

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(IN ITS ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 178 OF 2014**

In the matter of the Companies Act, 1956;

And

In the matter of Application under Sections 391-394
and other provisions of the Companies Act, 1956;

And

In the matter of JK Paper Limited,
[CINL21010GJ1960PLC018099], a public limited
company incorporated under the provisions of the
Companies Act, 1956, having its Registered Office
at P.O. Central Pulp Mills – 394 660, Fort Songadh,
District Tapi, Gujarat;

And

In the matter of Scheme of Arrangement between JK
Enviro-tech Limited and JK Paper Limited and their
respective Shareholders and Creditors.

JK Paper Limited,)	
[CIN L21010GJ1960PLC018099], a public)	
limited company incorporated under the)	...Applicant
provisions of the Companies Act, 1956, having)	Company
its Registered Office at P.O. Central Pulp Mills –)	
394 660, Fort Songadh, District Tapi, Gujarat)	

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDER OF J K PAPER LIMITED.

To

The Equity Shareholders of JK Paper Limited
(the "Company").

Take notice that by Order made on the 10th day of July 2014, the Hon'ble High Court of Gujarat at Ahmedabad, has directed that a meeting of the Equity Shareholders of the Company, be held at the Registered Office of the Company, situated at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat, on Friday, the 05th day of September, 2014 at 11:00 A.M., for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement between JK Enviro-tech Limited and JK Paper Limited and their respective Shareholders and Creditors (the "Scheme").

Take further notice that in pursuance of the said Order, a meeting of the Equity Shareholders of the Company will be held at the Registered Office of the Company, situated at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat, on Friday, the 05th day of September, 2014 at 11:00 A.M., at which place and time you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Company at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat, not later than 48 hours before the scheduled time for the commencement of the said meeting.

The Hon'ble High Court has appointed Mr. O.P. Goyal, Whole-Time Director and failing him, Mr. A. S. Mehta, President, to be the Chairman of the said meeting.

A copy of the Scheme, the statement under Section 393 of the Companies Act, 1956 and form of Proxy are enclosed.

Dated this 24 day of July, 2014

Sd/-
(Chairperson appointed for the meeting)

Notes:

All alterations in the Form of Proxy should be initialed.

SCHEME OF ARRANGEMENT
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956)

BETWEEN

JK ENVIRO-TECH LIMITED

AND

JK PAPER LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART-I

1 OVERVIEW AND OBJECTS OF THIS SCHEME

1.1 Brief overview of each company

1.1.1 JK Enviro-tech Limited (“Transferor Company”):

- (i) The Transferor Company is a public limited company incorporated under the 1956 Act, having its registered office at P.O. Central Pulp Mills – 394660, Fort Songadh, District Tapi, Gujarat. The CIN of the Transferor Company is U73100GJ2007PLC075963.
- (ii) The Transferor Company is authorised to and is primarily engaged in the business of lime sludge re-burning.

1.1.2 JK Paper Limited (“Transferee Company”):

- (i) The Transferee Company is a public limited company incorporated under the 1956 Act, having its registered office at P.O. Central Pulp Mills – 394660, Fort Songadh, District Tapi, Gujarat. The CIN of the Transferee Company is L21010GJ1960PLC018099. The equity shares of the Transferee Company are listed on the Stock Exchanges.
- (ii) The Transferee Company is authorised to and is primarily engaged in the business of manufacture and sale of writing and printing papers, speciality papers and packaging board.

1.2 Overview, Objectives and Benefits of this Scheme

1.2.1 Pursuant to and under the provisions of sections 391 to 394 of the 1956 Act and the other provisions of the 1956 Act or the 2013 Act, as applicable, the Transferor Company and the Transferee Company propose through this Scheme to transfer the Lime Kiln Undertaking from the Transferor Company to the Transferee Company as a going concern on slump sale basis.

1.2.2 This Scheme is segregated into the following six (6) parts:

- (i) Part-I sets-forth the overview, objectives and benefits of this Scheme;
- (ii) Part-II sets-forth the capital structure of the Transferor Company and the Transferee Company;
- (iii) Part-III deals with the transfer and vesting of the Lime Kiln Undertaking of the Transferor Company to and in the Transferee Company, in accordance with section 2(42C) of the IT Act and sections 391 to 394 of the 1956 Act;

- (iv) Part-IV deals with the payment of consideration by the Transferee Company to the Transferor Company, and accounting treatment in the books of the Transferor Company and the Transferee Company;
- (v) Part-V deals with the reorganisation of the share capital of the Transferor Company;
- (vi) Part-VI deals with the general terms and conditions applicable to this Scheme.

1.2.3 This Scheme of Arrangement shall result in:

- (i) consolidation of the businesses presently being carried on by the Transferor Company through the Lime Kiln Undertaking with the businesses of the Transferee Company which shall be beneficial to the interests of the shareholders, creditors and employees of both the companies and to the interests of public at large, as such consolidation shall create greater synergies between the businesses and shall facilitate the more effective utilisation of the Lime Kiln Undertaking by utilisation of the management, administrative, technical skills and resources of the Transferee Company;
- (ii) creation of value for shareholders of the Transferee Company;
- (iii) creation of greater management focus and easier, speedy decision process to achieve strategic advantage;
- (iv) better administration and cost reduction (including reduction in administrative and other common costs);
- (v) alignment, coordination and streamlining of day to day operations of businesses; and
- (vi) creation of synergies of operations besides economies of administrative and managerial costs by combining operations, which will result in improved performance and enhance shareholders' value.

1.3 Definitions

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following capitalised words and expressions have the meanings set forth below:

- 1.3.1 "**1956 Act**" means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto;
- 1.3.2 "**2013 Act**" means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;
- 1.3.3 "**Appointed Date**" means April 01, 2013, being the date with effect from which this Scheme shall, upon sanction by the Court, be deemed to be effective;
- 1.3.4 "**Assets**" has the meaning ascribed to such term in Clause 1.3.14(i)
- 1.3.5 "**Board of Directors**" in relation to the Transferee Company and the Transferor Company, as the case may be, means their respective board of directors, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including committee of directors) or any person authorised by the board of directors or by any such committee;
- 1.3.6 "**Contracts**" has the meaning ascribed to such term in Clause 1.3.14(iii);
- 1.3.7 "**Court**" means the High Court of Gujarat;

- 1.3.8 “**Effective Date**” has the meaning ascribed to such term in Clause 6.5. Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “after this Scheme becomes effective” means and refers to the Effective Date;
- 1.3.9 “**Employees**” has the meaning ascribed to such term in Clause 1.3.14(vi);
- 1.3.10 “**Intellectual Property**” has the meaning ascribed to such term in Clause 1.3.14(iv);
- 1.3.11 “**IT Act**” means the Income Tax Act, 1961;
- 1.3.12 “**Liabilities**” has the meaning ascribed to such term in Clause 1.3.14(ii);
- 1.3.13 “**Licences**” has the meaning ascribed to such term in Clause 1.3.14(v);
- 1.3.14 “**Lime Kiln Undertaking**” means the Transferor Company’s business, activities and operations pertaining to the lime sludge re-burning plants located within the premises of Unit – JKPM and Unit – CPM of the Transferee Company located at Jaykaypur, District –Rayagada, Odisha and Fort Songadh, District – Tapi, Gujarat, respectively, and comprising of all the assets and liabilities, which relate thereto or are necessary therefore and including specifically the following:
- (i) all assets, title, properties, interests, investments, loans, advances and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by the Transferor Company in, or otherwise identified for use in, the Transferor Company’s undertaking, business, activities and operations pertaining to the lime sludge re-burning business (collectively, “**Assets**”);
 - (ii) all debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Transferor Company’s undertaking, business, activities and operations pertaining to the lime sludge re-burning business (collectively, “**Liabilities**”);
 - (iii) all contracts, agreements, leases, leave and licences, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferor Company’s undertaking, business, activities and operations pertaining to the lime sludge re-burning business (collectively, “**Contracts**”);
 - (iv) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in the Transferor Company’s undertaking, business, activities and operations pertaining to the lime sludge re-burning business (collectively, “**Intellectual Property**”);

- (v) all permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights and any waiver of the foregoing issued by any legislative, executive or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority exclusively used or held for use by the Transferor Company in the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business (collectively, "**Licences**"); and
- (vi) all such permanent employees of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company after the date hereof who are primarily engaged in or in relation to the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business (collectively, "**Employees**");

1.3.15 "**Record Date**" means the date to be fixed by the Board of Directors of the Transferor Company in terms of Clause 6.7;

1.3.16 "**Residual Undertaking**" means all the undertakings, businesses, activities and operations of the Transferor Company other than the Lime Kiln Undertaking;

1.3.17 "**Scheme**" means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the Court and other relevant regulatory authorities, as may be required under the 1956 Act or the 2013 Act, as applicable, and under all other applicable laws;

1.3.18 "**Stock Exchanges**" means the National Stock Exchange of India Limited and the BSE Limited;

1.3.19 "**Transferee Company**" has the meaning ascribed to such term in Clause 1.1.2; and

1.3.20 "**Transferor Company**" has the meaning ascribed to such term in Clause 1.1.1.

1.4 **Interpretation**

1.4.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, and if not defined therein then under relevant statutes, such as the IT Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority, as may be vested with any of the powers of the Court under sections 391 to 394 of the 1956 Act.

1.4.2 In this Scheme, unless the context otherwise requires:

- (i) references to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- (iii) the term "Clause" refers to the specified clause of this Scheme;
- (iv) references to one gender includes all genders;
- (v) words in the singular shall include the plural and vice versa; and
- (vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.

PART-II

2. CAPITAL STRUCTURE

2.1 Transferor Company

2.1.1 The capital structure of the Transferor Company, as of May 31, 2014, is as under:

Share Capital	Amount in Rs.
Authorised	
1,00,00,000 equity shares of Rs. 10 each	10,00,00,000
5,00,000 preference shares of Rs. 100 each	5,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up	
49,50,600 equity shares of Rs. 10 each	4,95,06,000
Total	4,95,06,000

2.1.2 The shares of the Transferor Company are, at present, not listed on any stock exchange, either in India or in any other jurisdiction.

2.2 Transferee Company

2.2.1 The capital structure of the Transferee Company, as of May 31, 2014, is as under:

Share Capital	Amount in Rs.
Authorised	
20,00,00,000 equity shares of Rs. 10 each	200,00,00,000
3,00,00,000 redeemable preference shares of Rs. 100 each	300,00,00,000
Total	500,00,00,000
Issued, Subscribed and Paid-up	
13,66,20,625 equity shares of Rs. 10 each	136,62,06,250
Total	136,62,06,250

2.2.2 The equity shares of the Transferee Company are, at present, listed on the Stock Exchanges.

2.3 Alteration of the objects of Transferee Company

The objects of the Transferee Company shall stand altered by addition of a new paragraph namely paragraph 14A, which shall stand inserted immediately after paragraph 14 and shall read as under:

“14A To establish, operate, run and maintain lime kilns for environmental protection, undertake any projects for ecological upgradation, including Research & Development in the field of pollution control filtration and treatment plants in India or elsewhere, to carry on the business of constructing on turnkey basis or otherwise all types of pollution control equipment, and/or to manufacture, sell, buy or otherwise deal in tools and apparatus for lime kilns or other pollution control equipment.”

- 2.4 It is hereby clarified that consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the abovementioned amendments to the Memorandum of Association of the Transferee Company, and that no further resolutions under Sections 13, 14, and 61 of the 2013 Act or any other applicable provisions of the 1956 Act or the 2013 Act, would be required to be separately passed, nor shall any additional registration fee, stamp duty, etc., be payable by the Transferee Company for this purpose.

PART III

3 TRANSFER AND VESTING OF LIME KILN UNDERTAKING OF TRANSFEROR COMPANY IN TRANSFEE COMPANY

3.1 Transfer and Vesting

- 3.1.1 Upon this Scheme becoming effective, and with effect from the Appointed Date, the Lime Kiln Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company, which shall be deemed to have acquired the Lime Kiln Undertaking from the Transferor Company, as a going concern on slump sale basis, without any further deed or act, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or *lispendens*, if any, thereon.

- 3.1.2 Without limiting the generality of the foregoing, upon this Scheme becoming effective, and with effect from the Appointed Date:

- (i) All the Assets that are movable in nature or incorporeal property or are otherwise capable of transfer by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly.
- (ii) All the Assets that are movable properties other than those described under sub-clause (i) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be

deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Company in the leasehold properties of the Lime Kiln Undertaking, if any, shall, pursuant to section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.

- (iii) All the Assets that are immovable properties, including land together with the buildings and structures standing thereon, whether freehold, leasehold, licensed or otherwise held by the Transferor Company, and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities, pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.
- (iv) All the Liabilities shall without any further act, instrument or deed, become the liability of the Transferee Company and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, as the case may be, and the Transferee Company shall be liable to meet, discharge and satisfy the same in accordance with its terms. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- (v) All the Contracts shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. In relation to the same, any procedural requirements which are to be fulfilled by the Transferor Company shall be fulfilled by the Transferee Company, as if it is the duly constituted attorney of the Transferor Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Transferor Company relating to or benefiting at present the Residual Undertaking and the Lime Kiln Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Transferor Company and the Transferee Company.
- (vi) All the Intellectual Property shall stand transferred to and be vested in the Transferee Company. The other intellectual property rights presently held by the Transferor Company, that relate to or benefit at present the Residual Undertaking and the Lime Kiln Undertaking, shall be deemed to constitute separate intellectual property rights and the necessary substitution/endorsement shall be made and duly recorded in the name of the Transferor Company and the Transferee Company by the relevant authorities pursuant to the sanction of this Scheme by the Court.

- (vii) All the Licences shall stand transferred to and vested in the Transferee Company. Such of the other permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Transferor Company, but relate to or benefitting at present the Residual Undertaking and the Lime Kiln Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Transferor Company and the Transferee Company by the relevant authorities pursuant to the sanction of this Scheme by the Court. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this sub-clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to sanction of this Scheme by the Court. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- (viii) All the Employees shall be transferred to and engaged by the Transferee Company, without any interruption of service and on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company.

With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special scheme or benefits created or existing exclusively for the benefit of the Employees, if any, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including but not limited to those relating to the obligation to make contributions to such funds and schemes in accordance with the provisions of such funds and schemes in the respective trust deeds or other documents. The accumulations under provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme or benefits of the Transferor Company pertaining to the Employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of the Lime Kiln Undertaking Employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.

The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the Employees, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company shall

transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to the Employees and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of the Employees, either prior to the Appointed Date or the Effective Date.

- (ix) All contractors primarily engaged in or in relation to the Lime Kiln Undertaking by the Transferor Company and any other contractors hired by the Transferor Company till the Effective Date who are primarily engaged in or in relation to the Lime Kiln Undertaking shall be engaged by the Transferee Company on the same terms and conditions as those offered to them by the Transferor Company.
- (x) The Transferee Company shall be entitled to the benefits and shall bear the burdens of any legal or other proceedings to the extent relating to the Lime Kiln Undertaking, initiated by or against the Transferor Company. If any suit, appeal or other proceedings to the extent relating to the Lime Kiln Undertaking initiated by or against the Transferor Company is pending, the same shall not be abated, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been effected. All reasonable costs incurred by the Transferor Company in respect of any proceedings initiated by or against the Transferor Company after the Appointed Date to the extent relating to the Lime Kiln Undertaking shall be reimbursed by the Transferee Company upon submission by the Transferor Company to the Transferee Company of documents evidencing that the Transferor Company has incurred such costs.
- (xi) All rights, obligations, benefits available under any direct and indirect taxes, including tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc., sales tax benefits/exemptions, service tax credit, electricity duty benefits, excise duty benefits, import and export benefits, custom duty benefits and stamp duty benefits and exemptions which may be obtained by the Transferor Company or which the Transferor Company is entitled to or which are or may be available to Transferor Company in respect of the Lime Kiln Undertaking shall, pursuant to the sanction of this Scheme, be available to the Transferee Company on an as is where is/going concern basis. Without prejudice to the generality of the foregoing, in the event the Transferee Company finally becomes liable for reversal of Cenvat credit or payment of any demand in regard to the adverse order passed by the Excise Department requiring the Transferee Company to reverse the Cenvat Credit availed on capital goods sold to the Transferor Company, as such a sale tantamounts

to removal of the capital goods, and the Transferor Company qualifies (in lieu of the business carried on by it through the Lime Kiln Undertaking) for taking credit of the amount paid/payable by the Transferee Company, then in light of the transfer of the Lime Kiln Undertaking, the Transferee Company shall be eligible to take credit of the amount so paid/payable for utilising against its duty liability for the clearances of paper which shall be made in future from Unit – JKPM and Unit – CPM of the Transferee Company located at Jaykaypur, District –Rayagada, Odisha and Fort Songadh, District – Tapi, Gujarat, respectively.

It is hereby clarified that any tax related liabilities/benefits, arising out of or in connection with an event occurring prior to the Appointed Date, even when the same may arise and/or accrue subsequent to the Appointed Date, shall, subject to and in accordance with applicable direct and indirect tax laws, continue to be liabilities/benefits of Transferor Company.

- (xii) The benefits of any and all corporate approvals as may have already been taken by the Transferor Company in relation to the Lime Kiln Undertaking, whether being in the nature of compliances or otherwise, including without limitation, approvals under sections 81(1A), 293(1)(a), 293(1)(d), 295, 297, and 372A of the 1956 Act and any other approvals under either the 1956 Act or the 2013 Act, shall stand transferred to the Transferee Company and shall be deemed to have been taken by the Transferee Company, by virtue of approval of this Scheme.
- (xiii) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company for or in relation to the Lime Kiln Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme becoming effective, pursuant to the provisions of section 394(2) and other applicable provisions of the 1956 Act or the 2013 Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.

3.1.3 Upon this Scheme becoming effective and the consequent transfer of the Liabilities from the Transferor Company to the Transferee Company, the secured creditors of the Lime Kiln Undertaking shall only continue to be entitled to security over such properties and assets forming part of the Assets, as existing immediately prior to the transfer of the Lime Kiln Undertaking from the Transferor Company to the Transferee Company and the secured creditors of the Transferee Company shall continue to be entitled to security over such properties, assets, rights, benefits and interest of and in the Transferee Company, as existing immediately prior to the transfer of the Lime Kiln Undertaking from the Transferor Company to the Transferee Company. It is hereby clarified that pursuant to the transfer of the Lime Kiln Undertaking from the Transferor Company to the Transferee Company, the secured creditors of the Lime Kiln Undertaking shall not be entitled to any further security over the properties, assets, rights, benefits and interests of and in the Transferor Company and/or the Transferee Company, and accordingly such assets of Transferor Company and Transferee Company which are not currently encumbered shall remain free and available for creation of any security thereon in future in relation to any new indebtedness that may be incurred by the Transferor Company and/or the Transferee Company. For this purpose,

no further consent from the existing secured creditors shall be required and sanction of this Scheme shall be considered as a specific consent of such secured creditors.

- 3.1.4 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becomes effective in accordance with the provisions hereof, if so required under any law or otherwise, execute appropriate deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Lime Kiln Undertaking to which the Transferor Company has been a party, including any filings with the regulatory authorities, in order to give formal effect to the above provisions.
- 3.1.5 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becomes effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Lime Kiln Undertaking. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company upon this Scheme becoming effective in accordance with the terms hereof. For this purpose the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

3.2 **Conduct of business till Effective Date**

- 3.2.1 With effect from the Appointed Date and up to and including the Effective Date:
- (i) the Transferor Company undertakes to carry on and shall be deemed to have carried on the business activities of the Lime Kiln Undertaking and stand possessed of the properties and assets of the Lime Kiln Undertaking, for and on account of and in trust for the Transferee Company;
 - (ii) all profits or income accruing to or received by the Transferor Company, out of the Lime Kiln Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc.) or losses arising in or incurred by the Transferor Company with respect to the Lime Kiln Undertaking shall, for all purposes, be treated as and deemed to be the profits, losses, income or taxes, as the case may be, of the Transferee Company;
 - (iii) the Transferor Company shall carry on the business of the Lime Kiln Undertaking with reasonable diligence and business prudence and in a manner consistent with its past practices;
 - (iv) the Transferor Company shall not alter or substantially expand the business of the Lime Kiln Undertaking, except with the written concurrence of the Transferee Company.

- 3.2.2 (i) With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the businesses of the Lime Kiln Undertaking of the Transferor Company.
- (ii) For the purpose of giving effect to the order passed, under sections 391 to 394 and other applicable provisions of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, in respect of this Scheme, by the Court, the Transferee Company shall, at any time, pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal rights upon the transfer of the Lime Kiln Undertaking, in accordance with the provisions of sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable. The Transferee Company is and shall always be deemed to have been authorised to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme, pursuant to the sanction of this Scheme by the Court.
- 3.2.3 Upon this Scheme becoming effective, the Transferee Company, unconditionally and irrevocably, agrees and undertakes to pay, discharge and satisfy liabilities and obligations of the Transferor Company pertaining to the Lime Kiln Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

3.3 Residual Business

- 3.3.1 The Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
- 3.3.2 (i) All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which relate to the Residual Undertaking under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Residual Undertaking) shall be continued and enforced by or against the Transferor Company after the Effective Date. The Transferee Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company, which relate to the Residual Undertaking.
- (ii) If proceedings are taken up against the Transferee Company in respect of the matters referred to in sub-clause (i) above, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company, and the latter shall reimburse and indemnify the Transferee Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.
- 3.3.3 With effect from the Appointed Date and up to and including the Effective Date:
- (i) the Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Residual Undertaking for and on its own behalf;
- (ii) all profits accruing to the Transferor Company (including the effect of taxes, if any, thereon) relating to the Residual Undertaking shall, for all purposes, be treated as the profits of the Transferor Company; and

- (iii) all losses arising or incurred by the Transferor Company (including the effect of taxes, if any, thereon) relating to the Residual Undertaking shall, for all purposes, be treated as the losses of the Transferor Company.
- 3.3.4 All profits pertaining to the Lime Kiln Undertaking, up to and including the Appointed Date, which are recorded in the books of the Transferor Company shall, for all purposes, continue to be treated as the profit of the Transferor Company and shall be retained in the books of the Transferor Company.

PART-IV

4 CONSIDERATION AND ACCOUNTING TREATMENT

4.1 Payment of Consideration

- 4.1.1 Upon this Scheme becoming effective and in consideration of and subsequent to the transfer of the Lime Kiln Undertaking by the Transferor Company to the Transferee Company in terms of Part-III of this Scheme, the Transferee Company shall be liable to pay an amount of Rs. 1,59,00,000 (Indian rupees one crore and fifty nine lakhs) to the Transferor Company, as lump sum purchase consideration.
- 4.1.2 The lump sum purchase consideration set forth in Clause 4.1.1 is based on the valuation of the Lime Kiln Undertaking approved by the Board of Directors of the Transferor Company and the Transferee Company, based on their independent judgment and after taking into consideration the valuation report of SS Kothari Mehta & Co. dated July 15, 2013. The Transferee Company engaged ICICI Securities Limited as the merchant banker to provide a fairness opinion in this regard, and pursuant to such engagement, ICICI Securities Limited has issued an opinion dated July 17, 2013, stating that the valuation mentioned above is fair. The Board of Directors of the Transferor Company and the Transferee Company based on and relying upon the aforesaid expert advice, and on the basis of their independent evaluation and judgment, have come to the conclusion that the proposed payment of the lump sum purchase consideration in terms of Clause 4.1.1 is fair and reasonable and have approved the same at their respective meetings on July 19, 2013.

4.2 Accounting Treatment

- 4.2.1 Accounting treatment in the books of the Transferor Company, upon this Scheme becoming effective and upon the arrangement becoming operative:
- (i) The assets and liabilities of the Lime Kiln Undertaking proposed to be transferred to the Transferee Company under this Scheme shall be transferred at the lump sum purchase consideration mentioned in Clause 4.1.
 - (ii) The surplus or deficit, if any, arising out of the difference between the book value of net asset of the Lime Kiln Undertaking transferred pursuant to this Scheme and the consideration received under Clause 4.1 in lieu of such transfer shall be set off against the share capital of the Transferor Company, pursuant to which the share capital of the Transferor Company shall be reorganized in terms of Part-V of this Scheme.
- 4.2.2 Accounting treatment in the books of the Transferee Company, upon this Scheme becoming effective and upon the arrangement becoming operative:
- (i) The Transferee Company shall account for the transactions contemplated in this Scheme at its purchase cost and apportion it appropriately.

- (ii) The loss arising in the books of the Transferee Company, as a result of the diminution in value of the investments made in the Transferor Company by the Transferee Company shall be charged to the statement of profit and loss of the Transferee Company.
 - (iii) An amount equivalent to the aforementioned diminution in value of the investments, i.e., Rs. 5,04,36,444 (Indian rupees five crore four lakhs thirty six thousand four hundred and forty four), shall be transferred from the securities premium reserve to the statement of profit and loss.
- 4.2.3 In case of difference in the accounting policy between the Transferor Company and the Transferee Company, the impact of such difference shall be quantified and adjusted to the general reserve account, in the books of the Transferee Company to ensure that the true financial statements of the Transferee Company as on the Appointed Date are prepared on the basis of a consistent accounting policy.
- 4.2.4 This Scheme has been drawn up in compliance with the conditions specified under the tax laws, specifically section 2(42C), and other relevant sections of the IT Act.

PART-V

5 REORGANISATION OF SHARE CAPITAL OF TRANSFEROR COMPANY

- 5.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the existing issued, subscribed and paid-up share capital of the Transferor Company shall be reorganised as detailed hereunder, so as to bring it in line with the value of the Residual Undertaking.
- 5.2 The issued, subscribed and paid-up share capital of the Transferor Company of Rs. 4,95,06,000 (Indian rupees four crore ninety five lakhs and six thousand) divided into 49,50,600 equity shares of Rs. 10 (Indian rupees ten) each shall stand reduced to Rs. 1,65,00,000 (Indian rupees one crore and sixty five lakh) divided into 16,50,000 equity shares of Rs. 10 (Indian rupees ten) each, without extinguishment or reduction of liability on the said shares and without any payment of the cancelled value of the said shares to the shareholders of the Transferor Company. Upon this Scheme becoming effective, the existing shareholders of the Transferor Company as on the Record Date shall, pursuant to such reorganisation, receive such number of fully paid-up equity shares in the reorganised paid-up equity share capital of the Transferor Company pro-rated accordingly as against their shareholding in the Transferor Company as on the Record Date.
- 5.3 In case any shareholder's holding in the Transferor Company is such that the shareholder becomes entitled to, upon reorganisation of the share capital of the Transferor Company as contemplated in this Clause 5, a fraction of an equity share of the Transferor Company, then the Board of Directors of the Transferor Company shall round-off such fraction to the nearest whole number, and thereupon shall issue and allot equity shares to such shareholders of the Transferor Company.
- 5.4 All equity shareholders of Transferor Company holding their equity shares in the Transferor Company in dematerialized form, as on the Record Date, shall be issued the equity shares of the Transferor Company in dematerialized form. Each of the remaining equity shareholders of Transferor Company holding their equity shares in the Transferor Company in physical form, as on the Record Date, shall have the option, to be exercised by way of giving a notice to the Transferor Company, on or before such date as may be determined

by the Board of Directors of the Transferor Company to receive the new equity shares of Transferor Company, either in physical form or in dematerialized form. In the event such a notice has not been received by the Transferor Company from the aforementioned equity shareholders of Transferor Company holding their shares in physical form by the specified date, the equity shares of Transferor Company shall be issued to such shareholders in physical form. Such equity share certificates (if any) issued by the Transferor Company shall be sent by the Transferor Company to such shareholders at their respective registered addresses, as appearing in the register of members maintained by the Transferor Company as on the Record Date (or in the case of joint shareholders, to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and the Transferor Company shall not be responsible for any loss in transit.

In respect of those equity shareholders of Transferor Company exercising the option to receive the equity shares in dematerialized form, such persons shall have opened and be maintaining an account with a depository participant, and shall provide such other confirmation, information and details, as may be required, to the Transferor Company. Such equity shareholders shall be issued the equity shares in the Transferor Company in dematerialized form.

- 5.5 The reorganisation of the share capital of the Transferor Company as contemplated in this Clause 5, resulting in reduction of such share capital, shall be conditional upon this Scheme becoming effective on the Effective Date. If this Scheme is for any reason whatsoever, not sanctioned by the Court, such reorganisation resulting in reduction of share capital shall not become effective.
- 5.6 There being no extinguishment or reduction of liability or payment to the shareholders with respect to such reduced share capital in such reorganisation, the Transferor Company shall not be required to use the words "and reduced" as part of its name as contemplated under section 102(2) of the 1956 Act, or the other provisions of the 1956 Act or the 2013 Act, as applicable.

PART-VI

6 GENERAL TERMS AND CONDITIONS

- 6.1 The reduction in the share capital of the Transferor Company as contemplated in Clause 5 and the reduction in the securities premium reserve of the Transferee Company as contemplated in Clause 4.2.2(iii) shall be effected as an integral part of this Scheme in accordance with the provisions of section 78 and sections 100 to 103 of the 1956 Act, and any other applicable provisions of the 1956 Act or the 2013 Act, and the order of the Court sanctioning this Scheme shall also be deemed to be an order under sections 100 to 102 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, confirming the reduction of: (i) share capital of the Transferor Company as contemplated in Clause 5 and (ii) securities premium reserve of the Transferee Company as contemplated in Clause 4.2.2(iii). Neither the reduction of share capital of the Transferor Company nor the reduction of the securities premium reserve of the Transferee Company involves either a diminution of liability in respect of the unpaid share capital or payment to any shareholder of any part of the paid-

up share capital, and accordingly the provisions of the section 101 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, shall not be applicable to such reductions. The approval of the shareholders and creditors of the Transferor Company and the Transferee Company, as the case may be, accorded for this Scheme shall also constitute approval for reduction of share capital/securities premium reserve in accordance with section 100 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, and accordingly no separate approval/consent shall be necessary from such shareholders/creditors. For the purpose of the aforesaid reduction, separate applications under section 100 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, may, if required, be filed by the Transferor Company and/or the Transferee Company, as the case may be, before the Court. Such applications for reduction of share capital/securities premium reserve shall be conditional upon the sanction of this Scheme by the Court under sections 391-394 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable. If this Scheme is not sanctioned by the Court, the reduction contemplated in Clause 5 and Clause 4.2.2(iii) shall not take effect and shall be deemed to be redundant. The Transferor Company and the Transferee Company shall not be required to add the words "and reduced" as part of their respective names as contemplated under section 102(2) of the 1956 Act or the other provisions of the 1956 Act or the 2013 Act, as applicable.

- 6.2 Upon this Scheme becoming effective, the accounts of the Transferor Company and Transferee Company as on Appointed Date shall be reconstructed in accordance with the terms of this Scheme. The Transferor Company and the Transferee Company shall be entitled to revise their respective income tax returns, TDS returns, and other statutory returns as may be required under respective statutes pertaining to indirect taxes, such as sales-tax, value added tax, excise duties, service tax etc., and shall also have the right to claim refunds, advance tax credits, credit of tax under section 115JB of the IT Act, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc., if any, as may be required consequent to implementation of this Scheme.
- 6.3 The Transferor Company and the Transferee Company, shall, with all reasonable dispatch, make respective applications to the Court, under sections 391 to 394 of the 1956 Act, and other applicable provisions of the 1956 Act or the 2013 Act, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the Court.
- 6.4 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company, wherever required, each such company shall, with all reasonable dispatch, file their respective petitions before the Court for sanction of this Scheme under sections 391 to 394 of the 1956 Act, and other applicable provisions of the 1956 Act or the 2013 Act, and for such other order or orders, as the Court may deem fit for carrying this Scheme into effect. Upon this Scheme becoming effective, the shareholders of the Transferor Company and the Transferee Company shall be deemed to have also accorded their approval under all relevant provisions of the 1956 Act or the 2013 Act for giving effect to the provisions contained in this Scheme.
- 6.5 This Scheme shall become effective on the last of the following dates ("**Effective Date**"):
 - (i) the date on which this Scheme is approved by the Court; and

- (ii) the date(s) on which the certified copies of the relevant orders of the Court are filed with the Registrar of Companies, Gujarat at Ahmedabad, by the Transferee Company and the Transferor Company, respectively.

The Transferee Company shall comply with the provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, while *inter alia* procuring the approval of the public shareholders of the Transferee Company and shall provide for voting by such public shareholders through postal ballot and e-voting. For the purposes of this Clause 6.5, the term 'public' shall have the meaning ascribed to such term under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

6.6 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:

- (i) alteration of the objects of the Transferee Company as provided in Clause 2.3;
- (ii) transfer of the Lime Kiln Undertaking from the Transferor Company to the Transferee Company in accordance with Part-III of this Scheme;
- (iii) payment of the lump sum purchase consideration by the Transferee Company to the Transferor Company in terms of Clause 4.1 of this Scheme;
- (iv) reorganisation and reduction of share capital of the Transferor Company in accordance with Part-V of this Scheme;
- (v) issue and allotment of fully paid-up equity shares of the Transferor Company to its shareholders as on the Record Date and in accordance with Clause 5.2; and
- (vi) reduction of securities premium reserve of the Transferee Company in accordance with Clause 4.2.2(iii) of this Scheme.

6.7 After this Scheme is sanctioned but before it becomes effective, the Board of Directors of the Transferor Company shall determine the record date for issue and allotment of fully paid-up equity shares of the Transferor Company to its shareholders, pursuant to the reorganisation of share capital as contemplated in Clause 5, on pro-rata basis and in lieu of and in the place of the fully paid-up equity shares of the Transferor Company held by such shareholders as on such date. On determination of such record date, the Transferor Company shall draw-up a list of its shareholders as on such record date, and such shareholders shall be entitled to receive fully paid-up equity shares in the Transferor Company as contemplated in Clause 5.2.

6.8 The transfer of properties and liabilities to, and the continuance of proceedings by or against the Transferee Company, as envisaged in Part-III shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date, and after Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

6.9 Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date.

- 6.10 The Transferee Company and the Transferor Company (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. In case any of the provisions of this Scheme are inconsistent with any accounting standards, the Transferee Company and the Transferor Company (acting through their respective Boards of Directors) may undertake appropriate steps to amend this Scheme to bring it in line with such accounting standards. The Transferee Company and the Transferor Company (acting through its respective Boards of Directors) be and are hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any orders of the Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. Without prejudice to the generality of the above, the Board of Directors of the Transferee Company shall have the option and shall be entitled to make suitable accounting entries at the time of closing of the books of accounts for the first financial year post the effectiveness of this Scheme as they may deem fit to give effect to the intent herein.
- 6.11 Notwithstanding anything else to the contrary in this Scheme, the Transferee Company and the Transferor Company (acting through its respective Boards of Directors) shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Court or any other authority is not acceptable to them.
- 6.12 All costs, expenses, charges, fees, taxes, duties, levies and all incidental expenses arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.
- 6.13 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 6.14 If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Transferee Company and the Transferor Company (acting through their respective Boards of Directors) shall attempt to bring about appropriate modification to this Scheme, so as to best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(IN ITS ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 178 OF 2014**

In the matter of the Companies Act, 1956;

And

In the matter of Application under Sections 391-394
and other provisions of the Companies Act, 1956;

And

In the matter of JK Paper Limited, [CIN
L21010GJ1960PLC018099], a public limited
company incorporated under the provisions of the
Companies Act, 1956, having its Registered Office
at P.O. Central Pulp Mills – 394 660, Fort Songadh,
District Tapi, Gujarat;

And

In the matter of Scheme of Arrangement between JK
Enviro-tech Limited and JK Paper Limited and their
respective Shareholders and Creditors.

JK Paper Limited,)	
[CIN L21010GJ1960PLC018099], a public)	
limited company incorporated under the)	
provisions of the Companies Act, 1956, having)	
its Registered Office at P.O. Central Pulp Mills)	...Applicant
– 394 660, Fort Songadh, District Tapi, Gujarat.)	Company
Phone No02624-220228/278-80, Fax No: 02624-)	
220138,)	
Email: sharcsjkpaper@jkmail.com, Website:)	
www.jkpaper.com)	

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE
COMPANIES ACT, 1956**

1. The Hon'ble High Court of Gujarat at Ahmedabad, by order dated the 10th day of July, 2014, in the Company Application referred to above with respect to the Scheme of Arrangement between JK Enviro-tech Limited (**Transferor Company**) and JK Paper Limited (**Applicant/Transferee Company**) and their respective shareholders and creditors (the "**Scheme**") has directed the convening of the meeting as stated below to consider the Scheme:-
 - i. Meeting of the Equity Shareholders of the Applicant/Transferee Company to be held on Friday, the 05th September, 2014 at the Registered Office of the Transferee Company, situated at, P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat at 11:00 A.M.

The Hon'ble High Court of Gujarat at Ahmedabad, by its aforesaid order dated the 10th day of July, 2014, dispensed with the requirement of convening the meetings of the Secured Creditors and Unsecured Creditors of the Applicant/Transferee Company to consider the Scheme.

The Hon'ble High Court of Gujarat at Ahmedabad further, by its aforesaid order dated the 10th July 2014, dispensed with the requirement of following the procedure under Section 101 (2) of the Companies Act, 1956 ("Act").

The Hon'ble High Court of Gujarat at Ahmedabad, in Company Application No.179 of 2014, with respect to the Transferor Company has directed the convening of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company to consider the Scheme.

2. JK Paper Limited, the Applicant/Transferee Company is a public limited company incorporated in the State of Maharashtra on 04th July 1960 under the provisions of the Act, in the name "The Central Pulp Mills Limited". The Registered Office of the Applicant/Transferee Company was shifted to the State of Gujarat and Certificate of Registration to this effect was issued by the Registrar of Companies, Gujarat, Dadra & Nagar Havelli on 04th August 1992. The name of Applicant/Transferee Company was subsequently changed to its present name, i.e. JK Paper Limited on 05th November 2001. The Registered Office of the Applicant/Transferee Company is situated at P.O. Central Pulp Mills- 394 660, Fort Songadh, District Tapi, Gujarat.
3. The main objects for which the Applicant/Transferee Company has been incorporated are set out in its Memorandum of Association. The main objects of the Applicant/Transferee Company are as follows:
 1. *To carry on the business of manufacturers of and dealers in all kinds and classes of Pulp and Pulp products and conversions including Sulphate and Sulphite Pulp, Soda Pulp, Mechanical Pulp, Chemical Pulp, Paper Pulp, Rayon Pulp and all other varieties, types and qualities of Pulp in all its forms by converting, treating or turning to account by any process or method of manufacture, spin, dye, manner and mode bamboo, timber and wood, droppings, fly, cotton or cotton waste, cotton seeds, grasses, straw, rice straw, wheat straw, jute, jute sticks, seisalfibre flax, hemp, remie, hessian, gunny, sugarcane, bagasse, leather, asbestos, rags, waste paper, water hyacinth, all types and forms of seed hairs, bastfibres, grass fibre, leaf fibre, wood fibre or any other vegetable or other material, synthetic or otherwise, suitable for any of the above treatment and to manufacture and deal in all kinds of articles in which any form of pulp is used and also to manufacture and/or deal in any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.*
 2. *To carry on the business of manufacturers of and dealers in all kinds and classes of Paper, Board, and Paper and Board products and conversions including writing paper, printing paper, absorbent paper, blotting paper, filter paper, antique paper, ivory-finish paper, coated paper, art paper, bank or bond paper, badami, brown or buff paper, bible paper, cartridge paper, clothlined paper, azure-laid and move paper, cream-laid and wove paper, greaseproof paper, glassine paper, gummed*

paper, hand-made paper, parchment paper, drawing paper, wrapping paper, kraft paper, manila paper, envelope paper, tracing paper, vellum paper, corrugated paper, water-proof paper, carbon paper, sensitized paper, chemically treated paper, litmus paper, photographic paper, glass paper, emery paper, paper board, paste board, card, cardboard, strawboard, grey board, pulpboard, leather board, mill board, corrugated board, duplex and triplex boards, laminated board, hard-board, plywood board, post cards, visiting cards, chromo and coated paper and boards, machine coated boards etc. and all kinds or articles in the manufacture of which in any form paper or board is used and also to manufacture or deal in any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.

3. *To manufacture and deal in all materials and substances used in the manufacture, production or treatment of Pulp, Paper and Board and other substances, articles and things the manufacture of which the Company is authorized to undertake and to turn to account, render marketable and deal in any of the by-products or the manufacturing process which the Company may undertake.*
4. *To buy, sell, import, export, process, cut, cost, chemically or otherwise treat and to work out for special purposes all kinds of pulps, papers and boards and also deal in the manufacture of any other articles connected with the foregoing.*
5. *To plant, cultivate, produce, raise, manufacture, purchase, sell, import, export or otherwise handle or deal in grass, timber, wood, bamboo, straw and other forest products, cotton, jute, flax, hemp, sugarcane, leather, asbestos, rags, waste paper, gunnies, water hyacinth, jute sticks or other fibres, fibrous substances or other things as may furnish materials for pulp and for paper or board manufacture in any of its branches or as may be proper or necessary in connection with the above objects or any of them and to carry on business as owners, lessees, managers or planters of forest, plantations and farms and hewers and cutters of bamboo, wood, timber, grasses and all other forest products.*
6. *To own, work, erect, install, maintain, equip, repair, alter, add to or otherwise handle or deal in pulp and paper plants, filatures or any other factories for pressing, ginning, carding, combing, scouring, mixing, processing, bleaching, printing, dyeing, or finishing pulp or paper or board for conversion of pulp, paper or board or any allied product of any description and kind.*
7. *To carry on the business as manufacturers of and dealers in all kinds of dissolved celluloses including rayon or artificial silk, nitro-cellulose, films plastics, cellulose derivatives and cellulose products and by-products.*
8. *To carry on business as manufacturers of chemicals, distillers, dye makers, planters, saw mill proprietors, timber merchants, bamboo merchants, grass merchants, straw merchants, sugar merchants and to buy, sell, grow, prepare for the market, manipulate, import, export and deal in bamboo, timber, wood and/or produce or products of the earth of all kinds and to manufacture and deal in articles of all kinds, in the manufacture of which bamboo, timber, wood or any such forest or agricultural product is used.*

9. *To carry on the business as manufacturers of and dealers in manure, glass, bricks, pottery, terra cotta and sanitary and disinfecting preparations.*
10. *To carry on the business of manufacturers of and dealers in chemicals of any nature and kind whatsoever and as chemists, druggists, analytical or pharmaceutical chemists, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalies, acids, drugs, tanins, essences, pharmaceuticals, sizing, medicinal, chemical, industrial and other preparations and articles of any nature and kind whatsoever; mineral and other waters, soaps, cements, oils, fats, paints, varnishes, compounds, drugs, dyestuffs, organic or mineral intermediates, paints and colour grinders, makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographic, surgical and scientific apparatus and materials, and to manufacture, refine, manipulate, import and deal in salts and marine minerals and their derivatives, by-products and compounds of any nature and kind whatsoever.*
11. *To carry on the business of box makers, file makers, stationers, printers, publishers, lithographers, offset printers, stereotypers, electrotypers, photographic printers, engravers, die-sinkers, envelope manufacturers, book binders, account book manufacturers, machine rulers, numerical printers, box makers, paper, bag and account book makers, card-board, packages and containers manufacturers, type foundry, photographers, manufacturers of and dealers in playing, visiting, railway, festive, complimentary and fancy cards, dealers in parchment, manufacturers and dealers of paper machine articles, all sorts of mailing devices, loose leaf binders, files, tags, office and school stationery, drawing materials, gums and pastes and all allied articles, dealers in stamps, agents for the payment of stamp and other duties, advertising agents, managers of newspapers, magazines, books, publications and other library or artistic works and undertakings, designers, commercial artists, draughtsmen, ink manufacturers, book sellers, engineers, cabinet makers and dealers in or manufacturers of any other articles or things of a character similar or analogous to the foregoing or any of them or connected therewith.*
12. *To design, fabricate and manufacture plant, equipment, machinery, accessories, apparatus, spares and parts required in pulp, paper, board, paper board and pulp conversions and products' industry and allied industries.*
13. *To incinerate, burn, reduce to ash and produce gas for power and other purposes and to buy, collect, utilize forest refuse, wood, plants and any other refuse for the said purpose and to produce and deal in products and by-products of the same.*
14. *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, ochres, chemicals and materials required in the manufacture of pulp, paper and board and all and every other article connected therewith.*
15. *To carry on the business of manufacturers of and dealers in paints, varnishes, printing ink and all other things which can be conveniently manufactured or dealt in by persons carrying on any of the above business and either wholesale or retail and either as principals or as agents.*

16. *To carry on the business of iron, brass and other masters and founders, iron steel makers and converters, mechanical, civil and hydraulic engineers, manufacturers of agricultural implements and other machinery, ferro-manganese, coal, coke and colliery proprietors, miners, smiths, wood workers, builders, metallurgists, gas makers, printers, carriers and merchants and to buy, sell, manufacture, export, import, repair, convert, alter, let on hire and deal in machinery and implements, metals, rolling stock, and hardwares of all kinds.*
17. *To carry on the business of electric power, light and supply company in all its branches and in particular to construct, lay down, establish, fix and carry out all necessary power stations, cable, wires, lines accumulators, lamps and works and to generate, accumulators, lamps and works, distribute and supply electricity and to light cities, towns, streets, docks, markets, theatres, places of amusement and instruction, building and places both public and private.*
18. *To carry on the business of electricians, electrical and mechanical, manufacturing and consulting engineers, manufacturers and suppliers of electricity for the purpose of light, heat, motive power or otherwise and manufacturers of and dealers in machinery, apparatus, instruments and things required for or capable of being used in connection with the generation, distribution, supply, accumulation, employment and use of electricity, galvanism, magnetism or otherwise.*
19. *To acquire from time to time by purchase, lease, exchange or otherwise, any lands, forests, buildings, hereditaments, property, assets, effects, rights, credits or royalties for the purposes of the Company, also to build and erect such buildings, factories, godowns, watertanks, sewage tanks, tenements as may be deemed desirable.*
20. *To develop the resources of and turn to account any lands and any rights over or connected with the land belonging to or in which the Company is interested, in particular by clearing, draining, fencing, planting, cultivating, building, improving, farming, irrigating, grazing and by promoting immigration and emigration and the establishment of villages, towns, settlements and colonies.*
21. *To acquire and take over recipes, formulae and full information as to the processes of manufacturing and the right to manufacture and deal in pulp, paper, board and all other substances, articles and things which the Company is authorized to manufacture or deal in.*
22. *To extend the business of the Company by improving, adding, or altering or enlarging all or any of the buildings, factories, mill premises, plant and machinery and equipment at any time being the property of or in the possession of the Company.*
23. *To manufacture, purchase or sell plant, machinery, stores and material for all or any of the purposes of the Company and to dispose of all or any portion of plant, machinery, stores and materials as may be necessary and expedient.*
24. *To carry on business as farmers, agriculturists and producers and growers of all kinds of herbs, plants and trees and plant, grow or cultivate all kinds of herbs, plants or trees whatsoever as may be required for the use of any of the products of the Company and generally to undertake and carry out all agricultural work and*

for that purpose to own lands, forests and farms and gardens and equip them with all materials, to cultivate, grow, produce or deal in any vegetable products for the time being required for any of the manufacture which the Company is authorized to undertake and to carry on all or any of the business of farmers, dairymen, milk contractors, surveyors and venders of milk, cream, cheese, butter, poultry and provisions of all kinds, growers of and dealers in corn, hay and straw, seedmen and nurserymen, and to buy, sell and trade in any goods usually traded in any of the above businesses or any other businesses associated with the farming interests which may be advantageously carried on by the Company.

25. *To purchase, charter, hire, construct, operate, equip and maintain ships, boats, barges, lighters, vessels, motor lorries, trailers, tractors, railway locomotives, wagons, aeroplanes, mills, warehouses, godowns, docks, piers, jetties, wharves, dolphins, moorings, navigation aids, railways, ropeways, sidings, waterways, ducts, channels, telephones and other communications equipments, conveyers, carts, electric power lines, aerial and underground, steam mains and any other conveniences or erections suitable for any of the purposes and to carry on the business for the purposes and to carry on the business of the shipping, cleaning, forwarding and freight agents, transport of the products by the Company and bamboos, timber, wood, grass by railway, road, waterways, rivers, airways and all other means.*
26. *To undertake the payment of all rent and the performance of all covenants, conditions and agreements contained in and reserved by any lease that may be granted or assigned to or be otherwise acquired by the Company and to purchase the reversion and reversions or otherwise acquire the freehold or free-sample of all or any part of leasehold lands and buildings, for the time being the property or in possession of the Company.*
27. *To be interested in, promote and undertake the formation and establishment of such institutions, businesses or companies (industrial, agricultural, trading, manufacturing and/or others) as may be considered to be conducive to the profit, benefit and interest of the Company and to carry on any other business (industrial, agricultural, trading, manufacturing and/or other) which may seem to the Company capable of being conveniently carried on in connection with any of these objects or otherwise calculated, directly or indirectly, to render any of the Company's properties or rights for the time being profitable and also to acquire, promote, aid, foster, subsidise or acquire interests in any industry or undertaking.*
28. *To carry on the business of a water-works company in all its branches and to train rivers, sink all types of wells and shafts and to make, build and construct, lay down and maintain dams, reservoirs, water-works, cisterns, culvers, filter beds, mains and other pipes and appliances and to execute and do all the other acts and things necessary or convenient for obtaining, selling, delivering, measuring, distributing and dealing in water.*
29. *To establish, maintain, manage and operate restaurants, refreshment rooms, canteens, buffets, cafeterias and hostels and to carry on the business of general provision merchants, licensed victuallers, wine and spirit merchants and tobacconists.*

30. *To apply for, tender, purchase or otherwise acquire any contracts, sub-contracts, licenses and concessions for or in relation to the objects or business herein-mentioned or any of them and to undertake, execute, carryout, dispose of or otherwise turn to account the same.*
31. *To sell, lease or exchange the whole or any part of the property whether movable or immovable of the Company.*
32. *To make, draw, accept, endorse, discount, execute and issue cheques, promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.*
33. *To make advance upon or for the purchase of raw materials, goods, machinery, stores and other articles required for the purposes of the Company in such manner as the Directors may deem expedient.*
34. *To expend money in experimenting on and testing and in improving or seeking to improve any patents, rights, inventions, discoveries, processes or information of the Company or which the Company may acquire or propose to acquire.*
35. *To register, apply for, purchase or otherwise acquire, set or grant or turn to account, any patents, letters patent, brevets D'invention, concessions, licenses, inventions, rights and privileges, subject to royalty or otherwise and whether exclusive or non-exclusive or limited or any part interest therein and to manufacture and produce and trade and deal in all machinery, plant, articles, appliances and things capable of being manufactured, produced or traded in by virtue of or in connection with any such patents, letters patent, brevets by virtue of or in connection with any such patents, letters, patent, brevets D'invention, concessions, licences, inventions, rights or privileges as aforesaid.*
36. *To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on with all scientific and technical researches, experiments and tests of all kinds and to promote studies and researches both scientific and technical, investigations and inventions by providing, subsidizing, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remunerations of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants and bursaries to students or independent students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any of the business which the Company is authorized to carry on.*
37. *To purchase or acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business which the Company is authorized to carry on or possessed of property suitable for the purpose of the Company.*
38. *To carry on any other trade or business whether manufacturing or otherwise, which may seem to the Company capable of being carried on in connection with any of the Company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.*

39. *To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interests, co-operation, joint adventure, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorized to carry on or engage in, any business, undertaking or transaction which may seem capable of being carried on or conducted so as directly or indirectly to benefit this Company.*
40. *To pay for any properties, rights, or privileges acquired by the Company, either in shares of the Company or partly in shares and partly in cash, or otherwise.*
41. *To enter into any arrangements with any Government or authorities, municipal, local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such Government or authorities, any rights, privileges and concessions, which the Company may think it desirable to obtain and to carry out, execute and comply with any such arrangements, rights, privileges and concessions.*
42. *Subject to the provisions of the Banking Companies Act 1949, to borrow or raise money or to receive money on deposit with interest or otherwise in such manner as the Company may think fit and in particular by the issue of debentures or debenture stock convertible into shares of this Company or perpetual annuities and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and purchase, redeem or pay off any such securities.*
43. *To accumulate funds and to lend, invest or otherwise employ money belonging to or entrusted to the Company upon any share, securities or investments upon such terms as may be thought proper and from time to time vary such transactions in such manner as the Company may think fit.*
44. *To invest and deal with the moneys of the Company in any investments, movable or immovable in such manner as may from time to time seem expedient and be determined.*
45. *To sell and in any other manner deal with or dispose of the undertaking of the Company or any part thereof, for such consideration as the Company may think fit and in particular for shares, debentures and other securities of any other company having objects altogether or in part similar to those of the Company.*
46. *To create any depreciation fund, reserve fund, dividend equalization, sinking fund, charity, propaganda fund, insurance fund or any special or other fund whether for depreciation or for repairing, improving, extending or maintaining, any of the property of the Company or for redemption of debentures or Redeemable Preference Shares or for any other purpose whatsoever conducive to the interest of the Company.*

47. *To guarantee the payment of money, unsecured or secured, by or payable under or in respect of promissory notes, bonds, debentures, debenture stock, contracts, mortgages, charges, obligations, instruments and securities of any company or of any authority supreme, municipal, local or otherwise or any person whomsoever whether incorporated or not incorporated and in general to guarantee or become securities for the performance of any contracts or obligations.*
48. *To promote industrial, commercial and trade concerns with limited liability or otherwise.*
49. *To act as Managing Agents and / or secretaries and treasurers, representatives, commission agents, selling agents of industrial, commercial and trade concerns, to make advances and afford credit and other facilities with or without security and upon such terms as the Company may approve.*
50. *To provide for the welfare of employees or ex-employees of the Company and the wives and families of dependents or connections of such persons by building or contributing to the buildings or contributing to the buildings of houses, dwellings or chawls or by grants of money, pension, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts by providing or subscribing or contributing towards places of instruction and recreation, hospital and dispensaries, Medical and other attendance and other assistance as the Company shall think fit and to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other intuitions, or objects, which shall have any moral or other claim to support or aid by the Company either by reason of locality or operation or of public and general utility or otherwise.*
51. *To adopt such means of making known the products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works, arts of interest, by publication of books and periodicals and by granting prizes, rewards and donations.*
52. *To dedicate, present or otherwise dispose of, either voluntarily or for value, any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation or authority or any trustees for or on behalf of any of the same or the public.*
53. *To appropriate use of layout land belonging to the Company for streets, parks, pleasure grounds, allotments and other conveniences and to present any such land so laid out to the public or to any person or company conditionally or unconditionally as the Company thinks fit.*
54. *To aid pecuniarily or otherwise, any association, body or movement having for an object the solution, settlement or surmounting of industrial or layout problems or troubles for the promotion of industry or trade.*
55. *To advance, deposit with or lend money, securities and property to or receive loans or grants or deposits from Government or any person or company.*

56. *To acquire any shares, stocks, debentures, debenture stock, bonds, obligations or securities by original subscriptions, participation in syndicates, tender, purchase, exchange or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof.*
57. *To guarantee or become liable for the performance of the obligations of and the payment of dividends and interest on any stock, shares, debentures or securities of any company, corporation, association of person or persons in any case in which such guarantee may be considered likely directly or indirectly to further the objects of the Company or the interests of its Members and in particular of any company of which this Company are the Managing Agents or Managers or Agents, Secretaries and Treasurers.*
58. *Subject to the provisions of the Banking Companies Act 1949, to receive money on deposit, lend money to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealing with the company and to guarantee the performance of contracts by any such persons or companies.*
59. *To use trade marks or trade names or brands for the products and goods of the Company and adopt such means of making known the businesses and/or products of the Company or of any company in which this Company is interested as may seem expedient and in particular by advertising in newspapers, magazines, periodicals, by circulars, by purchase and exhibition of works of art of interest, by opening stalls and exhibitions, by publication of books and periodicals, by distributing samples and by granting prizes, rewards and donations.*
60. *To establish and maintain agencies, branch places and local registers and procure the Company to be registered or recognized and to carry on business in any part of the world.*
61. *To distribute any of the property of the Company among the Members in specie or kind so that no distribution amounting to a reduction of capital shall be made except with the sanction (if any) for the time being required by law.*
62. *To subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public, political or other institution or objects or for any exhibition.*
63. *To pay all costs, charges and expenses, if any, incident to the promotion, formation, registration and establishment of the Company and the issue of its capital and charge in connection therewith and to remunerate or make donations to (by cash or other assets or by allotment of fully or partly paid shares or by a call or option on shares, debentures, debenture stock or securities of this or any other company or in other manner, whether out of the Company's capital or profits or otherwise) any person, persons or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the Shares of the Company's capital or any Debentures, Debenture stock or other securities of the Company or in the conduct of its business or in introducing any property or business of the Company or for any other reason which the Company may think proper.*

64. *To do all or any of the above things and all such other things as are incidental or as may be thought conducive to the attainment of the above objects or any of them in India or any other part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents, or otherwise and either alone or in conjunction with others and so that the word COMPANY in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority, partnership or other body of persons whether incorporated or not incorporated and whether domiciled in India or elsewhere.*
65. *IT IS HEREBY DECLARED that the intention is that the objects set forth in the several paragraphs of this clause shall have the widest possible construction and that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be independent main objects and shall be in no way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.”*

4. The share capital structure of the Applicant/Transferee Company as on 31st May, 2014 was as under:

Share Capital	Amount in Rs.
Authorised	
20,00,00,000 equity shares of Rs. 10 each	200,00,00,000
3,00,00,000 redeemable preference shares of Rs. 100 each	300,00,00,000
Total	500,00,00,000
Issued, Subscribed and Paid-up	
13,66,20,625 equity shares of Rs. 10 each	136,62,06,250
Total	136,62,06,250

The Equity Shares of the Applicant/Transferee Company are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). There is no material change in the capital structure of the Applicant/Transferee Company as on date

5. JK Enviro-Tech Limited, the Transferor Company was incorporated on 19th December 2007 under the Act in the National Capital Territory of Delhi and Haryana. The Registered Office of the Transferor Company was shifted to the State of Gujarat pursuant to the order dated 16th April 2013 of the Regional Director, Northern Region, Noida and which order was registered by the Registrar of Companies, Gujarat, Dadra & Nagar Havelli on 10th July 2013. The registered office of the Transferor Company is situated at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat.
6. The main objects for which the Transferor Company has been incorporated are set out in its Memorandum of Association. The main objects of the Transferor Company are as follows:
1. *To establish, operate, run and maintain lime kilns for environmental protection or undertake any projects for ecological upgradation including Research & Development in the field of Pollution Control Filtration and treatment plants in India or elsewhere.*

2. *To carry on the business of manufacturing, erecting, designing developing, installing, managing plan lay out, assisting in construction on turnkey basis or otherwise, all types of Pollution Control Equipments, filtration and treatment plant for waste, sewage, other effluents liquid, solid or gases, whether industrial or otherwise.*
3. *To manufacture, import, export, buy, sell, let on hire, exchange, alter, improve, manipulate, prepare for market and/or otherwise deal in or distribute all kinds of machineries, machine parts, tools and apparatus for lime kilns or environmental protection or pollution control."*

7. The share capital structure of the Transferor Company as on 31st May, 2014 was as under:-

Share Capital	Amount in Rs.
Authorised	
1,00,00,000 equity shares of Rs.10 each	10,00,00,000
5,00,000 preference shares of Rs.100 each	5,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up	
49,50,600 equity shares of Rs.10 each	4,95,06,000
Total	4,95,06,000

The Equity Shares of the Transferor Company are not listed on any Stock Exchange in India.

There is no material change in the capital structure of the Transferor Company as on date.

8. The Applicant/Transferee Company holds 49,00,000 fully paid up equity shares of Rs. 10 each in Transferor Company representing 98.98% of the issued, subscribed and paid up share capital of the Transferor Company. The remaining 50,600 fully paid up equity shares of Rs. 10 each in the Transferor Company representing 1.02% of the issued, subscribed and paid up share capital are held by other bodies corporates and individuals as given below:

Name of the Shareholders	Number of Shares	Percentage Shareholding (%)
Bengal & Assam Co. Ltd.	50,000	1.01
Nav Bharat Vanijya Ltd.	100	0.002
Param Shubham Vanijya Ltd.	100	0.002
Juggilal Kamlapat Udyog Ltd.	100	0.002
Rouncy Trading Pvt. Ltd.	60	0.001
Sago Trading Ltd.	100	0.002
JK Credit & Finance Ltd.	100	0.002
N. K. Agarwal	5	0.000
Kamal Kumar Lakhotia	5	0.000
C. Muthaiyan	5	0.000
N.K. Khanna	5	0.000
Y.B. Purohit	5	0.000
S. Goswami	5	0.000
Surendra Behani	5	0.000
O.P. Shukla	5	0.000

9. **BACKGROUND AND RATIONALE TO THE SCHEME**

- (a) The Scheme of Arrangement *inter alia* provides for the transfer of the Lime Kiln undertaking of the Transferor Company to the Applicant/Transferee Company as a going concern on a slump sale basis.
- (b) The proposed Scheme shall result in :-
- (i) consolidation of the businesses presently being carried on by the Transferor Company through the Lime Kiln Undertaking with the businesses of the Applicant/ Transferee Company which shall be beneficial to the interests of the shareholders, creditors and employees of both the companies and to the interests of public at large, as such consolidation shall create greater synergies between the businesses and shall facilitate the more effective utilisation of the Lime Kiln Undertaking by utilisation of the management, administrative, technical skills and resources of the Applicant/Transferee Company;
 - (ii) creation of value for shareholders of the Applicant/Transferee Company;
 - (iii) creation of greater management focus and easier, speedy decision process to achieve strategic advantage;
 - (iv) better administration and cost reduction (including reduction in administrative and other common costs);
 - (v) alignment, coordination and streamlining of day to day operations of businesses; and
 - (vi) creation of synergies of operations besides economies of administrative and managerial costs by combining operations, which will result in improved performance and enhance shareholders' value.

10. **SALIENT FEATURES OF THE SCHEME**

The salient features of the Scheme are as follows (In this paragraph, the Applicant/Transferee Company is referred to as the Transferee Company):

“**Appointed Date**” means April 01, 2013, being the date with effect from which this Scheme shall, upon sanction by the Court, be deemed to be effective.

“**Effective Date**” has the meaning ascribed to such term in Clause 6.5. Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “after this Scheme becomes effective” means and refers to the Effective Date”.

“**Lime Kiln Undertaking**” means the Transferor Company’s business, activities and operations pertaining to the lime sludge re-burning plants located within the premises of Unit – JKPM and Unit – CPM of the Transferee Company located at Jaykaypur, District –Rayagada, Odisha and Fort Songadh, District – Tapi, Gujarat, respectively, and comprising of all the assets and liabilities, which relate thereto or are necessary therefore and including specifically the following:

- (i) all assets, title, properties, interests, investments, loans, advances and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible,

intangible or contingent, exclusively used or held, by the Transferor Company in, or otherwise identified for use in, the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business;

- (ii) all debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business;
- (iii) all contracts, agreements, leases, leave and licences, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Transferor Company is a party, exclusively relating to the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business;
- (iv) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names exclusively used by or held for use by the Transferor Company in the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business;
- (v) all permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights and any waiver of the foregoing issued by any legislative, executive or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority exclusively used or held for use by the Transferor Company in the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business; and
- (vi) all such permanent employees of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company after the date hereof who are primarily engaged in or in relation to the Transferor Company's undertaking, business, activities and operations pertaining to the lime sludge re-burning business.

"Record Date" means the date to be fixed by the Board of Directors of the Transferor Company in terms of Clause 6.7.

“Residual Undertaking” means all the undertakings, businesses, activities and operations of the Transferor Company other than the Lime Kiln Undertaking.

“Transfer and Vesting”

3.1.1 Upon this Scheme becoming effective, and with effect from the Appointed Date, the Lime Kiln Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company, which shall be deemed to have acquired the Lime Kiln Undertaking from the Transferor Company, as a going concern on slump sale basis, without any further deed or act, together with all its properties, assets, liabilities, rights, benefits and interest therein, subject to existing charges or lispendens, if any, thereon.

Payment of Consideration

4.1.1 Upon this Scheme becoming effective and in consideration of and subsequent to the transfer of the Lime Kiln Undertaking by the Transferor Company to the Transferee Company in terms of Part-III of this Scheme, the Transferee Company shall be liable to pay an amount of Rs. 1,59,00,000 (Indian rupees one crore and fifty nine lakhs) to the Transferor Company, as lump sum purchase consideration.

4.1.2 The lump sum purchase consideration set forth in Clause 4.1.1 is based on the valuation of the Lime Kiln Undertaking approved by the Board of Directors of the Transferor Company and the Transferee Company, based on their independent judgment and after taking into consideration the valuation report of SS Kothari Mehta & Co. dated 15 July 2013. The Transferee Company engaged ICICI Securities Limited as the merchant banker to provide a fairness opinion in this regard, and pursuant to such engagement, ICICI Securities Limited has issued an opinion dated 17 July 2013, stating that the valuation mentioned above is fair. The Board of Directors of the Transferor Company and the Transferee Company based on and relying upon the aforesaid expert advice, and on the basis of their independent evaluation and judgment, have come to the conclusion that the proposed payment of the lump sum purchase consideration in terms of Clause 4.1.1 is fair and reasonable and have approved the same at their respective meetings on July 19, 2013.

Accounting Treatment

4.2.2 Accounting treatment in the books of the Transferee Company, upon this Scheme becoming effective and upon the arrangement becoming operative:

- (i) The Transferee Company shall account for the transactions contemplated in this Scheme at its purchase cost and apportion it appropriately.
- (ii) The loss arising in the books of the Transferee Company, as a result of the diminution in value of the investments made in the Transferor Company by the Transferee Company shall be charged to the statement of profit and loss of the Transferee Company.
- (iii) An amount equivalent to the aforementioned diminution in value of the investments, i.e., Rs. 5,04,36,444 (Indian rupees five crore four lakhs thirty six thousand four hundred and forty four), shall be transferred from the securities premium reserve to the statement of profit and loss.

Conditions to the effectiveness of the Scheme

6.5 This Scheme shall become effective on the last of the following dates (“Effective Date”):

- (i) the date on which this Scheme being approved by the Court; and
- (ii) the date(s) on which the certified copies of the relevant orders of the Court are filed with the Registrar of Companies, Gujarat at Ahmedabad, by the Transferee Company and the Transferor Company, respectively.

The Transferee Company shall comply with the provisions of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013, as modified by SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, while *inter alia* procuring the approval of the public shareholders of the Transferee Company and shall provide for voting by such public shareholders through postal ballot and e-voting. For the purposes of this Clause 6.5, the term ‘public’ shall have the meaning ascribed to such term under Rule 2 of Securities Contracts (Regulation) Rules, 1957.

The aforesaid are only the salient features of the Scheme. You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

11. The Applicant/Transferee Company has received, in terms of Clause 24 of the Listing Agreement, observation letters from BSE and NSE conveying their no objections for filing the scheme with the High Court of Gujarat at Ahmedabad. In accordance with Circular No. CIR/CFD/DIL/5/2013 dated 4thFebruary 2013 issued by the Securities and Exchange Board of India as amended vide Circular No. CIR/CFD/DIL/8/2013 dated 21stMay 2013 (“SEBI Circulars”), the aforesaid observation letters are attached as **Annexure 1A** and **Annexure 1B** to this explanatory statement.
12. In terms of the SEBI Circulars, a copy of complaints report dated 17thOctober 2013 submitted by the Company to BSE and NSE is attached as **Annexure 2** to this explanatory statement.
13. The rights and interests of the members and the creditors of the Applicant/Transferee Company will not be prejudicially affected by the Scheme.
14. No investigation proceedings have been instituted or are pending in relation to the Applicant/Transferee Company under Sections 235 to 251 of the Act or their equivalent provisions under Companies Act, 2013.
15. The directors of the Transferor Company and Applicant/Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the said Companies, or to the extent the said directors are common directors in the Companies.
16. The details of the present directors of the Transferor Company and their shareholding in each of the Transferor Company (“A”), and Applicant/Transferee Company (“B”) either singly or jointly as on 15thJuly 2014 are as follows:

S. N.	Name of Director	Age Yr	Position	Equity shares held	
				A	B
1.	Sh. O.P.Goyal	71	Director	Nil	3692
2.	Sh. P.S.Sharma	79	Director	Nil	Nil
3.	Sh. U.K.Gupta	56	Director	Nil	Nil

17. The details of the present directors of the Applicant/Transferee Company and their shareholding in each of the Transferor Company ("A") and Applicant/Transferee Company ("B") either singly or jointly as on 15th July 2014 are as follows:

S. N.	Name of Director	Age Yr	Position	Equity shares held	
				A	B
1.	Sh. Bharat Hari Singhania	76	Chairman	Nil	Nil
2.	Sh. Harsh Pati Singhania	52	Vice Chairman & Managing Director	Nil	1,31,250
3.	Sh. Arun Bharat Ram	73	Director	Nil	Nil
4.	Sh. Dharendra Kumar	71	Director	Nil	Nil
5.	Sh. M.H. Dalmia	72	Director	Nil	Nil
6.	Sh. R.V.Kanoria	59	Director	Nil	Nil
7.	Sh. Shailesh Haribhakti	58	Director	Nil	Nil
8.	Sh. Shailendra Swarup	69	Director	Nil	Nil
9.	Sh. Udayan Bose	65	Director	Nil	Nil
10.	Smt. Vinita Singhania	62	Director	Nil	87,500
11.	Sh. Wilhelmus Johannes Maria Wienk	60	Director	Nil	Nil
12.	Sh. O.P.Goyal	71	Whole-time Director	Nil	3692

Note: Pursuant to the Probate granted by the Hon'ble High Court of Bombay, 1,75,000 (0.13%) shares standing registered in the name of Shri Hari Shankar Singhania, erstwhile Chairman (since deceased) stand temporarily vested with the executors to the estate of Late Shri Hari Shankar Singhania, namely, Shri Bharat Hari Singhania and Shri Harsh Pati Singhania (both are the Directors of the Company) and Dr. Raghupati Singhania, pending allocation thereof to the respective beneficiaries/individuals, in terms of the Will of Late Shri Hari Shankar Singhania/ Probate granted by the High Court of Bombay, as aforesaid.

18. The directors, manager and key managerial personnel of the Transferee Company and their relatives do not have any concern or material interest in the Scheme otherwise than that as shareholders in general. The extent of the shareholding of the directors, manager and key managerial personnel of the Transferee Company in the Transferee Company and the Transferor Company as on 15th July 2014 is given below:

S. No	Name of the director/ manager/key managerial personnel	Designation	Equity Shares in the Transferee company	Equity Shares in the Transferor company
1	Sh. Bharat Hari Singhania	Chairman	Nil	NIL
2	Sh. Harsh Pati Singhania	Vice Chairman & Managing Director	1,31,250	Nil
3	Sh. Arun Bharat Ram	Director	Nil	Nil
4	Sh. Dharendra Kumar	Director	Nil	Nil
5	Sh. M.H. Dalmia	Director	Nil	Nil

S. No	Name of the director/ manager/key managerial personnel	Designation	Equity Shares in the Transferee company	Equity Shares in the Transferor company
6	Sh. R.V.Kanoria	Director	Nil	Nil
7	Sh. Shailesh Haribhakti	Director	Nil	Nil
8	Sh. Shailendra Swarup	Director	Nil	Nil
9	Sh. Udayan Bose	Director	Nil	Nil
10	Smt. Vinita Singhania	Director	87,500	Nil
11	Sh. Wilhelmus Johannes Maria Wienk	Director	Nil	Nil
12	Sh. O.P.Goyal	Whole-time Director	3,692	Nil
13.	Sh. V. Kumaraswamy	Chief Finance Officer	Nil	Nil
14.	Sh. Suresh Chander Gupta	Company Secretary	Nil	Nil

Note: Pursuant to the Probate granted by the Hon'ble High Court of Bombay, 1,75,000 (0.13%) shares standing registered in the name of Shri Hari Shankar Singhania, erstwhile Chairman (since deceased) stand temporarily vested with the executors to the estate of Late Shri Hari Shankar Singhania, namely, Shri Bharat Hari Singhania and Shri Harsh Pati Singhania (both are the Directors of the Company) and Dr. Raghupati Singhania, pending allocation thereof to the respective beneficiaries/individuals, in terms of the Will of Late Shri Hari Shankar Singhania/ Probate granted by the High Court of Bombay, as aforesaid.

19. The shareholding pattern of the Applicant/Transferee Company as on 30th June 2014 is as set out below.

Class of Equity Shareholder	No. of Equity Shares Held	% holding
Domestic Companies	8,22,78,155	60.22
Resident Individuals & Trusts	3,38,65,621	24.79
FIs, Mutual Funds & Banks	72,72,234	5.32
Foreign Investors/ FIIs / NRIs	1,32,04,615	9.67
TOTAL	13,66,20,625	100.00

20. Upon the Scheme becoming effective and in consideration of and subsequent to the transfer of the Lime Kiln Undertaking of the Transferor Company in terms of Part III of the Scheme, the Applicant/Transferee Company shall be liable to pay an amount of Rs. 1,59,00,000/- to the Transferor Company, as lump sum purchase consideration.
21. The Board of Directors of the Transferor Company and the Transferee Company have at their respective meetings held on 19th July 2013 by resolution passed, unanimously approved the Scheme.
22. The Company has obtained valuation report dated 15th July 2013 from Independent Chartered Accountant, M/s. S.S. Kothari Mehta & Co., and fairness opinion dated 17th July 2013 from an independent merchant banker, ICICI Securities Ltd. The valuation report

and the fairness opinion were also placed before the Board of Directors and the same were taken into account while approving the Scheme in the meeting held on 19th July 2013 of the Transferor Company and the Applicant/Transferee Company.

23. In accordance with the SEBI Circulars, the Audit Committee of the Transferee Company had on 19 July 2013 recommended the Scheme to the Board of Directors of the Transferee Company for approval.
24. The financial position of the Applicant/Transferee Company will not be adversely affected by the Scheme. The rights and interests of the creditors of the Applicant/Transferee Company will not be prejudicially affected by the Scheme as the Applicant/Transferee Company is meeting and will be able to meet its liabilities as they arise in ordinary course of business. Further, the rights and interests of the shareholders and the creditors of the Applicant/Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
25. No winding up petition is pending and/or admitted against the Applicant/Transferee Company.
26. An Equity Shareholder entitled to attend and vote at the meeting of the Equity Shareholders of the Applicant/Transferee Company being convened on Friday, the 05th day of September, 2014 at the Registered Office of the Applicant Company, situated at, P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat at 11:00 A.M., is entitled to appoint a proxy to attend and vote. The instrument appointing the proxy should be deposited at the registered office of the Applicant/Transferee Company not later than 48 (forty eight) hours prior to the time of commencement of the meeting.
27. Corporate Shareholders intending to send their authorized representative to attend the meeting are requested to lodge a certified true copy of the Board Resolution/Power of Attorney not later than 48 (forty eight) hours before the time of commencement of the meeting at the Registered Office of the Applicant/Transferee Company authorizing such person to attend and vote on its behalf at the respective meeting.
28. The following documents will be open for inspection by the Equity Shareholders of the Applicant/Transferee Company upto September 4, 2014 at the registered office of the Applicant/Transferee Company between 10:00 hours and 13:00 hours on all working days (Monday to Friday).
 - (a) Copy of Company Application No. 178 of 2014 filed by the Applicant/Transferee Company;
 - (b) Copy of the Company Application No. 179 of 2014 filed by the Transferor Company;
 - (c) Copy of the Order of the Hon'ble High Court of Gujarat at Ahmedabad dated 10th July, 2014 in the above Company Application No. 178 of 2014 and Company Application No. 179 of 2014;
 - (d) Copies of the Memorandum and Articles of Association of the Transferor Company and Applicant/Transferee Company;
 - (e) Audited Financial Statements of the Transferor Company for the last three (3) financial years, i.e. FY 2012-2013, FY 2011-2012 and FY 2010-2011;

- (f) Audited Financial Statements of the Transferee Company for the last three (3) financial years, i.e. FY 2012-2013, FY 2012-2011 and FY 2010-2011;
- (g) The Scheme of Arrangement;
- (h) Report dated 19th July 2013 from the Audit Committee of the Applicant/Transferee Company recommending the Scheme to the Board of Directors of the Applicant/Transferee Company;
- (i) Copies of the resolutions dated 19th July 2013 passed by the Board of Directors of the Applicant/Transferee Company and Transferor Company approving the Scheme;
- (j) Copy of compliance report dated 11.09.2013 with respect to compliance with Clause 49 of the Listing Agreement;
- (k) Copy of complaints report dated 17th October 2013 submitted by the Company to BSE Limited and National Stock Exchange of India Limited;
- (l) Copy of net worth certificate dated 19th July 2013 of M/s. S.S. Kothari Mehta & Co., Chartered Accountants certifying the networth (after excluding revaluation reserve, if any) of the Applicant/Transferee Company pre and post the acquisition of the Lime Kiln Undertaking from Transferor, together with related workings;
- (m) Copy of valuation report dated 15th July 2013 of M/s S.S. Kothari Mehta & Co., Chartered Accountant;
- (n) Copy of Fairness Opinion dated 17th July 2013 of ICICI Securities Limited, an independent Merchant Banker;
- (o) Copies of observation letters dated 5th May 2014 and 6th May 2014 received from NSE Limited and BSE in this regard;

29. This statement may be treated as the statement under Section 393 of the Act. A copy of the Scheme and this statement may also be obtained by the Equity Shareholders of the Applicant/Transferee Company up to September 4, 2014 at the registered office of the Applicant/Transferee Company between 10:00 hours and 13:00 hours on all working days (Monday to Friday).

For JK PAPER LIMITED

Sd/-

(Suresh Chander Gupta)
Company Secretary

Dated this 24 day of July, 2014.



BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234 / 33 F: +91 22 2272 1003 www.bseindia.com
 CIN NO:U67120MH2005PLC155188

DCS/AMAL/PS/24(f)/037/2014-15

May 06, 2014

The Company Secretary
JK Paper Limited.
 P O Central Pulp Mills, Fort Songadh,
 Surat, Gujarat – 394 660.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between JK Enviro-Tech Limited & JK Paper Limited.

We are in receipt of draft Scheme of Arrangement involving transfer and vesting of Lime Kiln undertaking of JK Enviro-Tech Limited to and in JK Paper Limited

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated May 02, 2014 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated May 5, 2014 given the following comment(s) on the draft scheme of arrangement:

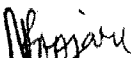
- *Listed Company shall ensure that the additional document submitted by the company with respect to rationale for two different valuations as submitted vide letter dated December 20, 2013 and email dated April 29, 2014 to SEBI are displayed from the date of receipt of this letter on the website of the listed company along with various documents submitted pursuant to the circulars*
- *The company shall duly comply with various provisions of the Circulars.*


Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

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

Yours faithfully,


 Bhushan Mokashi
 Asst. Gen. Manager



Pooja Sanghvi
 Asst. Manager



NATIONAL STOCK EXCHANGE
OF INDIA LIMITED



Stock of the nation

Ref: NSE/LIST/237772-5

May 05, 2014

The Company Secretary
JK Paper Limited
Nehru House,
4, Bahadur Shah Zafar Marg,
New Delhi - 110002

Kind Attn.: Mr. Suresh Chander Gupta

Dear Sir,

Sub.: Observation letter for Scheme of Arrangement between JK Enviro-Tech Limited and JK Paper Limited and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement under sections 391 to 394 of the companies Act, 1956 between JK Enviro-Tech Limited and JK Paper Limited and their respective shareholders and creditors submitted to NSE vide your letter dated September 27, 2013.

Based on our letter reference no NSE/LIST/217769-T submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated May 05, 2014, has given following comments on the draft scheme of arrangement:

- "a) Company to ensure that additional information submitted by JK Paper Limited with respect to the rationale for two different valuations as submitted vide letter dated December 20, 2013 to BSE and email dated April 29, 2014 to SEBI is displayed from the date of receipt of this letter on the websites of the listed company along with various documents submitted pursuant to the Circulars.
- b) The company shall duly comply with various provisions of the Circulars."

Accordingly, we do hereby convey our 'no-objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with the Hon'ble High Court.

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

The validity of this "Observation Letter" shall be six months from May 05, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

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



Continuation Sheet

Ref: NSE/LIST/237772-5

May 05, 2014

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nscindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer : Patel Kamlesh
Date: Mon, May 5, 2014 15:41:58 IST
Location: NSE



JK PAPER LTD.

Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110002



Complaints Report
(for the period 24.09.2013 to 14.10.2013)

[in terms of Securities and Exchange Board of India circular no. CIR/CFD/DIL/5/2013 dated February 04, 2013 in relation to the proposed Scheme of Arrangement between JK Enviro-tech Limited and JK Paper Limited]

Part A

SI No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by stock exchanges	Nil
3.	Total Number of complaints /comments received (1 + 2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

SI NO.	Name of complainant	Date of Complaint	Status (Resolved/Pending)
1.	Not Applicable	Not Applicable	Not Applicable

For JK Paper Limited

Suresh Chander Gupta
Company Secretary

Date: 17th October 2013
Place: New Delhi



Admn. Office : Ph.: 91-11-33001132, 33001112, 23311112-5, Fax: 91-11-23712680, Website: www.jkpaper.com
Regd. Office : PO. Central Pulp Mills, Fort Songadh, Dist. Tapi (Guj.)-394660
Ph: 91-2624-220228 / 220278-80, Fax: 91-2624-220138, E-mail: cpni@cpmjk.jkmail.com

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(IN ITS ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 178 OF 2014**

In the matter of the Companies Act, 1956;

And

In the matter of Application under Sections 391-394
and other provisions of the Companies Act, 1956;

And

In the matter of JK Paper Limited,
[CINL21010GJ1960PLC018099], a public limited
company incorporated under the provisions of the
Companies Act, 1956, having its Registered Office
at P.O. Central Pulp Mills – 394 660, Fort Songadh,
District Tapi, Gujarat;

And

In the matter of Scheme of Arrangement between JK
Enviro-tech Limited and JK Paper Limited and their
respective Shareholders and Creditors.

JK Paper Limited,)	
[CIN L21010GJ1960PLC018099], a public limited)	
company incorporated under the provisions of the)	
Companies Act, 1956, having its Registered Office)	
at P.O. Central Pulp Mills – 394 660, Fort Songadh,)	...Applicant
District Tapi, Gujarat)	Company

FORM OF PROXY

I/We, the undersigned, as an Equity Shareholder of JK Paper Limited (the "Company"), hereby appoint _____ of _____, and failing him/her _____, of _____, as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Company, to be held at the Registered Office of the Company, situated at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat, on Friday, the 05th day of September, 2014 at 11:00 A.M., for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme

of Arrangement between JK Enviro-tech Limited and JK Paper Limited and their respective Shareholders and Creditors (“the Scheme”) and at such meeting and any adjournment thereof, to vote, for me / us and in my / our name **For/Against** the said Scheme as my/ our proxy may approve.

Dated this _____ day of 2014.

Signature:

Name:

Address:

Notes:

- (1) Please affix Re.1/- revenue stamp before putting signature.
- (2) The proxy must be deposited at the Registered Office of JK Paper Limited at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat at least 48 hours before the time of holding the meeting.
- (3) Strike out which is not necessary.
- (4) All alterations made in the Form of Proxy should be initialled.
- (5) Bodies Corporate would be required to deposit certified copies of Board Resolution/Power of Attorney, as the case may be, authorizing the Individuals named therein, to attend & vote at the meeting on its behalf. These documents must be deposited at the Registered Office of JK Paper Limited situated at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat at least 48 hours before the time of holding the meeting.

JK Paper Limited

Registered Office: P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi,
Gujarat.

ATTENDANCE SLIP

I/We hereby record my/our presence at the court convened meeting of the Equity Shareholders of JK Paper Limited having its Registered Office at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat (convened pursuant to the order dated 10th day of July, 2014 of the High Court of Gujarat at Ahmedabad) at P.O. Central Pulp Mills – 394 660, Fort Songadh, District Tapi, Gujarat, on 05th day of September, 2014 at 11:00 A.M.

**Name(s) (of the
Equity Shareholder)**

**Name of the Authorised
representative/proxy**

Address

Shareholder/Authorized Signatory's Signature

Proxy's Signature

NOTES :

1. Equity Shareholders/Proxies are requested to bring this slip with them.
2. Equity Shareholders attending the meeting in person or through authorized representative or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting place.