. Taxation Matters filed by PIL

Excise Duty, Custom Duty, Sales Tax and Octroi Matters filed by PIL

There are 9 cases by PIL -amounting to Rs. 3,10,60,965.00 (Rupees Three Crores and Ten Lakhs Sixty Thousands Nine Hundred Sixty Five Only) - The matters have been heard from time to time and are presently pending.

IV. Taxation Matters against PIL

Excise Duty, Custom Duty, Sales Tax and Octroi Matters filed against PIL

There are 6 cases against PIL -amounting to Rs. 1,54,03,861.00 (Rupees One Crores and Fifty Four Lakhs Three Thousands Eight Hundred Sixty One Only) -. The matters have been heard from time to time and are presently pending.

V. Civil Matters filed by PIL

- a) Suit No.784 of 204 has been filed by PIL against S.M.Dyecham under the provisions of Civil Procedure Code for recovery of the outstanding dues along with interest before the Delhi High Court inter alia claiming for amount Rs. 1,04,50,000 along with interest and inter alia praying for decree in the said suit. The matter has been heard from time to time and is presently pending, the next date is not known as and when the matter comes up on board in due course for hearing.
- b) Suit No. 3437 of 1998 has been filed by PIL against Hitesh & Co. under the provisions of Civil Procedure Court before the Bombay High Court inter alia claiming for amount Rs.65,65,443.32 along with interest. The said matter is decreed we are in the process of executing the decree but not able to trace the property of the Defendant so still pending for executing.
- c) Case No. 9B/2006 has been filed by PIL against Jagdish Mansata & Brothers under the provisions of before the High Court at Jabalpur inter alia claiming Rs. 25,00,000.00 along with Interest. The matter has been heard from time to time and is presently pending, the next date in the matter is not yet fixed.

VI. Civil Matters filed against PIL: NIL

VII. Labour Cases filed by PIL: NIL

VIII. Labour Cases filed against PIL

- a) ID No. WP4084/2012 has been filed by one Mr. D. K. Khare ex workman against PIL under the provision of (Service) before the Industrial Court at Jabalpur inter alia claiming (service of Godown Keeper)and inter alia praying for (No Job at factory has been closed). The matter has been heard from time to time and is presently pending.
- b) ID No. 02/MPPIR/2002 has been filed by one Mr. Saiyed Fazal ex workman against PIL under the provision of (Service) before the Labour Court at Narsinghpur inter alia claiming (service

of Security Guard) and inter alia praying for (No Job factory has been closed) The matter has been heard from time to time and is presently pending , the next date in the matter is 06th April, 2016.

- c) ID No. 02/MPiR/2002 has been filed by one Mr. Saiyed Fazal ex workman against PIL under the provision of (Minimum Wages) before the Labour Court at Narsinghpur inter alia claiming (6.00 six Lac)and inter alia praying for (No Job at factory has been closed) The matter has been heard from time to time and is presently pending , the next date in the matter is 06th April, 2016.

Pudumjee Hygiene Products Limited ("PHPL")

I. Criminal Matters filed by PHPL: Nil

II. Criminal Matters filed against PHPL: Nil

III. Taxation Matters filed by PHPL

Income Tax Matters by PHPL:

There is 1 case filed by PHPL amounting to Rs. 61,77,944/- (Rupees Sixty One Lakhs Seventy Seven Thousand Nine Hundred and Forty Four Only) - The matters have been heard from time to time and are presently pending.

IV. Taxation Matters filed against PHPL: Nil

V. Civil Matters filed by PHPL

- a) Case No. 200312/2011 has been filed by PHPL against Noida Agencies under the provisions of Contract Act & Sales of Goods Act before the Civil Court Senior Division at Pune inter alia claiming recovery of Rs.37,14,500/- along with interest and inter alia praying for for recovery of debts. The matter has been heard from time to time and is presently pending.
- b) Case No. 200241/2011 has been filed by PHPL against Indo Technologies under the provisions of Contract Act & Sales of Goods Act before the Civil Court Senior Division at Pune inter alia claiming Rs.33,98,597/- along with interest and inter alia praying for Recovery of debts. The matter has been heard from time to time and is presently pending.

VI. Civil Matter filed against PHPL

There is 1 case filed against PHPL before District & Session court Pune 100252/2014 amounting to Rs.7,11,977.00 (Rupees Seven Lacs Nine Hundred Seventy Seven Only) with respect to under section 5 of Limitation Act. The matter has been heard from time to time and is presently pending and the next date of matter is not yet fixed.

VII. Labour cases filed by PHPL: Nil

VIII. Labour cases filed against PHPL: Nil

Pudumjee Holding Limited (“PHL”)

- I. Criminal Matters filed by the Company: Nil**
- II. Criminal Matters filed against the Company: Nil**
- III. Taxation Matters filed by the Company: Nil**
- IV. Taxation Matters filed against the Company: Nil**
- V. Civil Matters filed by the Company: Nil**
- VI. Civil Matter filed against the Company: Nil**
- VII. Labour Cases filed by the Company: Nil**
- VIII. Labour Cases filed against the Company: Nil**

*(*The Company is in the process of transferring the pending litigations from the Transferor Companies to its name in accordance with the composite scheme of arrangement.)*

LITIGATIONS INVOLVING GROUP COMPANIES:

Pudumjee Investment & Finance Company Limited (“PIFCO”)

- I. Criminal cases by PIFCO: Nil**
- II. Criminal Cases against PIFCO: Nil**
- III. Taxation matters by PIFCO: Nil**
- IV. Taxation matters against PIFCO: Nil**
- V. Civil Cases filed by PIFCO:**

Suit No.1686 of 2002 has been filed by PIFCO against Indo International Fintrust Limited the provisions of Civil Procedure Code Suit for recovery for loan and interest before the Bombay High Court inter alia claiming the outstanding loan amount of Rs.1,13,85,130 along with interest and inter alia praying for order and decree for sale of the securities(shares). The matter has been heard from time to time and is presently pending, the next date in the matter is not known as and when it comes up on board in due course for hearing.

- VI. Civil Cases against PIFCO: Nil**
- VII. Labour Cases by PIFCO: Nil**
- VIII. Labour Cases against PIFCO: Nil**

Pudumjee Plant Laboratories Limited (“PPLL”)

- I. Criminal Matters by PPLL: Nil**
- II. Criminal Matters against PPLL: Nil**
- III. Taxation Matters by PPLL**

a) Excise Duty matters filed by PPLL

The Show Cause notice has been issued by the Development Commissioner SEEPZ alleging violation of provision of EXIM policies on the ground of DTA sales made during financial year 2006-07 to 2010-11 without prior permission. The show cause notice proposed the penalty but not quantified. The Company is responded fully to the said allegation and stand has been heard by the Development Commissioner. However the order has not been issued so far.

b) Income Tax matter filed by PPLL

There is 1 cases filed by PPLL amounting to Rs. 1,50,54,000/- (Rupees One Crore Fifty Lakhs and Fifty Four Thousand Only). The matter have been heard from time to time and are presently pending.

IV. Taxation Matters against PPLL

Excise Duty matters filed against PPLL

There is 1 case against PPLL amounting to Rs. 18,91,609/- (Rupees Eighteen Lakhs Ninety One Thousand Six Hundred and Nine Only) with respect to the duty refund claim on flower . The matter has been remanded back by CESTAT to lower authority for consideration De- Nova on the limited point of unjust enrichment heard from time to time and is presently pending.

V. Civil Matters by PPLL

- a) Writ Petition No.7287 of 2014 has been filed by PPLL against Mr.Ranjeet Baban Damu Parkhi and Ors. before the Bombay High Court against an order passed by Additional Commissioner, Pune Division, in Review Application RTS No. 716 of 2010 on 7th July, 2013 (“**Impugned Order**”) inter alia claiming that - and inter alia praying for to quash and set aside the impugned order dated 15.07.2013 passed by Additional Commissioner Pune. The matter has been heard from time to time and is presently pending, the next date in the matter is 06th April, 2016.

VI. Labour Cases filed by PPLL: Nil

VII. Labour Cases filed against PPLL: Nil

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS BY OUR COMPANY

Based on the policy of materiality, as on 31st December, 2015, there are no material creditors of our Company.

As on 31st December, 2015, an amount aggregating to Rs. 1577.34 Lacs is outstanding and due to 158 small scale undertakings and other creditors by our Company.

For further details, please see website at www.pudumjee.com/policy.

GOVERNMENT APPROVALS & LICENSES

- Our Company was incorporated on 14th January, 2015 as a public limited company under the provisions of the Companies Act, 2013.
- The CIN No. of Company is U21098PN2015PLC153717
- Permanent Account Number of the Company as issued by the Income Tax Department is AAHCP9601Q.
- Service Tax Registration number of the Company, as issued by the Central Excise Officer is AAHCP9601QSD001.
- Excise Registration number of the Company, as issued by the Central Excise Officer is AAHCP9601QEM001
- Local Body Tax Registration number of the Company, as issued by the Pimpri-chinchwad Municipal Corporation is PCMC-LBT-0037595
- Tax Deduction Account Number of the Company, as issued by the Income Tax Department is PNEP19715D.

On transfer of the Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3 of PPML, PIL and PHPL respectively to the Company under the Scheme, 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 (including but not limited to 22KV power feeder(s) from Maharashtra State Electricity Distribution Company Limited in case of PPPML and PIL), 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 Demerged Undertakings shall be available to the Company.

SECTION VII – REGULATORY AND STATUTORY

REGULATORY AND STATUTORY DISCLOSURES

Authority for the Scheme

The Hon'ble High Court of Judicature at Bombay, vide its Order dated 08th January, 2016, has sanctioned the Scheme of Arrangement and Reconstruction (Demerger) between Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited, Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective creditors and shareholders.

Prohibition by SEBI

Our Company, Promoters, Directors, Promoter Group entities and Group Companies and natural persons behind our corporate Promoters and companies with which the directors of our Company are associated, as directors or promoters, have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

Identification as willful defaulter by RBI

Our Company, Promoters, Group Companies, the relatives (as per Companies Act, 2013) of Promoters, Group Companies have not been identified as willful defaulters by Reserve Bank of India or other authorities.

Caution

Our Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Filing

Copies of this Information Memorandum have been filed with the BSE and NSE.

Listing

Applications will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. Our Company has nominated The National Stock Exchange of India Limited (NSE) as the Designated Stock Exchange for the aforesaid listing of the shares. Our Company shall ensure that all steps are taken for the completion of necessary formalities for listing and commencement of trading at the BSE and NSE.

Demat Credit

Our Company has executed Tripartite Agreements with the Registrar and the Depositories i.e. NSDL and CDSL for admitting its securities in demat form and have allotted ISIN INE865T01018.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, Our Company not obtained any expert opinions.

Dispatch of share certificates

Our Company has issued and allotted Equity Shares pursuant to the Scheme on 17th February, 2016 in dematerialized form to those eligible shareholders who held Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited and Pudumjee Hygiene Products Limited Equity Shares in dematerialized form, into the account with the Depository Participant in which the Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited and Pudumjee Hygiene Products Limited Equity Shares in the Demerged Companies were held or such other account with the Depository Participant as was intimated by the eligible shareholders before the Record Date. All those eligible shareholders, who held Pudumjee Pulp & Paper Mills Limited, Pudumjee Industries Limited and Pudumjee Hygiene Products Limited Equity Shares of the Demerged Companies in physical form were also given the option to receive the shares, as the case may be, in dematerialized form upon intimating the details of their account with the Depository Participant in writing to the Resulting Company before the Record Date. In the event the Resulting Company had received notice from any eligible shareholder that equity shares were to be issued in physical form or if any member had not provided the requisite details relating to his/her /its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member did not permit electronic credit of the shares of the Resulting Company, in such case, the Resulting Company has issued equity shares of the Resulting Company in physical form to such eligible shareholder.

Particulars Regarding Previous Public or Rights Issues

Our Company has not made any previous public or rights issue of securities.

Commission and brokerage on previous issues

Since our Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

Mechanism for redressal of investor grievance of Promoter and Group Companies

Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited have Stakeholders Relationship Committee which meets as and when required, to deal with matters relating to transfer/transmission of shares and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance sheet, non-receipt of dividend declared, etc.

Typically the investor grievances are dealt within a fortnight of receipt of the complaint from the investor. Investor grievances are usually resolved within an average period of 15 days from the date of its receipt.

None of Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited had any outstanding complaints from the Investors as on March 31, 2015.

Status of outstanding complaints from the Investors for Pudumjee Pulp & Paper Mills Limited and Pudumjee Industries Limited for the period from 01.10.2015 till 31.01.2016 is as under:

Pudumjee Pulp & Paper Mills Limited:

Complaints received: 9

Redressed/ Resolved: 9

Pending: Nil

Pudumjee Industries Limited:

Complaints received: Nil

Redressed/ Resolved: Nil

Pending: Nil

Promise vis-à-vis performance

Our Company has not made any prior public or rights issue of securities.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

Stock Market Data for Equity Shares of the Company

Equity Shares of our Company are not currently listed on any Stock Exchanges. Our Company is seeking approval for listing of its Equity Shares through this Information Memorandum.

Disposal of Investors Grievances

Karvy Computershare Private Limited is the Registrar and Transfer Agents of our Company. All investor grievances would be redressed within an average period of 15 days from the date of its receipt by our Company or its Share Transfer Agent. Investors can contact our Company's Share Transfer Agent or the Compliance Officer or the Secretarial Department of our Company in case of any share transfer related problem. The addresses and contact numbers are given elsewhere in this Information Memorandum. For quicker response, investors are requested to mention their contact numbers and email addresses while communicating their grievances.

Our Company has appointed Mr. Vinay Jadhav, as the Company Secretary and Compliance Officer of our Company and he may be contacted in case of any queries at the following address:

Tel.: (020) 30613333 Fax: (020) 40773388 Email: investors.relations@pudumjee.com

Registered Office: Thergaon, Chinchwad, Pune - 411033.

Share Transfer Agent:

KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot No 31 & 32,

Gachibowli, Financial District, Nanakramguda,

Serilingampally, Hyderabad – 500 032.

Tel: (040) 67161500. Fax: (040) 23430832

Contact Person: Mr. Varghese P A Email : einward.ris@karvy.com

ARTICLES OF ASSOCIATION
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 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

Member

Company and every person whose name is entered as a beneficial owner in records of the Depository.

"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: Public Company

(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 modification thereof in force at the date at which these regulations become binding on the company. Interpretation

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).-
- (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 any time subsequent to the first allotment of 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, Allotment of further shares
- (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 extend 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 Liability of Member

payment thereof.

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.
- (ii) The provisions of Articles (9) and (10) shall mutatis mutandis apply to debentures of the company.
- Issue Of Duplicate Share Certificates
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 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. variation of Shareholder's Rights
- (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.
24. A call shall be deemed to have been made at the time when the When Call deemed to be made

resolution of the Board authorising the call was passed and may be required to be paid by installments.

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. Payment of Call after Due Date
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
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. Amount payable on issue of Shares
- (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.
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 Refusal of Transfer decline to register—

(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.

32. (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. Transfer of shares

(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
35. thirty days at a time. Suspension of Transfer

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:

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 Rights on Shares after Transmission

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:

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

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| 43. | <p>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.</p> | <p>Notice for Call on Shares</p> |
| 44. | <p>The notice aforesaid shall—</p> <p>(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</p> <p>(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.</p> | <p>Content of Notice</p> |
| 45. | <p>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.</p> | <p>Board Resolution for Forfeiture</p> |
| 46. | <p>(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p> | <p>Disposal or cancellation of Forfeiture</p> |
| 47. | <p>(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.</p> <p>(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.</p> | <p>Liability of Member</p> |
| 48. | <p>(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;</p> <p>(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;</p> | <p>Declaration on Forfeiture and Transfer of forfeited shares</p> |

(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 Mortgage of uncalled capital

instrument under the Seal
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

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| 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: | |
| | <p>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.</p> | |
| | (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.

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

59. (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

Power of the Board

(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

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| 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 |

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| (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 |
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(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
quorum of members is present at the time when the meeting proceeds
to business.

(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 Length of Notice of general
clear twenty-one days' notice either in writing or through electronic meeting
mode.

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.

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| 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 – <ul style="list-style-type: none"> - 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. | Persons on whom Notice to be served. |
| 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 :- <ul style="list-style-type: none"> (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. | Special business |

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| 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 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. | Resolutions requiring Special Notice |
| 73. | The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. | Chairperson |
| 74. | If there is no such Chairperson, or if he is not present 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. | Election of Chairperson |
| 75. | If at any meeting no director is willing to act as 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. | Election of Chairperson by Members |
| 76. | At any General Meeting, a resolution put to the vote of the meeting shall unless a poll is demanded be decided on a show of hands or such other mode as may be prescribed under the 'Act'. | Questions at General Meeting how decided |
| 77. | Before or on the declaration of the result of the voting 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. | Demand for poll |
- The demand for a poll may be withdrawn at anytime by the person or persons who made the demand.

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| 78. | Subject to the provision of the Act the Chairman of the meeting shall have the power to regulate the manner in 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. | Time and manner of taking poll |
| 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 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. | Certain resolutions to be passed by postal ballot |
- (i)The Company shall cause minutes of the proceedings of every

84. 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.
- (ii) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –
- (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.
- (iv) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.
- (i) The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
85. (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
- Minutes of
proceedings of
meetings and
resolutions passed
by postal ballot
- Certain matters not to be
included in Minutes
- Discretion of Chairperson in
relation to Minutes
- Minutes to be evidence
- Inspection of
minute books of
general meeting
- Adjournment of meeting

meeting from time to time and from place to place.

(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

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| 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 at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Qualification of voter
- (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 Validity of vote by Proxy

which the proxy is given:

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

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| 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 upto 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 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. Debenture 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 debts 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 any 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.

- (i) Subject to the provisions of the Act, a Director of a Company shall act in accordance with the articles of the Company.

- (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.

- 111.
- (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.

Duties of
Directors

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 be 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 it consists of a monthly payment, be deemed to accrue from day-to-day. Remuneration

(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.

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| 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. | <p>(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>(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.</p> <p>(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.</p> | Board Meeting |
| 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 | Quorum of meeting |

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.

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.
- 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 :-
- Minutes of proceedings of Board of Directors and Committees to be kept
- 130.
- (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 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. Statutory Registers

THE SEAL

139. (i) The Board shall provide for the safe custody of the seal. Custody and Affixation
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

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
- (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.”

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| 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. | <p>(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.</p> <p>(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> | Reserve |
| 144. | <p>(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.</p> <p>(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.</p> <p>(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</p> | Entitlement of Dividend |

from a particular date such share shall rank for dividend accordingly.

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| 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. | <p>(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.</p> <p>(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> | Mode of Payment |
| 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

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| 150. | <p>(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.</p> <p>(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.</p> | Inspection of Accounts |
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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 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
- 153.

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

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Information Memorandum) which are or may be deemed material have been entered or to be entered into by our Company.

Copies of the following documents will be available for inspection at the Registered Office of our Company on business hours with prior intimation, from the date of the Information Memorandum.

MATERIAL CONTRACTS AND DOCUMENTS

1. Memorandum and Articles of Association, as amended till date.
2. Certificate of Incorporation dated 14th January, 2015;
3. Scheme of Arrangement and Reconstruction (Demerger);
4. Letter dated 22nd April, 2015 of BSE and NSE according their no-objection to Scheme;
6. Order of the Hon'ble High Court of Judicature at Bombay sanctioning the Scheme of Arrangement and Reconstruction (Demerger) under Sections 391 to 394 of the Companies Act, 1956 between Pudumjee Pulp & Paper Products Limited and Pudumjee Industries Limited and Pudumjee Hygiene Products Limited and Pudumjee Paper Products Limited and their respective shareholders and creditors dated 08th January, 2016;
7. MOU with Registrar and share transfer agent
8. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on accounts in the form and context in which they appear in this Information Memorandum.
11. Statement of Tax Benefit dated 27th February, 2016 from the Chartered Accountants;
12. Tripartite Agreement with National Securities Depository Ltd., RTA and the Company dated 17th December, 2015;
13. Tripartite Agreement with Central Depository Services (India) Ltd., RTA and the Company dated 20th November, 2015;
14. Latest annual report of the Company for the year ended 31st March, 2015;
15. Copy of the agreement appointing Mr. I. U. Thakur, a Company Secretary in whole time practice, as a trustee of fractional shares arising on allotment pursuant to the Scheme;
16. Resolution for appointment of and payment of remuneration to the Managing Director;
17. BSE letter No. DCS/AMAL/AC/IP/339/2015-16 dated 22nd March, 2016 granting in-principle approval for listing;
18. NSE letter No. NSE/LIST/64777 dated 10th March, 2016 granting in-principle approval for listing;

19. SEBI letter No. SEBI/HO/CFD/DIL3/OW/P/2016/000008600/1 dated 22nd March, 2016 granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 for listing of the shares of the Company;

Note: Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All statements made in this Information Memorandum are true and correct.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS OF PUDUMJEE PAPER PRODUCTS LIMITED

Signature : sd/-
Name : Mr. Ved Prakash Leekha
Designation : Managing Director

Place: Pune
Date: 22nd March, 2016