Genus Power Infrastructures Limited

Registered Office: 213, J.S. Arcade, Sector-18, Noida, Uttar Pradesh - 201301
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Court Convened Meeting of the Un-Secured Creditors of

GENUS POWER INFRASTRUCTURES LIMITED

Day : **Tuesday**

Date : **23rd October, 2012**

Time : **3:00 P.M.**

Venue : **SPL-3, RIICO Industrial Area , Sitapura, Tonk Road, Jaipur-302022 (Rajasthan)**

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IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD

ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 13 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF AN APPLICATION UNDER SECTION 391 AND 394 OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
GENUS PAPER PRODUCTS LIMITED
(Transferor / Non-Applicant Company)
AND
GENUS POWER INFRASTRUCTURES LIMITED
(Demerged / Applicant Company)
AND
GENUS PAPER & BOARDS LIMITED
(Resulting / Non-Applicant Company)

GENUS POWER INFRASTRUCTURES LIMITED

……APPLICANT

NOTICE CONVENING THE MEETING OF THE UN-SECURED CREDITORS OF GENUS POWER INFRASTRUCTURES LIMITED

To,
The Un-Secured Creditors of
Genus Power Infrastructures Limited, Demerged Company

TAKE NOTICE that by an Order dated the 10th September, 2012 in the above Company Application No. 13 of 2012, the Hon'ble High Court of Judicature at Allahabad has directed that a meeting of the Un-Secured Creditors of Genus Power Infrastructures Limited, the Demerged Company be held at **SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022 (Rajasthan) on Tuesday, 23rd day of October 2012, at 03:00 P.M.**, for the purpose of considering and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Genus Paper Products Limited (Transferor/ Non-Applicant Company) and Genus Power Infrastructures Limited (Demerged/ Applicant Company) and Genus Paper & Boards Limited (Resulting / Non-Applicant Company).

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Un-Secured Creditors of the Demerged Company will be held at **SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022 (Rajasthan) on Tuesday, 23rd day of October 2012, at 03:00 P.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 or your authorized representative is deposited at the registered office of the Demerged Company at 213, J.S. Arcade, Sector-18, Noida- 201301, U.P, not later than 48 hours before the meeting.

This Hon'ble Court has appointed Shri Ashok Kumar, Advocate as Chairman and Shri Harsh Vardhan Mehrotra, Advocate as Alternate Chairman of the said meeting.

A copy of the explanatory statement under Section 393 of the Companies Act, 1956, the Scheme of Arrangement, form of proxy and attendance slip is enclosed.

Sd/-
Ashok Kumar
Chairperson appointed for the meeting

Dated this 17th day of September, 2012

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only Un-Secured Creditors of the Demerged Company may attend and vote (either in person or by proxy or by authorized representative under Section 187 of the Companies Act, 1956) at the Un-Secured Creditors meeting. The representative of a body corporate which is a Un-Secured Creditor of the Demerged Company may attend and vote at the Un-Secured Creditors meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Demerged Company not later than 48 hours before the meeting authorizing such a representative to attend and vote at the Un-Secured Creditors meeting.
3. The Un-Secured Creditors/ Proxies/ Authorized Representatives are advised to bring original photo identity for verification.

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 13 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF AN APPLICATION UNDER SECTION 391 AND 394 OF THE COMPANIES ACT, 1956
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BETWEEN
GENUS PAPER PRODUCTS LIMITED
(Transferor / Non-Applicant Company)
AND
GENUS POWER INFRASTRUCTURES LIMITED
(Demerged / Applicant Company)
AND
GENUS PAPER & BOARDS LIMITED
(Resulting / Non-Applicant Company)

GENUS POWER INFRASTRUCTURES LIMITED

…….APPLICANT

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

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1 Pursuant to an Order dated the 10th September, 2012 passed by the Hon'ble High Court of Judicature at Allahabad in the Company Application referred to hereinabove, a meeting of the Equity Shareholders, Secured and Unsecured Creditors of the Demerged / Applicant Company are being convened at SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022 (Rajasthan) on Tuesday, the 23rd day of October, 2012 at 11:00 A.M., 2:00P.M and 3:00 P.M. respectively, for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement ('the Scheme') between Genus Paper Products Limited (Transferor/ Non-Applicant Company) and Genus Power Infrastructures Limited (Demerged/ Applicant Company) and Genus Paper & Boards Limited (Resulting/ Non-Applicant Company). A copy of the Scheme is attached to this Explanatory Statement.

2 The proposed Scheme envisages amalgamation of Genus Paper Products Limited into Genus Power Infrastructures Limited and demerger of 'Non Power Infrastructure Undertaking' of Genus Power Infrastructures Limited into Genus Paper & Boards Limited pursuant to the relevant provisions of the Companies Act, 1956. This Scheme also provides for matters connected or consequential or otherwise integrally connected therewith with the end and intent of realigning the business operations undertaken in the interest of stakeholders.

The composite scheme is in the interests of the shareholders, creditors and employees of each of the companies as it would result in enhancement of shareholder's value, enable creation of two listed entities with focused business operations and approach which will facilitate the management to vigorously pursue growth and expansion opportunities.

3 A copy the following resolution is submitted for the approval, at the meeting of the Equity Shareholders, Secured and Unsecured Creditors of the Demerged Company:

"**RESOLVED THAT** the Arrangement embodied in the Scheme of Arrangement between Genus Paper Products Limited, Genus Power Infrastructures Limited and Genus Paper & Boards Limited and their respective shareholders and creditors as placed before the meeting be and is hereby approved subject to the said Scheme being sanctioned by the Hon'ble High Court of Judicature at Allahabad under Section 391-394 and other applicable provisions, if any, of the Companies Act, 1956, and such other approvals as may be required.

RESOLVED FURTHER that any director / member of the Restructuring Committee, Mr. N.L. Nama, AVP (Finance and Accounts), Mr. Ankit Jhanjhari, Company Secretary and Mr. Rakesh Agarwal, Authorised Signatory of the Company, be and are hereby severally authorized to make such alteration and changes therein or to withdraw the Scheme, as may be expedient or necessary for satisfying the requirement or conditions imposed by the Hon'ble Court or other regulatory authorities or otherwise, provided that prior approval of the Board shall be obtained for making any material changes in the said draft Scheme as approved in this meeting."

4 The Board of Directors of Transferor Company, Demerged Company and the Resulting Company have approved the Scheme vide a resolution passed on 11th January, 2012, respectively.

5 **Background of the Companies**

5.1 **Genus Paper Products Limited ("GPPL")**

(a) GPPL was incorporated under the provisions of the Companies Act, 1956 on 14/06/1996 as 'DSM Papers Limited'. The name of the company got changed to 'Kailash Paper Products Limited' in 2002. The name of the company got further changed to its present name ie Genus Paper Products Limited w.e.f 06/07/2006.

(b) The registered office of GPPL is situated at Kanth Road, Village Aghwanpur, Moradabad, Uttar Pradesh - 244001.

(c) The main business activity of GPPL is to carry on the manufacturing and trading of all kinds and classes of papers and boards and it is also engaged in steel business.

(d) The Authorized, Issued, Subscribed and Paid up Share capital of GPPL as on March 31, 2011 as per Audited Financial Statements is as follows:

PARTICULARS	**AMOUNT (Rs)**
AUTHORIZED CAPITAL	
45,000,000 Equity Shares of Rs 10/- each	450,000,000
1,500,000 Preference Shares of Rs 100/- each	150,000,000
Total	**600,000,000**
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
31,153,800 Equity Shares of Rs 10/- each	311,538,000
1,225,000 Redeemable/ convertible Preference Shares of Rs 100/- each	122,500,000
Total	**434,038,000**

Post March 31, 2011, GPPL has undertaken share split, wherein 1 equity share of Rs 10 each has been split into 10 equity shares of Re 1 each. Further, the Preference Shares of GPPL has been converted into 30,625,000 equity shares at a price of Rs 4/- per equity share including a premium of Rs 3/- per equity share. Also, the company has allotted 65,000,000 equity shares at a price of Rs 4/- per equity share including a premium of Rs 3/- per equity share.

Accordingly, the present Issued, Subscribed and Paid-up Equity Share Capital of GPPL is Rs. 407,163,000/- divided into 407,163,000 equity shares of Re. 1/- each.

(e) GPPL is not listed on any Stock Exchange.

5.2 **Genus Power Infrastructures Limited ("GPIL")**

(a) GPIL was originally incorporated under the provisions of the Companies Act, 1956 on August 6, 1992 as 'Genus Overseas Electronics Limited'. The name of the company got changed to its present name that is Genus Power Infrastructures Limited w.e.f March 31, 2007. The Company was incorporated in the State of Rajasthan and the Registered office of the company was shifted from the state of Rajasthan to the National Capital Territory of Delhi vide order of Company Law Board dated January 14, 2005 and Certificate issued by the Registrar of Companies, Jaipur and Registrar of Companies, Delhi on February 18, 2005 and February 25, 2005 respectively.

(b) The registered office of the Company has been shifted from Delhi to Uttar Pradesh vide order of the Company Law Board dated August 2, 2012 and the fresh certificate of incorporation issued by the Registrar of Companies, Kanpur, Uttar Pradesh dated August 21, 2012. The Registered Office of the Company is presently situated at 213, J.S. Arcade, Sector-18, Noida- 201301, Uttar Pradesh.

(c) GPIL is primarily engaged in the business of manufacturing and distribution of Electronic Energy Meters, Power Transmission & Distribution Management Projects, Printed Circuit Boards, Hybrid microcircuits, Inverters, Batteries, Transformers, Home UPS and Online UPS across India as well as globally and the business of managing, supervising, controlling and holding investments in companies.

(d) The Authorized, Issued, Subscribed and Paid up share capital of GPIL as on March 31, 2011 as per audited financial statements is as follows:

PARTICULARS	**AMOUNT (Rs)**
AUTHORIZED CAPITAL	
181,600,000 Equity Shares of Re 1/- each	181,600,000
504,000 10% Redeemable Preference Shares of Rs 100/- each	50,400,000
Total	**232,000,000**
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
151,906,820 Equity Shares of Re 1/- each	151,906,820
Total	**151,906,820**

Post March 31, 2011, 70,00,000 fully paid-up equity share of Re 1/- each at a price of Rs 19/- per equity share including a premium of Rs 18/- per share has been issued upon conversion of 70,00,000

warrants vide Board Resolution dated July 15, 2011. The aforesaid equity shares rank pari passu in all respects with the existing equity shares of the GPIL.

Presently, the Issued, Subscribed and Paid-up Capital is Rs 158,906,820/- divided into 158,906,820 equity shares of Re 1/- each.

(e) The Equity Shares of GPIL are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and both BSE and NSE have accorded their approval to the Scheme vide their No Objection Certificates dated March 5, 2012 and February 13, 2012 respectively.

5.3 **Genus Paper & Boards Limited ("GPBL")**

a) GPBL has been incorporated under the provisions of the Companies Act, 1956 on January 11, 2012 for carrying on the business of manufacturing and trading of all kinds and classes of papers and boards and steel business. GPBL is a wholly owned subsidiary of GPIL.

b) The registered office is situated at Kanth Road, Village Aghwanpur, Moradabad, Uttar Pradesh – 244001.

c) The Authorized, Issued, Subscribed and Paid up Share Capital of GPBL as on January 11, 2012 is as follows:

PARTICULARS	**AMOUNT (Rs)**
AUTHORIZED CAPITAL	
1,000,000 Equity Shares of Rs 1/- each	1,000,000
Total	**1,000,000**
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
500,000 Equity Shares of Rs 1/- each	500,000
Total	**500,000**

6 **Salient features of the Scheme**

(a) Appointed Date:

The Scheme shall come into legal operation from the Appointed Date, which is April 1, 2011, though it shall be effective from the Effective Date.

(b) The Scheme *inter-alia* involves the following transactions:

i. Merger of Genus Paper Products Limited into Genus Power Infrastructures Limited; and

ii. Demerger of 'Non Power Infrastructure Undertaking' of Genus Power Infrastructures Limited to Genus Paper & Boards Limited.

(c) Remaining Business:

'Remaining Business' or 'Power Infrastructure Business' in case of GPIL shall mean the business of manufacturing and distribution of Electronic Energy Meters, Power Transmission & Distribution Management Projects, Printed Circuit Boards Hybrid microcircuits, Inverters, Batteries, Transformers, Home UPS and online UPS across India as well as globally and remaining businesses, divisions, employees, contracts, rights, assets and liabilities other than the Demerged Undertaking.

(d) Dissolution:

On the Scheme coming into effect, GPPL shall, without any further act or deed, stand dissolved without winding up.

(e) Issuance of shares:

i. For merger of GPPL into GPIL: 24 equity shares of face value of Re 1/- each of GPIL at par for every 100 equity share of Re 1/- each (face value per share) of GPPL.

ii. For demerger of Non Power Infrastructure Undertaking of GPIL into GPBL: 1 fully paid-up equity shares of face value of Re 1 each of GPBL for every 1 fully paid equity shares of face value of Re 1 each of GPIL, held by the member.

(f) Accounting treatment:

The Scheme provides for the accounting treatment to be given to the assets and liabilities to be transferred to the GPIL and GPBL and other incidental matters.

The features set out above being only the salient features of the Scheme, the equity shareholders/ secured and unsecured creditors are requested to read the entire text of the Scheme to get themselves fully acquainted with the provisions thereof.

7 The Directors of the Transferor Company, Demerged Company and the Resulting Company may be deemed to be concerned and/ or interested in the Scheme to the extent of their shareholding or crossholding in the aforesaid companies provided hereunder or to the extent the said Directors are common Directors in the companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the companies, or to the extent the may be allotted shares in the Demerged/ Transferee Companies as a result of the Scheme. The shareholding details of the Directors in the companies as on June 30, 2012 is as follows:

GPPL

Name of the Directors	GPPL	GPBL	GPIL
Mr. Ishwar Chand Agarwal	7,617,500	Nil	7,417,800
Mr. Kailash Chandra Agarwal	51,510,500	Nil	932,860
Mr. Himanshu Aggarwal	9,574,000	Nil	1,100
Mr. Rameshwar Pareek	Nil	Nil	Nil
Mr. Bhairon Singh Solanki	Nil	Nil	10,000
Mr. Surendra Agarwal	Nil	Nil	Nil
Mr. Harish Chandra Gupta	Nil	Nil	Nil

GPBL

Name of the Directors	GPBL	GPPL	GPIL
Mr. Ishwar Chand Agarwal	Nil	7,617,500	7,417,800
Mr. Kailash Chandra Agarwal	Nil	51,510,500	932,860
Mr. Himanshu Aggarwal	Nil	9,574,000	1,100

GPIL

Name of the Directors	GPPL	GPBL	GPIL
Mr. Ishwar Chand Agarwal	7,617,500	Nil	7,417,800
Mr. Kailash Chandra Agarwal	51,510,500	Nil	932,860
Mr. Rajendra Kumar Agarwal	4,295,000	Nil	515,230
Mr. Jitendra Kumar Agarwal	550,000	Nil	757,640
Mr. Bhairon Singh Solanki	Nil	Nil	10,000
Mr. Indraj Mal Bhutoria	Nil	Nil	Nil
Mr. Rameshwar Pareek	Nil	Nil	Nil
Mr. Dharam Chand Agarwal	Nil	Nil	Nil
Mr. Udit Agarwal	Nil	Nil	Nil
Mr. Naveen Gupta	Nil	Nil	Nil

8 The pre and post arrangement shareholding pattern of GPIL is as follows:

Particular		**Pre Arrangement**		**Post Arrangement**	
Category of Shareholders		**No. of Shares**	**% age**	**No. of Shares**	**% age**
(A)	Shareholding of Promoter & Promoter Group				
'(1)	Indian				
(a)	Individual/HUF	28,924,620	18.20	65,876,880	25.67
(b)	Central Govt./ State Govt.	-	-	-	-
(c)	Bodies Corporate	43,435,920	27.33	56,644,050	22.07
(d)	Fin.Institutions / Bank	-	-	-	-
(e)	Any Other	-	-	14,880	0.01
	Sub-Total of (A)(1)	**72,360,540**	**45.54**	**122,535,810**	**47.75**
'(2)	Foreign				
(a)	Individuals (NRIs/Foreign)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
	Sub-Total of (A)(2)	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter & Promoter Group (A) = (A)(1)+(A)(2)	**72,360,540**	**45.54**	**122,535,810**	**47.75**
(B)	Public Shareholding				
'(1)	Institutions				
(a)	Mutual Funds / UTI	126,920	0.08	126,920	0.05
(b)	Fin. Institutions / Banks	6,000	0.00	6,000	0.00
(c)	Central Govt./ State Govt.	-	-	-	-
(d)	Venture Capital	-	-	-	-
(e)	Insurance Company	-	-	-	-
(f)	Foreign Inst. Investors	652,055	0.41	652,055	0.25
(g)	Foreign VC Investors	43,000	0.03	43,000	0.02
	Sub-Total (B)(1)	**827,975**	**0.52**	**827,975**	**0.32**

'(2)	Non-Institutions				
(a)	Bodies Corporate	29,060,577	18.29	29,060,577	11.32
(b)	Individuals				
	i.Individual Shareholders Holding Nominal Share Upto Rs.1 Lakh	29,219,756	18.39	29,219,756	11.39
	ii.Individual Shareholders Holding Nominal Share greater than Rs.1 Lakh	17,923,374	11.28	17,923,374	6.98
(c)	Any Other				
	NRI/OCBs	8,536,544	5.37	8,536,544	3.33
	Shareholders Trust	-	-	47,543,850	18.53
	Clearing Memb/Clearing Cor	978,054	0.62	978,054	0.38
	Sub-Total (B)(2)	**85,718,305**	**53.94**	**133,262,155**	**51.93**
	Total Public Shareholding (B) = (B)(1) + (B)(2)	**86,546,280**	**54.46**	**134,090,130**	**52.25**
	TOTAL (A)+(B)	**158,906,820**	**100.00**	**256,625,940**	**100.00**
(C)	Shares held by Custodians And against which DRs have been issued				
'(1)	Promoter and Promoter group	-	-	-	-
'(2)	Public	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**158,906,820**	**100.00**	**256,625,940**	**100.00**

9 The pre and post arrangement capital structure of GPIL is and will be as follows:

Particulars	**Pre Arrangement**		**Post Arrangement**	
	Number	**Amount (Rs.)**	**Number**	**Amount (Rs.)**
AUTHORISED SHARE CAPITAL:				
Equity Shares of Re.1 each	181,600,000	181,600,000	631,600,000	631,600,000
10% Redeemable Preference Shares of Rs.100 each	504,000	50,400,000	504,000	50,400,000
Preference Shares of Rs. 100 each	-	-	1,500,000	150,000,000
Total		**232,000,000**		**832,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:				
Equity Shares of Re.1 each	158,906,820	158,906,820	256,625,940	256,625,940
Total	**158,906,820**	**158,906,820**	**256,625,940**	**256,625,940**

10 The Scheme is not prejudicial to the interests of the Equity Shareholders as well as Secured and Unsecured Creditors of the Transferor and the Demerged and Resulting Company.

11 No investigation proceedings are pending in relation to the Transferor, Demerged and the Resulting Company under Sections 235 to 251 of the Companies Act, 1956.

12 The proposed Scheme is in the best interest of the Transferor Company, Demerged Company and the Resulting Company, their shareholders, creditors and all concerned.

13 The following documents will be available for inspection at the registered office of the Demerged Company on any working day (except Saturday) from 11.00 A.M to 3:00 P.M from September 20, 2012 till the date of meeting:

(a) Copy of the Order dated 10th September, 2012 of the High Court of Judicature at Allahabad passed in Company Application No. 13 of 2012, directing convening of meeting of the Equity Shareholders, Secured and Unsecured Creditors of the Demerged Company.

(b) Scheme of Arrangement.

(c) Memorandum and Articles of Association of GPPL, GPBL and GPIL.

(d) Annual Report of GPPL and GPIL for the financial year ending March 31, 2011.

(e) Valuation Report dated January 11, 2012 of M/s Grant Thornton.

(f) Fairness Opinion dated February 3, 2012 of M/s Sobhagya Capital Options Limited.

(g) Copy of No Objection letters received from BSE and NSE under Clause 24(f) of the Listing Agreement.

Date: September 17, 2012

For **Genus Power Infrastructures Limited**

Sd/-

Ankit Jhanjhari

Company Secretary

SCHEME OF ARRANGEMENT
BETWEEN
GENUS PAPER PRODUCTS LIMITED
(TRANSFEROR COMPANY)
AND
GENUS POWER INFRASTRUCTURES LIMITED
(DEMERGED COMPANY)
AND
GENUS PAPER & BOARDS LIMITED
(RESULTING COMPANY)

UNDER SECTION 391 READ WITH SECTION 394 AND SECTIONS 78, 100 TO 103 OF THE COMPANIES ACT, 1956

PREAMBLE

This Scheme of Arrangement ("Scheme") provides for the amalgamation of Genus Paper Products Limited (hereinafter referred to as "GPPL" or the "Transferor Company") into Genus Power Infrastructures Limited (hereinafter referred to as "GPIL" or the "Demerged Company") and demerger of 'Non Power Infrastructure Undertaking' of GPIL into Genus Paper & Boards Limited ("GPBL" or the "Resulting Company") pursuant to the relevant provisions of the Companies Act, 1956. This Scheme also provides for matters connected or consequential or otherwise integrally connected therewith with the end and intent of realigning the business operations undertaken in the interest of stakeholders.

The composite scheme is in the interests of the shareholders, creditors and employees of each of the companies as it would result in enhancement of shareholder's value, enable further restructuring of the businesses, leading to operational efficiencies and synergies and facilitate the management of each company to vigorously pursue growth and expansion opportunities.

Accordingly, this Scheme is divided into following sections:

Section A: Introduction and definitions
Section B: Amalgamation of GPPL into GPIL
Section C: Demerger of 'Non Power Infrastructure Undertaking' of GPIL into GPBL
Section D: General terms and conditions for restructuring

SECTION A – INTRODUCTION AND DEFINITIONS

A. GPPL was incorporated in 1996 as 'DSM Papers Limited'. The name of the company was changed to 'Kailash Paper Products Limited' in 2002. The name of the company was changed to its present name ie Genus Paper Products Limited in 2006. The registered office of GPPL is situated in Uttar Pradesh and the main business activity of GPPL is to carry on the manufacturing and trading of all kinds and classes of papers and boards and also engaged in steel business.

B. GPIL was incorporated in 1992 as 'Genus Overseas Electronics Limited'. The name of the company was changed to its present name ie Genus Power Infrastructures Limited in 2007. The company was incorporated in the state of Rajasthan and the registered office of the company was shifted from the state of Rajasthan to the National Capital Territory of Delhi vide order of Company Law Board dated January 14, 2005 and certificate issued by the Registrar of Companies, Jaipur and Registrar of Companies, Delhi on February 18, 2005 and February 25, 2005 respectively. GPIL is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

GPIL is primarily engaged in the business of manufacturing and distribution of Electronic Energy Meters, Power Transmission & Distribution Management Projects, Printed Circuit Boards, Hybrid microcircuits, Inverters, Batteries, Transformers, Home UPS and Online UPS across India as well as globally and the business of managing, supervising, controlling and holding investments in companies.

C. GPBL is a wholly owned subsidiary of GPIL and has been incorporated for carrying on the business of manufacturing and trading of all kinds and classes of papers and boards and steel business.

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

(a) **"Act"** or **"the Act"** means the Companies Act, 1956 or any statutory modification, amendment or re-enactment thereof.

(b) **"Appointed Date"** means April 1, 2011 or such other date as may be approved by the Hon'ble High Court of Delhi at New Delhi and Hon'ble High Court of Allahabad.

(c) **"Board of Directors"** of Genus Power Infrastructures Limited, Genus Paper Products Limited and Genus Paper & Boards Limited shall include any committee thereof.

(d) **"Demerged Undertaking"** means 'Non Power Infrastructure Undertaking' of GPIL on a going concern basis, comprising inter-alia all business other than the 'Remaining Business' and including the business activity of manufacturing and trading of all kinds and classes of papers and boards and also steel business, along with the activity of managing, supervising, controlling and making non power investments, including all related assets, liabilities, rights and obligations and shall include (without limitation):

- any and all the properties and assets whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and movable plant and machinery, leasehold or freehold, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in-progress, raw materials, finished goods, vehicles, stores and spares, loose tools, sundry debtors furniture, fixtures, fittings, office equipment, telephone, facsimile and other communication facilities and equipments, electricals, appliances, accessories, deferred tax assets and investments related to the Demerged Undertaking of GPIL;
- any and all liabilities present and future including the contingent liabilities related to the Demerged Undertaking of GPIL;
- any and all rights and licenses including, all assignments and grants thereof, all permits, quotas, holidays, benefits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits (including MODVAT/ CENVAT, Service Tax credits, MAT credit), tax deferrals, advance tax credit, deferred tax assets, incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by GPIL, funds belonging to or proposed to be utilised by GPIL, privileges, all other claims, rights and benefits (including under any powers of attorney issued by GPIL or any powers of attorney issued in favour of GPIL or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority, to which GPIL was a party), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits duties and obligations of all agreements, contracts and arrangements and all other interests related to the Demerged Undertaking of GPIL;
- all employees who are on the payroll of GPIL immediately preceding the Effective Date related to the Demerged Undertaking of GPIL;
- any and all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by GPIL related to the Demerged Undertaking;
- any and all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and back up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form related to the Demerged Undertaking of GPIL;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, service marks, quality certifications and approvals and all other interests exclusively relating to the Demerged Undertaking of GPIL.

It is intended that the definition of Demerged Undertaking under this clause would enable the transfer of all property, assets, rights, liabilities, employees etc of GPIL related to the Demerged Undertaking to GPBL pursuant to this Scheme.

(e) **"Effective Date"** means the last of the dates on which all the conditions and matters referred to in clause 23 hereof have been fulfilled. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.

(f) **"Genus Paper Products Limited"** or **"Transferor Company"** or **"GPPL"** means Genus Paper Products Limited, a company incorporated under the Act and having its registered office at Kanth Road, Village Aghwanpur, Moradabad, Uttar Pradesh - 244001.

(g) **"GPPL Undertaking"** means and includes the whole of the business and undertaking of GPPL being carried on by GPPL and shall include (without limitation):

- any and all the properties and assets whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and movable plant and machinery, leasehold or freehold, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in-progress, raw materials, finished goods, vehicles, stores and spares, loose tools, sundry debtors furniture, fixtures, fittings, office equipment, telephone, facsimile and other communication facilities and equipments, electricals, appliances, accessories, deferred tax assets and investments;
- any and all liabilities present and future including the contingent liabilities;
- any and all rights and licenses including, all assignments and grants thereof, all permits, quotas, holidays, benefits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits (including MODVAT/ CENVAT, Service Tax credits, MAT credit), tax deferrals, advance tax credit, deferred tax assets, incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by GPPL, funds belonging to or proposed to be utilised by GPPL, privileges, all other claims, rights and benefits (including under any powers of attorney issued by GPPL or any powers of attorney issued in favour of GPPL or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority, to which GPPL was a party), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits duties and obligations of all agreements, contracts and arrangements and all other interests;
- all employees who are on the payroll of GPPL immediately preceding the Effective Date;
- any and all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by GPPL;
- any and all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, service marks, quality certifications and approvals and all other interests exclusively relating to GPPL.

It is intended that the definition of GPPL Undertaking under this clause would enable the transfer of all property, assets, rights, liabilities, employees etc of GPPL to GPIL pursuant to this Scheme.

(h) **"Genus Paper & Boards Limited"** or **"Resulting Company"** or **"GPBL"** means Genus Paper & Boards Limited, a company incorporated under the Act and having its registered office at Kanth Road, Village Aghwanpur, Moradabad, Uttar Pradesh - 244001.

(i) **"Genus Power Infrastructures Limited"** or **"Demerged Company"** or **"GPIL"** means Genus Power Infrastructures Limited, a company incorporated under the Act and having its registered office at D-116, Okhla Industrial Area, Phase-I, New Delhi - 110020. The shifting of the registered office of GPIL from Delhi to Uttar Pradesh is in progress and the same has already been approved by the Board of Directors of GPIL on July 27, 2011 and shareholders vide annual general meeting dated September 10, 2011. Further, the petition for shifting of the registered office has been filed by GPIL with the Hon'ble Company Law Board on December 12, 2011.

(j) "**High Court**" shall mean the Hon'ble High Court of Delhi at New Delhi in context of GPIL and Hon'ble High Court of Allahabad in context of GPPL and GPBL (or such other Court/ Bench having jurisdiction over companies involved in the Scheme). The jurisdictional High Court for GPIL shall be Hon'ble High Court of Allahabad, post shifting of the registered office of GPIL from Delhi to Uttar Pradesh.

(k) **"Scheme of Arrangement"** or "**this Scheme"** or "**the Scheme"** means this Scheme of Arrangement in its present form or with any modifications made under Clause 25 of the Scheme.

(l) **"Specified Date"** means the date to be fixed by the Board of Directors of GPIL for the purpose of determining the shareholders of GPPL and GPIL to whom shares will be allotted pursuant to Clause 6 and 12 of this Scheme.

(m) **"Remaining Business" or "Power Infrastructure Business"** in case of GPIL shall mean the business of manufacturing and distribution of Electronic Energy Meters, Power Transmission & Distribution Management Projects, Printed Circuit Boards Hybrid microcircuits, Inverters, Batteries, Transformers, Home UPS and online UPS across India as well as globally and remaining businesses, divisions, employees, contracts, rights, assets and liabilities other than the Demerged Undertaking.

1A. EXPRESSIONS NOT DEFINED IN THIS SCHEME

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time. In particular, wherever reference is made to High Court in the 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 the powers of the High Court under the Act.

2. DATE OF COMING INTO EFFECT

The Scheme set out herein in its present form or with such modifications or amendments as directed by the High Court or other appropriate authority shall be effective from the Appointed Date herein, although it shall be operative from the Effective Date.

3. SHARE CAPITAL

(a) The authorized, issued, subscribed and paid up share capital of GPPL as on March 31, 2011 as per audited financial statements is as follows:

PARTICULARS	**AMOUNT (Rs)**
AUTHORIZED CAPITAL	
45,000,000 Equity Shares of Rs 10/- each	450,000,000
1,500,000 Preference Shares of Rs 100/- each	150,000,000
Total	**600,000,000**
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
31,153,800 Equity Shares of Rs 10/- each	311,538,000
1,225,000 Redeemable/ convertible Preference Shares of Rs 100/- each	122,500,000
Total	**434,038,000**

Post March 31, 2011, GPPL has undertaken share split, wherein 1 equity share of Rs 10 each has been split into 10 equity shares of Re 1 each vide shareholders resolution dated September 30, 2011. Further, the Preference Shares of GPPL has been converted into 30,625,000 equity shares at a price of Rs 4/- per equity share including a premium of Rs 3/- per equity share.

(b) The authorized, issued, subscribed and paid up share capital of GPIL as on March 31, 2011 as per audited financial statements is as follows:

PARTICULARS	**AMOUNT (Rs)**
AUTHORIZED CAPITAL	
181,600,000 Equity Shares of Re 1/- each	181,600,000
504,000 10% Redeemable Preference Shares of Rs 100/- each	50,400,000
Total	**232,000,000**

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
151,906,820 Equity Shares of Re 1/- each	151,906,820
Total	**151,906,820**

Post March 31, 2011, 70,00,000 fully paid-up equity share of Re 1/- each at a price of Rs.19/- per equity share including a premium of Rs.18/- per share has been issued upon conversion of 70,00,000 warrants vide Board Resolution dated July 15, 2011. The aforesaid equity shares rank pari passu in all respects with the existing equity shares of the GPIL.

(c) The authorized, issued, subscribed and paid up share capital of GPBL as on January 11, 2012 is as follows:

PARTICULARS	**AMOUNT (Rs)**
AUTHORIZED CAPITAL	
1,000,000 Equity Shares of Re 1/- each	1,000,000
Total	1,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	
500,000 Equity Shares of Re 1/- each	500,000
Total	**500,000**

4. COMPLIANCE WITH TAX LAWS

This Scheme,

(i) in so far as it relates to the Amalgamation of GPPL into GPIL, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) of the Income tax Act, 1961,

(ii) in so far as it relates to the demerger of 'Non Power Infrastructure Undertaking' of GPIL into GPBL, has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, including Section 2(19AA) of the Income tax Act, 1961,

and all other relevant Sections (including Section 47 and Section 72A) of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme, and the power to make any such amendments shall vest with the Board of Directors of GPIL.

SECTION B – AMALGAMATION OF GPPL INTO GPIL

5. TRANSFER AND VESTING OF GPPL INTO GPIL

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire GPPL Undertaking shall, pursuant to the provisions contained in section 394(2) of the Act and other provisions of law for the time being in force and without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in GPIL on the Appointed Date, so as to become as and from the Appointed Date, the undertaking of GPIL, in the following manner:

(a) With effect from the Appointed Date, the GPPL Undertaking, comprising all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of section 391 read with section 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in GPIL so as to become as and from the Appointed Date the assets and liabilities of GPIL and to vest in GPIL all the rights, title, interest or obligations of GPPL therein. All assets acquired by GPPL after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in GPIL upon the coming into effect of the Scheme. As regards transfer of specified movable assets, clauses (b) and (c) below provide for the physical mode of effecting transfer.

(b) All the movable assets including investments, cash in hand and assets otherwise capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, and stand vested in GPIL as an integral part of the merging undertaking of GPPL. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of GPIL and the Board of Directors of GPPL within thirty days from the Effective Date or such other extended date as may be mutually agreed.

(c) All debts, loans and advances recoverable in cash or in kind or for value to be received, deposits, outstanding and receivables of GPPL other than the assets specified in sub-clause (b) above, shall on and from the Appointed Date stand transferred to and vested in GPIL without any notice or other intimation to the debtors (although GPIL may, if so deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in GPIL), and the debtors shall be obliged to make payments to GPIL on and after the Effective Date.

(d) With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of GPPL shall also, under the provisions of sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to GPIL so as to become as and from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of GPIL and 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, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

(e) With effect from the Appointed Date, any statutory licenses, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of GPPL or granted to GPPL shall stand vested in or transferred to GPIL without further act or deed and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in favour of GPIL upon vesting of the businesses pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of GPPL shall vest in and become available to GPIL pursuant to this Scheme.

(f) The transfer and vesting of undertaking of GPPL as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of GPPL.

Provided however, any reference in any security documents or arrangements (to which GPPL is a party) to the assets of GPPL offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to GPPL as are vested in GPIL by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of GPPL or any of the assets of GPIL.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GPIL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of GPPL vested in GPIL.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by GPPL which shall vest in GPIL by virtue of the amalgamation of GPPL with GPIL and GPIL shall not be obliged to create any further or additional security therefore after the Scheme has become operative.

(g) Upon the coming into effect of this Scheme, GPIL shall be deemed to have been carrying on the business of GPPL with effect from the Appointed Date and be entitled to avail/ claim all the benefits tax credits (including but not limited to credit in respect of taxes paid or deducted or MAT), registrations, permissions, licenses, concessions, exemptions, benefits under the various laws, as applicable with respect to GPPL, as were being availed/ claimed by GPPL.

(h) Loans or other obligations, if any, due between and amongst GPPL and GPIL shall stand discharged and there shall be no liability in that behalf.

(i) Where any of the liabilities and obligations of GPPL as on the Appointed Date deemed to be transferred to GPIL have been discharged by GPPL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the GPPL and all loans raised and used and all liabilities and obligations incurred by GPPL for the operations of GPPL after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of GPIL and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to GPIL and shall become its liabilities and obligations.

(j) Upon the coming into effect of this Scheme, in so far as the security in respect of the liabilities of GPPL as on the Appointed Date is concerned, it is hereby clarified that GPPL and GPIL shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.

(k) Upon the coming into effect of this Scheme, the borrowing limits of GPIL in terms of section 293(1) (d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of GPPL which are being transferred to GPIL pursuant to the Scheme, such limits being incremental to the existing limits of GPIL, with effect from the Appointed Date.

(l) Upon the coming into effect of this Scheme, GPIL shall be entitled to use all packaging, labels, point of sale material, sign board, samples, closures, video clips, other publicity material, etc, lying unused and which GPPL was otherwise entitled to use under any statutes/ regulations, till such time as all of such packaging, labels, closures, etc are exhausted.

6. ISSUE OF SHARES

6.1 Upon coming into effect of this Scheme, in consideration of the amalgamation of GPPL into GPIL pursuant to this Scheme, GPIL shall, without any further act or deed and without any further payment, issue and allot fully paid up equity shares (hereinafter also referred to as the **"Equity Shares on Amalgamation"**), to the shareholders of GPPL whose name is recorded in the register of members of GPPL as holding equity shares on the Specified Date, in the following ratio:

- 24 equity shares of face value of Re 1/- each of GPIL be issued at par for every 100 equity share of Re 1/- each (face value per share) of GPPL.

6.2 The share entitlement ratio specified in Clause 6.1 above shall be suitably adjusted for changes in the capital structure of either GPPL or GPIL post the date of the Board Meeting approving the Scheme provided the changes relate to matters such as bonus issue, split of shares and consolidation of shares. All such adjustments to the share entitlement ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of both GPPL and GPIL.

6.3 The Equity Shares on Amalgamation to be issued and allotted pursuant to Clause 6.1, shall in all respects, rank *pari passu* with the existing equity shares of GPIL, if any, for dividend and all other benefits and on all respects with effect from the date of their allotment except that, in respect of dividend that may be declared, such shares will be entitled for such dividend from the Appointed Date.

6.4 In case any shareholder's holding in GPPL is such that the shareholder becomes entitled to a fraction of an equity share in GPIL, the number of shares to be issued to such shareholder shall be rounded off to next immediate whole number and GPIL shall not issue such fractional portion.

6.5 The Equity Shares on Amalgamation to be issued and allotted in terms hereof will be subject to the relevant Memorandum and Articles of Association of GPIL.

6.6 GPIL shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by GPIL of Equity Shares on Amalgamation to the shareholders of GPPL.

6.7 The Equity Shares on Amalgamation of GPIL issued in terms of Clause 6.1 shall, subject to the provisions of the listing agreement and payment of the appropriate fee, be listed on the stock exchanges where the shares of GPIL are listed. GPIL would obtain such approvals as may be necessary for the aforesaid listing on recognized stock exchange(s) by making suitable applications in this behalf.

6.8 Insofar as the allotment of shares pursuant to Clause 6.1 is concerned, each member of GPPL shall have the option to be exercised, by giving a notice to GPIL, on or before such date as may be determined by the Board of Directors of GPIL, to receive the shares either in physical certificate form or in dematerialized form. In the event GPIL does not receive such notice or requisite details in respect of any member, GPIL may allot shares in dematerialized form to the extent it has the necessary details of the account holder for issue of shares in dematerialized form and in respect of other members, issue share certificates in physical form. In respect of those members exercising the option to receive the shares in dematerialized form, such members shall have opened and maintained an account with a depository participant, and shall provide such other confirmation, information and details as may be required.

6.9 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of GPPL, the Board of Directors of GPIL, shall be empowered in appropriate cases, even subsequent to the Specified Date, to effectuate such a transfer in GPPL, as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to GPPL/ GPIL.

6.10 Upon the coming into effect of this scheme, all the existing shares/share certificates pertaining to shares of GPPL shall stand cancelled and will become invalid and shall cease to be tradable thereafter. The Board of Directors of GPIL may not require the shareholders of the GPPL to surrender their shares certificates before issuing the new share certificates for the shares allotted in terms of the scheme.

6.11 Notwithstanding anything to the contrary contained in this Scheme, all the equity shares held by GPIL in GPPL, on the last of the dates of the Orders of the High Court sanctioning the Scheme, shall, by virtue of

this Scheme, and without any further act, instrument or deed , be deemed to be vested, as on the said date, to a trust (or an individual trustee or board of trustees or corporate trustee herein after referred to as the "Trustees") to have and hold such shares together with all additions and accretions thereto exclusively for the benefit of GPIL shareholders subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Genus Shareholders Trust" or such other name as may be deemed appropriate). In respect of such equity shares, as on the Specified Date, GPIL shall issue Equity Shares on Amalgamation to such trust to have and hold such shares together with all additions and accretions thereto exclusively for the benefit of GPIL shareholders.

Further, in respect of equity shares held by GPPL in GPIL on the Specified Date, the same shall also stand settled into aforesaid Trust by virtue of this Scheme, and without any further act, instrument or deed, with all additions and accretions thereto exclusively for the benefit of GPIL shareholders subject to the powers, provisions, discretions, rights and agreements contained in the Trust Deed.

6.12 It is proposed that the Trustees shall, keeping in view the prevailing market conditions and other objectives, sell, transfer, hold or dispose off the trust shares at such time or times and in such manner as may be considered expedient and shall remit the proceeds thereof to GPIL.

6.13 Upon the issue of Equity Shares on Amalgamation in terms of Clause 6.1, the provisions of Section 81 (1A) of the Act shall be deemed to have been complied with and such issue shall be an integral part of this Scheme

7. ACCOUNTING TREATMENT

7.1 GPIL shall, upon the coming into effect of this Scheme, record the assets and liabilities of GPPL vested in it pursuant to this Scheme, at the respective fair values thereof, at the close of business of the day immediately preceding the Appointed Date.

7.2 GPIL shall credit to its share capital account in its books of account the aggregate face value of Equity Shares on Amalgamation issued by it to the shareholders of GPPL, pursuant to this Scheme.

7.3 Subject to Clause 6.11 above, upon the coming into effect of this Scheme, any inter-company investment in the books of GPPL and GPIL, representing equity shares of GPPL and/ or GPIL will stand cancelled.

7.4 The excess of the value of the assets over the value of the liabilities of GPPL vested in GPIL pursuant to this Scheme, and as recorded in the books of account of GPIL shall, after adjusting the amount recorded in Clause 7.2 and subject to Clause 7.3 above and subject to clause 7.10 below, be recorded in capital reserve accounts of GPIL in accordance with Accounting Standard - 14 issued by The Institute of Chartered Accountants of India.

7.5 The deficit of the value of the assets over the value of the liabilities of GPPL vested in GPIL pursuant to this Scheme, and as recorded in the books of account of GPIL shall, after adjusting the amount recorded in Clause 7.2 and subject to Clause 7.3 above and subject to clause 7.10 below, be recorded in Goodwill account in the balance sheet of GPIL in accordance with Accounting Standard - 14 issued by The Institute of Chartered Accountants of India.

The Goodwill arising pursuant to this Clause shall be amortized over a period of five years, in accordance with prescribed Accounting Standards issued by The Institute of Chartered Accountants of India and generally accepted accounting principles.

7.6 Further, the debit balance in the Miscellaneous Expenditure Account of GPPL and GPIL at the close of business of the day immediately preceding the Appointed Date and Expenses of Scheme, shall be written off against the balance in the capital reserve account (including capital reserve created pursuant to clause 7.4 above) and/ or balance in the share premium account in the balance sheet of GPIL and the same will be effected as an integral part of the Scheme.

7.7 In this regard, it is hereby clarified that the Order of the High Court would be deemed for all purposes to be an Order under Section 78, 100-102 of the Act. Further, since the aforesaid reduction in capital reserve account and/ or share premium account in respect of GPIL would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid up share capital, the provisions of Section 101 of the Act, shall not be applicable. The necessary approvals to be obtained by GPIL from their respective shareholders and creditors, as required, for the Scheme shall always deemed to include the approval / consents required to be obtained under Section 100 of the Act and GPIL shall not, nor shall be obliged to, call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction, as contemplated herein.

7.8 Notwithstanding the reduction in capital of GPIL as aforesaid, in view of the consolidated financial position of GPIL post amalgamation, it shall not be required to add "and reduced" as suffix to its name.

7.9 In case of any differences in accounting policy between GPPL and GPIL, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 to ensure that the financial statements of GPIL reflect the financial position on the basis of consistent accounting policy. For this purpose, GPIL may make suitable adjustments and reflect the effect thereof in the Reserves as may be considered appropriate by the Board of Directors of GPIL.

7.10 GPIL shall account for the book value of investments vested in the 'Genus Shareholders Trust' as per Clause 6.11 of the Scheme as 'Interest in Trust' at such book value; and pursuant to the Scheme becoming effective, such book value shall not be adjusted/ revalued/ restated on receipt of Equity Shares on Amalgamation by the Genus Shareholders Trust in lieu of its holding in GPPL.

7.11 It is hereby clarified that pursuant to the provisions of Clause 5, all transactions during the period between the Appointed Date and Effective Date relating to GPPL would be duly reflected in the financial statements of GPIL, upon the coming into effect of this Scheme.

7.12 To the extent that there are inter-corporate loans or balances between GPPL and GPIL, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of GPIL for the reduction of any assets or liabilities, as the case may be.

7.13 For the removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any inter-company loans or balances between GPPL and GPIL, during the period between the Appointed Date and Effective Date. It is also clarified that there would be no accrual of income or expense on account of any other transactions, including inter alia any transactions in the nature of sale or transfer of any goods or services between GPPL and GPIL, during the period between the Appointed Date and the Effective Date.

7.14 Notwithstanding anything contained in Clause 7, the Board of Directors of GPIL is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.

8. MERGER OF AUTHORIZED SHARE CAPITAL

8.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of GPPL shall stand transferred to and be merged with the authorized share capital of GPIL, without any liability for payment of any additional fees (including registrar of companies fees) or stamp duty. The capital clause in the Memorandum of Association of the company be replaced by the following clause –

"The Authorised Share Capital of the Company is Rs 832,000,000/- (Rupees Eighty Three Crore Twenty Lacs only) divided into 631,600,000 (Sixty Three Crore Sixteen Lacs only) Equity Shares of Re 1/- (Rupee One) each and 1,500,000 (Fifteen Lacs) Preference Shares of Rs 100/- (Rupees One Hundred) each and 504,000 (Five Lacs Four Thousand) 10% Redeemable Preference Shares of Rs 100/- (Rupees One Hundred) each."

8.2 It is hereby clarified that the consent of the shareholders of GPPL and GPIL to the Scheme shall be sufficient for purposes of effecting this amendment in the Memorandum and Articles of Association of GPIL and that no further resolution under Sections 16, and 94 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional registration fee, stamp duty, etc, be payable by GPIL.

9. DISSOLUTION OF GPPL

On the Scheme coming into effect, GPPL shall, without any further act or deed, stand dissolved without winding up.

SECTION C – DEMERGER OF 'NON POWER INFRASTRUCTURE UNDERTAKING' BY GPIL TO GPBL

10. TRANSFER OF DEMERGED UNDERTAKING

10.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking shall, pursuant to the provisions contained in Section 391 to 394 of the Act and other provisions of law for the time being in force and without any further act or deed, be demerged from GPIL, and be transferred to and vested in or be deemed to have been transferred to and vested in GPBL, on a going concern basis at book values, so as to become as and from the Appointed Date, the undertaking of GPBL, and to vest in GPBL all the rights, title, interest or obligations of GPIL therein.

10.2 All assets acquired by GPIL after the Appointed Date and prior to the Effective Date in relation to or pertaining to Demerged Undertaking shall also stand transferred to and vested in GPBL upon the coming into effect of the Scheme. Where any of the assets of GPIL as on the Appointed Date deemed to be

transferred to GPBL have been sold or transferred by GPIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of GPBL.

10.3 In respect of such of the assets of the Demerged Undertaking (mentioned in Clause 10.1 and Clause 10.2 above) as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by GPIL and shall become the property of GPBL as an integral part of the Demerged Undertaking transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of GPIL and the Board of Directors of GPBL.

10.4 In respect of movables of the Demerged Undertaking other than those specified in Clause 10.3 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this sub-clause, and such transfer shall be effected by notice to the concerned persons, or in any manner as may be mutually agreed by GPIL and GPBL.

10.5 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 10.3 and 10.4 above, the same shall without any further act, instrument or deed be transferred to and vested in and/ or be deemed to be transferred to and vested in GPBL pursuant to the provisions of Section 394 of the Act and other applicable provisions of law. The mutation of the title to the immovable properties in favour of GPBL shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and it becoming effective in accordance with the terms hereof.

10.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations and no-objection certificates obtained by GPIL/ GPPL for the operations of the Demerged Undertaking in terms of the various statutes and/ or schemes of Union and State Governments, shall be available to and vest in GPBL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GPBL. Since the Demerged Undertaking will be transferred to and vested in GPBL as a going concern without any break or interruption in the operations thereof, GPBL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations and no-objection certificates and to carry on and continue the operations of the Demerged Undertaking on the basis of the same upon this Scheme becoming effective.

Further, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licenses, certificates, authorities, powers of attorneys given by, issued to or executed in favour of GPIL/ GPPL, and the rights, benefits, subsidies, special status under the same shall, in so far as they relate to the Demerged Undertaking and all other interests relating to activities carried on by the Demerged Undertaking, and all certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the Demerged Undertaking, be transferred to and vested in GPBL.

10.7 It is clarified that, upon the coming into effect of the Scheme, the following liabilities and obligations of GPIL as on the Appointed Date and being a part of the Demerged Undertaking shall, without any further act or deed be and shall stand transferred to GPBL:

(a) the liabilities which arose out of the activities or operations of the Demerged Undertaking;

(b) specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking;

(c) in cases other than those referred to in sub-clauses (a) and (b) above, proportionate part of the general or multipurpose borrowings and liabilities of GPIL allocable to the Demerged Undertaking in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of GPIL immediately before the demerger.

10.8 All loans raised and used and all liabilities and obligations incurred by GPIL for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of GPBL and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to GPBL and shall become its liabilities and obligations.

10.9 Upon the coming into effect of this Scheme, the balances as on the Appointed Date of general or multipurpose borrowings shall be transferred to and assumed by GPBL in the proportion provided in Clause 10.7 (c) above. Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of GPBL. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, GPBL may discharge such liability (including accretions thereto) by making payments on the respective due dates to GPIL, which in turn shall make payments to the respective creditors.

10.10 Upon the coming into effect of this Scheme, in so far as the security in respect of the liabilities of GPIL as on the Appointed Date is concerned, it is hereby clarified that GPIL and GPBL shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.

Provided however, any reference in any security documents or arrangements (to which GPIL is a party) to the assets of GPIL offered or agreed to be offered as security for any financial assistance or obligations pertaining to the Demerged Undertaking, shall be construed as reference only to the assets pertaining to the Demerged Undertaking of GPIL as are vested in GPBL by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of GPIL or any of the assets of GPBL, save and except as may be otherwise agreed between GPIL, GPBL and the respective lender(s).

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GPBL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of GPIL vested in GPBL.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by GPIL which shall vest in GPBL by virtue of the demerger of the Demerged Undertaking into GPBL and GPBL shall not be obliged to create any further or additional security thereof after the Scheme has become operative.

10.11 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, GPIL and GPBL shall execute instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions, if required.

10.12 Upon the coming into effect of this Scheme, the borrowing limits of GPBL in terms of Section 293 (1) (d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of GPIL which are being transferred to GPBL pursuant to the Scheme, such limits being incremental to the existing limits of GPBL, with effect from the Appointed Date.

10.13 With effect from the Appointed Date, any statutory licenses, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, entitlements or rights required to carry on the operations of Demerged Undertaking of GPIL or granted to GPIL for the Demerged Undertaking shall stand vested in or transferred to GPBL without further act or deed and shall be appropriately transferred or assigned by the statutory authorities concerned herewith in favour of GPBL upon vesting of the businesses pursuant to this Scheme. The benefit of all statutory and regulatory permissions, environmental approvals and consents including statutory licenses, permissions or approvals or consents required to carry on the operations of Demerged Undertaking of GPIL shall vest in and become available to GPBL pursuant to this Scheme.

10.14 It is also agreed that GPIL and GPBL shall mutually discuss and enter into suitable arrangements for sharing of corporate name, common trademarks, common facilities or any other common intellectual property rights to the extent considered necessary.

11. REMAINING BUSINESS TO CONTINUE WITH GPIL

11.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by GPIL.

11.2 Further,

a) all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against GPIL 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 Remaining Business (including those relating to any property, right, power, liability, obligation or duties of GPIL in respect of the Remaining Business) shall be continued and enforced by or against

the GPIL after the Effective Date. GPBL shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against GPIL, which relate to the Remaining Business.

b) If proceedings are taken against GPBL in respect of the matters referred to in sub clause (a) above, it shall defend the same in accordance with the advice of the GPIL and at the cost of GPIL, and the latter shall reimburse and indemnify GPBL against all liabilities and obligations incurred by GPBL in respect thereof.

11.3 With effect from the Appointed Date and up to and including the Effective Date:

a) GPIL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

b) all profits accruing to GPIL or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of GPIL; and

c) all assets and properties acquired by GPIL in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in GPIL.

11.4 Upon the coming into effect of this Scheme, GPBL shall be entitled to use all packaging, labels, point of sale material, sign board, samples, closures, video clips, other publicity material, etc, lying unused and which GPIL/ GPPL were otherwise entitled to use under any statutes/ regulations, till such time as all of such packaging, labels, closures, etc are exhausted.

12 ISSUE OF SHARES ON DEMERGER

12.1 Upon the coming into effect of the Scheme and in pursuance of the demerger of the Demerged Undertaking into GPBL pursuant to this scheme, GPBL shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the **"New Equity Shares on Demerger"**) at par on a proportionate basis to each member of GPIL whose name is recorded in the register of members of GPIL as holding equity shares on the Specified Date in the ratio of 1:1 i.e., 1 fully paid-up equity shares of Re 1 each of GPBL to be issued for every 1 fully paid equity shares of Re 1 each of GPIL, held by the member.

Other terms

12.2 The New Equity Shares on Demerger to be issued and allotted pursuant to Clause 12.1 respectively shall in all respects, rank pari passu from the Specified Date with the existing equity shares of GPBL, save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date.

12.3 The New Equity Shares on Demerger to be issued and allotted in terms thereof will be subject to the relevant Memorandum and Articles of Association of GPBL. The New Equity Shares of GPBL issued in terms of Clause 12.1 shall, subject to completion of applicable procedures, be listed on the stock exchanges where GPIL is currently listed.

12.4 The share entitlement ratio specified in Clause 12.1 shall be suitably adjusted for changes in the capital structure of GPIL post the date of the Board Meeting approving the Scheme provided the changes relate to matters such as bonus issue, split of shares and consolidation of shares. All such adjustments to the share entitlement ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of both GPIL and GPBL.

12.5 Insofar as the allotment of shares pursuant to Clause 12.1 is concerned, each member of GPIL shall have the option to be exercised, by giving a notice to GPBL, on or before such date as may be determined by the Board of Directors of GPIL, to receive the shares either in physical certificate form or in dematerialized form. In the event GPBL does not receive such notice or requisite details in respect of any member, GPBL may allot shares in dematerialized form to the extent it has the necessary details of the account holder for issue of shares in dematerialized form and in respect of other members, issue share certificates in physical form. In respect of those members exercising the option to receive the shares in dematerialized form, such members shall have opened and maintained an account with a depository participant, and shall provide such other confirmation, information and details as may be required.

12.6 Equity shares to be issued pursuant to Clause 12.1 of this Scheme, in respect of any equity shares of GPIL which are held in abeyance under the provisions of Section 206A of the Act or otherwise, shall pending allotment or settlement of dispute by order of Court or otherwise be held by the trustees appointed by GPBL.

12.7 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of GPIL, the Board of Directors of GPIL shall be empowered in appropriate cases, even subsequent to the Specified Date or the Effective Date, as the case may be, to effectuate such a transfer, as if such changes in registered holder were operative as on the Specified Date.

12.8 Upon the issue of New Equity Shares on Demerger in terms of the Scheme, the provisions of Section 81 (1A) of the Act shall be deemed to have been complied with and such issue shall be an integral part of this Scheme.

12.9 The New Equity Shares on Demerger allotted pursuant to the Scheme (as per clause 12.1 above) shall remain frozen in the depositories system till listing/trading permission is given by the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

12.10 There shall be no change in the shareholding pattern (except as envisaged as per clause 12.1 above) or control in GPBL between the record date and listing which may affect the status of approval received from the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

13 ACCOUNTING TREATMENT ON DEMERGER

13.1 Treatment in the books of GPIL

(a) Upon the coming into effect of this Scheme, with effect from the Appointed Date, the book value of the assets and liabilities of the Demerged Undertaking, as on the Appointed Date, transferred to GPBL shall be reduced from the book value of the assets and liabilities of GPIL. In so far as the accounts representing common or multipurpose borrowings referred to in Clause 10.7 is concerned, they shall stand reduced by the amounts transferred to GPBL in accordance with the provisions of this Scheme.

(b) The aggregate of the net assets of the Demerged Undertaking standing in the books of accounts of GPIL transferred to GPBL on the Appointed Date, shall be adjusted against the following, in the order specified:

(i) Capital Reserve Account;
(ii) Capital Redemption Reserve;
(iii) Securities Premium Account;
(iv) General Reserve; and
(v) Credit balance of Profit & Loss Account.

with no further act or deed on the part of GPIL in accordance with Section 100, read together with Section 78, of the Act.

13.2 Treatment in the books of GPBL

(a) Upon the coming into effect of this Scheme, GPBL shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective book values thereof appearing in the books of account of GPIL as on the Appointed Date.

(b) The difference between the assets and liabilities transferred pursuant to the demerger of the Demerged Undertaking to GPBL, duly adjusted for expenses incurred in connection with the Scheme, miscellaneous expenditure, if any, face value of the New Equity Shares on Demerger issued pursuant to Clause 12.1, shall be recorded as Business Reconstruction Reserve in the books of GPBL and the same shall be treated as free reserves of GPBL.

13.3 It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking would be duly reflected in the financial statements of GPBL, upon the Scheme coming into effect.

13.4 Notwithstanding anything contained in Clause 13 hereinabove, the Board of Directors of the companies are authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.

13.5 To the extent that there are inter-corporate loans, other outstanding amounts or transactions between GPIL and GPBL, including those between Appointed Date and Effective Date, it is agreed by GPIL and GPBL that all the requirements of the Act and any other applicable law with respect to such amounts shall be deemed to have been duly complied with.

SECTION D – GENERAL TERMS AND CONDITIONS FOR RESTRUCTURING

14 BUSINESS AND PROPERTY IN TRUST

14.1 Upon the coming into effect of the Scheme, as and from the Appointed Date and upto and including the Effective Date, GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking):

(a) shall be deemed to have been carrying on all the business and activities relating to the GPPL Undertaking/ Demerged Undertaking and stand possessed of all the assets, rights, title, interest and authorities of the GPPL Undertaking/ Demerged Undertaking for and on account of, and in trust for, GPIL and GPBL respectively; and

(b) Any profits accruing to GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking), or losses, charges, costs, expenses arising or incurred by them (including the effect

of taxes, if any, thereon, including but not limited to advance tax, tax deducted at source, Minimum Alternate Tax credit, taxes withheld/paid in a foreign country, tax credits etc) relating to the GPPL Undertaking/ Demerged Undertaking shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of GPIL and GPBL respectively.

14.2 GPPL and GPIL undertakes that it will from the date of approval of the Scheme by its Board of Directors and also from approval of the Board of Directors of GPBL, or the Appointed Date, whichever is earlier, and up to and including the Effective Date preserve and carry on the GPPL Undertaking/ Demerged Undertaking with diligence and prudence and agree that it will not, in any material respect, without the prior written consent of GPIL or GPBL as the case may be, alienate, charge or otherwise deal with or dispose off the GPPL Undertaking/ Demerged Undertaking or any part thereof except in the ordinary course of business or undertake substantial expansion of the GPPL Undertaking/ Demerged Undertaking, other than expansions which have already been commenced or declare any dividend or vary or alter [except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of GPIL/GPPL] the terms and conditions of employment of any of its employees, nor shall it conclude settlement with employees.

15 LEGAL PROCEEDINGS

15.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the GPPL and GPIL under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future (relating to any period prior to the Appointed Date) and in each case relating to the relevant GPPL Undertaking/ Demerged Undertaking shall be continued and enforced by or against GPIL/ GPBL after the Effective Date and shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger/ demerger of the relevant GPPL Undertaking/ Demerged Undertaking or anything contained in the Scheme. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to a given GPPL Undertaking/ Demerged Undertaking or not, the decision of the Board of Directors of GPIL in this regard shall be conclusive evidence of the relationship with the relevant GPPL Undertaking/ Demerged Undertaking.

15.2 GPIL/ GPBL undertakes to have all legal proceedings initiated by or against GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) referred to in Clause 16.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against GPIL/ GPBL to the exclusion of GPPL/ GPIL. The respective companies shall make relevant applications in that behalf to the extent permissible. All costs and consequences of such proceeding shall be borne by GPIL/ GPBL.

15.3 In the event that the legal proceedings referred to herein require GPIL/ GPPL to be jointly treated as party thereto, GPIL/ GPBL shall prosecute or defend such proceedings in co-operation with GPIL/ GPPL at its cost and consequence.

15.4 Notwithstanding the above, in case the proceedings referred to in Clause 16.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) shall defend the same in accordance with the advice of the relevant GPIL/ GPBL and at the cost and consequences of GPIL/ GPBL, and GPIL/ GPBL shall reimburse, indemnify and hold harmless GPIL/ GPPL against all liabilities and obligations incurred by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in respect thereof.

15.5 On and from the Effective Date, GPIL/ GPBL shall and may, if required, initiate any legal proceedings in relation to the rights, title, interest, obligations or liabilities of any nature whatsoever, whether under contract or law or otherwise, of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in the same manner and to the same extent as would or might have been initiated by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking).

16 CONTRACTS AND DEEDS

Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of GPIL/ GPBL, as the case may be, and may be enforced by or against GPIL/ GPBL as fully and effectually as if, instead of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking), GPIL/ GPBL had been a party thereto. GPIL/ GPBL may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) will, if necessary, also be party in order to give formal effect to the

provisions of this Scheme, if so required or if so considered necessary. GPIL/ GPBL shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) and to implement or carry out all formalities required on the part of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts among and between GPPL and GPIL as on the Effective Date shall stand cancelled and cease to operate in GPIL.

17 STAFF AND EMPLOYEES

17.1 On the Scheme coming into effect, all staff and employees of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in service on such date shall be deemed to have become staff and employees of GPIL and GPBL without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with GPIL and GPBL shall not be less favourable than those applicable to them with reference to GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) on the Effective Date.

17.2 Upon the Scheme coming into effect, the existing Provident Fund, Gratuity Fund, Superannuation Fund and/ or schemes and trusts, including employee's welfare trust, created by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) for its employees shall be transferred to GPIL/ GPBL. GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) shall take all steps necessary for the transfer, where applicable, of the Provident Fund, Gratuity Fund, Superannuation Fund and/ or schemes and trusts, including employee's welfare trust, pursuant to the Scheme, to GPIL/ GPBL. All obligations of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) with regard to the said fund or funds as defined in the respective trust deed and rules shall be taken over by GPIL and GPBL from the Effective Date to the end and intent that all rights, duties, powers and obligations of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in relation to such Fund or Funds shall become those of GPIL and GPBL and all the rights, duties and benefits of the employees employed in GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) under such Funds and Trusts shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) will be treated as having been continuous for the purpose of the said Fund or Funds.

18 TREATMENT OF TAXES

18.1 Any tax liabilities or assets (including credit in respects of taxes paid) under the Income-tax Act, 1961, Customs Act, 1962, Central Excise Act, 1944, State Sales Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter in this Clause referred to as "**Tax Laws**") allocable or related to GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) to the extent not provided for or covered by tax provision recognized in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to GPIL/ GPBL. Any surplus in the provision for taxation/ duties/ levies account including advance tax, minimum alternate tax and withholding tax as on the date immediately preceding the Appointed Date will also be transferred to the account of the GPIL/ GPBL. Any refund under the Tax Laws due to GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) consequent to the assessments made on GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by GPIL/ GPBL.

18.2 All taxes (including income tax, minimum alternate tax ,sales tax, excise duty, customs duty, service tax, VAT etc) paid or payable by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) and, insofar as it relates to the tax payment (including, without limitation, sales tax, excise duty, custom duty, income tax, minimum alternate tax, service tax, VAT etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by GPPL (in relation to GPPL Undertaking) and GPIL (in relation to Demerged Undertaking) in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by GPIL/ GPBL, and, shall, in all proceedings, be dealt with accordingly.

Upon the Scheme becoming effective, GPIL and GPBL is also expressly permitted to revise its income tax, withholding tax, service tax, sales tax/ value added tax, excise, customs and other statutory returns and

filings under the tax laws notwithstanding that the period of filing/ revising such returns may have lapsed and to claim refunds, advance tax and withholding tax credits, etc, pursuant to the provisions of this Scheme.

19 STAMP DUTY

No stamp duty shall be payable on the order passed by the Court in respect of:

(a) Amalgamation of GPPL with GPIL; and

(b) Demerger and vesting of the Demerged Undertaking of GPIL into GPBL

Upon the effectiveness of this Scheme, the companies shall also be entitled to stamp duty remission notification in terms of March 25, 1942, or similar notification/ order of the appropriate authority, that provides for remission of stamp duty chargeable on instruments evidencing transfer of property subject to fulfillment of prescribed conditions.

20 CHANGE IN THE CAPITAL STRUCTURE

From the date of acceptance of the present Scheme by the respective Board of Directors of GPPL, GPIL and GPBL, GPPL, GPIL and GPBL are expressly authorized to raise capital for the purpose of funding growth or any other purpose, in any manner as considered suitable by their Board of Directors, whether by means of rights issue, preferential issue, public issue or any other manner whatsoever. Further, such funds may be raised by means of any instrument considered suitable by their respective Board of Directors, including equity/ equity linked instruments, convertible/ non convertible bonds, debentures, debt, ADRs/ GDRs etc. Provided that any such capital raising exercise shall be approved in writing by the Board of Directors of GPPL, GPIL and GPBL to preserve the interests of their respective shareholders. Further, any change in the capital structure from the date of acceptance of the present Scheme by the respective Board of Directors of GPPL, GPIL and GPBL, through any increase, decrease, reduction, reclassification, sub-division, consolidation, re-organization, buyback, or in any other manner, by GPPL, GPIL and GPBL, shall be subject to approval in writing by the Board of Directors of GPPL, GPIL and GPBL.

21 SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities, rights and obligations of the Merged Undertaking and the Demerged Undertaking and continuance of the proceedings by or against the GPPL/ GPIL (in relation to Demerged Undertaking) shall not in any manner affect any transaction or proceedings already completed by GPPL/ GPIL (in relation to Demerged Undertaking) on or before the Appointed Date to the end and intent that the GPIL/ GPBL accept all such acts, deeds and things done and executed by and/ or on behalf of the GPPL/ GPIL (in relation to Demerged Undertaking) as acts, deeds and things done and executed by and on behalf of the GPIL/ GPBL.

22 APPLICATIONS TO HIGH COURT/ OTHER AUTHORITY

22.1 GPPL, GPIL and GPBL shall, with all reasonable dispatch, make applications under section 391 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and/ or creditors of GPPL, GPIL and GPBL as may be directed by the High Court.

22.2 On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/ or creditors, GPPL, GPIL and GPBL shall, with all reasonable dispatch, apply to the High Court for sanctioning the Scheme under sections 391 and 394 of the Act, and for such other order or orders, as the said High Court may deem fit for carrying this Scheme into effect.

23 CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

a. the Scheme being agreed to by the respective requisite majority of shareholders and creditors of GPPL, GPIL and GPBL;

b. the Scheme being approved by the High Court;

c. such other sanctions and approvals including sanctions of any statutory or regulatory authority, as may be required in respect of the Scheme, being obtained;

d. filing by GPPL, GPIL and GPBL of the certified copies of the order of the High Court sanctioning the Scheme under Section 391-394 of the Act with the jurisdictional Registrar of Companies.

24 EFFECT OF NON-APPROVALS

24.1 In the event any of the said sanctions and approvals referred to in Clause 23 above not being obtained and/ or the Scheme not being passed as aforesaid before December 31, 2012 or within such further period or periods as may be agreed upon between the Board of Directors of GPPL, GPIL and GPBL, this Scheme shall stand revoked, cancelled and be of no effect and null and void save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may

otherwise arise in law and in such event each party shall bear their respective costs, charges and expenses in connection with the Scheme.

24.2 If any part or section of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Board of Directors of GPPL, GPIL and GPBL, affect the adoption or validity or interpretation of the other parts and/ or provisions of this Scheme. It is hereby clarified that the Board of Directors of GPPL, GPIL and GPBL, as the case may be, may in their absolute discretion, adopt any part of this Scheme or declare the entire Scheme to be null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case GPPL, GPIL and GPBL shall bear its own cost or bear costs as may be mutually agreed. Such decisions shall not have an effect on the company that is not a part of such decision.

25 MODIFICATION OR AMENDMENT

The Board of Directors of GPPL, GPIL and GPBL reserves the right to withdraw the Scheme at any time before the 'Effective Date' and may assent to any modification(s) or amendment(s) in this Scheme which the High 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 the Scheme and the Board of Directors of GPPL, GPIL and GPBL and after the dissolution of GPPL, the Board of Directors of GPIL and GPBL 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 High 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. The Board of Directors can empower any committee of directors or officers or other person to discharge all or any of the powers and functions, which the Board of Directors are entitled to exercise and perform under the scheme.

26 COSTS, CHARGES AND EXPENSES

Except in the circumstances mentioned in Clause 24 above, all costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of GPPL, GPIL and GPBL arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall borne and paid by GPIL. All the aforesaid expenses shall be referred to as 'Expenses of Scheme'.

IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 13 OF 2012
IN THE MATTER OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF AN APPLICATION UNDER SECTION 391 AND 394 OF THE COMPANIES ACT, 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN
GENUS PAPER PRODUCTS LIMITED
(Transferor / Non-Applicant Company)
AND
GENUS POWER INFRASTRUCTURES LIMITED
(Demerged / Applicant Company)
AND
GENUS PAPER & BOARDS LIMITED
(Resulting / Non-Applicant Company)

GENUS POWER INFRASTRUCTURES LIMITED

…….APPLICANT

FORM OF PROXY

I/We the undersigned, as Unsecured Creditor(s) of Genus Power Infrastructures Limited**,** the Demerged/ Applicant Company hereby appoint _____ of _____ and failing him/her _____ of _____ as my / our proxy, to act for me / us at the meeting of the Unsecured Creditors to be held at **SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022 (Rajasthan) on Tuesday, 23rd day of October 2012, at 3:00 P.M.**, for the purpose of considering and, if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Genus Paper Products Limited (Transferor / Non-Applicant Company) and Genus Power Infrastructures Limited (Demerged / Applicant Company) and Genus Paper & Boards Limited (Resulting / Non-Applicant Company) and at such meeting, and any adjournment/ adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here if 'for' insert 'for', if 'against' insert 'against' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

Dated this _____ day of _____ 2012

Affix Re. 1 Revenue Stamp

Name : _____

Address : _____ **Signature across the stamp**

Signature of Unsecured Creditor : _____

Signature of Proxy : _____

NOTES:

1 All alterations made in the Form of Proxy should be initialed.
2. The Proxy must be deposited at the Registered Office of the Applicant Company at 213, J.S. Arcade, Sector-18, Noida- 201301, U.P atleast 48 hours before the time for holding the meeting.
3. In case of multiple proxies, the proxy later in time shall be accepted.
4. Please affix revenue stamp before putting signature.

GENUS POWER INFRASTRUCTURES LIMITED

Regd. Office: 213, J.S. Arcade, Sector-18, Noida- 201301, U.P

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the meeting of the Unsecured Creditors of the Company, convened pursuant to the Order dated 10th September, 2012 of the Hon'ble High Court of Judicature at Allahabad, at **SPL-3, RIICO Industrial Area, Sitapura, Tonk Road, Jaipur-302022 (Rajasthan) on Tuesday, 23rd day of October 2012, at 3:00 P.M.**

Name and Address of the Unsecured Creditor	
Name and Address of the Proxy Holder / Authorised Representative	
Signature of Unsecured Creditor / Proxy / Authorised Representative	

NOTES:

1. Unsecured Creditors are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after fixing their signature on it.
2. The Unsecured Creditors / Proxies / Authorised Representative are advised to bring original photo identity proof for verification.
3. Incomplete attendance slips shall not be accepted for issuing the gate pass for entry in the meeting hall.
4. Unsecured Creditors / Proxies / Authorised Representative who come to attend the meeting are requested to bring with them the printed copy containing the Scheme of Arrangement and the Statement u/s 393 of the Companies Act, 1956.

BOOK-POST

If undelivered, please return to:
Genus Power Infrastructures Limited
SPL-3, RIICO Industrial Area,
Sitapura, Tonk Road,
Jaipur-302022 (Raj.)