

JK ENVIRO-TECH LIMITED

Regd. Office : P. O. Central Pulp Mills-394660, Fort Songadh, Dist. Tapi (Gujarat)
Tel. : 02624-220228, 220278-80, Fax : 91-2624-220138

Certified true copy of the resolution passed by the board of directors of JK Enviro-tech Ltd.
held on 19th July 2013, at New Delhi

Consideration and approval of the Scheme of Arrangement

The Chairman informed the Board that the Board of Directors of JK Paper Limited (JKPL) has proposed to acquire the Company's business pertaining to the lime sludge re-burning kilns located within the premises of Unit-JKPM and Unit -CPM of JKPL at Jaykaypur, District - Rayagada, Orissa and Fort Songadh, District -Tapi, Gujarat, respectively.

As on date, JKPL owns 49,00,000 fully paid equity shares of Rs. 10 each in the Company representing 98.98% of the issued, subscribed and paid-up share capital of the Company. The remaining 50,600 fully paid equity shares of Rs. 10 each in the Company representing 1.02% of the issued, subscribed and paid-up share capital of the Company is held by certain other shareholders.

The Chairman apprised the Board about the rationale and salient features of the proposed Scheme of Arrangement ("Scheme").

The Board was requested to consider the sale and transfer of the lime kiln undertaking of the Company ("Lime Kiln Undertaking") through the Scheme. The Board was also informed that upon the sale and transfer of the Lime Kiln Undertaking through the Scheme, the existing issued, subscribed and paid-up share capital of the Company shall have to be reorganised so as to bring it in line with the value of the residual undertaking, i.e., the undertakings, businesses, activities and operations of the Company other than the Lime Kiln Undertaking.

Accordingly, the Board was requested to consider the reduction of the current issued, subscribed and paid-up share capital of the Company of Rs. 4,95,06,000 divided into 49,50,600 equity shares of Rs. 10 each to Rs. 1,65,00,000 divided into 16,50,000 equity shares of Rs. 10 each, without extinguishment or reduction of liability on the said shares and without any payment of any part or whole of the cancelled value of the said shares to the shareholders of the Company. Pursuant to the proposed reduction of capital, the existing shareholders of the Company as on the record date (as defined in the Scheme) shall, upon such reduction of capital taking effect, receive such number of fully paid-up equity shares in the reorganised paid-up equity share capital of the Company pro-rated accordingly as against their shareholding in the Company as on such date.

The Board discussed the matter at length and passed the following resolution:

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394, Section 78 and Sections 100 to 103 of the Companies Act, 1956 ("Companies Act") and other applicable provisions, if any, of the Companies Act, read with the rules and regulations made thereunder, and subject to requisite approvals of the shareholders and/or creditors of the Company, as may



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be required, and the High Court of Gujarat and other statutory/regulatory authorities as may be required, consent of the Board be and is hereby accorded for: (i) the transfer of the Lime Kiln Undertaking (defined in the draft scheme of arrangement) to JK Paper Limited ("JKPL"), with effect from April 01, 2013, and (ii) reduction of the issued subscribed and paid up share capital of the Company from Rs. 4,95,06,000 divided into 49,50,600 equity shares of Rs. 10 each to Rs. 1,65,00,000 divided into 16,50,000 equity shares of Rs. 10 each, without extinguishment or reduction of liability on the said shares and without any payment of any part or whole of the cancelled value of the said shares to the shareholders of the Company, and, upon such reduction of capital taking effect, the issuance of fully paid-up equity shares in the reorganised paid-up equity share capital of the Company to the shareholders of the Company as on the record date (as defined in the Scheme) on pro-rata basis, as against their shareholding in the Company as on such date;

RESOLVED FURTHER THAT the draft scheme of arrangement ("Scheme") for the transfer of the Lime Kiln Undertaking by the Company to JKPL and the reduction of capital as mentioned above, as placed before the Board be and is hereby approved, and the consent of the Board be and is hereby accorded to seek appropriate dispensation from holding of meetings of the shareholders and/or creditors of the Company as may be approved by the relevant court(s);

RESOLVED FURTHER THAT consequential amendments be made in the capital clause of the Memorandum of Association and the Articles of Association of the Company, if any, after the aforesaid reduction of capital becomes operative and effective;

RESOLVED FURTHER THAT Shri O.P. Goyal, Director, Shri P.S. Sharma, Director, Shri U.K. Gupta, Director and Ms. Pooja Gurwala, Secretary, of the Company ("Authorised Persons") be and are hereby authorised severally to make such alterations or modifications in the draft Scheme as they may deem expedient or necessary for satisfying the conditions imposed by the relevant court(s) or any other regulatory authority in this regard, provided, however, the prior approval of the Board shall be obtained for making any material changes in the draft Scheme as approved by the Board herewith;

RESOLVED FURTHER THAT all the Authorised Persons be and are hereby authorised severally to take all steps necessary in connection with the Scheme, including and without limitation the following:

- (i) appoint solicitors, advocates, accountants, advisors, merchant bankers, consultants and other experts for implementation of the Scheme and fix their remuneration;
- (ii) file the Scheme before the relevant court(s), and to do all such acts, deeds and things as they may deem necessary and desirable towards approval and sanction of the Scheme by the shareholders and creditors of the Company and by the relevant court(s);
- (iii) execute and file appropriate applications, consents, waiver letters and other documents before the relevant court(s), for holding or dispensing with the requirement



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for holding meeting(s) of the shareholders and/or creditors of the Company and represent the Company in such meetings; if convened by the relevant court(s);

(iv) make applications to the relevant authorities or other persons for their approval to the Scheme and to make such disclosures to regulatory authorities as may be required for this purpose;

(v) file appropriate petitions, affidavits, undertakings, etc., for confirmation of the Scheme by the relevant court(s), including filing appropriate company petition/application for reduction of capital of the Company before the relevant court(s);

(vi) affix the Common Seal of the Company in accordance with the provisions of the Articles of Association of the Company on any documents executed or furnished by the Company in connection with this resolution, and to send the Common Seal of the Company to other places, if so required, to facilitate execution of such documents in connection with the Scheme;

(vii) make such alterations or modifications as any of them may deem expedient or necessary for satisfying the conditions as may be imposed by the court(s), any other statutory/regulatory authority or stock exchanges in this regard, including for making any changes in the draft Scheme to enable implementation of the proposed acquisition as approved by the Board through this resolution;

(viii) withdraw the Scheme at any stage in case any modifications suggested or required to be made in the Scheme or any condition imposed, whether by any shareholder, creditor, court(s), statutory/regulatory authority or stock exchanges, are in their view not in the interest of the Company, or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as any of them may deem necessary and desirable in connection therewith and incidental thereto;

(ix) file and/or receive any other application, petition, affidavit or reports from Registrar of Companies, Regional Director or any other statutory/regulatory authority on or in connection with the Scheme or in connection with its sanction thereof, whether before the court(s), any other statutory/regulatory authority or stock exchanges, and to do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto;

(x) represent the Company in general before any statutory/regulatory authority, stock exchanges or the court(s) in relation to any matter pertaining to the Scheme;

(xi) ratify the actions already taken by the Directors and/or management of the Company in this regard; and

(xii) do all such other acts, matters, deeds and things necessary, incidental or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme including filing of a certified copy of the final order of the court(s) sanctioning the Scheme with the relevant Registrar of Companies;



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RESOLVED FURTHER THAT each of the aforementioned Authorised Persons be and is hereby authorised severally to approve such actions as may be considered necessary and desirable for approval of the Scheme by the shareholders and/or creditors of the Company and the relevant court(s), and for implementation of the said Scheme after the same is sanctioned by the relevant court(s) and becomes effective, including but not limited to transfer of the Lime Kiln Undertaking from the Company to JKPL in general, approval of all other actions required for full and effective implementation of the sanctioned Scheme, and removal or resolution of all doubts and difficulties, and doing all such acts, deeds and things as may be considered necessary or desirable in connection therewith and incidental thereto;

RESOLVED FURTHER THAT copies of this resolution, certified to be true by any Director or by the Company Secretary of the Company, be furnished to any authority, company, body corporate, etc., and they be requested to act thereon."



Certified to be true

For JK Enviro-tech Limited

A handwritten signature in black ink, appearing to be "J. K. Singh" or similar, written over a horizontal line.

Director