

NOTICE – SECURED CREDITORS

ARCHIDPLY INDUSTRIES LIMITED

(CIN: L85110UR1995PLC008627)

Regid. Office : Plot No. 7, Sector 9, Integrated Industrial Estate, Sidcul, Pant Nagar,
Rudrapur, Udham Singh Nagar, Uttarakhand – 263153
Tel. No.:05944-252270 /011-45642555 / 080 -23445607
E-mail: info@archidply.com; website: www.archidply.com

MEETING OF THE SECURED CREDITORS

OF

ARCHIDPLY INDUSTRIES LIMITED

(convened pursuant to an order dated 14th day of May 2019 passed by the National Company Law Tribunal, Bench at Allahabad)

MEETING:

Day	:	Saturday
Date	:	29 th day of June ,2019
Time	:	1.00 p.m. (1300 hours)
Venue	:	Plot no.7,, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttrakhand -263153

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
ALLAHABAD BENCH, AT ALLAHABAD
COMPANY APPLICATION No. CA (C.A.A) NO.51 / ALD /OF 2019**

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 read alongwith Section 52 and 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Archidply Industries Limited, a company incorporated under the provisions of the Companies Act, 1956

AND

In the matter of Scheme of Arrangement of Archidply Industries Limited ('the Demerged Company')
WITH Archidply Décor Limited ('the Resulting Company')

Archidply Industries Limited,

a company incorporated under the Companies Act, 1956, having its registered office at Plot No.7, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153the Applicant / Demerged Company

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF THE APPLICANT COMPANY

To,

All the Secured Creditors of Archidply Industries Limited (the "Applicant Company"):

NOTICE is hereby given that by an Order dated 14th day of May, 2019 (the "**Order**"), the Hon'ble National Company Law Tribunal, Allahabad Bench at Allahabad ("**NCLT**") has directed a meeting to be held of the Secured Creditors of the Applicant Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Archidply Industries Limited and Archidply Décor Limited and their respective shareholders and Creditors ("**Scheme**").

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the Secured Creditors of the Applicant Company will be held at Plot no.7, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153 on Saturday the 29th day of June, 2019 at 1.00 p.m. (1300 hours) at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230 – 232 read alongwith Section 52 and 66 and other applicable provisions of the Companies Act, 2013 , the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Allahabad Bench at Allahabad ("**NCLT**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Archidply Industries Limited and Archidply Décor Limited and their respective shareholders ("**Scheme**") placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

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 authorised representative, is deposited at the registered office of the Applicant Company at Plot no.7, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153 not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; the Applicant Company has provided the facility of voting at the venue of the meeting so as to enable the Secured Creditors, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Secured Creditors of the Applicant Company to the Scheme shall be carried out through ballot or polling paper at the venue of the meeting to be held on 29th day of June, 2019.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at Plot no.7, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153 or at the office of its advocates, M/s. SuhailAhmad Ansari, Advocate C/O Ansari & Ansari Associates, 76 B/24/30 Thornhill Road, Civil Lines Prayagraj-211001.

NCLT has appointed Mr. Abhimanyu Jhamba (Advocate) to be the Chairman and in his absence, Ms. Aparna Trivedi (Advocate) to be the alternative Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-

Abhimanyu Jhamba

Chairman appointed for the meeting

Dated this 22nd day of May, 2019

Registered office: Plot no.7, Sector- 9,
Integrated Industrial Estate, SIDCUL,
Pant Nagar, Udham Singh Nagar,
Uttarakhand -263153

Notes:

1. Only registered Secured Creditors of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be a Secured Creditors of the Applicant Company) at the meeting of the Secured Creditors of the Applicant Company.
2. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.
3. All alterations made in the form of proxy should be initialed.
4. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a Secured Creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company.
5. NCLT by its Order has directed that a meeting of the Secured Creditors of the Applicant Company shall be convened and held at Plot no.7, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153 on Saturday, the 29th day of June, 2019 at 1.00 p.m. (1300 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Secured Creditors would be entitled to vote in the said meeting either in person or through proxy.
6. In compliance with the provisions of (i) Section 230(4) of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; the Applicant Company has provided the facility of voting at the venue of the meeting so as to enable the Secured Creditors, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Secured Creditors of the Applicant Company to the Scheme shall be carried out through ballot or polling paper at the venue of the meeting to be held on Saturday the 29th day of June, 2019.
7. The quorum of the meeting of the Secured Creditors of the Applicant Company shall be 25% in value. In case the required quorum as noted above for the meeting of Secured Creditors of the applicant company is not present at the commencement of the meeting, then the meeting shall be adjourned by half an hour and thereafter the person present shall be deemed to constitute the quorum.
8. A registered Secured Creditors or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
9. The registered Secured Creditors who are attending the meeting are requested to bring their ID for easy identification.
10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Secured Creditors at the registered office of the Applicant Company between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
11. Secured Creditors who are having outstanding balance as on 31st day of March, 2019, being the cutoff date, will be entitled to exercise their right to vote on the above resolution.
12. The Notice, together with the documents accompanying the same, is being sent to all the Secured Creditors either by registered post or by courier or by speed post or by hand delivery or electronically by e-mail to those Secured Creditors who have registered their e-mail ids with the Applicant Company whose names appear in the register of Secured Creditors as on 31st day of March, 2019. The Notice will be displayed on the website of the Applicant Company www.archidply.com
13. A person, whose name is not recorded in the register of Secured Creditors as on the cutoff date i.e. 31st day of March, 2019 shall not be entitled to avail the facility of voting at the meeting to be held on 29th day of June, 2019. Voting rights shall be reckoned on the outstanding amount of the Secured Creditors as on 31st day of March, 2019. Persons, who are not Secured Creditors of the Applicant Company as on the cut-off date i.e. 31st day of March, 2019 should treat this notice for information purposes only.

14. The notice convening the meeting will be published through advertisement in (i) Indian Express (Delhi edition which covers Uttarakhand) in the English language; and (ii) translation thereof in Jansatta(Delhi edition which covers Uttarakhand) in Hindi language.
15. In accordance with the provisions of Sections 230 — 232 read alongwith Sections 52 and 66 of the Companies Act, 2013, of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Secured Creditors of the Applicant Company, voting in person or by proxy agree to the Scheme.
16. Ms. Babita Jain, (Membership No. FCS 3824/CP – 19136), Practicing Company Secretary Allahabad (U.P) has been appointed as the scrutinizer to conduct the voting at the venue of the meeting in a fair and transparent manner.
17. The scrutinizer will submit her report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the Secured Creditors, of the Applicant Company through ballot or polling paper at the venue of the meeting. The scrutinizer's decision on the validity of the vote shall be final. The results of votes cast through ballot or polling paper at the venue of the meeting will be announced on or before 1st day of July 2019 at the registered office of the Applicant Company. The results, together with the scrutinizer's Reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company www.archidply.com.

Encl.: As above

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
ALLAHABAD BENCH, AT ALLAHABAD
COMPANY APPLICATION NO.CA(CAA) NO.51/ALD / OF 2019**

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 read along with Section 52 and 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

AND

In the matter of Archidply Industries Limited, a company incorporated under the provisions of the Companies Act, 1956

AND

In the matter of Scheme of Arrangement of Archidply Industries Limited ('the Demerged Company')
WITH Archidply Décor Limited ('the Resulting Company')

Archidply Industries Limited,

a company incorporated under the Companies Act, 1956, having its registered office at Plot No.7, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153....the Applicant / Demerged Company

EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. Pursuant to the order dated 14th day of May, 2019, passed by the Hon'ble National Company Law Tribunal, Allahabad Bench at Allahabad (the "**NCLT**"), in Company Application No.CA(CAA) No.51 /ALD/of 2019 ("**Order**"), a meeting of the Secured Creditors of Archidply Industries Limited (hereinafter referred to as the "**Applicant Company**" or the "**Demerged Company**" or "**AIL**" as the context may admit) is being convened at Plot no.7,, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153 on Saturday, the 29th day of June, 2019 at 1.00 p.m. (1300 hours), for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Archidply Industries Limited (hereinafter referred to as the "**Demerged Company**" or "**AIL**" as the context may admit) and Archidply Décor Limited (hereinafter referred to as the "**Resulting Company**" or "**ADL**" as the context may admit) and their respective shareholders and creditors under Sections 230 – 232 read along with Section 52 and 66 and other applicable provisions of the Companies Act, 2013 (the "**Scheme**"). **AIL** and **ADL** are together referred to as the "**Companies**". A copy of the Scheme, which has been, inter alias, approved by the Audit Committee and the Board of Directors of the Applicant Company at their respective meetings held on 30th day of May, 2018, is enclosed as **Annexure 1**. Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. The quorum of the meeting of the Secured Creditors of the Applicant Company shall be 25% in value. In case the required quorum as noted above for the meeting of Secured Creditors of the applicant company is not present at the commencement of the meeting, then the meeting shall be adjourned by half an hour and thereafter the person present shall be deemed to constitute the quorum. Further in terms of the said Order, NCLT has appointed Mr. Abhimanyu Jhamba (Advocate) to be the Chairman and in his absence, Ms. Aparna Trivedi (Advocate) to be the alternative Chairman of the said meeting including for any adjournment or adjournments thereof.
3. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "**Act**") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "**Rules**").

4. As stated earlier, NCLT by its said Order has, inter alia, directed that a meeting of the Secured Creditors of the Applicant Company shall be convened and held at Plot no.7,, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153 on Saturday, the 29th day of June, 2019 at 1.00 p.m. (1300 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Secured Creditors would be entitled to vote in the said meeting either in person or through proxy.
5. In accordance with the provisions of Sections 230 — 232 read along with Section 52 and 66 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the Secured Creditors, of the Applicant Company, voting in person or by proxy agree to the Scheme.
6. In terms of the Order dated 14th day of May, 2019, passed by the NCLT, in Company Application No.CA (CAA) No51 / ALD/of 2019, if the entries in the books /register / records of the Applicant Company in relation to the value, of the Secured Creditors are disputed, the Chairman of the meeting shall determine the value, as the case may be, for the purposes of the said meeting and his decision in that behalf would be final.

Particulars of Archidply Industries Limited (AIL)

7. Archidply Industries Limited (AIL) was incorporated as a Public Limited Company under the Companies Act, 1956, on 5th September, 1995 in the name of ATP Silvi Products Limited in the State of Karnataka. The Company has obtained Certificate of Commencement of business from the Registrar of Companies, Karnataka, Bangalore dated 05th July, 2005. The name of the company has been changed to its present name i.e. Archidply Industries Limited (in short AIL) and obtained a fresh certificate of incorporation dated 30th day of March, 2007, consequent upon change of name from the Registrar of Companies, Karnataka Bangalore. There has been no further change in the name of Archidply Industries Limited in the last five (5) years. The Corporate Identification Number of AIL is L85110UR1195PLC008627. The Permanent Account Number of AIL is AAFC A3135N. The shares of AIL are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
8. The Registered Office of AIL is situated at Plot no.7, , Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153. There has been change in the registered office address of AIL in the last five (5) years.

The Equity Shareholders have subject to the approval of the Hon'ble Regional Director (South East Region) and other relevant authorities passed a Special Resolution through Postal ballot on 15th November, 2017 for Shifting of its Registered Office from the State of Karnataka to the State of Uttarakhand.

The Hon'ble Regional Director (South East Region) Hyderabad vide his order dated 28th February, 2018 has sanctioned a Petition for shifting of the Registered Office of the company from the State of Karnataka to the State of Uttarakhand. Accordingly the company, upon registration of the said order, obtained a fresh certificate of incorporation from the Registrar of Companies, Kanpur. The e-mail address of AIL is info@archidply.com.

9. The objects for which AIL has been established are set out in its Memorandum of Association. The main objects of AIL are as follows:
 - To carry on the business as timber merchants, saw mill proprietors, timber growers, timbers, treaters, seasoners, veneer, plywood, hardboard, laminator Board Industrial decorative laminates. Tea chests, chip board and fibre board manufacturers and to buy, sell, of saplings and trees and to harvest treat, process, render marketable, buy, sale and dispose of any such products including by products in the raw or manufactured state and to take up the business of planters, growers, cultivators, sellers and dealers the all kinds of wood including bamboo, bagasse, Mesta or Cotton Stalks and to manufacture, dispose off, sell or deal in their product grow, prepare, manipulate, import and export and deal in timber, veneers, plywood and wood, wood products, metal and metal products of all kinds, doors, windows, panel boards and others in manufacture of which timber, wood plywood or metal is used in any form of proportion, to buy, acquire any forests, factories and timber estates to enter into lease and other agreements with government, private and other agencies for purchase of timber and forest products and to act as forest contractors planters growers cultivators .

- To carry on the business as manufacturers, producers, buyers sellers, traders, merchants, hire purchase dealers, indentors, commission agents, brokers processors, cultivators, assemblers, repairers, exchangers, alters, packers, importers, exporters, stockists, distributors, agents and dealers in timber, forest, agriculture, plantation, horticulture, petroleum and other products whether in raw, semi-finished, finished, processed and semi processed form, plastics, minerals, organic and inorganic chemicals, drugs, medicines, fertilisers, yarn, jute, cotton, rubber, products in which these are used in any form or proportion and all and every other article, merchandise and items of whatever nature, in plants, machinery, spares, accessories, gauges, meters, implements, instruments, tools, tackles, material handling mining construction, railway, transport, water supply, sewerage, electrical, electronic, hydraulic, mechanical and other equipment's, construction and other materials, to carry on the business as transporters, contractors, suppliers, metallers, coalers, galvanizers, planters, enamellers, founders, mill wrights, forgers converters and fabricators, hoteliers and caterers in all branches, to purchase take on lease acquire exchange or otherwise own, hold, occupy, manage, control, construct erect, alter, develop, pulldown, improve, repair, renovate, work build, plan, lay sell transfer mortgage, charge, assign, let out or hire, sublet and sub- lease lands, buildings factories, warehouses stops cinema halls, roads, bridges, estates, assets and properties, whether free hold or leasehold or of whatever nature.
- To act as technicians, engineers and consultants and to give advice on investment, financial, managerial, technical operational and other aspects of trade, industry, mining, agriculture irrigation, transport and others and in all branches of engineering, to make valuations, surveys, to supply to and promote, maintain and operate services, facilities, conveniences & bureaus.

There has been no change in the object clause of AIL in the last 5 years.

10. AIL is a well- established company, engaged in the business of wood panel products and decorative surfacing products and has two manufacturing undertakings: - Rudrapur (Uttarakhand) Undertaking and Chintamani (Karnataka) Undertaking. The following products are manufactured at Rudrapur and Chintamani:-

Rudrapur:-

- Plywoods - Marine Plywood, Fire Retardant Plywood, Shuttering Plywood, Densified Film Faced Plywood, BWR & MR Plywood, Lamyply and Lamyboard.
- Block Board and Flush Doors - BWR & MR grade
- Decorative Laminates – range from 0.8mm to 1.5mm and post form laminates

Chintamani:-

- Particle Boards - plain, veneered and pre laminated particle board both in interior and exterior grade
- Decorative Veneers – Teak, natural exotic veneers, reconstituted veneers and dyed veneers.

In addition contract manufacturing of Gurjan based face & core plywood and Face Veneers from Myanmar is also done in Chintamani.

AIL has no subsidiary Company as on date.

11. That the present Authorized, Issued, Subscribed and Paid Up Share Capital of AIL/ Demerged Company as per the latest Audited Balance Sheet as at 31st March, 2018 is as under:-

Particulars	Amount (Rs.)
AUTHORISED SHARE CAPITAL:	
2,50,00,000 Equity Shares of Rs.10/- each	25,00,00,000
TOTAL	25,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
2,20,65,000 Equity Shares of Rs.10/- each	22,06,50,000
TOTAL	22,06,50,000

12. There has been no change in the aforesaid share capital of AIL/Demerged Company since 31st March, 2018

Particulars of Archidply Décor Limited (ADL)

13. Archidply Décor Limited (ADL) was incorporated as a Public Limited Company under the Companies Act, 2013, on 14th June, 2017 in the name and style of Archidply Décor Limited (ADL) in the State of Uttarakhand. There has been no further change in the name of ADL since incorporation. The Corporate Identification Number of ADL is U20231UR2017PLC008626. The Permanent Account Number of ADL is AAPCA6975N. The equity shares of ADL are not listed on any stock exchanges.
14. The Registered Office of ADL is situated at Plot No.7, Sector -9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR- 263 153. There has been change in the registered office address of ADL in the last five (5) years.

The Equity Shareholders have subject to the approval of the Hon'ble Regional Director (South East Region) and other relevant authorities passed a Special Resolution on 6th November, 2017 for Shifting of its Registered Office from the State of Karnataka to the State of Uttarakhand.

The Hon'ble Regional Director (South East Region) Hyderabad vide his order dated 8th January, 2018 has sanctioned a Petition for shifting of the Registered Office of the company from the State of Karnataka to the State of Uttarakhand. Accordingly the company, upon registration of the said order, obtained a fresh certificate of incorporation from the Registrar of Companies, Kanpur. The e-mail address of ADL is info@archidply.com.

15. The objects for which ADL has been established are set out in its Memorandum of Association.

The main object of ADL is, inter alia, as follows:

- To carry on the business of Manufacture of wood and other products of wood and cork, including furniture and providing the service relating to polishing & coating service on wood.
- To carry on the business as timber merchants, saw mill proprietors, timber growers, timbers, treaters, seasoners, veneer, plywood, hardboard, laminator Board industrial decorative Laminates. Tea Chests, chip board and fibre board manufacturers and to buy, sell, of saplings and trees and to harvest treat, process, render marketable, buy, sale and dispose of any such products including by products in the raw or manufactured state and to take up the business of planters, growers, cultivators, sellers, and dealers the all kinds of wood including bamboo, bagase, Mesta or Cotton stalks and to manufacture, dispose off, sell or deal in their product grow. prepare, manipulate, import and export and deal in timber, veneers, plywood and wood, wood products, metal and metal products of all kinds, doors, windows, polishing and coating service on wood, panel boards and others in manufacture of which timber, wood plywood or metal is used in any form of proportion, to buy, acquire any forests, factories and timber estate to enter into lease and other agreements with government, private and other agencies for purchase of timber and forest products and to act as forest contractors planters growers cultivators.
- To carry on the business as manufacturers, producers, buyers, sellers, traders, merchants, hire purchase dealers, indentors, commission agents, brokers processors, cultivators, assemblers, repairers, exchangers, alterers, packers, importers, exporters, stockists, distributors, agents and dealers in timber, forest, agriculture, plantation, horticulture, petroleum and other products whether in raw, semi-finished finished, processed and semi processed form, plastic, minerals, organic and inorganic chemicals, drugs, medicines, fertilizers, yarn, jute, cotton, rubber, products in which these are used in any form or proportion and all and every other article, merchandise and items of whatever nature, in plants, machinery, spares, accessories, guages, meters, implements, instruments, tools, tackles, material handling mining construction, railway, transport, water supply, sewerage, electrical, electronic, hydraulic, mechanical and other equipment's, construction and other materials, to carry on the business as transporters, contractors, suppliers, metallers, coalers, galvenizers, planters, enamallers, founders,

mill wrights, forgers converters and fabricators, hoteliers, and caterers in all branches, to purchase, to take on lease acquire exchange or otherwise own, hold, occupy, manage, control, construct erect, alter, develop and pull down, improve, repair, renovate, work build, plan, lay sell transfer mortgage, charge, assign, let out or hire, sub-let and sub- lease lands, buildings factories, warehouses stop cinema halls, roads, bridges, estates, assets and properties, whether free hold or lease hold or of whatever in nature.

- To act as an technicians, engineers, and consultants and to give advice on investment, financial, managerial, technical, operational and other aspects of trade, industry, mining, agricultural irrigation, transport and others and in all branches of engineering, to make valuations, surveys to supply to and promote, maintain and operate services, facilities, conveniences and bureaus.

There has been no change in the object clause of ADL since incorporation.

- 16.** ADL is a newly incorporated company with the main objects of manufacturing and trading of Wood panel products and other related activities.
- 17.** The Authorized, Issued, Subscribed and Paid Up Share Capital of the ADL as per the Latest Audited Balance Sheet as at 31st March, 2018 is as under:

Particulars	Amount (Rs.)
AUTHORISED SHARE CAPITAL:	
1,00,000 Equity Shares of Rs.10/- each	10,00,000
TOTAL	10,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
50,000 Equity Shares of Rs.10/- each	5,00,000
TOTAL	5,00,000

- 18.** Subsequent to 31st March, 2018, there is no change in the Authorised, issued, subscribed and paid up share capital of ADL.

Description and Objective of the Scheme

- 19.** The Scheme provides for, inter alia,
- the transfer by way of a Demerger of the Demerged Undertaking of the Demerged Company (AIL) to the Resulting Company(ADL)
 - consequent issue of equity shares by the Resulting Company (ADL) to the shareholders of the Demerged Company (AIL)
 - increase in authorized share capital of the resulting company (ADL)
 - listing of equity shares by ADL on BSE and NSE
 - Various other matters consequential to or otherwise integrally connected with the above.

The proposal is to be implemented in terms of the Scheme under Sections 230 - 232 read with Section 52 and 66 of the Companies Act, 2013.

- 20.** The rational for the Scheme of arrangement is as under:

- In order to achieve geographical operational efficiencies and unlock shareholders value, the management of AIL has proposed to separate each business undertaking based on the commercial objectives and relevant geographies of the undertaking into separate company. Therefore with a view to effect such reorganization the present scheme is proposed for Transfer of Chintamani Undertaking into Archidply Décor Limited (ADL)

- In order to concentrate its growth efforts in a focused manner, introduce different strategies for growth and different focus for alliance / ventures and to enable direct Equity participation from investors and the Demerged Company has determined to create a focused entity and accordingly proposes the transfer and vesting of the Demerged Undertaking (as defined hereinafter) in the Resulting Company by way of a Demerger (as hereinafter defined) undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act.
- The above transfer will be carried out by demerging Chintamani unit from AIL to ADL as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 (IT Act).
- Upon the effectiveness of this scheme, ADL will be listed on the stock exchanges where shares of AIL are listed i.e. BSE and NSE, subject to the approval of respective stock exchanges

The key objectives for this demerger which is primarily focused towards maximizing shareholder value are:-

- The nature of risk, competition and capital intensity involved in demerged undertaking and remaining undertaking of AIL is distinct from each other. Consequently, each undertaking of AIL is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders. Hence as part of an overall business reorganization plan, it is considered desirable and expedient to reorganize and reconstruct AIL by demerging the Demerged Undertaking to ADL in the manner and on the terms and conditions contained in this Scheme.
- The Demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of AIL to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.
- It will facilitate each business to independently pursue their growth plans through organic / inorganic means.
- It will enhance management focus and operational flexibility and it will create a platform to enhance financial flexibility to pursue next stage of growth.
- The restructuring proposal is thus aimed at protecting and maximizing value for the shareholders of the AIL. This scheme is in the interest of the shareholders; creditors and all other stakeholders of AIL and shall not in any manner be prejudicial to the interests of shareholders and creditors. The restructuring under this Scheme would enable focused business approach for the maximization of benefits to all stakeholders and capitalize on the opportunity for growth.

Major Developments / Actions post announcement of the Scheme

21. There are no major developments / actions have taken place since announcement of the scheme.

Corporate Approvals

22. The proposed Scheme was placed before the Audit Committee of Archidply Industries Limited (AIL) at its meeting held on 30th day of May, 2018. The Audit Committee of AIL took into account the Valuation Report, dated 30th day of May, 2018, issued by M/s. Suresh Shah & Co. (**valuation report**) and the fairness opinion, dated 30th day of May, 2018, provided by Saffron Capital Advisors Private Limited, a Category I Merchant Banker, (**"Fairness Opinion"**) appointed for this purpose by AIL. A copy of the Valuation Report is enclosed as **Annexure 2**. The Valuation Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee of AIL based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of AIL.

- 23.** The Scheme along with the Valuation Report was placed before the Board of Directors of Archidply Industries Limited (AIL), at its meeting held on 30th day of May, 2018. The Fairness Opinion and the report of the Audit Committee were also submitted to the Board of Directors of AIL. Based on the aforesaid, the Board of Directors of AIL approved the Scheme. The meeting of the Board of Directors of AIL, held on 30th day of May, 2018, was attended by six (6) directors (namely, Mr. DeenDayalDaga, Mr. ShyamDaga, Mr. Rajiv Daga, Mr. Mohammad ShahidAftab, Mr. BharatkumarRathi and Ms. ShanthiVaradrajMallarin person). Mr. DeendayalDaga, Mr. ShyamDaga, Mr. Rajiv Dagabeing part of Promoter Group, abstained from voting on the resolution in respect of the Scheme. None of the directors of AIL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of AIL who attended and voted at the meeting.
- 24.** The Scheme along with the Valuation Report was placed before the Board of Directors of Archidply Décor Limited (ADL), at its meeting held on 30th day of May, 2018. Based on the aforesaid, the Board of Directors of ADL approved the Scheme. The meeting of the Board of Directors of ADL held on 30th day of May, 2018, was attended by three (3) directors (namely, Mr. ShyamDaga, Mr. Rajiv Dagaand Ms. ArpitaDagain person). None of the directors of ADL who attended the meeting voted against the Scheme. Thus, the Scheme was approved unanimously by the directors of ADL who attended and voted at the meeting.

Approvals and actions taken in relation to the Scheme

- 25.** BSE has been appointed as the designated stock exchange by AIL for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. AIL has received observation letters regarding the Scheme from BSE and NSE, dated 30th day of November, 2018 and 30th day of November, 2018 respectively. In terms of the observation letters of BSE and NSE, dated 30th day of November, 2018 and 30th day of November, 2018 respectively, BSE and NSE, inter alia, conveyed their no adverse observations/no objection for filing the Scheme with the Hon'ble National Company Law Tribunal. Copies of the observation letters, dated 30th day of November, 2018 and 30th day of November, 2018received from BSE and NSE, respectively, are enclosed as **Annexure 4** and **5**.
- 26.** As required by the SEBI Circular, AIL had filed the complaints report with both BSE and NSE, on 6th day of August, 2018 and 4th day of September, 2018 respectively. This report indicates that AIL received nil complaints. A copy of the complaints report submitted by AILto BSE and NSE, dated 6th day of August, 2018 and 4th day of September, 2018 are enclosed as **Annexure 6**.
- 27.** The Companies or any of them would obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required.
- 28.** The applications along with the annexure thereto (which includes the Scheme) were filed by the Companies with the NCLT, on 8th day of February, 2019.
- 29.** This notice convening Meeting of the Equity Shareholders of the Applicant Company along with aforesaid documents are placed on the website of the Company viz. www.archidply.com and being sent to Securities and Exchange Board of India and BSE Limited and National Stock Exchange of India Limited (NSE) for placing on their website.

Salient extracts of the Scheme

- 30.** The salient extracts of the Scheme are as Under:

DEFINITIONS

- A. "Appointed Date"** means the opening of business on April 1, 2018 or such other date as the NCLT may direct or allow
- B. "Effective Date"** means the last of the dates on which all the conditions and matters referred to in Clause 13 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;

C. Demerged Undertaking” means Chintamani Undertaking of the Demerged Company, which shall include business, activities and operations pertaining to the Chintamani Unit (hereinafter referred to as “Demerged Undertaking”) of the Demerged Company on a going concern basis, and shall mean and include, without limitation:

All assets and properties of the Chintamani Undertaking including all assets whether movable or immovable, related liabilities pertaining thereto including contingent liabilities, liabilities not accrued, not recognized or not provided for in the books of accounts of the Company.

Without prejudice to the generality of the above, the Demerged Undertaking shall include in particular:

- i. All specified assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the properties whether, corporeal or incorporeal, leasehold or otherwise, licenses together with all present liability provided and accounted in the books of Demerged Company and future liability, including contingent liabilities, liabilities not accrued, not recognized or not provided for in the books of accounts and debts pertaining thereto, of the Demerged Company all of which relate to the Demerged Undertaking as described in this Scheme ;
- ii. All contracts, agreements, deeds, arrangements, letters of intent, in connection with or in relation to the Chintamani Undertaking and properties and as set of or required for the above business situated at the above locations and securities deposits, the right to use such assets and properties, whether movable or immovable, tangible or intangible, offices, current assets including Loans and advances, furniture, fixtures, office equipment, appliances, accessories;
- iii. All permits, quotas, rights, entitlements and benefits, licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, and all other interests in connection with or relating to the Demerged Undertaking;
- iv. All earnest money and / or security deposits paid by the Demerged Company in connection with or relating to the Demerged Undertaking;
- v. The Brand “Archidply” relating to the following products:-
Plywood & Blockboards- Gurjan/keruing/Hollang face & core veneer base plywood and Gurjan mix with other hardwood
 - Prelam Particle Board & Prelam MDF- exclusive rights in all categories
 - Bon Vivant Brand - exclusive rights for all products
 - Flush Doors -Decorative Veneer Flush DoorDecorative Veneers – Teak, natural exotic veneers, reconstituted veneers and dyed veneers- exclusive rights in all categories.
- vi. All records, files, papers, engineering and process information, computer programme, software licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers / clients and suppliers, customer / client credit information, customer / client pricing information, and other records whether in physical or electronic form in connection with or relating to the Demerged Undertaking;

- vii. All debts, borrowings and liabilities (including contingent liabilities, liabilities not accrued, not recognized or provided for in the books of accounts of the Demerged Company), present liability as accounted in the books of the Demerged Company whether secured or unsecured, pertaining to the Demerged Undertaking.
- viii. All employees on the payroll of the Demerged Company employed in the Demerged Undertaking, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

(Note 1: - For the purposes of this Scheme, a statement of account of the Chintamani business of the Demerged Undertaking are drawn up as on the Appointed Date which gives details of assets and liabilities of the Chintamani Undertaking *and is duly certified by the Management of AIL.*)

(Note 2:- Any question that may arise as to whether a particular asset or liability pertains or does not pertain to the Undertaking shall be decided by mutual agreement between the Board of Directors of AIL and ADL.)

(Note 3: -It is intended that the definition of Chintamani Undertaking under this clause would enable the transfer of all property & all assets including fixed assets, current assets and loans and advances etc. and liabilities of the Chintamani Undertaking)

D. Vesting of an Undertakings

- a) The Demerger under this Scheme will be effected under the provisions of Sections 230 to 232 read along with Section 52 and Section 66 and other relevant provisions of the Act. The Demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:
- all the properties of the Demerged Undertaking being transferred by the Demerged Company, immediately before the Demerger shall become the properties of the Resulting Company by virtue of such Demerger;
 - all the liabilities relating to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the liabilities of the Resulting Company by virtue of such Demerger;
 - the properties and the liabilities relating to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at the values appearing in the books of account of the Demerged Company immediately before the Demerger;
 - the Resulting Company shall issue, in consideration of the Demerger, shares to the Shareholders of the Demerged Company;
 - all shareholders of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger; and
 - the transfer of the Demerged Undertaking shall be on a going concern basis.
- b) This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, including Section 2 (19AA) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of 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.

E. Assets

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights including claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the provisions of Section 230 to 232 of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.

F. Contracts, Deeds etc:-

- Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.
- Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, permissions, licences, approvals, certificates, insurance covers, clearances, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company.
- Without prejudice to the aforesaid, it is clarified that if any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.
- The Brand "Archidply" belongs to Archidply Industries Limited and the said brand shall be used by the Demerged Company (AIL) and the Resulting company (ADL) for their respective products as under.

The Brand "Archidply" "Archidlam", "Archidstar" and "Archidslim" relating to the following products of Archidply Industries Limited:-

- Decorative Laminates - exclusive rights in all categories
- Plywood and Blockboards – Both Hardwood & Softwood species other than Gurjan/Keruing/Hollong Core & face Veneer based Plywood & blockboards exclusive rights
- Flush Doors - Plain / Laminated Flush Door
- Silvi Brand- exclusive rights for all product categories

The Brand "Archidply" relating to the following products of Archidply Décor Limited:-

Plywood & Blockboards - Gurjan/keruing/Hollong face & core veneer with Gurjan/ keruing/Hollong core veneer mix with other core.

Prelam Particle Board & Prelam MDF- exclusive rights in all categories

- Bon Vivant Brand - exclusive rights for all products
- Flush Doors - Decorative Veneer Flush Door.

Decorative Veneers – Teak, natural exotic veneers, reconstituted veneers and dyed veneers- exclusive rights in all categories.

- Archidply Industries Limited (AIL) shall not directly or indirectly, compete with Archidply Decor Limited (ADL'S) business of plywood- Gurjan/ keruing/Hollong Face & Core Veneer base plywood & Blockboards, Prelam Particle Board & Prelam MDF- exclusive rights in all categories, BON Vivant Brand – exclusive rights for all products and Flush doors – Decorative Veneer Flush door for a period of five (5) years from the appointed date or such reduced period as may be mutually agreed between the parties (AIL and ADL)
- Similarly Archidply Decor Limited (ADL) shall not, directly or indirectly, compete with Archidply Industries Limited (AIL'S) business of Decorative Laminates – exclusive rights in all categories, Plywood and Blockboards – Hardwood species other than gurjan/keruing/Hollong face & core Plywood & Blockboards exclusive rights, Flush Doors - Plain / Laminated Flush Door, and Silvi Brand- exclusive rights for all product categories for a period of five (5) years from the appointed date or such reduced period as may be mutually agreed between the parties (AIL and ADL)
- Any new product launch by the Demerged Company (AIL) and / or the Resulting Company (ADL) shall only be done after receiving No Objection Certificate (NOC) from the other Company for the use of "Archidply " Brand or Archid Brand in any form including suffix or prefix.

G. Transfer of liabilities

Upon the coming into effect of the Scheme, all loans raised and used, debts, liabilities, duties and obligations (including the liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relating to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.

H. Employees

- Upon the coming into effect of this Scheme, all Employees of the Demerged Undertaking shall become the employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Employees with the Demerged Company shall also be taken into account, and paid by the Resulting Company as and when the same become payable.
- In so far as the provident fund and gratuity fund and any other funds or benefits if any created by the Demerged Company inter alia for the Employees are concerned (collectively referred to as the "Funds"), the funds and such investments made by the Funds which are referable to the Employees in terms of sub-Clause 4.1 of the Scheme shall be transferred to the Resulting Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions pertaining to the Employees shall be transferred to the Funds created by the Resulting Company.
- In relation to any other fund created or existing for the benefit of the Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees.
- In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the employees of the Remaining Business.

I. Legal, Taxation and Other Proceedings

- Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be replaced/ added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.
- If any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-Clause 5.1 of the Scheme, it shall defend the same in accordance with any reasonable and prudent advice provided by the Resulting Company at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in sub-Clause 5.1 of the Scheme transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.

- This Scheme complies with definition of “demerger” as per Section 2(19AA), 2(41A), 47, 72A and other provisions of the Income Tax Act. If any terms are found to be or interpreted to be inconsistent with provisions of Income Tax Act, the parties shall negotiate in good faith to be in compliance with such provisions.

J. Conduct of Business

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

- the Demerged Company shall continue to carry on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;
- all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company; and
- any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company; and similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.
- all assets acquired and all liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions.

K. Remaining Business

Save and except Demerged Undertaking and as expressly provided in this Scheme, nothing contained in this Scheme shall affect Retained Undertaking (remaining business) of AIL which shall continue to belong to and be vested in and be managed by AIL. It is expressly clarified and provided that the Retained Undertaking shall continue to be so vested in AIL and all liabilities, present or contingent, under the Income Tax Act, 1961 of AIL as a whole, for the period prior to the Appointed Date shall be borne by AIL with AIL also being entitled to any and all tax refunds and other credits under the said acts for such prior period.

- 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 the Demerged Company.
- All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company 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 the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Business.

- If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-Clause 7.1 of the Scheme, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- With effect from the Appointed Date and up to and including the Effective Date:
- the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- all profits accruing to the Demerged Company thereon 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 the Demerged Company;
- all assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company;
- The Brand "Archidply" relating to the following products:-
- Decorative Laminates - exclusive rights in all categories
- Plywood and Blockboards – Hardwood species other than gurjan/keruing/Hollang Plywood & Block boards exclusive rights
- Flush Doors - Plain / Laminated Flush Door
- Silvi Brand- exclusive rights for all product categories

L. Consideration

The provisions of this Section 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.

- Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every four (4) Equity Shares of the face value of Rs. 10 /- each fully paid up held by him / her / it in the Demerged Company, one (1) new Equity share of the Resulting Company of the face value of Rs.10/- each fully paid up;
- The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *paripassu* in all respects with the existing equity shares of the Resulting Company.
- The issue and allotment of new equity shares by the Resulting Company to the Shareholders of the Demerged Company pursuant to Clause 8.1 of the Scheme is an integral part of this Scheme.
- Fraction share Treatment
- In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share of the Resulting Company, then the Resulting Company shall not issue fractional shares to such member but shall instead consolidate all such fractional entitlements to which the members of the Demerged Company may be entitled on the issue and allotment of equity shares of the Resulting Company and allot consolidated equity shares to a trustee nominated by the Resulting Company in that behalf.

- The trustee nominated by the Resulting Company under Clause 8.4 **of the Scheme** shall, at its discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders of the Demerged Company (AIL) entitled to the same in proportion to their fractional entitlements.
- The shares issued to the members of the demerged company pursuant to clause 8.1 of the Scheme shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the demerged company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members in dematerialized form provided that the members of the Demerged Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required it is only thereupon that the Resulting Company shall issue and directly credit the dematerialized securities to the account of such member with the shares of the Resulting Company. In the event that the Resulting Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Resulting Company shall issue shares in certificate form to such member.
- The New Equity Shares to be issued in respect of the shares of the Demerged Company held in the unclaimed suspense account, if any, shall be issued to a new unclaimed suspense account created for the shareholders of the Resulting Company.
- New Equity Shares to be issued by the Resulting Company pursuant to Clause 8.1 of the Scheme in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company.
- In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, prior or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Resulting Company and in relation to the shares issued by the Resulting Company after the effectiveness of this Scheme. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account difficulties faced in the transition period.
- Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged and Resulting Company, allotment of shares in terms of clause 8.1 of the Scheme shall be done within 30 days from the effective date.
- Pursuant to and upon this Scheme becoming effective, the Resulting company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Resulting company to issue and allot the Equity Shares in the Resulting Company to the shareholders of the Demerged Company in terms of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be increased in the manner set out in Clause 15 below.
- Equity Shares of the Resulting Company issued in terms of clause 8.1 above and Equity shares of the Resulting Company issued at the time of the incorporation and thereafter shall pursuant to the circular dated 10th March, 2017 bearing No. CFD/DIL3/CIR/2017/21 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited and National Stock Exchange of India Limited (NSE), the relevant stock exchange(s) where the existing equity shares of the Demerged

Company are listed and / or admitted to trading in accordance with the compliance with requisite formalities under applicable laws and the Demerged company and the Resulting Company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited and National Stock Exchange of India Limited (NSE)).

- The equity shares of the Resulting Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- Till the listing of the equity shares of the Resulting Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Resulting Company which may affect status of the approval of the stock exchanges to this scheme.
- Approval of the Scheme by the shareholders of ADL shall be deemed to be due compliance of the provisions of section 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder, the SEBI(LODR) Regulations, 2015 and the Articles of Association of the Resulting company and no other consent shall be required under the Act or the Articles of Association of the Resulting company for the issue and allotment of the Equity shares by ADL to the shareholders of AIL as provided hereinabove.

M. Accounting treatment in the books of the Demerged Company

Upon the effectiveness of this Scheme, in accordance with applicable accounting standards, Act and generally accepted accounting principles in India, the Demerged Company shall provide the following accounting treatment in its books of accounts:

- Upon the Scheme coming into effect from the Appointed Date, the Demerged Company shall transfer the assets and liabilities forming part of the Demerged Undertaking to the Resulting Company at their respective carrying amounts (i.e. the book value) at the Appointed Date;
- Inter-company Investment and / or Loans and Advances if any between the Demerged Company and the Resulting Company will stand cancelled and there shall be no further obligation/outstanding in that behalf.
- **Adjustments**
 - Upon the Scheme coming into effect, Reserves of the Demerged Company shall be adjusted solely to meet the requirement of IND AS notified under Section 133 of the Act, the fair value as at the Appointed Date of the Demerged Undertaking
 - The adjustment to Reserve mentioned in Clause 9.3.1 of the Scheme shall be as follows:
 - the excess of the book value of assets over the book value of liabilities transferred as per Clause 9.1 of the Scheme as at the Appointed Date if any shall be reduced from the balance in the Securities Premium account.
- (i) the difference between (a) the fair value of the Demerged Undertaking as determined under Clause 9.3.1 of the Scheme and (b) the adjustment under Clause 9.3.2 (i) of the Scheme shall be charged to the surplus/deficit accumulated in Retained earnings.
 - Upon the Scheme coming into effect, with effect from Appointed Date, solely to meet the requirement of Ind AS notified under section 133 of the Act, the difference between (a) the fair value of the Demerged Undertaking as determined under Clause 9.3.1 of the scheme and (b) the excess of the book value of assets over the book value of liabilities transferred as per Clause 9.1 of the Scheme as at the Appointed Date, shall be credited to the Statement of Profit and Loss.

- As mentioned in Clause 6, with effect from Appointed Date until Effective Date, the Demerged Company shall be deemed to have been carrying on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for the Resulting Company. Accordingly, the following shall apply:
 - (i) Pending Approval of the Scheme by the NCLT and other appropriate authorities, in the period between Appointed Date and the Effective Date, the Demerged Company shall continue to record the transactions and balances relating to the Demerged Undertaking in its books of account.
 - (ii) Upon the Scheme coming into effect, the Demerged Company shall derecognize all transactions and balance relating to the Demerged Undertaking that was recorded between the Appointed Date and the Effective Date pursuant to Clause 9.5 (i) of the Scheme and shall redraw its books of account to the extent required to give effect to the Scheme.
- It is reiterated that the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
- The reduction, if any, in the securities Premium account of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 and 66 of the Companies Act, 2013 and the order of the National Company Law Tribunal (NCLT) sanctioning the scheme shall be deemed to be also the order under Section 66 of the Companies Act, 2013 for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital and the provisions of Section 66 of the Companies Act, 2013 will not be applicable.

IV. Accounting Treatment in the books of the Resulting Company

- **Recording the transfer of assets and liabilities on demerger:**

Upon the effectiveness of this Scheme, in accordance with applicable accounting standards, Act and generally accepted accounting principles in India, the Resulting Company shall provide the following accounting treatment in its books of accounts:

- Upon the Scheme coming into effect, with effect from the Appointed date, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking of the Demerged Company vested in its pursuant to this Scheme at their respective book values appearing in the books of the Demerged Company, as per Clause 9.1 of the Scheme in accordance with Indian Accounting Standard (Ind AS) notified under Section 133 of the Act;
- The Resulting Company shall credit its share capital account with the face value of New Equity Shares issued in accordance with Clause 8.1 of the Scheme.
- The surplus/deficit between the value of Net Assets ("Net Assets" means excess of value of assets over the value of liabilities as per Clause 10.1 of the Scheme) pertaining to the Demerged Undertaking and the amount of New Equity Shares issued under Clause 8.1 of the Scheme shall be credited to capital reserve/debited to goodwill as the case may be. Goodwill if any will be written off against General reserve and/ or Securities Premium account of the Resulting Company.
- Having recorded the transfer of the assets and the liabilities as aforesaid, the Resulting Company shall make necessary adjustments such that all the assets and liabilities acquired (including assets and liabilities not specifically recognized by the Demerged Company in its financial statements), as well as shares issued and the resultant goodwill/capital reserve arising on

demerger are reflected at their acquisition date fair values as required for compliance with the mandatory Indian Accounting Standards, specifically, Ind AS 103 'Business Combinations', notified under Section 133 of the Act, read with the rules made there under and other Generally Accepted Accounting Principles. Further, acquisition related costs will also be accounted in accordance with the requirements of Ind AS 103 'Business Combination'.

- Notwithstanding the above, the Board of Directors of the Resulting Company, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner in accordance with the applicable accounting standards, if such accounting treatment is considered more applicable.
- It is reiterated that the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of section 2(19AA) of the Income Tax, 1961. Upon The Scheme coming into effect, the Resulting Company shall account for the transactions relating to the Demerged Undertaking from the Appointed Date and shall redraw its books of account to extent required to give effect to the Scheme.

O. Reduction of Capital - (Securities Premium)

- The debit balance of the said Demerger / Reconstruction adjustment account as per para no. 9.3 and 10.3 of the Scheme shall be adjusted against the Profit and Loss account and / or Securities premium account of the Demerged Company and / or Resulting Company.
- The adjustment / reduction towards securities Premium account shall tantamount to reduction of capital as per Section 66 read alongwith Section 52 of the Companies Act, 2013.
- The reduction, if any, in the securities Premium account of the Demerged Company and / or Resulting company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 read alongwith Section 52 of the Companies Act, 2013 and the order of the National Company Law Tribunal (NCLT) sanctioning the scheme shall be deemed to be also the order under Section 66 of the Companies Act, 2013 for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital and the provisions of Section 66 of the Companies Act, 2013 will not be applicable.

P. Taxes

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

Q. Scheme Conditional on

This Scheme is conditional upon and subject to:

- Obtaining no-objection /observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of SEBI(LODR) Regulations, 2015
- the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite order of the Hon'ble National Company Law Tribunal (NCLT) Allahabad Bench being obtained;

- As para 9 of SEBI Circular No. CFD/ DIL3 / CIR /2017 / 21 dated 10th March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Demerged company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.
- As para 9 of SEBI Circular No. CFD/ DIL3 / CIR /2017 / 21 dated 10th March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it. The term "Public" shall carry the same meaning as defined under Rule 2 of Securities Contracts(Regulations) Rules, 1957
- such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
- the Certified copies of the Tribunal (NCLT) orders referred to in this Scheme being filed with the Registrar of Companies,Uttarakhand.

R. Profits, Dividend, Bonus / Right Shares / Preferential allotment of Shares.

- AIL may issue or allot any further shares either rights or bonus or otherwise to its shareholders out of its profits and reserve and surplus earned up to 31st March, 2018 and thereafter out of the profits earned after 31st March, 2018 excluding the profit pertaining to Chintamani Undertaking. Simultaneously AIL may issue or allot any further shares as per the provisions of the Companies Act, 2013 as and when it is essential for AIL and on the terms and conditions as they may decide and such changes in Capital Structure will not in any way affect or change the exchange ratio provided in Clause 8 of the Scheme
- The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date as applicable.
- The Equity shares of the Resulting Company to be issued and allotted to the Equity shareholders of the Demerged Company as provided in clause 8 hereof shall be entitled to dividends from the date of allotment.
- The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.
- It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the boards of directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively.

S. Increase in the AuthorisedShareCapital of Archidply Décor Limited consequent alterations in the Memorandum of Association

- The Authorised Share Capital of ARCHIDPLY DECOR LIMITED shall be increased and reorganized, in the manner mentioned below, to cover the fresh issue of equity shares by ADL to the shareholders of the Demerged Company in terms of clause 8 of this Scheme:
- The Authorised Share Capital of ARCHIDPLY DECOR LIMITED shall be increased and reorganized fromRs. 10,00,000/- (Rupees Ten Lac only) comprising of 1,00,000 (One Lac) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs.6,00,00,000/- (Rupees Six Crores only) comprising of 60,00,000 (Sixty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.

- In consequence of the increase in the Authorised Share Capital, as mentioned above, following new clause V shall be inserted in the Memorandum of Association of the Resulting Company in place and stead of the existing clause V:

Clause V: - Memorandum of Association.

The Authorised share capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 Equity Shares of Rs. 10/- each.

- It is clarified that the Resulting Company shall be required to pay the filing fee and stamp duty only on the increase in the Authorised Share Capital from Rs. 10,00,000/- to relevant date for the increase of Authorised Share Capital of the Resulting Company shall be the effective date and the statutory time limit for filing of necessary documents with Registrar of Companies in connection with such increase in the Authorised Share Capital shall commence from the date the Scheme becomes effective. It is also clarified that Rs.6,00,00,000/- i.e. an increase of Rs. 5,90,00,000/-.
- It is further clarified that the Resulting Company shall not be required to pass any resolution under section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 for increase in the Authorised Share Capital of the Resulting Company, as envisaged above and that the members of the Resulting Company shall be deemed to have accorded their consent under various provisions of the Companies Act, 2013 and Rules made there under to the increase in the share capital in terms of this Scheme.

7. Application(s) to the National Company Law Tribunal [NCLT]

- The Demerged Company and the Resulting Company shall make, as applicable, joint or separate applications/petitions under Section 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013 to the National company Law Tribunal (NCLT), as necessary, inter act, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and further applications / petitions under Sections 230 to 232 read alongwithSection 52 and Section 66 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

U. Modifications of Scheme

- The Demerged Company and the Resulting Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the Tribunal (NCLT) and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.
- However no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the Tribunal (NCLT) and the same shall be subject to powers of the Tribunal (NCLT) under Section 230 to 232 of the Act.
- For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Demerged Company and the Resulting Company are authorized to give such directions and/ or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.
- The Demerged Company and Resulting Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

V. Non- receipt of approvals and revocation/withdrawal of this Scheme

- The Demerged Company and the Resulting Company acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.
- The Demerged Company and/or Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme in case the Demerged Company or the Resulting Company is declared insolvent.
- In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 15 (fifteen) months from the date of approvals of the Scheme by respective Boards of the Parties or within such extended period as may be mutually agreed upon between the Demerged Company and the Resulting Company through their respective Boards or their authorized representatives, this Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.
- In the event of revocation/withdrawal of the Scheme under Clause 18.1, 18.2 or 18.3 of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person, 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 is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

W. Revision of Accounts and Tax filings, Modification of Charge

- Upon this Scheme becoming effective and from the Appointed Date, the Demerged Company and Resulting company are expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, Goods and Service Tax (GST) returns etc. as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.
- Filing of the certified copy of the orders of the NCLT sanctioning this Scheme with the concerned Registrar of Companies, shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Demerged Company and Resulting company, as required as per the provisions of this Scheme.

X. Severability

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

Y. Mutation of Property

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties, of the Demerged Undertakings shall be deemed to have been mutated and recognized as that of the Resulting Company and the mere filing of the certified true copy of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties of the Demerged Undertakings with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

Z. Costs

Upon the sanction of this Scheme by the Tribunal (NCLT), all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Demerger shall be equally borne by the Demerged and Resulting Company.

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

Other matters

- 31.** Summary of the Valuation Report including the basis of valuation is enclosed as **Annexure 7**.
- 32.** The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. The certificates issued by the respective Statutory Auditors of the Companies are open for inspection.
- 33.** Under the Scheme, an arrangement is sought to be entered into between AIL and its equity shareholders (Promoter shareholders and non- Promoter shareholders). Upon the effectiveness of the Scheme, ADL shall allot equity shares, based on the share entitlement ratio and in the manner stipulated in clause 8 of the Scheme, to the equity shareholders of AIL.

As far as the Equity shareholders of AIL are concerned (promoter shareholders as well as Non Promoter shareholders), there will be no dilution in their shareholding.

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of AIL. No compromise is offered under the Scheme to any of the creditors of AIL. The liability of the creditors of AIL, under the Scheme, is neither being reduced nor being extinguished.

As on date, AIL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, AIL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under the Scheme, no rights of the Employees of AIL are being affected. The services of the Employees of AIL, under the Scheme, shall continue on the same terms and conditions on which they were engaged by AIL. Under clause 4 of the Scheme, on and from the effective date ADL undertakes to engage the employees of AIL, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by AIL without any interruption of service and in the same manner provided in clause 4 of the Scheme. In the circumstances, the rights of the employees of AIL engaged in or in relation to the Demerged Undertaking, would in no way be affected by the Scheme.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of AIL. Further no change in the Board of Directors of the company is envisaged on account of the Scheme.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of AIL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in AIL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in ADL and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The shareholding of the Company Secretary and Chief financial Officer of the Company and their respective relatives is less than 2% of the paid-up share capital of each of the Companies.

- 34.** Under the Scheme, an arrangement is sought to be entered into between ADL and its equity shareholders (Promoter shareholders and Non Promoter shareholders). Upon the effectiveness of the Scheme, ADL shall allot equity shares, based on the share entitlement ratio and in the manner stipulated in clause 8 of the Scheme, to the equity shareholders of AIL

In respect of the Scheme, there is no arrangement with the creditors, either secured or unsecured of ADL. No compromise is offered under the Scheme to any of the creditors of ADL. The liability of the creditors of ADL, under the Scheme, is neither being reduced nor being extinguished.

As on date, ADL has no outstanding towards any public deposits and therefore, the effect of the Scheme on any such public deposit holders does not arise. As on date, ADL has not issued any debentures. In the circumstances, the effect of the Scheme on the debenture trustee does not arise.

Under Clause 4 of the Scheme, on and from the Effective Date, ADL undertakes to engage the Employees of AIL, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by AIL without any interruption of service and in the manner provided under Clause 4 of the Scheme.

In the circumstances, the rights of the Employees of ADL would in no way be affected by the Scheme.

There is no effect of the Scheme on the key managerial personnel and/or the Directors of ADL.

Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of ADL and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in AIL and/or to the extent that the said Director(s) are common director(s) of the Companies and/or to the extent the said Director(s) are holding shares in ADL and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the respective Companies. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.

- 35.** The Scheme does not involve any capital or debt restructuring and therefore the requirement to disclose details of capital or debt restructuring is not applicable.
- 36.** In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of AIL and ADL have in their separate meetings held on 30th day of May 2018 and 30th day of May 2018 respectively, have adopted a report, inter alia, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders amongst others. Copy of the Reports adopted by the respective Board of Directors of AIL and ADL are enclosed as **Annexure 8** and **Annexure 9** respectively.
- 37.** No investigation proceedings have been instituted or are pending in relation to the Companies under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against any of the Companies.
- 38.** To the knowledge of the Companies, no winding up proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Act of 1956.
- 39.** The copy of the proposed Scheme has been filed by the respective Companies before the concerned Registrar of Companies on or around 24th day of May, 2019.
- 40.** The Supplementary Un-audited Accounting Statement of AIL and ADL for the nine months period ended 31st December, 2018 are enclosed as **Annexure 10** and **Annexure 11**, respectively.
- 41.** As per the books of accounts (as on 31st December 2018) of AIL and ADL, the amount due to the secured creditors is Rs. 85.25 crores and Rs. Nil crores respectively. As per the books of accounts (as on 31st March 2018) of AIL and ADL, the amount due to the secured creditors is Rs. 69.50 Crores and Rs. Nil Crores respectively.

42. As per the books of accounts (as on 31st December 2018) of AIL and ADL, the amount due to the unsecured creditors is Rs. 56.64 crores and Rs. 0.0104 crores respectively. As per the books of accounts (as on 31st March 2018) of AIL and ADL, the amount due to the unsecured creditors is Rs. 34.31 Crores and Rs. 0.0018-Crores respectively.

43. The name and addresses of the Promoters of Archidply Industries Limited including their shareholding in the Companies as on 17th day of May, 2019 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	AIL		ADL	
		No. of Shares of Rs.10/- each	%	No. of Shares of Rs.10/- each	%
PROMOTERS					
1.	Deendayaldaga (HUF)2/10, Sarat Bose Road, Garden Apartment, Block B, 2 nd Floor Kolkata 700020 West Bengal	20000	0.09	0	0
2.	Shyam Daga Flat 315, 6/1, Mangalaya Residency Benson Town Bangalore 560046 Karnataka	573685	2.60	25000	50
3.	Sangeeta Bharadia 1, Sarat Bose Road, Kolkata- 700 020 –West Bengal	4100	0.02	0	0
4.	DeendayalDaga 2/10, Sarat Bose Road, Garden Apartment, Block B, 2 nd Floor, Kolkata 700020 West Bengal	771620	3.50	0	0
5.	UshaDaga 2/10, Sarat Bose Road, Garden Apartment, Block B, 2 nd Floor Kolkata 700020 West Bengal	760300	3.45	10	0.02
6.	Rajiv Daga N-49, 3 rd Floor, Panchsheel park, Malviyanagar, South Delhi 110017	646500	2.93	10	0.02
7.	Assam Timber Products Pvt Ltd Makum Road, Tinsukia, Assam -786 125	4411750	19.99	0	0
8.	The Mysore Chip Boards Ltd 29 /2, G.K. Manor, Nehru Circle, Sheshadripuram, Bangalore -560 020-Karnataka	1797431	8.17	0	0
9.	Vanraj Suppliers Pvt Ltd 11 / 1, Sarat Bose road, 3 rd floor, Room. No. 312, Kolkata -700 020 – West Banegal	3943509	17.87	0	0
10.	Ravi Marketing And Service Pvt Ltd 134, Salkia School Road, 408, SukhiSansar, Golabari – Howrah – Kolkata – 711 101	2827850	12.82	0	0
11.	Shree Shyam Tea Pvt Ltd Makum Road, Tinsukia - Assam -786125	277900	1.26	0	0

44. The name and addresses of the Promoters of ADL including their shareholding in the Companies as on 17th day of May, 2019 are as under:

Sr. No.	Name and address of Promoters and Promoter Group	AIL		ADL	
		No. of Shares of Rs.10/- each	%	No. of Shares of Rs.10/-each	%
PROMOTERS					
1.	Arpita Daga 6/1, E – 315 Mangalya Residency Benson Town Bangalore 560046 Karnataka	24950	49.90	0	0
2.	Shyam Daga Flat 315, 6/1, Mangalaya Residency Benson Town Bangalore 560046 Karnataka	25000	50.00	573685	2.60
3.	Rajneesh Sharma B5-133 1st floor, Janapriya Greenwood Apartments Pipe line road, Somashettyhalli Chikkabanavara Bangalore-560090 - Karnataka	10	0.02	0	0
4.	Raj Kishore Prasad Flat no. 502, Block A6, Provident Harmony, Off Thanisandra Main Road, Chokkanahalli, Yelhanka, Bengaluru -560064 - Karnataka	10	0.02	0	0
5.	Usha Daga 2/10, Sarat Bose Road, Garden Apartment, Block B, 2 nd Floor Kolkata 700020 West Bengal	10	0.02	760300	3.45
6.	Rajiv Daga N-49, 3 rd Floor,Panchsheel park, Malviyanagar, South Delhi 110017 DL	10	0.02	646500	2.93
7.	Viresh Vyas Flat no. E306, Vijaya Apartment, 779/1, Manishpuri, Indore -452001 – Madhya Pradesh	10	0.02	0	0

45. The details of the Directors of AIL as on 17th day of May, 2019 are as follows :

Sr. no.	Name of Director	Address	DIN
1	Deendayal Daga	2/10, Sarat Bose Road, Garden Apartment, Block B, 2 nd Floor Kolkata 700020 WB	00497806
2	Shyam Daga	Flat 315, 6/1, Mangalaya Residency Benson Town Bangalore 560046 KA	00561803
3	Mohammad Shahid Aftab	C/1, Tuba Palace, 15, Madan Mohan Malviya Marg, Lucknow 226001 UP	01363518
4	Rajiv Daga	N-49, 3 rd Floor, Panchsheel park, Malviyanagar, South Delhi 110017 DL	01412917
5	Bharat Kumar Rathi	16/16, Binny Crescent Benson Town Near, Indian Bank, Bangalore, North Bangalore 560046.	01857860
6	Shanthi Mallar	343, IST Floor, 5 th Main Vijaya Bank Layout, Bilekahalli, Bengaluru 560076.	07114866

46. The details of the Directors of ADL as on 17th day of May, 2019 are as follows:

Sr. no.	Name of Director	Address	DIN
1	Shyam Daga	Flat 315, 6/1, Mangalaya Residency Benson Town Bangalore 560046 KA .	00561803
2	Rajiv Daga	N-49, 3 rd Floor, Panchsheel park, Malviyanagar, South Delhi 110017 DL .	01412917
3	Arpita Daga	6/1, E – 315 Mangalya Residency Benson Town Bangalore 560046 KA .	07807524

47. The details of the shareholding of the Directors and the Key Managerial Personnel of AIL in AIL and ADL as on 17th day of May, 2019 are as follows:

Name of Director and KMP	Position	Equity Shares held in AIL	Equity shares in ADL
Deendayal Daga	Chairman	771620	0
Shyam Daga	Director	573685	25000
Mohammad Shahid Aftab	Director	0	0
Rajiv Daga	Managing Director	646500	10
Bharat Kumar Rathi	Director	0	0
Shanthi Mallar	Director	0	0
Anil Sureka	CFO(KMP)	3250	0
Rajneesh Sharma	Company Secretary (KMP)	1	10

48. The details of the shareholding of the Directors and the Key Managerial Personnel of ADL in ADL and AIL as on 17th day of May, 2019 are as follows:

Name of Director and KMP	Position	Equity Shares held in ADL	Equity Shares held in AIL
Shyam Daga	Director	25000	573685
Rajiv Daga	Director	10	646500
Arpita Daga	Director	24950	0

49. The Pre-Arrangement shareholding pattern of ADL as on 17th day of May, 2019 and the Pre and Post- Arrangement (expected) shareholding pattern of AIL are as under:

Pre-Arrangement shareholding pattern of ADL as on 17th day of May, 2019:

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian	0	0
(a)	Individuals/Hindu undivided family	50,000	100
(b)	Body Corporate	0	0
	Sub-Total (A)(1)	50,000	100

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(2)	Foreign		
(a)	Body Corporate (through GDRs)	0	0
	Sub-Total (A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	50,000	100
(B)	Public Shareholding		
(1)	Institutions	0	0
(a)	Mutual Funds	0	0
(b)	Foreign Portfolio Investors	0	0
(c)	Financial Institutions/ Banks	0	0
(d)	Insurance Companies	0	0
	Sub Total (B) (1)	0	0
(2)	Central Government/State Government(s)/ President of India	0	0
	Sub Total (B)(2)	0	0
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	0	0
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	0
(b)	NBFCs Registered with RBI	0	0
(c)	Overseas Depositories (Holding GDRs)	0	0
(d)	Any Other		
	Trusts	0	0
	Overseas Corporate Bodies	0	0
	Non Resident Indians Repatriation	0	0
	Clearing Members	0	0
	NRI Non-Repatriation	0	0
	Bodies Corporate	0	0
	Foreign Nationals	0	0
	Sub Total (B)(3)	0	0
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	0	0
	Total Shareholding (A+B)	50,000	100

Pre Arrangement shareholding pattern of AIL as on 17th day of May, 2019:

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided family	2776205	12.58
(b)	Body Corporate	13258440	60.09
	Sub-Total (A)(1)	16034645	72.67
(2)	Foreign		
(a)	Body Corporate (through GDRs)	0	0
	Sub-Total (A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	16034645	72.67
(B)	Public Shareholding		
(1)	Institutions	0	0
(a)	Mutual Funds	0	0
(b)	Foreign Portfolio Investors	31686	0.14
(c)	Financial Institutions/ Banks	0	0
(d)	Insurance Companies	0	0
(e)	Foreign Institutional Investors (FII's)	0	0
	Sub Total (B) (1)	31686	0.14
(2)	Central Government/State Government(s) / President of India	0	0
	Sub Total (B)(2)	0	0
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	4601622	20.85
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	864747	3.92
(b)	NBFCs Registered with RBI	7980	0.04
(c)	Overseas Depositories (Holding GDRs)	0	0
(d)	Any Other		
	Overseas Corporate Bodies	0	0
	Non Resident Indians (Repatriation)	118666	0.54
	Clearing Members	6791	0.03
	Non Residents Indians (Non-Repatriation)	30851	0.14
	Bodies Corporate	368012	1.67
	Non Residents Indians	0	0
	Sub Total (B)(3)	5998669	27.19
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	6030355	27.33
	Total Shareholding (A+B)	22065000	100

Post Arrangement (expected) shareholding pattern of ADL as on 17th day of May, 2019:

Sr. No.	Category	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
(A)	Promoter and Promoter Group		
(1)	Indian		
(a)	Individuals/Hindu undivided family	744051	13.37
(b)	Body Corporate	3314610	59.55
	Sub-Total (A)(1)	4058661	72.92
(2)	Foreign	0	0
(a)	Body Corporate (through GDRs)	0	0
	Sub-Total (A)(2)	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)	4058661	72.92
(B)	Public Shareholding		
(1)	Institutions	0	0
(a)	Mutual Funds	0	0
(b)	Foreign Portfolio Investors	7921	0.14
(c)	Financial Institutions/ Banks	0	0
(d)	Insurance Companies	0	0
(e)	Foreign Institutional Investors (FII's)	0	0
	Sub Total (B) (1)	7921	0.14
(2)	Central Government/State Government(s)/ President of India	0	0
	Sub Total (B)(2)	0	0
(3)	Non-Institutions		
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	1150406	20.67
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	216187	3.88
(b)	NBFCs Registered with RBI	1995	0.04
(c)	Overseas Depositories (Holding GDRs)	0	0
(d)	Any Other		
	Overseas Corporate Bodies	0	0
	Non Resident Indians (Repatriation)	29666	0.53
	Clearing Members	1698	0.03
	Non Residents Indians (Non-Repatriation)	7713	0.14
	Bodies Corporate	92003	1.65
	Non Residents Indians	0	0
	Sub Total (B)(3)	1499668	26.93
	Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3)	1507589	27.08
	Total Shareholding (A+B)	5566250	100

50. The pre arrangement capital structure of AIL will be as follows (assuming the continuing capital Structure as on 17th day of May, 2019):

PRE ARRANGEMENT

Particulars	Amount (Rs.)
AUTHORISED SHARE CAPITAL:	
2,50,00,000 Equity Shares of Rs.10/- each	25,00,00,000
TOTAL	25,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
2,20,65,000 Equity Shares of Rs.10/- each	22,06,50,000
TOTAL	22,06,50,000

51. The pre and Post-Arrangement (expected) capital structure of ADL will be as follows (assuming the continuing capital Structure as on 17th day of May, 2019):

PRE ARRANGEMENT

Particulars	Amount (Rs.)
AUTHORISED SHARE CAPITAL:	
1,00,000 Equity Shares of Rs.10/- each	10,00,000
TOTAL	10,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
50,000 Equity Shares of Rs.10/- each	5,00,000
TOTAL	5,00,000

POST ARRANGEMENT (EXPECTED)

Particulars	Amount (Rs.)
AUTHORISED SHARE CAPITAL:	
60,00,000 Equity Shares of Rs.10/- each	6,00,00,000
TOTAL	6,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
55,66,250 Equity Shares of Rs.10/- each	5,56,62,500
TOTAL	5,56,62,500

52. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.
53. The following documents will be open for inspection by the Secured Creditors of the Applicant Company at its registered office at Plot no.7, Sector- 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Udham Singh Nagar, Uttarakhand -263153 between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting:
- Copy of the final order passed by NCLT in Joint Company Application No.CA(CAA)No 51/ALD/ of 2019 dated 14th day of May, 2019 directing AIL to, inter alia, convene the meeting of its equity shareholders, Secured Creditors and Unsecured Creditors and directing ADL to, inter alia, to dispense the meeting of its equity shareholders and Unsecured Creditors.
 - Copy of Joint Company Application No.CA(CAA) No 51/ ALD/ of 2019 along with annexures filed by AIL and ADL before NCLT;

- (iii) Copy of the Memorandum and Articles of Association of AIL and ADL respectively;
- (iv) Copy of the annual reports of AIL for the financial years ended 31st March 2016 and 31st March 2017 and 31st March, 2018 and ADL for the financial year ended on 31st March, 2018 respectively;
- (v) Copy of the Un-audited Balance sheets of AIL and ADL respectively, for the nine months period ended 31st December, 2018;
- (vi) Copy of the Register of Directors' shareholding of each of the Companies;
- (vii) Copy of Valuation report dated 30th day of May, 2018 and addendum report dated 21st August, 2018 submitted by M/s. Suresh Shah & Co. Chartered Accountants
- (viii) Copy of the Fairness Opinion, dated 30th day of May, 2018 issued by Saffron Capital Advisors Private Limited, to the Board of Directors of AIL
- (ix) Copy of the Audit Committee Report, dated 30th day of May, 2018 of AIL
- (x) Copy of the resolutions, all dated 30th day of May, 2018, passed by the respective Board of Directors of AIL and ADL approving the Scheme;
- (xi) Copy of the extracts of the minutes of the meetings, all held on 30th day of May 2018, of the Board of Directors of AIL and ADL respectively, in respect of the approval of the Scheme;
- (xii) Copy of the Statutory Auditors' certificate on Accounting Treatment dated 17th day of July, 2018 issued by M/s. Priti Jhawa & Co Chartered Accountants to AIL
- (xiii) Copy of the Statutory Auditors' certificate on accounting treatment dated 17th day of July, 2018 issued by M/s. G R V & P K Chartered Accountants to ADL
- (xiv) Copy of the complaints report, dated 6th day of August, 2018 and 4th day of September, 2018 submitted by AIL to BSE and NSE;
- (xv) Copy of the no adverse observation / objection letter issued by BSE and NSE, dated 30th day of November, 2018 and 30th day of November, 2018 respectively, to AIL
- (xvi) Summary of the Valuation Report including the basis of valuation;
- (xvii) Copy of Form No. GNL-1 filed by the respective Companies with the concerned Registrar of Companies along with challan dated 24th day of May, 2019, evidencing filing of the Scheme;
- (xviii) Copy of the certificate, dated 04th day of March, 2019, issued by Priti Jhawa & Co. Chartered Accountants, certifying the amount due to the unsecured creditors of AIL as on 31st December, 2018 respectively.
- (xix) Copy of the certificate, dated 4th day of March, 2019, issued by Priti Jhawa & Co. Chartered Accountants, certifying the amount due to the secured creditors of AIL as on 31st December, 2018 respectively.
- (xx) Copy of the certificate, dated 4th day of March, 2019, issued by G R V & P K Chartered Accountants, certifying the amount due to the unsecured creditors of ADL as on 31st December, 2018 respectively.
- (xxi) Copy of the Scheme; and
- (xxii) Copy of the Reports dated 30th day of May 2018 and 30th day of May 2018 adopted by the Board of Directors of AIL and ADL respectively, pursuant to the provisions of section 232(2)(c) of the Act.

The Secured Creditors shall be entitled to obtain the extracts from or for making or obtaining the copies of the documents listed in item numbers (i), (iv), (xii), (xiii), and (xxi) above.

- 13.** This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by Archidply Industries Limited (AIL) to its Secured Creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the Secured Creditors of AIL.
- 14.** After the Scheme is approved, by the Secured Creditors of AIL it will be subject to the approval/sanction by NCLT.

Sd/-

Abhimanyu Jhamba

Chairman appointed for the meeting

Dated this 22nd day of May, 2019

Registered office: Plot no.7, Sector- 9,
Integrated Industrial Estate, SIDCUL,
Pant Nagar, Udham Singh Nagar,
Uttarakhand -263153

SCHEME OF ARRANGEMENT
BETWEEN
ARCHIDPLY INDUSTRIES LIMITED
... DEMERGED COMPANY
AND
ARCHIDPLY DÉCOR LIMITED
... RESULTING COMPANY
AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 READ ALONGWITH SECTION 52, AND 66 OF THE COMPANIES ACT, 2013

PREAMBLE

This Scheme of Arrangement is presented pursuant to the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013 to re-organise and streamline the business of Archidply Industries Limited (hereinafter referred to as the "Demerged Company" or "AIL") by way of a Demerger of the Demerged Undertaking i.e. Chintamani Undertaking , (as hereinafter defined) to Archidply Decor Limited (hereinafter referred to as the " Resulting Company" or "ADL")

PART I: - GENERAL

A. DESCRIPTION OF COMPANIES.

(a) Archidply Industries Limited (AIL)

- i. Archidply Industries Limited a Limited company incorporated under the Companies Act, 1956 (as defined hereinafter), having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153
- ii. The Demerged Company is a well-established company, engaged in the business of wood panel products and decorative surfacing products and has two manufacturing undertakings :-
 - a) Rudrapur (Uttarakhand) Undertaking and
 - b) Chintamani (Karnataka) Undertaking
- iii. The following products are manufactured at Rudrapur and Chintamani

Rudrapur :-

- 1 Plywoods - Marine Plywood, Fire Retardant Plywood, Shuttering Plywood, Densified Film Faced Plywood, BWR & MR Plywood, Lamyply and Lamyboard.
- 2 Block Board and Flush Doors - BWR & MR grade
- 3 Decorative Laminates – range from 0.8mm to 1.5mm and post form laminates

Chintamani:-

1. Particle Boards - plain, veneered and pre laminated particle board both in interior and exterior grade
2. Decorative Veneers – Teak, natural exotic veneers, reconstituted veneers and dyed veneers.

In addition contract manufacturing of Gurjan based face & core plywood and Face Veneers from Myanmar is also done in Chintamani.

- iv. The Demerged Company is a listed Company and its shares are listed on BSE limited and National Stock Exchange of India Limited (NSE)

(b) Archidply Decor Limited (ADL)

- i. **Archidply Decor Limited** is a public Limited company incorporated under the Companies Act, 2013, (as defined hereinafter) having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153
- ii. The Resulting Company is a newly incorporated company with the main objects of manufacturing and trading of Wood panel products and other related activities.
- iii. The Resulting Company is an unlisted company.

B. RATIONAL FOR THE SCHEME OF ARRANGEMENT.

- In order to achieve geographical operational efficiencies and unlock shareholders value, the management of AIL has proposed to separate each business undertaking based on the commercial objectives and relevant geographies of the undertaking into separate company. Therefore with a view to effect such reorganization the present scheme is proposed for Transfer of Chintamani Undertaking into Archidply Décor Limited (ADL)
- In order to concentrate its growth efforts in a focused manner, introduce different strategies for growth and different focus for alliance / ventures and to enable direct Equity participation from investors and the Demerged Company has determined to create a focused entity and accordingly proposes the transfer and vesting of the Demerged Undertaking (as defined hereinafter) in the Resulting Company by way of a Demerger (as hereinafter defined) undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act.
- The above transfer will be carried out by demerging Chintamani unit from AIL to ADL as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 (IT Act).
- Upon the effectiveness of this scheme, ADL will be listed on the stock exchanges where shares of AIL are listed i.e. BSE and NSE, subject to the approval of respective stock exchanges

The key objectives for this demerger which is primarily focused towards maximizing shareholder value are:-

- The nature of risk, competition and capital intensity involved in demerged undertaking and remaining undertaking of AIL is distinct from each other. Consequently, each undertaking of AIL is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders. Hence as part of an overall business reorganization plan, it is considered desirable and expedient to reorganize and reconstruct AIL by demerging the Demerged Undertaking to ADR in the manner and on the terms and conditions contained in this Scheme.
- The Demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of AIL to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.
- It will facilitate each business to independently pursue their growth plans through organic / inorganic means.
- It will enhance management focus and operational flexibility and it will create a platform to enhance financial flexibility to pursue next stage of growth.

- The restructuring proposal is thus aimed at protecting and maximizing value for the shareholders of the AIL. This scheme is in the interest of the shareholders; creditors and all other stakeholders of AIL and shall not in any manner be prejudicial to the interests of shareholders and creditors. The restructuring under this Scheme would enable focused business approach for the maximization of benefits to all stakeholders and capitalize on the opportunity for growth.

Accordingly, this Scheme provides for the transfer by way of a Demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company pursuant to Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in this Scheme.

C. The Scheme is divided into the following parts:

- (a) Part I** - which deals with the introduction and definitions;
- (b) Part II** – which deals with the Demerger; and
- (c) Part III**, which deals with the general terms and conditions.

D. The Demerger under this Scheme will be effected under the provisions of Sections 230 to 232 readalongwith Section 52 and Section 66 and other relevant provisions of the Act. The Demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company shall comply with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

- a. all the properties of the Demerged Undertaking being transferred by the Demerged Company, immediately before the Demerger shall become the properties of the Resulting Company by virtue of such Demerger;
- b. all the liabilities relatable to the Demerged Undertaking, being transferred by the Demerged Company, immediately before the Demerger shall become the liabilities of the Resulting Company by virtue of such Demerger;
- c. the properties and the liabilities relatable to the Demerged Undertaking being transferred by the Demerged Company shall be transferred to the Resulting Company at the values appearing in the books of account of the Demerged Company immediately before the Demerger;
- d. the Resulting Company shall issue, in consideration of the Demerger, shares to the shareholders of the Demerged Company;
- e. all shareholders of the Demerged Company shall become the shareholders of the Resulting Company by virtue of the Demerger; and
- f. the transfer of the Demerged Undertaking shall be on a going concern basis.

Notes:-

- i.** This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under the tax laws, including Section 2 (19AA) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of 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.
- ii.** Upon the Scheme becoming effective, the Demerged Company and Resulting Company are also expressly permitted to revise income tax returns, service tax returns, VAT / sales tax returns, GST returns and other tax returns and to claim refunds and / or credits etc. pertaining to the Remaining Business and Demerged Undertaking, respectively, pursuant to the provisions of the Scheme.

E. DEFINITIONS AND INTERPRETATION

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

- a. "Act"** means the Companies Act, 2013 and shall include any other statutory amendment or re-enactment or restatement and the rules and / or regulations and /or other guidelines or notifications under Applicable Laws, made thereunder from time to time
- b. "Appointed Date"** means the opening of business on April 1, 2018 or such other date as the NCLT may direct or allow
- c. "Applicable Law" or "Law"** means any applicable national, foreign, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the parties; (b) approvals; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties as may be in force from time to time;
- d. "Appropriate Authority"** means:
 - i. The government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, tribunal, central bank, commission or other authority thereof;
 - ii. Any public international organization or supranational body and its institutions, departments, agencies and instrumentalities;
 - iii. Any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, exclusive, judicial, legislative, regulatory, licensing, competition, tax, importing, exporting or other governmental or quasi- governmental authority; and
 - iv. Any Stock Exchange;
- e. "Board of Directors" or "Board"** in relation to each of the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorized for the purposes of matters pertaining to the Demerger, the Scheme and/or any other matter relating thereto;
- f. "Demerged Company"** means Archidply Industries Limited a company incorporated under the Companies Act 1956 and having its registered office at Plot No.7, Sector -9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153.
- g. "Demerged Undertaking"** means Chintamani Undertaking of the Demerged Company, which shall include business, activities and operations pertaining to the Chintamani Unit (hereinafter referred to as "Demerged Undertaking") of the Demerged Company on a going concern basis, and shall mean and include, without limitation:

All assets and properties of the Chintamani Undertaking including all assets whether movable or immovable, related liabilities pertaining thereto including contingent liabilities, liabilities not accrued, not recognized or not provided for in the books of accounts of the Company.

Without prejudice to the generality of the above, the Demerged Undertaking shall include in particular:

- i. All specified assets whether movable or immovable, tangible or intangible, including all rights, title, interest, covenant, undertakings, including continuing rights, title and interest in connection with the properties whether, corporeal or incorporeal, leasehold or otherwise, licenses together with all present liability provided and accounted in the books of Demerged Company and future liability, including contingent liabilities, liabilities not accrued, not recognized or not provided for in the books of accounts and debts pertaining thereto, of the Demerged Company all of which relate to the Demerged Undertaking as described in this Scheme ;
- ii. All contracts, agreements, deeds, arrangements, letters of intent, in connection with or in relation to the Chintamani Undertaking and properties and as set of or required for the above business situated at the above locations and securities deposits, the right to use such assets and properties, whether movable or immovable, tangible or intangible, offices, current assets including Loans and advances, furniture, fixtures, office equipment, appliances, accessories;
- iii. All permits, quotas, rights, entitlements and benefits, licenses, bids, tenders, letters of intent, expressions of interest, municipal permissions, approvals, consents, tenancies in relation to office, benefit of any deposits privileges, all other rights, receivables, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts and arrangements, and all other interests in connection with or relating to the Demerged Undertaking;
- iv. All earnest money and / or security deposits paid by the Demerged Company in connection with or relating to the Demerged Undertaking;
- v. The Brand "Archidply" relating to the following products:-
 - Plywood & Blockboards- Gurjan/keruing/Holland face & core veneer base plywood and Gurjan mix with other hardwood
 - Prelam Particle Board & Prelam MDF- exclusive rights in all categories
 - Bon Vivant Brand - exclusive rights for all products
 - Flush Doors -Decorative Veneer Flush Door

Decorative Veneers – Teak, natural exotic veneers, reconstituted veneers and dyed veneers- exclusive rights in all categories.
- vi. All records, files, papers, engineering and process information, computer programme, software licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers / clients and suppliers, customer / client credit information, customer / client pricing information, and other records whether in physical or electronic form in connection with or relating to the Demerged Undertaking;
- vii. All debts, borrowings and liabilities (including contingent liabilities, liabilities not accrued, not recognized or provided for in the books of accounts of the Demerged Company), present liability as accounted in the books of the Demerged Company whether secured or unsecured, pertaining to the Demerged Undertaking.
- viii. All employees on the payroll of the Demerged Company employed in the Demerged Undertaking, as identified by the Board of Directors of the Demerged Company, as on the Effective Date;

(Note 1: - For the purposes of this Scheme, a statement of account of the Chintamani business of the Demerged Undertaking are drawn up as on the Appointed Date which gives details of assets and liabilities of the Chintamani Undertaking *and is duly certified by the Management of AIL.*)

(Note 2:- Any question that may arise as to whether a particular asset or liability pertains or does not pertain to the Undertaking shall be decided by mutual agreement between the Board of Directors of AIL and ADL.)

(Note 3: -It is intended that the definition of Chintamani Undertaking under this clause would enable the transfer of all property & all assets including fixed assets, current assets and loans and advances etc. and liabilities of the Chintamani Undertaking)

- h. "Demerger"** means the transfer by way of demerger of the Demerged Undertaking to the Resulting Company and the consequent issue of equity shares by the Resulting Company to the Shareholders of the Demerged Company as set out in this Scheme;
- i. "Effective Date"** means the last of the dates on which all the conditions and matters referred to in Clause 13 of this Scheme occur or have been fulfilled or waived in accordance with this Scheme. References in this Scheme to date of 'coming into effect of the Scheme' or 'effectiveness of the Scheme' shall mean the Effective Date;
- j. "Eligible Employees"** shall have the meaning ascribed to it in Clause 4;
- k. "Employees"** mean all the permanent employees of the Demerged Company employed/engaged in the Demerged Undertaking as on the Effective Date;
- l. "Encumbrance"** means any options, pledge, mortgages, liens, securities, interests, claims, charges, pre-emptive rights, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever; and the term **"Encumbered"** shall be construed accordingly;
- m. "Income Tax Act"** means the Income – Tax Act, 1961
- n. "National Company Law Tribunal"** means the Hon'ble National Company Law Tribunal, Allahabad Bench that has jurisdiction over AIL and ADL or such other forum or authority that may be vested with requisite powers under the Companies Act, 2013 in relation provisions of 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013
- o. "Parties"** shall mean Archidply Industries Limited (AIL) and Archidply Décor Limited (ADL)
- p. "Permits"** means all consents, licenses, permits, certificates, permissions, authorization, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory or regulatory as required under Applicable Law;
- q. "Remaining Business"** means all the undertaking, including the business relating to Rudrapur Unit and operations of the Demerged Company other than those comprised in the Demerged Undertaking.
- r. "Resulting Company"** means Archidply Decor Limited a company incorporated under the Companies Act, 2013 and having its registered office at Plot No.7, Sector -9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153.
- s. "Record Date"** means the date to be fixed by the Board of Directors of AIL in consultation with the Board of Directors of ADL for the purpose of reckoning names of the Equity shareholders of the Demerged Company (AIL), who shall be entitled to receive shares of the Resulting Company (ADL) upon coming into effect of this Scheme as specified in clause 8 of this Scheme.
- t. "ROC"** means the Registrar of Companies, Uttarakhand;
- u. "Scheme"** means this scheme of arrangement, including the schedules, as amended or modified in accordance with the provisions hereof;

- i. All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and any other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- ii. References to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme.
- iii. The headings herein shall not affect the construction of this Scheme.
- iv. The singular shall include the plural and vice versa; and references to one gender include all genders.
- v. Any phrase introduced by the terms including in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- vi. References to person include any individual, firm, body corporate (whether incorporated), Government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- v. **"SEBI"** means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- w. **"SEBI Circular"** means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated 10 March, 2017, and any amendments thereof, modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including Circular CFD/DIL3/CIR/2017/26 dated 23 March, 2017 and Circular CFD/DIL3/CIR/2018/2 dated 3 January, 2018;
- x. **"SEBI LODR Regulations"** mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- y. **"Stock Exchanges"** means BSE Limited (**"BSE"**), National Stock Exchange of India Limited (**"NSE"**) and any other recognized stock exchange, as the case may be;
- z. **"Taxation" or "Tax" or "Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, collection at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Resulting Company or the Demerged Company or any other person and all penalties, charges, costs and interest relating thereto; and
- aa. **"Tax Laws"** means all Applicable Laws, acts, rules and regulations dealing with Taxes including but not limited to the income-tax, wealth tax, sales tax/value added tax, service tax, goods and service tax, excise duty, customs duty or any other levy of similar nature

F. **SHARE CAPITAL**

a. **DEMERGED COMPANY: ARCHIDPLY INDUSTRIES LIMITED**

The share capital structure of the Demerged Company as per the audited balance sheet as at 31st March, 2018 is as under:

Particulars	Amount (Rs.)
AUTHORISED SHARE CAPITAL:	
2,50,00,000 Equity Shares of Rs.10/- each	25,00,00,000
TOTAL	25,00,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
2,20,65,000 Equity Shares of Rs.10/- each	22,06,50,000
TOTAL	22,06,50,000

b. RESULTING COMPANY : ARCHIDPLY DÉCOR LIMITED

The share capital structure of the Resulting Company as per the audited balance sheet as at 31st March, 2018 is as under:

Particulars	Amount (Rs.)
AUTHORISED SHARE CAPITAL:	
1,00,000 Equity Shares of Rs.10/- each	10,00,000
TOTAL	10,00,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL:	
50,000 Equity Shares of Rs.10/- each	5,00,000
TOTAL	5,00,000

PART II - DEMERGER

SECTION 1- TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

1. TRANSFER OF ASSETS

- 1.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights including claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) shall, subject to the provisions of this Clause in relation to the mode of transfer and vesting and pursuant to the provisions of Section 230 to 232 of the Act, without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and shall be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interest and authorities of the Resulting Company, subject to the provisions of this Scheme in relation to Encumbrances in favour of banks and/or financial institutions.
- 1.2 In respect of such of the assets of the Demerged Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession or by endorsement and delivery, the same shall stand so transferred by the Demerged Company upon the coming into effect of the Scheme, and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking with effect from the Appointed Date pursuant to the provisions of Section 230 to 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, subject to the provisions of this Scheme in relation to encumbrances in favour of banks and/or financial institutions.
- 1.3 In respect of such of the assets belonging to the Demerged Undertaking other than those referred to in sub-Clause 1.2 above, the same shall, as more particularly provided in sub-Clause 1.1 above, without any further act, instrument or deed, be demerged from the Demerged Company and transferred to and vested in and/or be deemed to be demerged from the Demerged Company and transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 1.4 All assets, rights, title, licenses, interest and investments of the Demerged Company in relation to the Demerged Undertaking shall also, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of the Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

- 1.5 Without prejudice to the generality of the foregoing, upon the coming into effect of the Scheme, all the rights, title, interest and claims of the Demerged Company in any leasehold properties (including in each case, any applications made therefore) of the Demerged Company in relation to the Demerged Undertaking, shall, pursuant to Section 230 to 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company with effect from the Appointed Date.

2. CONTRACTS, DEEDS, ETC.

- 2.1 Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto or there under.
- 2.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Demerged Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company to be carried out or performed.
- 2.3 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, permissions, licences, approvals, certificates, insurance covers, clearances, authorities given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company.
- 2.4 Without prejudice to the aforesaid, it is clarified that if any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged Undertaking which the Demerged Company owns or to which the Demerged Company is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Resulting Company, insofar as it is permissible so to do, till such time as the transfer is effected.
- 2.5 The Brand "Archidply" belongs to Archidply Industries Limited and the said brand shall be used by the Demerged Company (AIL) and the Resulting company (ADL) for their respective products as under.

The Brand "Archidply" "Archidlam", "Archidstar" and "Archidslim" relating to the following products of Archidply Industries Limited:-

- Decorative Laminates - exclusive rights in all categories
- Plywood and Blockboards – Both Hardwood & Softwood species other than Gurjan/Keruing/Hollong Core & face Veneer based Plywood & blockboards exclusive rights

- Flush Doors - Plain / Laminated Flush Door
- Silvi Brand- exclusive rights for all product categories

The Brand "Archidply" relating to the following products of Archidply Décor Limited:-

- Plywood &Blockboards - - Gurjan/keruing/Hollong face & core veneer with Gurjan/ keruing/ Hollong core veneer mix with other core
- Prelam Particle Board &Prelam MDF- exclusive rights in all categories
- Bon Vivant Brand - exclusive rights for all products
- Flush Doors -Decorative Veneer Flush Door.

Decorative Veneers – Teak, natural exotic veneers, reconstituted veneers and dyed veneers- exclusive rights in all categories.

- 2.6 Archidply Industries Limited (AIL) shall not directly or indirectly, compete with Archidply Decor Limited (ADR'S) business of plywood- Gurjan/ keruing/Hollong Face & Core Veneer base plywood &Blockboards, Prelam Particle Board &Prelam MDF- exclusive rights in all categories, BON Vivant Brand – exclusive rights for all products and Flush doors – Decorative Veneer Flush door for a period of five (5) years from the appointed date or such reduced period as may be mutually agreed between the parties (AIL and ADL)
- 2.7 Similarly Archidply Decor Limited (ADL shall not, directly or indirectly, compete with Archidply Industries Limited (AIL'S) business of Decorative Laminates – exclusive rights in all categories, Plywood and Blockboards – Hardwood species other than gurjan/keruing/Hollang face & core Plywood &Blockboards exclusive rights, Flush Doors - Plain / Laminated Flush Door, and Silvi Brand- exclusive rights for all product categories for a period of five (5) years from the appointed date or such reduced period as may be mutually agreed between the parties (AIL and ADL)
- 2.8 Any new product launch by the Demerged Company (AIL) and / or the Resulting Company (ADL) shall only be done after receiving No Objection Certificate (NOC) from the other Company for the use of "Archidply " Brand or Archid Brand in any form including suffix or prefix.

3. TRANSFER OF LIABILITIES

- 3.1 Upon the coming into effect of the Scheme, all loans raised and used, debts, liabilities, duties and obligations (including the liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company. Where any of the loans raised and used, debts, liabilities, duties and obligations of the Demerged Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Demerged Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.
- 3.2 Upon the coming into effect of the Scheme, all loans raised and used and all debts, liabilities, duties and obligations incurred by the Demerged Company for the operations of the Demerged Undertaking with effect from the Appointed Date and prior to the Effective Date, subject to the terms of this Scheme, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Resulting Company and shall become the loans, debts, liabilities, duties and obligations of the Resulting Company.

- 3.3 In so far as the existing Encumbrance in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been Encumbered in respect of the transferred liabilities as transferred to the Resulting Company pursuant to this Scheme. Provided that if any of the assets comprised in the Demerged Undertaking which are being transferred to the Resulting Company pursuant to this Scheme have not been Encumbered in respect of the Transferred Liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Business are concerned, the Encumbrance over such assets relating to the Transferred Liabilities shall, as and from the Effective Date without any further act, instrument or deed be released and discharged from the obligations and Encumbrance relating to the same. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the Encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred pursuant to this Scheme (and which shall continue with the Demerged Company), shall without any further act or deed be released from such Encumbrance and shall no longer be available as security in relation to such liabilities.
- 3.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of the Scheme, the Demerged Company and the Resulting Company shall execute any instrument/s and/or document/s and/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.
- 3.5 Upon the coming into effect of this Scheme, the Resulting Company alone shall be liable to perform all obligations in respect of the Transferred Liabilities, which have been transferred to it in terms of this Scheme, and the Demerged Company shall not have any obligations in respect of such Transferred Liabilities.
- 3.6 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.
- 3.7 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

4. EMPLOYEES

- 4.1 Upon the coming into effect of this Scheme, all Employees of the Demerged Undertaking shall become the employees of the Resulting Company with effect from the Appointed Date, and, subject to the provisions hereof, on terms and conditions not less favourable than those on which they are engaged by the Demerged Company in relation to the Demerged Undertaking and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. For the purpose of payment of any compensation, gratuity and other terminal benefits, the immediate past services of such Employees with the Demerged Company shall also be taken into account, and paid by the Resulting Company as and when the same become payable.
- 4.2 In so far as the provident fund and gratuity fund and any other funds or benefits if any created by the Demerged Company inter alia for the Employees are concerned (collectively referred to as the "Funds"), the funds and such investments made by the Funds which are referable to the Employees in terms of sub-Clause 4.1 above shall be transferred to the Resulting Company and shall be held for

their benefit pursuant to this Scheme in the manner provided hereinafter. In the event that the Resulting Company does not have its own Funds in respect of any of the above, the Resulting Company may, subject to necessary approvals and permissions, continue to contribute to the relevant Funds of the Demerged Company, until such time that the Resulting Company creates its own Funds, at which time the funds and the investments and contributions pertaining to the Employees shall be transferred to the Funds created by the Resulting Company.

- 4.3 In relation to any other fund created or existing for the benefit of the Employees being transferred to the Resulting Company, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye laws, etc. in respect of such Employees.
- 4.4 In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such funds and trusts in accordance with the provisions thereof, and such funds and trusts, if any, shall be held inter alia for the benefit of the employees of the Remaining Business.

5. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 5.1 Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter and in each case relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company with effect from the Effective Date. Except as otherwise provided herein, the Demerged Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Resulting Company. The Resulting Company shall be replaced/ added as party to such proceedings and shall prosecute or defend such proceedings at its own cost, in co-operation with the Demerged Company.
- 5.2 If any proceedings are taken against the Demerged Company in respect of the matters referred to in sub-Clause 5.1 above, it shall defend the same in accordance with any reasonable and prudent advice provided by the Resulting Company at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 5.3 The Resulting Company undertakes to have all legal, taxation or other proceedings initiated by or against the Demerged Company referred to in sub-Clause 5.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. Both companies shall make relevant applications in that behalf.
- 5.4 This Scheme complies with definition of "demerger" as per Section 2(19AA), 2(41A), 47, 72A and other provisions of the Income Tax Act. If any terms are found to be or interpreted to be inconsistent with provisions of Income Tax Act, the parties shall negotiate in good faith to be in compliance with such provisions.

SECTION 2 - CONDUCT OF BUSINESS

6. With effect from the Appointed Date and up to and including the Effective Date:
 - 6.1 the Demerged Company shall continue to carry on and be deemed to have been carrying on all business and activities relating to the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all the estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions of the Demerged Undertaking for and on account of, and in trust for, the Resulting Company;

- 6.2 all profits and income accruing or arising to the Demerged Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Resulting Company; and
- 6.3 any of the rights, powers, authorities, privileges, attached, related or pertaining to the Demerged Undertaking exercised by the Demerged Company shall be deemed to have been exercised by the Demerged Company for and on behalf of, and in trust for and as an agent of the Resulting Company; and similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Demerged Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Resulting Company.
- 6.4 all assets acquired and all liabilities incurred by the Demerged Company after the Appointed Date but prior to the Effective Date for operation of and in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to Encumbrances in favour of lenders, banks and/or financial institutions .

SECTION 3 - REMAINING BUSINESS

Save and except Demerged Undertaking and as expressly provided in this Scheme, nothing contained in this Scheme shall affect Retained Undertaking (remaining business) of AIL which shall continue to belong to and be vested in and be managed by AIL. It is expressly clarified and provided that the Retained Undertaking shall continue to be so vested in AIL and all liabilities, present or contingent, under the Income Tax Act, 1961 of AIL as a whole, for the period prior to the Appointed Date shall be borne by AIL with AIL also being entitled to any and all tax refunds and other credits under the said acts for such prior period.

- 7.1 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 the Demerged Company.
- 7.2 All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company 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 the Demerged Company in respect of the Remaining Business) shall be continued and enforced by or against the Demerged Company after the Effective Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Business.
- 7.3 If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-Clause 7.1 above, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 7.4 With effect from the Appointed Date and up to and including the Effective Date:
 - 7.4.1 the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - 7.4.2 all profits accruing to the Demerged Company thereon 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 the Demerged Company;

7.4.3 all assets and properties acquired by the Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company;

7.4.4 The Brand "Archidply" relating to the following products:-

- Decorative Laminates - exclusive rights in all categories
- Plywood and Blockboards – Hardwood species other than gurjan/keruing/Hollang Plywood & Blockboards exclusive rights
- Flush Doors - Plain / Laminated Flush Door
- Silvi Brand- exclusive rights for all product categories

SECTION 4: CONSIDERATION

8. The provisions of this Section 4 of this Scheme shall operate notwithstanding anything to the contrary in this Scheme or in any other instrument, deed or writing.

8.1 Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every four (4) Equity Shares of the face value of Rs. 10 /- each fully paid up held by him / her / it in the Demerged Company, one (1) new Equity share of the Resulting Company of the face value of Rs.10/- each fully paid up;

8.2 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *paripassu* in all respects with the existing equity shares of the Resulting Company.

8.3 The issue and allotment of new equity shares by the Resulting Company to the Shareholders of the Demerged Company pursuant to Clause 8.1 above is an integral part of this Scheme.

8.4 Fraction share Treatment

- In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share of the Resulting Company, then the Resulting Company shall not issue fractional shares to such member but shall instead consolidate all such fractional entitlements to which the members of the Demerged Company may be entitled on the issue and allotment of equity shares of the Resulting Company and allot consolidated equity shares to a trustee nominated by the Resulting Company in that behalf.
- The trustee nominated by the Resulting Company under Clause 8.4 above shall, at its discretion, sell such shares in the open market and distribute the net sale proceeds (after deduction of the expenses incurred) to the shareholders of the Demerged company (AIL) entitled to the same in proportion to their fractional entitlements.

8.5 The shares issued to the members of the demerged company pursuant to clause 8.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the demerged company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the shares shall be issued to such members in dematerialized form provided that the members of the Demerged Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required it is only thereupon that the Resulting Company shall issued and directly credit the

dematerialised securities to the account of such member with the shares of the Resulting Company. In the event that the Resulting Company has received notice from any member that shares are to be issued in certificate form or if any members has not provided the requisite details relating to the account with depository participant or other confirmations as may be required, then the Resulting Company shall issued shares in certificate form to such member.

- 8.6 The New Equity Shares to be issued in respect of the shares of the Demerged Company held in the unclaimed suspense account, if any, shall be issued to a new unclaimed suspense account created for the shareholders of the Resulting Company.
- 8.7 New Equity Shares to be issued by the Resulting Company pursuant to Clause 8.1 above in respect of such of the equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be kept in abeyance by the Resulting Company.
- 8.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, prior or even subsequent to the Record Date, to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Resulting Company and in relation to the shares issued by the Resulting Company after the effectiveness of this Scheme. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account difficulties faced in the transition period.
- 8.9 Unless otherwise determined by the Board of Directors or any committee thereof of the Demerged and Resulting Company, allotment of shares in terms of clause 8.1 of this part shall be done within 30 days from the effective date.
- 8.10 Pursuant to and upon this Scheme becoming effective, the Resulting company shall take necessary steps to increase and alter its authorized share capital suitably to enable the Resulting company to issue and allot the Equity Shares in the Resulting Company to the shareholders of the Demerged Company in terms of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be increased in the manner set out in Clause 15 below.
- 8.11 Equity Shares of the Resulting Company issued in terms of clause 8.1 above and Equity shares of the Resulting Company issued at the time of the incorporation and thereafter shall pursuant to the circular dated 10th March, 2017 bearing No. CFD/DIL3/CIR/2017/21 issued by Securities and Exchange Board of India (SEBI) and in accordance with compliance with requisite formalities under applicable laws, be listed and / or admitted to trading on BSE Limited and National Stock Exchange of India Limited (NSE), the relevant stock exchange(s) where the existing equity shares of the Demerged Company are listed and / or admitted to trading in accordance with the compliance with requisite formalities under applicable laws and the Demerged company and the Resulting Company shall enter into such agreement / arrangement and give confirmations and / or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchange (BSE Limited and National Stock Exchange of India Limited (NSE)).
- 8.12 The equity shares of the Resulting Company allotted pursuant to the scheme shall remain frozen in the depositories system till listing / trading permission is given by the designated stock exchange.
- 8.13 Till the listing of the equity shares of the Resulting Company, there will be no change in the pre-arrangement capital structure and shareholding pattern or controls in the Resulting Company which may affect status of the approval of the stock exchanges to this scheme.

- 8.14 Approval of the Scheme by the shareholders of ADL shall be deemed to be due compliance of the provisions of section 42, 62 if any and other relevant or applicable provisions of the Companies Act, 2013 and Rules made thereunder, the SEBI(LODR) Regulations, 2015 and the Articles of Association of the Resulting company and no other consent shall be required under the Act or the Articles of Association of the Resulting company for the issue and allotment of the Equity shares by ADL to the shareholders of AIL as provided hereinabove.

SECTION 5 - GENERAL TERMS AND CONDITIONS

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY

Upon the effectiveness of this Scheme, in accordance with applicable accounting standards, Act and generally accepted accounting principles in India, the Demerged Company shall provide the following accounting treatment in its books of accounts:

- 9.1. Upon the Scheme coming into effect from the Appointed Date, the Demerged Company shall transfer the assets and liabilities forming part of the Demerged Undertaking to the Resulting Company at their respective carrying amounts (i.e. the book value) at the Appointed Date;
- 9.2. Inter-company Investment and / or Loans and Advances if any between the Demerged Company and the Resulting Company will stand cancelled and there shall be no further obligation/outstanding in that behalf.

9.3. Adjustments

9.3.1 Upon the Scheme coming into effect, Reserves of the Demerged Company shall be adjusted solely to meet the requirement of IND AS notified under Section 133 of the Act, the fair value as at the Appointed Date of the Demerged Undertaking

9.3.2 The adjustment to Reserve mentioned in Clause 9.3.1 shall be as follows:

- (i) the excess of the book value of assets over the book value of liabilities transferred as per Clause 9.1 as at the Appointed Date if any shall be reduced from the balance in the Securities Premium account.
- (i) the difference between (a) the fair value of the Demerged Undertaking as determined under Clause 9.3.1, and (b) the adjustment under Clause 9.3.2 (i), shall be charged to the surplus/deficit accumulated in Retained earnings.

9.4 Upon the Scheme coming into effect, with effect from Appointed Date, solely to meet the requirement of Ind AS notified under section 133 of the Act, the difference between (a) the fair value of the Demerged Undertaking as determined under Clause 9.3.1 and (b) the excess of the book value of assets over the book value of liabilities transferred as per Clause 9.1 as at the Appointed Date, shall be credited to the Statement of Profit and Loss.

9.5 As mentioned in Clause 6, with effect from Appointed Date until Effective Date, the Demerged Company shall be deemed to have been carrying on its business and activities relating to the Demerged Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its estates, properties, rights, title, interest, authorities, contracts and investments and assets forming part of the Demerged Undertaking for and on account of and in trust for the Resulting Company. Accordingly, the following shall apply:

- (i) Pending Approval of the Scheme by the NCLT and other appropriate authorities, in the period between Appointed Date and the Effective Date, the Demerged Company shall continue to record the transactions and balances relating to the Demerged Undertaking in its books of account.
- (ii) Upon the Scheme coming into effect, the Demerged Company shall derecognize all transactions and balance relating to the Demerged Undertaking that was recorded between the Appointed Date and the Effective Date pursuant to Clause 9.5 (i) above and shall redraw its books of account to the extent required to give effect to the Scheme.

- 9.6 It is reiterated that the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
- 9.7 The reduction, if any, in the securities Premium account of the Demerged Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 and 66 of the Companies Act, 2013 and the order of the National Company Law Tribunal (NCLT) sanctioning the scheme shall be deemed to be also the order under Section 66 of the Companies Act, 2013 for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital and the provisions of Section 66 of the Companies Act, 2013 will not be applicable.

10. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

Recording the transfer of assets and liabilities on demerger:

Upon the effectiveness of this Scheme, in accordance with applicable accounting standards, Act and generally accepted accounting principles in India, the Resulting Company shall provide the following accounting treatment in its books of accounts:

- 10.1** Upon the Scheme coming into effect, with effect from the Appointed date, the Resulting Company shall record the assets and liabilities of the Demerged Undertaking of the Demerged Company vested in its pursuant to this Scheme at their respective book values appearing in the books of the Demerged Company, as per Clause 9.1 above in accordance with Indian Accounting Standard (Ind AS) notified under Section 133 of the Act;
- 10.2 The Resulting Company shall credit its share capital account with the face value of New Equity Shares issued in accordance with Clause 8.1.
- 10.3 The surplus/deficit between the value of Net Assets ("Net Assets" means excess of value of assets over the value of liabilities as per Clause 10.1) pertaining to the Demerged Undertaking and the amount of New Equity Shares issued under Clause 8.1 above shall be credited to capital reserve/debited to goodwill as the case may be. Goodwill if any will be written off against General reserve and/ or Securities Premium account of the Resulting Company.
- 10.4 Having recorded the transfer of the assets and the liabilities as aforesaid, the Resulting Company shall make necessary adjustments such that all the assets and liabilities acquired (including assets and liabilities not specifically recognized by the Demerged Company in its financial statements), as well as shares issued and the resultant goodwill/capital reserve arising on demerger are reflected at their acquisition date fair values as required for compliance with the mandatory Indian Accounting Standards, specifically, Ind AS 103 'Business Combinations', notified under Section 133 of the Act, read with the rules made there under and other Generally Accepted Accounting Principles. Further, acquisition related costs will also be accounted in accordance with the requirements of Ind AS 103 'Business Combination'.
- 10.5 Notwithstanding the above, the Board of Directors of the Resulting Company, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner in accordance with the applicable accounting standards, if such accounting treatment is considered more applicable.
- 10.6 It is reiterated that the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of section 2(19AA) of the Income Tax, 1961. Upon The Scheme coming into effect, the Resulting Company shall account for the transactions relating to the Demerged Undertaking from the Appointed Date and shall redraw its books of account to extent required to give effect to the Scheme.

11. REDUCTION OF CAPITAL- (SECURITIES PREMIUM)

- 11.1 The debit balance of the said Demerger / Reconstruction adjustment account as per para no. 9.3 and 10.3 above shall be adjusted against the Profit and Loss account and / or Securities premium account of the Demerged Company and / or Resulting Company.
- 11.2 The adjustment / reduction towards securities Premium account shall tantamount to reduction of capital as per Section 66 read alongwith Section 52 of the Companies Act, 2013.
- 11.3 The reduction, if any, in the securities Premium account of the Demerged Company and / or Resulting company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 read alongwith Section 52 of the Companies Act, 2013 and the order of the National Company Law Tribunal (NCLT) sanctioning the scheme shall be deemed to be also the order under Section 66 of the Companies Act, 2013 for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital and the provisions of Section 66 of the Companies Act, 2013 will not be applicable.

12. TAXES

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

13. SCHEME CONDITIONAL ON

This Scheme is conditional upon and subject to:

- 13.1 Obtaining no-objection /observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of SEBI(LODR) Regulations, 2015
- 13.2 the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors of the Demerged Company and the Resulting Company as required under the Act and the requisite order of the Hon'ble National Company Law Tribunal (NCLT) Allahabad Bench being obtained;
- 13.3 As para 9 of SEBI Circular No. CFD/ DIL3 / CIR /2017 / 21 dated 10th March, 2017 is applicable to this Scheme, therefore it is provided in the Scheme that the Demerged company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement to be sent to the shareholders in relation to the said Resolution.
- 13.4 As para 9 of SEBI Circular No. CFD/ DIL3 / CIR /2017 / 21 dated 10th March, 2017 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it. The term "Public" shall carry the same meaning as defined under Rule 2 of Securities Contracts(Regulations) Rules, 1957
- 13.5 such other sanctions and approvals as may be required by law in respect of this Scheme being obtained; and
- 13.6 the Certified copies of the Tribunal (NCLT) orders referred to in this Scheme being filed with the Registrar of Companies,Uttarakhand.

PART III - OTHER TERMS AND CONDITIONS

14. PROFITS. DIVIDEND, BONUS / RIGHT SHARES / PREFERENTIAL ALLOTMENT OF SHARES.

- 14.1 AIL may issue or allot any further shares either rights or bonus or otherwise to its shareholders out of its profits and reserve and surplus earned up to 31st March, 2018 and thereafter out of the profits earned after 31st March, 2018 excluding the profit pertaining to Chintamani Undertaking. Simultaneously AIL may issue or allot any further shares as per the provisions of the Companies Act, 2013 as and when it is essential for AIL and on the terms and conditions as they may decide and such changes in Capital Structure will not in any way affect or change the exchange ratio provided in Clause 8
- 14.2 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date as applicable.
- 14.3 The Equity shares of the Resulting Company to be issued and allotted to the Equity shareholders of the Demerged Company as provided in clause 8 hereof shall be entitled to dividends from the date of allotment.
- 14.4 The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.
- 14.5 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the boards of directors of the Demerged Company and the Resulting Company respectively, and subject to the approval, if required, of the shareholders of the Demerged Company and the Resulting Company respectively.

15. INCREASE IN THE AUTHORISED SHARE CAPITAL OF ARCHIDPLY DECOR LIMITED CONSEQUENT ALTERATIONS IN THE MEMORANDUM OF ASSOCIATION

The Authorised Share Capital of ARCHIDPLY DECOR LIMITED shall be increased and reorganized, in the manner mentioned below, to cover the fresh issue of equity shares by ADL to the shareholders of the Demerged Company in terms of clause 8 of this Scheme:

The Authorised Share Capital of ARCHIDPLY DECOR LIMITED shall be increased and reorganized from Rs. 10,00,000/- (Rupees Ten Lac only) comprising of 1,00,000 (One Lac) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs.6,00,00,000/- (Rupees Six Crores only) comprising of 60,00,000 (Sixty Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.

In consequence of the increase in the Authorised Share Capital, as mentioned above, following new clause V shall be inserted in the Memorandum of Association of the Resulting Company in place and stead of the existing clause V:

Clause V: - Memorandum of Association.

The Authorised share capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 Equity Shares of Rs. 10/- each.

It is clarified that the relevant date for the increase of Authorised Share Capital of the Resulting Company shall be the effective date and the statutory time limit for filing of necessary documents with Registrar of Companies in connection with such increase in the Authorised Share Capital shall commence from the date the Scheme becomes effective. It is also clarified that the Resulting Company shall be required to pay the filing fee and stamp duty only on the increase in the Authorised Share Capital from Rs. 10,00,000/- to Rs.6,00,00,000/- i.e. an increase of Rs. 5,90,00,000/-.

It is further clarified that the Resulting Company shall not be required to pass any resolution under section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013 for increase in the Authorised Share Capital of the Resulting Company, as envisaged above and that the members of the Resulting Company shall be deemed to have accorded their consent under various provisions of the Companies Act, 2013 and Rules made there under to the increase in the share capital in terms of this Scheme.

16. APPLICATION(S) TO THE NATIONAL COMPANY LAW TRIBUNAL [NCLT]

The Demerged Company and the Resulting Company shall make, as applicable, joint or separate applications/petitions under Section 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013 to the National company Law Tribunal (NCLT), as necessary, inter act, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and further applications / petitions under Sections 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013 including for sanction / confirmation / clarification of the Scheme or connected therewith, as necessary.

17. MODIFICATIONS OF SCHEME

- 17.1 The Demerged Company and the Resulting Company through their Board of Directors may consent on behalf of all persons concerned to any modifications or amendments of this Scheme or to any conditions which the Tribunal (NCLT) and/or any other authorities under law may deem fit to approve of or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting this Scheme into effect.
- 17.2 However no modifications and / or amendments to the Scheme can be carried out or effected by the Board of Directors without approval of the Tribunal (NCLT) and the same shall be subject to powers of the Tribunal (NCLT) under Section 230 to 232 of the Act.
- 17.3 For the purpose of giving effect to this Scheme or to any modifications thereof, the Directors of the Demerged Company and the Resulting Company are authorized to give such directions and/or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.
- 17.4 The Demerged Company and Resulting Company shall take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

18. NON- RECEIPT OF APPROVALS AND REVOCATION/WITHDRAWAL OF THIS SCHEME

- 18.1 The Demerged Company and the Resulting Company acting jointly through their respective Boards shall each be at liberty to withdraw from this Scheme.
- 18.2 The Demerged Company and/or Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme in case the Demerged Company or the Resulting Company is declared insolvent.
- 18.3 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before 15 (fifteen) months from the date of approvals of the Scheme by respective Boards of the Parties or within such extended period as may be mutually agreed upon between the Demerged Company and the Resulting Company through their respective Boards or their authorized representatives, this Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

18.4 In the event of revocation/withdrawal of the Scheme under Clause 18.1, 18.2 or 18.3 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Company and the Resulting Company or their respective shareholders or creditors or employees or any other person, 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 is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

19. REVISION OF ACCOUNTS AND TAX FILINGS, MODIFICATION OF CHARGE

19.1 Upon this Scheme becoming effective and from the Appointed Date, the Demerged Company and Resulting company are expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, Goods and Service Tax (GST) returns etc. as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

19.2 Filing of the certified copy of the orders of the NCLT sanctioning this Scheme with the concerned Registrar of Companies, shall be deemed to be sufficient for creating or modifying the charges in favour of the secured creditors, if any, of the Demerged Company and Resulting company, as required as per the provisions of this Scheme.

20. SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

21. MUTATION OF PROPERTY

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties, of the Demerged Undertakings shall be deemed to have been mutated and recognized as that of the Resulting Company and the mere filing of the certified true copy of the vesting order of the Tribunal sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties of the Demerged Undertakings with the Resulting Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

22. COSTS

Upon the sanction of this Scheme by the Tribunal (NCLT), all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Demerger shall be equally borne by the Demerged and Resulting Company.

COPY OF VALUATION REPORT WITH ADDENDUM REPORT



SURESH SHAH & CO. *Payal Gada*
B.Com, FCA
CHARTERED ACCOUNTANTS

21 August 2018

To,

The Board of Directors**Archidply Industries Ltd**Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL,
Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153**The Board of Directors****Archidply Décor Limited**Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL,
Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153

Sub: Addendum to our valuation report dated 30 May 2018 on “Recommendation of fair share entitlement ratio for proposed demerger of Demerged Undertaking ie Chintamani Undertaking of Archidply Industries Limited (AIL) into Archidply Décor Limited (ADL)”

Dear Sirs / Madams,

This Addendum Report is with reference to the above given valuation report (Valuation Report). We understand that BSE has asked certain clarification on valuation report and would like the valuer to specify value per share of AIL and ADL based on various valuation methods and to provide details against the method through which valuation is arrived at. We understand that BSE would like the value per share and weights given thereto to be given in a tabular format in line with its earlier circular on the said matter. This Addendum Report contains detailed computation of share entitlement ratio based on relative value per share of AIL and ADL (in the tabular format as prescribed) for the proposed demerger of Demerged Undertaking ie Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited.

We understand that the Management of the Companies (“Management”) are proposing to demerge the Demerged Undertaking i.e. Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited with effect from appointed date of 1st April, 2018. This is proposed to be achieved by implementing a scheme of Arrangement under the provisions of Section 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013 (“Scheme of Arrangement”). As a part of the Proposed Demerger and as consideration for the Demerger, the shareholders of AIL will be issued equity shares of ADL.



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The effect of the Demerger is that each shareholder of AIL becomes the owner of shares in two companies instead of one. The Scheme does not envisage the dilution of the holding of any one or more shareholders as a result of the operation of the Scheme. Post Demerger, the percentage holding of a shareholder in AIL and in ADL would remain almost unchanged from the proportion of capital held by such shareholder in AIL.

Considering the above, any entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not materially vary.

We have nevertheless computed the fair value per share of ADL and of AIL post demerger of Demerged Undertaking i.e. Chintamani Undertaking into ADL. In this value computation, it has been assumed that the Demerged Undertaking ie Chintamani Undertaking is being transferred to ADL and the Rudrapur Undertaking is retained in AIL. These values are determined independently but on a relative basis. For the valuation, we have considered the following commonly used and accepted methods for determining the fair share entitlement ratio, to the extent relevant and applicable:

1. Market Price method (Market approach)
2. Comparable Companies' Multiples method / Guideline Company method (Income approach)
3. Net Asset Value method (Asset approach)

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using internationally accepted valuation approaches and our reasonable judgment, in an independent and bona fide manner.

Market Approach - Market Price Method

The value of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. We have considered average of 2 week's closing prices on NSE upto 29 May 2018 and multiplied this by outstanding equity shares of AIL to arrive at combined equity value. Since the Demerged Undertaking i.e. Chintamani Undertaking has incurred losses for the financial year ended 31 March 2018, we have valued ADL (into which the Demerged Undertaking i.e. Chintamani Undertaking is being demerged) at Net Book Value of Demerged Undertaking i.e. Chintamani Undertaking, as the Net Book Value of Chintamani Undertaking can be its proxy for liquidation value. The balance value is attributable to AIL post demerger. The equity value as computed above have been divided by



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current number of shares of AIL to arrive at relative fair value per share of AIL and ADL (post demerger of Demerged Undertaking i.e. Chintamani Undertaking into ADL).

We have given zero weightage to this method as the shares of ADL are not listed/traded on any recognized stock exchange and only shares of AIL are listed and traded on recognized stock exchange.

Income Approach - Comparable Companies' Multiple (CCM) / Guideline Company method

Under this method, value of the equity shares of a company is arrived at by applying a suitable multiple (derived from valuations of comparable companies, as manifest through stock market valuations of listed companies) to the income of the Company. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Since the Demerged Undertaking i.e. Chintamani Undertaking has incurred losses in FY 2018, we have considered future Profit After Tax as projected for FY2019 and FY2020 for undertaking valuation of the Companies. This method is categorized under income approach (as it is based on applying a capitalization factor (or multiple) to the future income of the Companies). Since this method considers future earnings of the Companies, this method is a proxy for Discounted Cash Flows method. Over and above AIL's own multiple, we identified listed companies that are comparable to the Companies in terms of business profile and have considered their Price to Earnings Multiple to compute the equity value of the Companies. The equity value as computed above have been divided by current number of shares of AIL to arrive at relative fair value per share of AIL and ADL (post demerger of Demerged Undertaking i.e. Chintamani Undertaking into ADL).

We have given a two – third weight to the results of this method as this method captures value of share based on earnings potential of the business.

Asset Approach - Net Asset Value (NAV) Methodology

The asset based valuation technique is based on the value of the underlying net assets of the business. We have computed the Net Book Value of the Companies (based on their balance sheets) and have computed NAV considering Price to Book Value multiple. The multiple has been computed considering AIL's own Price to Book Value multiple. We have given a one-third weight to the results of this method.



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In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

This Addendum Report including the attached valuation workings (as Annexure – I to this report) should be read in conjunction with our report dated 30 May 2018. It is to be noted that our valuation report dated 30 May 2018 also considered the above referred various valuation methods and gave details of value computation (as Annexure to the Valuation Report dated 30 May 2018) in a different format. The results of this Addendum Report and our Valuation Report dated 30 May 2018 are same and only the manner of presenting the value computation is different (ie this Addendum Report gives value computation in the tabular format as prescribed by BSE whereas the Valuation Report dated 30 May 2018 gave value computation in a non-tabular format).

Conclusion for Demerger

The fair share entitlement ratio has been arrived at on the basis of a relative equity valuation of the Companies based on the various methodologies explained herein earlier. In this value computation, it has been assumed that the Demerged Undertaking ie Chintamani Undertaking is being transferred to ADL and the Rudrapur Undertaking is retained in AIL. The relative fair value per share and weights to different methods is presented below:

Valuation Approach	ADL (post demerger) (A)		AIL (post demerger) (B)		Current AIL (ie ADL + AIL post demerger)	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight	Combined Value per Share (INR)	Weight
Asset Approach	30.56	1	53.36	1	83.92	1
Income Approach	16.11	2	104.71	2	120.81	2
Market Approach	21.77	0	62.15	0	83.92	0
Relative Value per Share	20.92		87.59		108.52	
Relative Ratio of Values per Share (rounded)	1.00		4.00		5.00	
Share Entitlement Ratio (rounded off) (A/B)			0.25 or 1:4			



given in Annexure – I to this report.

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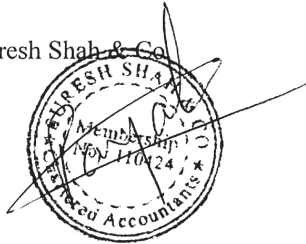


In the light of the above and on a consideration of all the relevant factors and circumstances, we recommend a ratio of 1 (One) equity share of ADL of INR 10/- each fully paid up for, not in exchange of, every 4 (Four) equity shares of AIL of INR 10/- each fully paid up.

The above fair share entitlement ratio has been arrived at on the basis of a relative valuation for the Demerged Undertaking and for each of the Companies based on the various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

Respectfully submitted.

For Suresh Shah & Co.



FCA Payal

Membership No.:110424

Place: Mumbai



Annexure – I: Computation of fair share entitlement ratio

Calculations under Asset Approach – Asset Value method

Computation of fair share entitlement ratio		ADL	AIL	Total
Asset Approach - Asset Value method				
Net Asset Value	A Rs cr	48.04	83.88	131.92
Number of equity shares	B Number in crores			2.2065
Market Price per equity share (based on average of 2 week's closing prices on NSE upto 29 May 2018)	C Rs			83.92
Equity Value	D = B x C Rs cr			185.17
Price to Book Value Multiple	E = D / A Number			1.40
Value of unit using Price to Book Value Multiple	F = E x A Rs cr	67.43	117.74	185.17
Fair Value per share	G = F / B Rs per share	30.56	53.36	





**Calculations under Income Approach – Comparable Companies’ Multiples method /
Guideline Company method based on Price to Earnings Multiple**

Computation of fair share entitlement ratio			ADL	AIL	Total
Income Approach-Price to Earnings Multiple method					
Archidply Industries Ltd - P/E Multiple					
Number of equity shares	A	Number in crores			2.2065
Market Price per equity share (based on average of 2 week's closing prices on NSE upto 29 May 2018)	B	Rs			83.92
Equity Value	C = A x B	Rs cr			185.17
Profit After Tax of AIL for FY 2017	D	Rs cr			6.69
Price to Earnings Multiple - FY2017 for AIL	E = C / D	Number			27.69
Note: Profit After Tax for FY2017 of AIL has been considered as the PAT for FY2018 is very low and not representative of normative levels of PAT for AIL					
Century Plyboards (India) Limited - P/E Multiple					
Market Price of equity share	F	Rs			280
Consolidated EPS for FY2018	G	Rs			7.34
Price to Earnings Multiple	H = F / G	Number			38.11
Greenply Industries Ltd - P/E Multiple					
Market Price of equity share	I	Rs			268
Consolidated EPS for FY2018	J	Rs			9.02
Price to Earnings Multiple	K = I / J	Number			29.68
Average P/E Multiple (based on P/E Multiple of AIL, Century Plyboards and Greenply)	L = Average of E, H, K				31.83
Forward P/E Multiple - FY 2019 (discounted average P/E Multiple by 15%)	M = L/1.15				27.68
Forward P/E Multiple - FY 2020 (discounted P/E Multiple for FY2019 by 15%)	N = M/1.15				24.07
Forward Profit After Tax - FY 2019 Projected	O	Rs cr	1.15	8.20	9.35
Forward Profit After Tax - FY 2020 Projected	P	Rs cr	1.63	9.77	11.40
Value of Business Undertakings					
Based on FY 2019 Projected Profit after tax	Q = M x O	Rs cr	31.90	227.01	
Based on FY 2020 Projected Profit after tax	R = N x P	Rs cr	39.18	235.07	
	S = Average of Q and R				
Average Value under Income Approach		Rs cr	35.54	231.04	
Fair Value per share under Income Approach	T = S / A	Rs per share	16.11	104.71	



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Calculations under Market Approach – Market Price method

Computation of fair share entitlement ratio

Market Approach - Market Price method

			ADL	AIL	Total
Number of equity shares	A	Number in crores			2.2065
Market Price per equity share (based on average of 2 week's closing prices on NSE upto 29 May 2018)	B	Rs			83.92
Equity Value	C = A x B	Rs cr			185.17
Net Book Value of Chintamani Undertaking	D	Rs cr	48.04		
Balance Value of AIL (subtracting Net Book Value of Chintamani Undertaking from total equity value)	E = C - D	Rs cr		137.13	
Fair value per share - AIL	F = E / A	Rs per share		62.15	
Fair value per share - ADL	G = D / A	Rs per share	21.77		





30 May 2018

To,

The Board of Directors
Archidply Industries Ltd
Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL,
Pant Nagar, Rudrapur, Udham Singh Nagar, UR - 263153

The Board of Directors
Archidply Décor Limited
Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL,
Pant Nagar, Rudrapur, Udham Singh Nagar, UR - 263153

Sub: Recommendation of fair share entitlement ratio for proposed demerger of Demerged Undertaking i.e. Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited

Dear Sirs/Madams,

We refer to the engagement letter with Suresh Shah & Co. Chartered Accountants (hereinafter referred to as "SSCO" or "Valuer" or "we" or "us"), wherein Archidply Industries Limited ("AIL" or the "Demerged Company"), and Archidply Décor Limited ("ADL" or the "Resulting Company") (collectively AIL and ADL are hereinafter referred to as "the Companies") have requested us to recommend a fair share entitlement ratio for proposed demerger of Demerged Undertaking i.e. Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited ("Proposed Demerger").

SCOPE AND PURPOSE OF THIS REPORT

We understand that the Management of the Companies ("Management") are proposing to Demerge the Demerged Undertaking i.e. Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited with effect from appointed date of 1st April, 2018. This is proposed to be achieved by implementing a scheme of Arrangement under the provisions of Section 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013 ("Scheme of Arrangement"). As a part of the Proposed Demerger and as consideration for the Demerger, the shareholders of AIL will be issued equity shares of ADL.

For the aforesaid purpose, the Companies have appointed SSCO to advise on the fair share entitlement ratio for Proposed Demerger of Demerged Undertaking i.e. Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited





This report is our deliverable for the above engagement.

This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

SOURCES OF INFORMATION

In connection with preparing this report, we have received the following information from the Management of the Companies:

AIL

- Audited Financial Statements of AIL for the years ended 31 March 2015, 31 March 2016 and 31 March 2017
- Financial statements of AIL as filed with stock exchanges for the period 1 April 2017 to 31 December 2017
- Financial statements of Demerged Undertaking ie Chintamani Undertaking of AIL for the year ended 31 March 2018
- Financial statement of AIL for the year ended 31 March 2018
- Business Projections of Demerged Undertaking ie Chintamani Undertaking and of the balance business of AIL for 5 years ie for years ending 31 March 2019 to 31 March 2023

ADL

- Financial Statements of ADL for the year ended 31 March 2018

Besides the above listing, we have also undertaken discussions with the Management of the Companies in connection with the operations of the respective Companies, past trends and future plans and prospects, etc. We have also been provided with draft Scheme of Arrangement.

We have also obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of the Companies. The Companies have been provided with the opportunity to review the draft report (excluding the recommended fair share entitlement ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

PROCEDURES ADOPTED

- Discussions with the management for understanding the business and fundamental factors that affect the earning-generating capability of the Companies and of the Demerged Undertaking.
- Requested and received financial and qualitative information on both the Companies as well as of the Demerged Undertaking.
- Within the framework of valuation approaches and SEBI guidelines, finalizing valuation methods for valuation
- Identified suitable comparable companies





- Arrived at valuation using methods considered appropriate.
- Determined fair share entitlement ratio for the Proposed Demerger.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein (i) are specific to the purpose of valuation agreed as per the terms of our engagement; (ii) are specific to the date of this report, (iii) are based on the latest financials of the Demerged Undertaking and of the Companies. A valuation of this nature is necessarily based on the prevailing stock market, financial, economic and other condition in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial and operating data.

In accordance with the terms of our respective engagements, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and (ii) the accuracy of information made available to us by the Companies. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The respective Managements of the Companies have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be in a





competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not disclosed in the audited/unaudited financial statements of the Companies.

This report does not look into the business/ commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to computation of fair share entitlement ratio only.

No investigation of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature..

The financial forecasts used in the preparation of the report reflects judgment of the Management of the Companies, based on the present circumstances, as to the most likely set of conditions and the course of action they are most likely to take. It is usually the case that some events and circumstances do not occur as expected and are not anticipated. Therefore, actual results during the forecast period will almost always differ from the forecasts, and such differences may be material. To the extent that our conclusions are based on the forecasts, we express no opinion on achievability of those forecasts. The fact that we have considered the projections in this exercise of valuation should not be construed or taken as our being associated with or a party to such projections.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of the Companies, under the terms of our engagement, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme of Arrangement, without our prior written consent. In addition, we express no opinion or recommendation as to how the shareholders of Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Demerger.





BACKGROUND OF THE COMPANIES

(a) Archidply Industries Limited (AIL)

i. Archidply Industries Limited a Limited company incorporated under the Companies Act, 1956, having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153

ii. The Demerged Company is a well established company, engaged in the business of wood panel products and decorative surfacing products and has two manufacturing undertakings :-

a) Rudrapur (Uttarakhand) Undertaking and

b) Chintamani (Karnataka) Undertaking

iii. The following products are manufactured at Rudrapur Undertaking and Chintamani Undertaking

Rudrapur :-

- 1 Plywoods - Marine Plywood, Fire Retardant Plywood, Shuttering Plywood, Densified Film Faced Plywood, BWR & MR Plywood, Lamyply and Lamyboard.
- 2 Block Board and Flush Doors - BWR & MR grade
- 3 Decorative Laminates – range from 0.8mm to 1.5mm and post form laminates

Chintamani:-

1. Particle Boards - plain, veneered and pre laminated particle board both in interior and exterior grade
2. Decorative Veneers – Teak, natural exotic veneers, reconstituted veneers and dyed veneers.

In addition trading of Gurjan based plywood and Face Veneers from Myanmar is also done in Chintamani Undertaking.

iv. The Demerged Company is a listed Company and its shares are listed on BSE limited and National Stock Exchange of India Limited (NSE)

v. AIL has 2,20,65,000 equity shares issued and outstanding as of the date of this report.





(b) Archidply Decor Limited

- i. Archidply Decor Limited is a public Limited company incorporated under the Companies Act, 2013, having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153
- ii. The Resulting Company is a newly incorporated company with the main objects of manufacturing and trading of Wood panel products and other related activities.
- iii. The Resulting Company is an unlisted company and does not have any material operation as of now.
- iv. The Resulting Company has 50,000 equity shares issued and outstanding as of the date of this report.

The Companies do not have any warrants, options or other convertible instruments issued and outstanding as of the date of this report as informed to us.

The Management has informed us that there would not be any other capital variation in the Companies till the Proposed Demerger becomes effective.

Approach – Basis of Demerger

We understand that the Management of the Companies ("Management") are proposing to Demerge the Demerged Undertaking i.e. Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited with effect from appointed date of 1st April, 2018. This is proposed to be achieved by implementing a scheme of Arrangement under the provisions of Section 230 to 232 read alongwith Section 52 and Section 66 of the Companies Act, 2013 ("Scheme of Arrangement"). As a part of the Proposed Demerger and as consideration for the Demerger, the shareholders of AIL will be issued equity shares of ADL.

The effect of the Demerger is that each shareholder of AIL becomes the owner of shares in two companies instead of one. The Scheme does not envisage the dilution of the holding of any one or more shareholders as a result of the operation of the Scheme. Post Demerger, the percentage holding of a shareholder in AIL and in ADL would remain almost unchanged from the proportion of capital held by such shareholder in AIL.

Considering the above, any entitlement ratio can be considered for the above demerger as the proportionate shareholding of any shareholder would not materially vary.

We have considered the following to determine the fair share entitlement ratio:

- (a) the value based on ratio of capital employed of Demerged Undertaking i.e. Chintamani Undertaking to the capital employed in other business of AIL; and



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(b) value based on expected future profitability of Demerged Undertaking ie Chintamani Undertaking to the expected future profitability of other business of AIL

The workings are given in Annexure – I to this report.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

Conclusion for Demerger

In the light of the above and on a consideration of all the relevant factors and circumstances, we recommend a ratio of 1 (One) equity share of ADL of INR 10/- each fully paid up for, not in exchange of, every 4 (Four) equity shares of AIL of INR 10/- each fully paid up.

The above fair share entitlement ratio has been arrived at on the basis of a relative valuation for the Demerged Undertaking and for each of the Companies based on the various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

Respectfully submitted.

For Suresh Shah & Co.
Chartered Accountants
ICAI Firm Registration No.: 125085W

FCA Payal
Membership No : 110424
Place: Mumbai





Computation of fair share entitlement ratio				
		Chintamani	Rudrapur	Total
Net Asset Value	Rs cr	48.04	83.88	131.92
Market Price per equity share (based on average of 2 week's closing prices on NSE upto 29 May 2018)	Rs			83.92
Price to Book Value Multiple	#			1.40
Value of unit using Price to Book Value Multiple	Rs cr	67.43	117.74	185.17
Profit After Tax of AIL for FY 2017	Rs cr			6.69
Price to Earnings Multiple - FY2017 for AIL	#			27.69
Note: Profit After Tax for FY2017 of AIL has been considered as the PAT for FY2018 is very low and not representative of normative levels of PAT for AIL				
Century Plyboards (India) Limited				
Market Price of equity share	Rs			280
Consolidated EPS for FY2018	Rs			7.34
Price to Earnings Multiple	#			38.11
Greenply Industries Ltd				
Market Price of equity share	Rs			268
Consolidated EPS for FY2018	Rs			9.02
Price to Earnings Multiple	#			29.68
Average P/E Multiple (based on P/E Multiple of AIL, Century Plyboards and Greenply)				
				31.83
Forward P/E Multiple - FY 2019 (discounted average P/E Multiple by 15%)				27.68
Forward P/E Multiple - FY 2020 (discounted P/E Multiple for FY2019 by 15%)				24.07
Forward Profit After Tax - FY 2019 Projected	Rs cr	1.15	8.20	9.35
Forward Profit After Tax - FY 2020 Projected	Rs cr	1.63	9.77	11.40
Value of BU				
Based on FY 2019 Projected Profit after tax	Rs cr	31.90	227.01	258.90
Based on FY 2020 Projected Profit after tax	Rs cr	39.18	235.07	274.25
Based on Price to Book Value Multiple	Rs cr	67.43	117.74	185.17
Average Value	Rs cr	46.17	193.27	239.44
Ratio of value	Ratio	0.193	0.807	1.00
Fair Share Entitlement Ratio (rounded) based on relative valuation of Chintamani Undertaking and Rudrapur Undertaking	Ratio	1.0	4.0	



COPY OF FAIRNESS OPINION

Fairness Opinion Report on 'Valuation Certificate' issued for

Proposed Scheme of Arrangement between

Archidply Industries Limited

And

Archidply Decor Limited

And

Their Respective Shareholders and Creditors

Prepared by



Saffron Capital Advisors Private Limited

[Corporate Identification Number: U67120MH2007PTC166711]

SEBI Registered Category I Merchant Banker

605, Sixth Floor, Centre Point, Andheri-Kurla Road, J. B. Nagar,
Andheri East, Mumbai – 400059.

Tel No.: +91-22-4082 0904; Fax: +91-22-4082 0999

www.saffronadvisor.com

SEBI Registration No: INM000011211

May 30, 2018

Notice to Reader

- a. This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a "Fairness Opinion" on "Valuation Certificate" issued in connection with the proposed "Scheme of Arrangement" (the Scheme) between Archidply Industries Limited ("Demerged Company" or "AIL") and Archidply Decor Limited ("Resulting Company" or "ADL") and their respective shareholders and creditors. The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies under regulations 11, 37 and 94 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities Exchange Board of India ("SEBI") Circular Nos. CFD/DIL3/CIR/2017/21 dated 10th March 2017 including Circular CFD/DIL3/CIR/2017/26 dated 23 March, 2017 (if applicable) and Circular CFD/DIL3/CIR/2018/2 dated 3 January, 2018. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate dated May 30, 2018 issued by Ms. Payal Gada, Chartered Accountant (Membership No.: 110424) for Suresh Shah & Co, Chartered Accountants, (FRN: 125085W) for the proposed "Scheme of Arrangement" of AIL and ADL and their respective shareholders and creditors and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders and meetings of creditors of AIL and ADL and to the Stock Exchanges, Securities and Exchange Board of India ("SEBI"), Regional Director, Registrar of Companies and other relevant appropriate authorities whose approval is required to the Scheme of Arrangement. Our



opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between AIL and ADL and their respective shareholders and creditors, and may not be applicable or referred to or quoted in any other context.

Management has been provided with an opportunity to review factual information in our report as part of our standard practice to ensure that factual inaccuracies/omissions/etc. are avoided in our final signed report.

For Saffron Capital Advisors Private Limited


K Srinivas



Managing Director

Introduction and Scope of Assignment

1. Demerged Company – Archidply Industries Limited (AIL):

Archidply Industries Limited a Limited company incorporated under the Companies Act, 1956 having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, Uttarakhand – 263153

AIL is a well-established company, engaged in the business of wood panel products and decorative surfacing products and has two manufacturing undertakings:-

- a) Rudrapur (Uttarakhand) Undertaking **(to be retained by and part of AIL)**
- b) Chintamani (Karnataka) Undertaking **(to be demerged and part of ADL, Resulting Company)**

AIL is a listed Company and its shares are listed on BSE limited and National Stock Exchange of India Limited (NSE).

2. Resulting Company– Archidply Decor Limited (ADL):

Archidply Decor Limited is a public Limited company incorporated under the Companies Act, 2013, (as defined hereinafter) having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR – 263153 .

ADL is a newly incorporated company with the main objects of manufacturing and trading of Wood panel products and other related activities.

ADL is an unlisted company as on date.

- 3. Valuation has been decided based on the Valuation Certificate dated May 30, 2018 prepared by Ms. Payal Gada, Chartered Accountant (Membership No.: 110424) for Suresh Shah & Co, Chartered Accountants, (FRN : 125085W).
- 4. ADL will be issuing 1 (One) Equity Share of ADL of INR 10/-each fully paid up for (not in exchange of), every 4 (Four) Equity Shares of AIL of INR 10/-each fully paid up in consideration thereof.



We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by AIL to give a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement of AIL and ADL and their respective shareholders and creditors

Exclusions and Limitations

1. Saffron has been requested by AIL to submit a report by giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between AIL and ADL and their respective shareholders and creditors.
2. We have given the Fairness Opinion on the basis of the following information provided to us by AIL and ADL/ collated by us from publicly available sources, like website of BSE and NSE:
 - a) Draft Scheme of Arrangement provided by AIL.
 - b) Certified true copy of the resolutions passed at the meeting of the Board of Directors of AIL and ADL.
 - c) Valuation Certificate date May 30, 2018 issued by Ms. Payal Gada, Chartered Accountant (Membership No.: 110424) for Suresh Shah & Co, Chartered Accountants, (FRN : 125085W)
 - d) Such other information and explanations as we required and which have been provided by the management of AIL.
3. Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or



examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.

4. Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

Conclusion and Opinion on Valuation Certificate

Conclusion:

We have reviewed the valuation certificate and based on the information, material data made available to us, to best of our knowledge and belief, the valuation prepared by the Valuer Ms. Payal Gada , Chartered Accountant (Membership No.: 110424) for Suresh Shah & Co, Chartered Accountants, (FRN : 125085W) is **Fair and Reasonable**.

For Saffron Capital Advisors Private Limited


K Srinivas

Managing Director



BSE OBSERVATION LETTER 30.11.2018



DCS/AMAL/SD/R37/1352/2018-19

November 30, 2018

The Company Secretary
ARCHIDPLY INDUSTRIES LTD.
 Plot No. 7, Sector - 9, Integrated Industrial Estates,
 Sidcul, Pant Nagar, Dist. Udam Singh Nagar,
 Rudrapur, Uttarakhand- 263153.

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Archidply Industries Ltd and Archidply Décor Ltd.

We are in receipt of Draft Scheme of Arrangement between Archidply Industries Ltd and Archidply Décor Ltd filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated November 30, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Archidply Décor Ltd shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Archidply Décor Ltd shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
 T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
 Corporate Identity Number:: L67120MH2005PLC155188

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Archidply Décor Ltd is at the discretion of the Exchange. In addition to the above, the listing of Archidply Décor Ltd pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Archidply Décor Ltd in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of Archidply Décor Ltd in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Archidply Décor Ltd on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Archidply Décor Ltd between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

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

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitinkumar Pujari
Senior Manager

NSE OBSERVATION LETTER 30.11.2018



National Stock Exchange Of India Limited

Ref: NSE/LIST/58074-I

November 30, 2018

The Company Secretary
Archidply Industries Limited
29/2, G.K. Manor,
1st Floor, Nehru Nagar Circle,
Seshadripuram,
Bangalore - 560020

Kind Attn.: Mr. Rajneesh Sharma

Dear Sir,

Sub: Observation Letter for Scheme of Arrangement between Archidply Industries Limited and Archidply Decor Limited and their respective shareholders and creditors.

We are in receipt of the draft Scheme of Arrangement between Archidply Industries Limited (hereinafter referred to as the "Demerged Company") by way of Demerger of the Demerged Undertaking i.e Chintamani Undertaking to Archidply Decor Limited (hereinafter referred to as the "Resulting Company") and its shareholders and creditors vide application dated July 20, 2018.

Based on our letter reference no Ref: NSE/LIST/58074 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("Circular"), SEBI vide letter dated November 30, 2018, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.*
- b. *The Company shall duly comply with various provisions of the Circulars.*
- c. *The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of

This Document is Digitally Signed

Signer: Hitesh Rajeev Malhotra
Date: Fri, Nov 30, 2018 20:53:09 IST
Location: NSE

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra I
India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769



andhra (E), Mumbai – 400 051,



Continuation Sheet

Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The listing of Archidply Decor Limited pursuant to the composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Archidply Decor Limited and its group companies in line with the disclosure requirements.
2. Exchange eligibility criteria at the time of listing on the Exchange pursuant to composite Scheme of Arrangement.
3. To publish an advertisement in the newspapers containing all the information about Archidply Decor Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company and on National Stock exchange of India Limited.
4. To disclose all the material information about Archidply Decor Limited to National Stock exchange of India Limited on continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
5. The following provision shall be incorporated in the composite Scheme of Arrangement:
 - i. "The shares allotted pursuant to the Scheme of Arrangement shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern or control in Archidply Decor Limited between the record date and the listing which may affect the status of this approval".
 - iii. "Archidply Decor Limited will not issue/ reissue any shares, not covered under the composite Scheme of Arrangement."

The validity of this "Observation Letter" shall be six months from November 30, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Hitesh Malhotra
Senior Manager

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

This Document is Digitally Signed

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769
Signer: Hitesh Rajeev Malhotra
Date: Fri, Nov 30, 2018 20:53:09 IST
Location: NSE



COPY OF COMPLAINTS REPORT dated (6th August, 2018 (BSE) AND (4th September, 2018 NSE)

ARCHIDPLY
ENGINEERING INTERIOR SOLUTIONS SINCE 1976
6th August, 2018

ARCHIDPLY INDUSTRIES LTD

To,

BSE Limited
Corporate Relationship Department
P J Towers, 1st Floor,
Dalal Street, Fort,
Mumbai-400 001

Scrip Code: 532994

Reg:- Filing of complaints Report Under SEBI Circular CFD/ DIL3/CIR/2017 dated
10th March, 2017

Kind Attn:- Mr. Nitin Pujari

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Archidply Industries Limited (AIL) (Demerged Company) and Archidply Decor Limited (ADL) (the Resulting Company).

Further to our application under Regulation 37 of the SEBI (LODR) Regulations 2015 for the proposed Scheme of Arrangement between Archidply Industries Limited (Demerged company) and Archidply Décor Limited (Resulting company) Please find enclosed the Complaints Report for the period from 16th July, 2018 to 4th August, 2018 as Annexure I

We have also uploaded the Complaints Report on our website.


We request you to take the above on record and oblige.

We request you to provide necessary "No Objection" at the earliest so as to enable us to file the Scheme of Reduction of Equity Share Capital with the National Company Law Tribunal (NCLT).

If you require any further clarifications/ information, please inform us.

Thanking you,

For Archidply Industries Limited


Rajneesh Sharma
Company Secretary
Encl: - As above.



CIN: L85110UR1995PLC008627

No. 29/2, G.K. Manor, 1st Floor, Nehru Circle, Seshadripuram, Bangalore - 560 020.
Ph: 080-2344 5607, 4342 0000, Fax: 080-2334 8463, E-mail: info@archidply.com, Website: www.archidply.com
Registered Office: Plot No 7, Sector-9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, Uttarakhand - 263 153.

Annexure I

COMPLAINTS REPORT

Company Name : Archidply Industries Limited

Date of Complaint Report: 04.08.2018

Details of Complaints, if any received from 16th July, 2018 to 4th August, 2018 for the proposed Scheme of Arrangement between Archidply Industries Limited and Archidply Décor Limited.


Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange / SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A
5.	Number of complaints pending	N.A

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

For Archidply Industries Limited


Rajneesh Sharma
Company Secretary
Dated: 6th August, 2018



CIN: L85110UR1995PLC008627

No. 29/2, G.K. Manor, 1st Floor, Nehru Circle, Seshadripuram, Bangalore - 560 020.
Ph: 080-2344 5607, 4342 0000, Fax: 080-2334 8463, E-mail: info@archidply.com, Website: www.archidply.com
Registered Office: Plot No 7, Sector-9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, Uttarakhand - 263 153.

4th September, 2018

To,

To,
National Stock Exchange of India Limited
Bandra Kurla Complex,
5th Floor, Exchange Plaza,
Bandra (East), Mumbai-400 051

Kind Attention: Ms. Divya Pujari / Ms. Ekta Shah.

Ref: NSE: ARCHIDPLY

Reg:- Filing of complaints Report Under SEBI Circular CFD/ DIL3/CIR/2017 dated 10th March, 2017

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between Archidply Industries Limited (AIL) (Demerged Company) and Archidply Decor Limited (ADL) (the Resulting Company).

Further to our application under Regulation 37 of the SEBI (LODR) Regulations 2015 for the proposed Scheme of Arrangement between Archidply Industries Limited (Demerged company) and Archidply Décor Limited (Resulting company) Please find enclosed the Complaints Report for the period from 20th July, 2018 to 3rd September, 2018 as Annexure I

We have also uploaded the Complaints Report on our website.

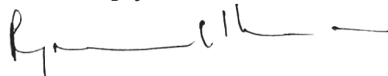
We request you to take the above on record and oblige.

We request you to provide necessary "No Objection" at the earliest so as to enable us to file the Scheme of Demerger with the National Company Law Tribunal (NCLT).

If you require any further clarifications/ information, please inform us.

Thanking you,

For Archidply Industries Limited



Rajneesh Sharma
Company Secretary

Encl: - As above.



CIN: L85110UR1995PLC008627

COMPLAINTS REPORT

Company Name : Archidply Industries Limited

Date of Complaint Report: 03.09.2018

Details of Complaints, if any received from 20th July, 2018 to 3rd September, 2018 for the proposed Scheme of Arrangement between Archidply Industries Limited and Archidply Décor Limited.

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange / SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A
5.	Number of complaints pending	N.A

Part B

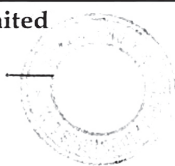
Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil	Nil	Nil

For Archidply Industries Limited



Rajneesh Sharma
Company Secretary

Dated: 4th September, 2018



CIN: L85110UR1995PLC008627

Summary of the Valuation report along with the basis of such valuation

1. The management of Archidply Industries Limited (the Demerged Company) and Archidply Décor Limited (the Resulting Company) have appointed Suresh Shah & Co, Chartered Accountants, Mumbai as independent valuer to recommend a fair ratio of allotment of equity shares of Resulting Company to the Equity Shareholders of Demerged Company of the proposed Scheme of Arrangement.
2. For the purpose of arriving at the share entitlement ratio, the valuation report was obtained in terms of the SEBI Scheme circular, circular No. LIST/COMP/02/2017-18 dated May 29, 2017 issued by the BSE and circular No. NSE/CML/2017/12 dated June 1, 2017 issued by the NSE.
3. The valuer has considered
 - (a) the value based on ratio of capital employed of Demerged Undertaking i.e.Chintamani Undertaking to the capital employed in other business of AIL; and
 - (b) value based on expected future profitability of Demerged Undertaking i.e.Chintamani Undertaking to the expected future profitability of other business of AIL
4. The valuer has also considered Market Price method (Market approach), Comparable Companies' Multiples method / Guideline Company method (Income approach) Net Asset Value method (Asset approach) by assigning appropriate weights.
5. On consideration of all the relevant factors and circumstances, the valuer has recommended a ratio of 1 (one) equity share of ADL of INR 10/- each fully paid up for, not in exchange of, every 4 (four) equity shares of AIL of INR 10/- each fully paid up and has been approved by the Audit Committee of Demerged Company.
6. The Fairness opinion dated 30th May, 2018 was issued by Saffron Capital Advisor Private Limited, a SEBI registered Merchant Banker, explaining the rationale for their opinion as to the fairness of the share entitlement ratio from a financial point of view.
7. The above fair entitlement ratio has been arrived at on the basis of a relative valuation for the Demerged Undertaking and for each of the Companies based on the various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regards to information base, key underlying assumptions and limitations.

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ARCHIDPLY INDUSTRIES LIMITED AT ITS MEETING HELD ON WEDNESDAY THE 30TH DAY OF MAY, 2018 EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDER

1. The proposed Scheme of arrangement is between Archidply Industries Limited (AIL) the Demerged company and Archidply Décor Limited (ADL) the Resulting company for de-merger of Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited with special reference to the feasibility of conveniently combining the Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited and other synergic, administrative, operational and monetary advantages derived upon such combination.

The Board of Directors concluded that the Chintamani Undertaking of Archidply Industries Limited can be conveniently combined with the business of Archidply Décor Limited to the greater advantage of the shareholders, creditors and other concerned persons.

The Scheme of arrangement was approved by the Board of Directors of AIL vide resolution dated 30th day of May, 2018.

2. As per Section 232(2)(c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining the effect of Scheme of arrangement on each class of shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio specifying any special valuation difficulties ('Report')
3. Having regard to the applicability of the aforesaid provisions, the Scheme and the following documents are placed before the Board.
 - A Draft Scheme duly initialed by the Director for the purpose of identification.
 - B Valuation Report dated 30th day of May, 2018 issued by M/s. Suresh Shah & Co. ('the Valuer'), Chartered Accountants (Valuation Report").
 - C Fairness Opinion dated 30th day of May, 2018 issued by M/s Saffron Capital Advisors Private Limited
 - D Summary of the Valuation report along with the basis of such valuation.
 - E Certificate dated 30th day of May, 2018 issued by PritiJhavar & Co. the statutory auditors of the company as required under section 232(3) of the companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.
 - F A copy of the audit committee report dated 30th May, 2018 in terms of requirements of circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by Securities and Exchange Board of India (SEBI)

4. Rationale of the Scheme

- In order to achieve geographical operational efficiencies and unlock shareholders value, the management of AIL has proposed to separate each business undertaking based on the commercial objectives and relevant geographies of the undertaking into separate company. Therefore with a view to effect such reorganization the present scheme is proposed for Transfer of Chintamani Undertaking into Archidply Décor Limited (ADL)
- In order to concentrate its growth efforts in a focused manner, introduce different strategies for growth and different focus for alliance / ventures and to enable direct Equity participation from investors and the Demerged Company has determined to create a focused entity and accordingly proposes the transfer and vesting of the Demerged Undertaking (as defined hereinafter) in the Resulting Company by way of a Demerger (as hereinafter defined) undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act.

- The above transfer will be carried out by demerging Chintamani unit from AIL to ADL as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 (IT Act).
- Upon the effectiveness of this scheme, ADL will be listed on the stock exchanges where shares of AIL are listed i.e. BSE and NSE, subject to the approval of respective stock exchanges

5. Effect of the Scheme on Stakeholders

Sr. No.	Category of Stakeholder	Effect of the Scheme
(i)	Shareholders	The Company has only Equity Shareholders and does not have any preference shareholders. Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every four (4) Equity Shares of the face value of Rs. 10 /- each fully paid up held by him / her / it in the Demerged Company, one (1) new Equity share of the Resulting Company of the face value of Rs.10/- each fully paid up;
(ii)	Promoters	Promoters of the Company are holding 1,60,34,645 Equity shares in the Demerged Company; hence as mentioned in point (i) above, the promoter shareholders will get 40,08,661 new shares in the resulting company as per fair share entitlement ratio.
(iii)	Non- Promoter Shareholders	Please refer to point (i) above the details regarding effect on shareholder.
(iv)	Key Managerial Personnel	Under part II point 4 of the Scheme, on and from the Effective Date, ADL undertakes to engage the Employees of AIL, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by AIL without any interruption of service and in the manner provided under part II point 4 of the Scheme. Under the Scheme, no right of the Employees of AIL of the remaining undertaking is being affected. The services of the Employees of AIL of the remaining undertaking, under the scheme, shall continue on the same terms and conditions on which they were engaged by AIL. The Key managerial Personnel of the Company (KMP's) shall continue as Key Managerial Personnel of the Company after effectiveness of the Scheme. The KMP's are shareholders of the Demerged Company hence; they will get shares of the Resulting company in the same ratio as mentioned in point no.(i) above

6 Valuation

- I. For the purpose of arriving at the fair share entitlement ratio, the valuation report was obtained in terms of circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India, Circular No. LIST/COMP/02/2017-18 dated 29th May, 2017 issued by the BSE Limited and Circular No. NSE/CML/2017/12 dated 1st June, 2017 issued by the National Stock Exchange of India Ltd.
- II. Suresh Shah & Co., Chartered Accountants have not expressed any difficulty while carrying out the valuation and share entitlement ratio.
- III. The valuer has considered
 - the value based on ratio of capital employed of Demerged Undertaking i.e. Chintamani Undertaking to the capital employed in other business of AIL; and
 - value based on expected future profitability of Demerged Undertaking i.e. Chintamani Undertaking to the expected future profitability of other business of AIL
- IV. The valuer has also considered Market Price method (Market approach), Comparable Companies' Multiples method / Guideline Company method (Income approach) Net Asset Value method (Asset approach) by assigning appropriate weights.
- V. In the light of the above and on a consideration of all the relevant factors and circumstances, the fair ratio of exchange is as under.

1 (One) equity share of ADL of INR 10/- each fully paid up for, not in exchange of, every 4 (Four) equity shares of AIL of INR 10/- each fully paid up.
- VI. The above fair exchange ratio has been arrived at on the basis of a relative valuation for the Demerged Undertaking and for each of the Companies based on the various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

7. Adoption of Report by the Directors

The Directors of the Company have adopted this report after noting and considering information set forth in this report. The Board or any duly authorised committee by the Board is entitled to make relevant modification to this report, if required and such modifications or amendments shall be deemed to form part of this report

**By Order of the Board
For Archidply Industries Limited**

**Sd/-
ShyamDaga
Director
DIN: -00561803**

Dated 30th May, 2018

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ARCHIDPLY DECOR LIMITED AT ITS MEETING HELD ON WEDNESDAY THE 30TH DAY OF MAY, 2018 EXPLAINING THE EFFECT OF SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDER

1. The proposed Scheme of arrangement is between Archidply Industries Limited (AIL) the Demerged company and Archidply Décor Limited (ADL) the Resulting company for de-merger of Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited with special reference to the feasibility of conveniently combining the Chintamani Undertaking of Archidply Industries Limited into Archidply Décor Limited and other synergic, administrative, operational and monetary advantages derived upon such combination.

The Board of Directors concluded that the Chintamani Undertaking of Archidply Industries Limited can be conveniently combined with the business of Archidply Décor Limited to the greater advantage of the shareholders, creditors and other concerned persons.

The Scheme of arrangement was approved by the Board of Directors of AIL vide resolution dated 30th day of May, 2018.

2. As per Section 232(2)(c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining the effect of Scheme of arrangement on each class of shareholders, key managerial personnel (KMPs), promoters and non-promoters shareholders of the Company laying out in particular the share exchange ratio specifying any special valuation difficulties ('Report')
3. Having regard to the applicability of the aforesaid provisions, the Scheme and the following documents are placed before the Board.
 - Draft Scheme duly initialed by the Director for the purpose of identification.
 - Valuation Report dated 30th day of May, 2018 issued by M/s. Suresh Shah & Co. ('the Valuer'), Chartered Accountants (Valuation Report').
 - Fairness Opinion dated 30th day of May, 2018 issued by M/s Saffron Capital Advisors Private Limited
 - Summary of the Valuation report along with the basis of such valuation.
 - Certificate dated 30th day of May, 2018 issued by G R V & P K the statutory auditors of the company as required under section 232(3) of the companies Act, 2013 certifying that the accounting treatment in the draft scheme is in accordance with the accounting standards and applicable law.

4. Rationale of the Scheme

- In order to achieve geographical operational efficiencies and unlock shareholders value, the management of AIL has proposed to separate each business undertaking based on the commercial objectives and relevant geographies of the undertaking into separate company. Therefore with a view to effect such reorganization the present scheme is proposed for Transfer of Chintamani Undertaking into Archidply Décor Limited (ADL)
- In order to concentrate its growth efforts in a focused manner, introduce different strategies for growth and different focus for alliance / ventures and to enable direct Equity participation from investors and the Demerged Company has determined to create a focused entity and accordingly proposes the transfer and vesting of the Demerged Undertaking (as defined hereinafter) in the Resulting Company by way of a Demerger (as hereinafter defined) undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act.

- The above transfer will be carried out by demerging Chintamani unit from AIL to ADL as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 (IT Act).
 - Upon the effectiveness of this scheme, ADL will be listed on the stock exchanges where shares of AIL are listed i.e. BSE and NSE, subject to the approval of respective stock exchanges
5. Effect of the Scheme of arrangement on equity shareholders (promoter shareholder and non-promoter shareholder), employees and KMPs of ADL
- Under the Scheme, an arrangement is sought to be entered into between ADL, AIL and its shareholders. Upon the effectiveness of the Scheme, Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every four (4) Equity Shares of the face value of Rs. 10 /- each fully paid up held by him / her / it in the Demerged Company, one (1) new Equity share of the Resulting Company of the face value of Rs.10/- each fully paid up
 - Under part II point 4 of the Scheme, on and from the Effective Date, ADL undertakes to engage the Employees of AIL, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by ADL without any interruption of service and in the manner provided under part II point 4 of the Scheme.
 - Under the Scheme, no rights of the Employees of ADL are being affected. There is no effect of the Scheme on the key managerial personnel of ADL.
 - There is no effect of the Scheme on the creditors, key managerial personnel and promoters and non-promoter shareholders and directors of ADL.
 - No special valuation difficulties were reported by the Valuers.

**By Order of the Board
For Archidply Decor Limited**

**Sd/-
ShyamDaga
Director
DIN: -00561803
Dated 30th May, 2018**

ARCHIDPLY INDUSTRIES LIMITED

Annexure - 10

BALANCE SHEET AS AT 31st DECEMBER 2018

(Amounts in Rupees)

Particulars	Notes	As at 31.12.2018	As at 31.03.2018
A. ASSETS			
1. NON-CURRENT ASSETS			
(a) Property, plant and Equipment	2	605,906,098	620,630,004
(b) Capital Work-in Progress	2	7,066,315	486,033
(c) Goodwill	2	22,928,960	25,000,942
(d) Other Intangible Assets	2	7,768,154	10,251,754
(e) Investment Property	3	705,766	732,285
(f) Financial Assets			
i) Investments	4	78,873	9,457,901
ii) Loans	5	111,152,428	107,114,681
iii) Others	6	435,904	934,478
(g) Deferred tax Asset (Net)	7	4,118,425	1,666,192
(h) Other non current assets	8	92,951,538	90,719,798
Total Non current assets		853,112,460	866,994,068
2. CURRENT ASSETS			
(a) Inventories	9	872,508,810	812,436,462
(b) Financial Assets			
i. Trade Receivables	10	1,032,103,996	868,297,394
ii. Cash and cash equivalent	11	20,383,006	76,470,682
iii. Bank balances other than cash and cash equivalent	12	51,102,230	49,022,634
(c) Current Tax Assets(net)	13	-	7,644,678
(d) Other current assets	14	77,554,149	70,904,097
Total Current Assets		2,053,652,190	1,884,775,947
TOTAL ASSETS		2,906,764,649	2,751,770,017
B. EQUITY & LIABILITIES			
1. EQUITY:			
(a) Equity Share Capital	15	220,650,000	220,650,000
(b) Other Equity		1,137,192,088	1,098,544,829
Total Shareholders Fund		1,357,842,088	1,319,194,829
2. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
i. Borrowings	16	63,123,085	1,615,245
(b) Provisions	17	36,726,653	51,504,341
Total Non-Current liabilities		99,849,738	53,119,586
3. CURRENT LIABILITIES			
(a) Financial Liabilities			
i. Borrowings	18	761,172,537	693,049,504
ii. Trade Payables	19	482,305,944	551,004,210
iii. Other financial liabilities	20	106,535,479	88,940,504
(b) Short term Provisions	21	92,634,377	43,019,405
(c) Other Current Liabilities	22	5,740,853	3,441,980
(d) Current Tax Liabilities(net)	23	683,633	—
Total Current liabilities		1,449,072,822	1,379,455,602
TOTAL EQUITY & LIABILITIES		2,906,764,649	2,751,770,017

Notes from 02 to 31 form the integral part of Financial statements

ARCHIDPLY INDUSTRIES LIMITED

Statement of Profit & Loss for the period ended December 31st, 2018

(Amounts in Rupees)

Particulars	Sch.	For the period ended 31.12.2018	For the year ended 31.03.2018
INCOME :			
Sale of Products	24	2,417,842,057	3,066,689,384
Other Operating Revenue	24	17,261,650	20,540,551
Revenue From Operations		2,435,103,707	3,087,229,935
Other Income	25	12,455,775	28,443,248
Prior Period Income(+)/(-)Expenditure		649,702	948,826
TOTAL INCOME		2,448,209,184	3,116,622,009
EXPENSES :			
Cost of Goods consumed	26	1,121,512,939	1,447,986,987
Purchase of Stock In Trade	27	439,265,189	590,081,204
Changes in Inventories of Finished Goods, Stock-in-process and stock-in-trade	28	(27,553,820)	(65,744,082)
Excise Duty Expense		-	62,644,865
Employee Benefit Expenses	29	256,048,353	303,540,943
Finance Cost	30	75,366,072	99,868,771
Depreciation & Ammortisation Expense	2&3	47,771,797	52,286,914
Other Expenses	31	490,061,870	587,610,980
TOTAL EXPENSES		2,402,472,400	3,078,276,582
PROFIT BEFORE TAXATION		45,736,784	38,345,427
Tax Expenses:			
Current Tax		9,415,740	10,319,032
Deferred Tax		(2,410,164)	2,533,584
Taxes of earlier year		-	403,270
PROFIT FOR THE YEAR		38,731,207	25,089,541
Other Comprehensive Income			
A i) Items that will not be reclassified to profit or loss Defined benefit plan actuarial gains/(losses)		(126,017)	(704,201)
ii) Income Tax relating to items that will not be reclassified to profit or loss		42,069	232,830
B i) Items that will be reclassified to profit or loss Dimunision in the value of Investment		-	
ii) Income Tax relating to items that will not be reclassified to profit or loss		-	
Other Comprehensive Income net of tax		(83,947)	(471,371)
Total Comprehensive Income for the year, net of tax		38,647,260	24,618,170
Earning Per Share (Rs.)			
Basic & diluted	37	1.76	1.14

Notes from 02 to 31 form the integral part of Financial statements

NOTE :- 2

PROPERTY PLANT AND EQUIPMENT ANNEXURE AND FORMING PART OF THE BALANCE SHEET AS AT 31ST DECEMBER 2018

(Amount in Rs.)

PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K		
	Original Cost as on 01.04.2018	Addition 01.04.2018 to 31.12.2018	Sales 01.04.2018 to 31.12.2018	Total Gross Block 31.12.2018	Up to 31.03.2018	FOR THE PRD 1.4.2018 to 31.12.2018	DEPRECIATION ADJUSTMENT ON SALES	Total DEPRECIATION 31.12.2018	ADJUST MENTS +/-	As on 31.12.2018	As on 31.03.2018
A) TANGIBLE ASSETS:											
Free Hold Land	111,775,578	-	-	111,775,578	-	-	-	-	-	111,775,578	111,775,578
Buildings	320,207,258	1,237,174	-	321,444,432	88,588,274	8,914,222	-	97,502,496	383	223,941,552	231,618,984
Plant and Machiners	549,663,459	18,702,783	1,210,058	567,156,184	315,646,024	26,534,115	946,601	341,233,539	(4,202)	225,926,848	234,017,435
Electrical Equipments	11,812,335	-	-	11,812,335	9,553,971	752,309	-	10,306,280	-	1,506,054	2,258,363
Water Supply Installation	1,627,561	-	-	1,627,561	1,106,914	54,883	-	1,161,797	-	465,764	520,647
Laboratory Equipments	362,571	-	-	362,571	288,176	24,212	-	312,388	-	50,183	74,395
Furnitures and Fixtures	32,699,511	682,378	-	33,381,889	11,435,133	2,787,057	-	14,222,191	1,133	19,158,566	21,264,378
Office Equipments	8,262,551	962,908	-	9,225,458	5,108,814	695,600	-	5,804,414	(324)	3,421,368	3,153,737
Computers	8,874,319	2,597,838	-	11,472,158	6,663,662	1,081,664	-	7,745,326	18,014	3,708,818	2,210,658
Vehicles	24,330,040	4,341,973	908,850	27,763,163	10,579,206	1,898,629	666,039	11,811,796	-	15,951,368	13,750,834
Sub Total (A)	1,069,615,183	28,525,054	2,118,908	1,096,021,329	448,970,175	42,742,692	1,612,640	490,100,227	15,004	605,906,098	620,645,008
B) Intangible Assets :											
Goodwill	61,839,228	-	-	61,839,228	36,761,656	2,071,982	-	38,833,638	76,630	22,928,960	25,077,572
Program and Application	13,167,457	447,000	-	13,614,457	2,915,704	2,930,600	-	5,846,304	7,768,154	10,251,755	
Sub Total (B)	75,006,685	447,000	-	75,453,685	39,677,360	5,002,582	-	44,679,941	76,630	30,697,114	35,329,327
C) Capital Work in Progress :											
Capital WIP	486,033	7,066,315	486,033	7,066,315	-	-	-	-	-	7,066,315	486,033
TOTAL	1,145,107,901	36,038,369	2,604,941	1,178,541,330	488,647,534	47,745,274	1,612,640	534,780,169	91,634	643,669,527	656,460,368
Previous Year	1,001,835,972	155,837,805	11,478,047	1,146,195,730	440,438,310	52,251,725	2,495,128	490,194,907	367,901	656,460,358	561,397,664

(Amount in Rs.)

Disclosures:

- Depreciation on the investment property has been charged on Straight Line Method with a useful life of 30 years

- Income from investment property for the period:

Rent Received - Rs NIL (PY -)

- Expenses incurred on investment property for the period:

Maintenance - Rs NIL (PY -

ARCHIDPLY INDUSTRIES LIMITED

Statement of Changes in Equity

Particulars	(As at 31st December 2018)				
	Share Premium	Retained Earnings	Other Comprehensive Income	Capital Subsidy	Total Other Equity
Opening Balance	442,248,275	660,091,108	(6,794,554)	3,000,000	1,098,544,829
Add: Profit for the Period		38,731,207			38,731,207
Add: Other Comprehensive Income/(Loss)			(83,947)		(83,947)
Total Comprehensive Income for the period	442,248,275	698,822,315	(6,878,501)	3,000,000	1,137,192,089
Closing Balance	442,248,275	698,822,315	(6,878,501)	3,000,000	1,137,192,089

Particulars	(As at 31st December 2018)				
	Share Premium	Retained Earnings	Other Comprehensive Income	Capital Subsidy	Total Other Equity
Opening Balance	442,248,275	635,001,567	(6,323,183)	3,000,000	1,073,926,659
Add: Profit for the Period		25,089,541			25,089,541
Add: Other Comprehensive Income/(Loss)			(471,371)		(471,371)
Total Comprehensive Income for the period	442,248,275	660,091,108	(6,794,554)	3,000,000	1,098,544,829
Closing Balance	442,248,275	660,091,108	(6,794,554)	3,000,000	1,098,544,829

Notes from 02 to 31 form the integral part of Financial statements

On behalf of the board of directors,

ARCHIDPLY INDUSTRIES LIMITED

Notes To Financial Statement For Period Ended 31st December 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018	As at 31.03.2018
Note 4: Investments		
a Investment in Equity Shares		
Quoted Investments		
Housing & Urban Development Corporation(HUDCO) (200 shares of Rs 60 each(PY Nil) (Market value as on 31.03.2018 Rs 66.35/share)	12,000 12,000 12,000	12,000 12,000 12,000
b Unquoted Investments		
Sachi Capsolutions Pvt. Ltd. [Nil shares of Rs 10 each(PY 250000)] Wartayar Veneer Industries Ltd. [Nil shares of USD 1 each(PY 195000)] Less: Provision for impairment in value	 - -	2,500,000 6,900,000 9,400,000
c Other Investment		
National Savings Certificate Post Office Deposit 66,873 45,901 Total Investment	24,350 42,523 78,873	24,350 21,551 9,457,901
Note 5: Loans & Advances		
Unsecured, Considered Good Loan to Others	111,152,428 111,152,428	107,114,681 107,114,681
Note 6: Other Non-Current Financial Assets		
Balance With Banks - Fixed Deposit for Margin Money	435,904 435,904	934,478 934,478
Note 7: Deferred Tax Assets		
Opening deferred tax asset Deferred tax (Liability)/Asset arising in current year on account of timing difference	1,666,192	3,966,945
1. Depreciation	(1,300,767)	(4,940,698)
2. Gratuity	1,161,493	1,908,480
3. Leave Encashment	2,560,584	2,761,220
4. Provisions	30,923	(2,029,756)
	2,452,233	(2,300,754)
	4,118,425	1,666,192

ARCHIDPLY INDUSTRIES LIMITED

Notes To Financial Statement For The Period Ended 31st December 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018	As at 31.03.2018
Note 8: Other Non-Current Assets		
a Capital Advances		
For Plant & Machinery	7,645,949	5,881,572
	7,645,949	5,881,572
b Advances Other then Capital Advances		
i) Security Deposits	23,962,276	33,002,425
ii) Security Deposits - Related Party	30,000,000	30,000,000
iii) Other Advances		
- Balance With Revenue Authorities	7,504,107	5,868,971
- Income Tax Refund receivable	9,349,582	1,966,015
- Other advances for supply	14,489,624	14,000,815
	85,305,589	84,838,226
Total Other Non Current Assets	92,951,538	90,719,798
Note 9: Inventories (As taken, valued and certified by the management)		
Raw Materials	383,849,388	359,442,219
Finished Goods	455,792,144	428,238,324
Stores, Spares & Consumption	32,867,278	24,755,919
	872,508,810	812,436,462
Note 10: Trade Receivables		
a Unsecured, Considered good		
Debtors outstanding for a period exceeding 6 months	-	144,283,403
Other Debts (includes Related Party Nil (P.Y Rs.10,964,098/-))	1,032,103,996	724,013,991
	1,032,103,996	868,297,394
Note 11: Cash & Cash Equivalents		
a Balances with Banks		
- Balances in current accounts	18,557,431	73,571,942
b Cheques, Drafts on hand	-	1,252,019
c Cash in hand	1,825,575	1,646,721
	20,383,006	76,470,682
Note 12: Bank balances other then Cash & Cash Equivalents		
Deposit for Margin Money	51,102,230	49,022,634
	51,102,230	49,022,634
Note 13: Current Tax Assets		
Advance Tax & TDS Receivable (Net of provision and current tax)	-	7,644,678
	-	7,644,678

ARCHIDPLY INDUSTRIES LIMITED

Notes To Financial Statement For The Period Ended 31st December 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018	As at 31.03.2018																													
Note 14: Other Current Assets																															
a Advances to related parties																															
- Wartayar Veneer Industries Ltd.	-	12,265,724																													
Less: Provision for doubtful advances*	-	(12,265,724)																													
(*The company has made the advance payment for supply of materials, but as the networth of the said company has eroded fully, the company believed that the amount will not be recoverable from the same. Therefore provision for the said amount has been made during the year.)																															
- Assam Timbers Pvt. Ltd.	28,778,286	19,493,865																													
b Others																															
Prepaid expenses	3,665,156	5,105,726																													
Balance With Revenue Authoroties	11,913,484	20,072,782																													
Other Loans & Advances	33,197,222	26,231,724																													
	77,554,149	70,904,097																													
Note 15:Equity Share Capital																															
AUTHORIZED																															
2,50,00,000 Equity Shares of Rs. 10.00 each (P.Y 2,50,00,000 Equity Shares of Rs. 10 each)	250,000,000	250,000,000																													
ISSUED, SUBSCRIBED, AND PAID UP																															
2,20,65,000 Equity Shares of Rs. 10.00 each (Previous year 2,20,65,000 shares of Rs.10 each)	220,650,000	220,650,000																													
	220,650,000	220,650,000																													
Details of the Shares hold by shareholders holding more than 5% of the aggregate shares in the Comapany																															
a.																															
<table><tr><th rowspan="2">Name of Shareholder</th><th colspan="2">As at 31.12.2018</th><th colspan="2">As at 31.03.2018</th></tr><tr><th>No of Shares</th><th>% of Shares</th><th>No of Shares</th><th>% of Shares</th></tr><tr><td>Assam Timber Products Pvt Ltd</td><td>4,381,150</td><td>19.86</td><td>4,381,150</td><td>19.86</td></tr><tr><td>Vanraj Suppliers Pvt Ltd</td><td>3,943,509</td><td>17.87</td><td>3,943,509</td><td>17.87</td></tr><tr><td>Ravi Marketing Services Pvt Ltd</td><td>2,810,750</td><td>12.74</td><td>2,810,750</td><td>12.74</td></tr><tr><td>The Mysore Chipboards Limited</td><td>1,604,948</td><td>7.27</td><td>1,604,948</td><td>7.27</td></tr></table>	Name of Shareholder	As at 31.12.2018		As at 31.03.2018		No of Shares	% of Shares	No of Shares	% of Shares	Assam Timber Products Pvt Ltd	4,381,150	19.86	4,381,150	19.86	Vanraj Suppliers Pvt Ltd	3,943,509	17.87	3,943,509	17.87	Ravi Marketing Services Pvt Ltd	2,810,750	12.74	2,810,750	12.74	The Mysore Chipboards Limited	1,604,948	7.27	1,604,948	7.27		
Name of Shareholder		As at 31.12.2018		As at 31.03.2018																											
	No of Shares	% of Shares	No of Shares	% of Shares																											
Assam Timber Products Pvt Ltd	4,381,150	19.86	4,381,150	19.86																											
Vanraj Suppliers Pvt Ltd	3,943,509	17.87	3,943,509	17.87																											
Ravi Marketing Services Pvt Ltd	2,810,750	12.74	2,810,750	12.74																											
The Mysore Chipboards Limited	1,604,948	7.27	1,604,948	7.27																											
b. Reconciliation of number of shares outstanding at beginning & end of the reporting period.																															
<table><tr><th>Particular</th><th>As at 31.12.2018</th><th>As at 31.03.2018</th></tr><tr><td>Outstanding as at beginning of the reporting period</td><td>22,065,000</td><td>22,065,000</td></tr><tr><td>Add: Shares issued during the year</td><td>-</td><td>-</td></tr><tr><td>Outstanding as at end of the Reporting period</td><td>22,065,000</td><td>22,065,000</td></tr></table>	Particular	As at 31.12.2018	As at 31.03.2018	Outstanding as at beginning of the reporting period	22,065,000	22,065,000	Add: Shares issued during the year	-	-	Outstanding as at end of the Reporting period	22,065,000	22,065,000																			
Particular	As at 31.12.2018	As at 31.03.2018																													
Outstanding as at beginning of the reporting period	22,065,000	22,065,000																													
Add: Shares issued during the year	-	-																													
Outstanding as at end of the Reporting period	22,065,000	22,065,000																													
c. The Company has only one class of equity shares having a par value of Rs.10 per share, Each Shareholder is eligible for one vote per share.																															

ARCHIDPLY INDUSTRIES LIMITED

Notes To Financial Statement For The Period Ended 31st December 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018	As at 31.03.2018
Note 16: Financial Non-Current Borrowings		
a. Secured		
Term Loans - Vehicle*	5,177,595	3,445,989
Term Loans - Business	86,128,519	-
	91,306,114	3,445,989
Less: Current maturities of long term debt	28,183,029	1,830,744
	63,123,085	1,615,245
(*Secured by certain vehicles, term loan repayable within 3 to 5 years in equal monthly installments)	63,123,085	1,615,245
Note 17: Provisions		
Provision for Employee Benefits		
Provision for Gratuity	36,357,936	32,878,746
Less: Short Term Provision	18,178,968	4,724,101
	18,178,968	28,154,645
Provision for Leave Encashment	37,095,370	29,425,277
Less: Short Term Provision	18,547,685	6,075,581
	18,547,685	23,349,696
	36,726,653	51,504,341
Note 18: Financial Current Borrowings		
a. Secured		
Repayable on demand		
Bank overdraft/Cash Credit*	761,172,537	691,520,051
	761,172,537	691,520,051
(*Secured by hypothecation of Stock and book debts of the company both present and future and second charge on fixed assets both present and future of the company and personal guarantee of promoter directors.)		
b. Unsecured		
Loans from related parties		
Body Corporates**	-	1,269,703
Directors***	-	259,750
	-	1,529,453
(** Interest has been charged at the rate of 12%, repayable on demand)		
(*** Interest free loan, repayable on demand)		
	761,172,537	693,049,504

ARCHIDPLY INDUSTRIES LIMITED

Notes To Financial Statement For The Period Ended 31st December 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018	As at 31.03.2018
Note 19: Trade Payables		
- Micro, Small & Medium	-	-
- Others	482,305,944	551,004,210
(The process of identifying the suppliers who fall within the Micro, Small & Medium Enterprises Development Act 2006 has been initiated. In the absence of information, company is unable to provide information regarding principal amount outstanding & interest due thereon remaining unpaid to any supplier & other details under the Micro, Small & Medium Enterprises Development Act 2006 as at 31-03-2018.)		
	482,305,944	551,004,210
Note 20: Other Financial Liabilities		
Current Maturities of long term debt		
- Term Loan	28,183,029	1,830,744
Branch & HO	0	-
Other Payables*	78,352,450	87,109,760
*(It includes Statutory dues and expenses payable)		
	106,535,479	88,940,504
Note 21: Current Provisions		
a. Provision for Employee Benefits		
Provision for gratuity	18,178,968	4,724,101
Provision for leave encashment	18,547,685	6,075,581
Other Employee Provisions	26,286,950	24,354,801
	63,013,603	35,154,483
b. Others		
Provision for Cash Discount	960,845	1,700,103
Provision for Turnover Discount	161,365	572,048
Provision for Foreign Currency Fluctuation	(2,320,829)	(453,518)
Provision for Other Expenses	10,689,002	2,074,435
Provision for Sale Promotion	2,511,000	2,430,048
Provision for Sales Commission	348,820	493,987
Provision for Quality Complaint	723,981	589,761
Provision for Interest	46,589	156,502
Other Provision(claims and baddebts)	16,500,000	301,556
	29,620,774	7,864,922
	92,634,377	43,019,405

ARCHIDPLY INDUSTRIES LIMITED

Notes To Financial Statement For The Period Ended 31st December 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018	As at 31.03.2018
Note 22: Other Current Liabilities		
a Income received in advance		
Advance from customers	5,740,853	2,241,980
	5,740,853	2,241,980
b Others		
Security Deposit from Transporters	-	1,200,000
	-	1,200,000
	5,740,853	3,441,980
Note 23: Current Tax Liabilities		
Provision for Income Tax (Net of Advance Tax)	683,633	-
	683,633	-
Note 24: Revenue From Operations		
Sale of Products		
Manufactured Goods	1,907,876,261	2,429,617,514
Trading Goods	509,662,799	622,633,321
Other sales	302,998	14,438,549
	2,417,842,057	3,066,689,384
Other Operating Revenue		
Royalty on use of brand name	4,389,414	6,852,845
Export Incentive	11,307,994	7,832,093
Other Operating Income	1,564,242	5,855,613
	17,261,650	20,540,551
	2,435,103,707	3,087,229,935
Note 25: Other Income		
Interest Received	10,972,854	17,409,272
Other Non Operating Income	1,482,921	11,033,975
	12,455,775	28,443,248
Note 26: Cost of Material Consumed		
a Raw Material Consumed		
Opening Stock	359,442,219	362,070,901
Add: Purchases	1,160,580,926	1,445,358,304
Less: Sales	14,660,818	-
Less: Closing Stock	383,849,388	359,442,219
	1,121,512,939	1,447,986,987

ARCHIDPLY INDUSTRIES LIMITED

Notes To Financial Statement For The Period Ended 31st December 2018

(Amounts in Rupees)

Particulars	Period ended 31.12.2018	Year ended 31.03.2018
Note 27: Purchase of Stock in trade		
Plywood and Block Board	436,983,211	482,328,817
Laminates	-	18,770,603
Veneers	213,000	72,048,628
Others	2,068,978	16,933,156
	439,265,189	590,081,204
Note 28: Changes in Inventory of Finished Goods, Stock in process & Stock in trade		
Invetories (at close)		
Finished Goods & WIP	446,619,382	420,052,987
Stock-in-Trade	9,172,762	8,185,337
Invetories (at commencement)		
Finished Goods & WIP	420,052,987	345,624,610
Stock-in-Trade	8,185,337	16,869,632
(Increase) / Decrease in Stock	(27,553,820)	(65,744,082)
Note 29: Employee Benefit Expenses		
Salaries and Wages	222,479,142	259,109,490
Director Remuneration	8,840,000	11,880,000
Club Membership Fees	69,077	327,901
Contribution to and provisions for provident and other funds	21,748,971	25,697,052
Staff Welfare Expenses	3,037,180	3,330,768
Employee Insurance Expense	-	3,195,732
	256,174,369	303,540,943
Note 30: Finance cost		
Interest on Term Loans	5,420,991	908,415
Interest on Working Capital borrowings	56,099,769	69,098,557
Other Interest	1,165,051	4,572,269
Bank charges, L C Charges & Discounting Charges	12,013,352	22,566,966
Processing Charges	666,910	2,722,565
	75,366,072	99,868,771

ARCHIDPLY INDUSTRIES LIMITED

Notes To Financial Statement For The Period Ended 31st December 2018

(Amounts in Rupees)

Particulars	Period ended 31.12.2018	Year ended 31.03.2018
Note 31: Other Expenses		
a Manufacturing Expenses		
Stores and Spares consumed *	41,266,371	51,655,579
Packing Charges	12,402,863	4,446,419
Processing Charges	53,052,260	70,015,754
Power and fuel consumed	68,379,785	43,930,045
Repairs to Plant and Machinery	3,574,825	9,587,395
Repairs to Building	415,707	27,108
Repairs to Others	833,757	2,022,093
	179,925,568	181,684,394
b Selling, Distribution, Administrative and Other Expenses		
Rent	17,575,896	20,071,824
Rates and Taxes	2,052,887	4,605,060
Printing and Stationery	1,281,089	1,872,698
Postage, Telephone and Telegram	6,145,921	6,240,090
Insurance 4,315,755	5,974,262	
Legal, License and Professional Fees	7,384,071	10,727,211
Repairs & Maintenance Expenses	2,402,284	3,354,880
Auditors Remuneration	22,427	651,176
Advertisement	5,280,535	6,318,574
Travelling and conveyance	30,695,656	39,865,804
Commission on sales and samples	3,562,007	5,112,787
Sample Folders Sales	1,701,225	28,753,964
Freight, forwarding and other expenses	105,664,731	124,039,253
Vehicle Running Expenses	1,498,633	2,412,335
Sales Promotion Expenses	36,955,139	54,172,859
Discount & Rebates	32,941,066	51,153,356
Claims and Bad debts written off	8,013,261	3,201,498
Provision for doubtful Debts	12,538,899	-
Provision for doubtful advances	-	12,265,724
Misc Expenses Written off	338,924	-
CSR Discharged	611,664	2,450,720
Other Expenses	29,056,968	22,676,064
(Profit)/Loss on sale of Foreign Exchange	-	
Loss on sale of Fixed Assets	97,267	6,448
	310,136,302	405,926,587
Grand Total(a + b)	490,061,870	587,610,980

ARCHIDPLY DECOR LIMITED

Annexure - 11

BALANCE SHEET AS AT 31st DECEMBER 2018

(Amounts in Rupees)

Particulars	Note No.	Figures as at the end of 31.12.2018
I. EQUITY AND LIABILITIES		
1. SHAREHOLDERS' FUNDS		
Share Capital	2	500,000
Profit & Loss Account	3	(198,099)
		301,901
2. CURRENT LIABILITIES		
Other Current Liabilities	4	104,238
		104,238
TOTAL		406,139
II. ASSETS		
1. NON CURRENT ASSETS		
Other Non Current Assets	5	75,612
2. CURRENT ASSETS		
Cash & Bank Balance	6	330,527
		330,527
TOTAL		406,139

Notes from 02 to 9 forms the integral part of accounts.

ARCHIDPLY DECOR LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS
ENDED DECEMBER 2018

(Amounts in Rupees)

Particulars	Note No.	Figures as at the end of Current reporting period
INCOME		—
Total Revenue		—
EXPENDITURE		
Depreciation and Amortisation Expense		—
Other Expenses	7	166,800
Total Expenditure		166,800
PROFIT / (LOSS) BEFORE TAXATION		(166,800)
Provision for		
Current Tax		—
Deferred Tax		—
PROFIT / (LOSS) AFTER TAXATION		(166,800)
Earning per equity share (Rs.)		
Basic & Diluted		(3.34)

Notes from 02 to 10 forms the integral part of financial accounts.

ARCHIDPLY DECOR LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st DECEMBER 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018
2. SHARE CAPITAL	
AUTHORIZED 100000 Equity Shares of Rs.10/- Each.	1,000,000
ISSUED, SUBSCRIBED, AND PAID UP 50000 Equity Shares of Rs.10/- each	500,000
	500,000

A. Reconciliation of number of shares outstanding at beginning & end of the reporting period.	
Particulars	Equity shares
Outstanding as at the beginning of the period	—
Subscribed during the period	50,000
Outstanding as at the end of the period	50,000

B. Detail of the Shares held by shareholders holding more than 5% of the aggregate shares in the Company.		
Name of the Shareholder	% of Holding 17-18	No of Shares held
Mrs.Arпита Daga	50.00%	25,000
Shyam Daga	49.90%	24,950

Particulars	As at 31.12.2018
3. RESERVE & SURPLUS PROFIT & LOSS ACCOUNT	
Opening Balance	(31,299)
Add/(Less): Transferred from Profit & loss account	(166,800)
	(198,099)
	(198,099)

Particulars	As at 31.12.2018
4. OTHER CURRENT LIABILITIES	
Professional Fees payable	
Audit Fee Payable	5,900
Rent Payable(Related Party)	94,838
Tds on professional Non company	3,500
	104,238

ARCHIDPLY DECOR LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st DECEMBER 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018
5. OTHER NON CURRENT ASSETS	
Preliminary Expenses	94,514
Less: 1/5th expense written off (to the extent not to be written off or adjusted during the next operating cycle)	18,902
	75,612
Particulars	As at 31.12.2018
6. CASH & CASH EQUIVALENTS	
Bank Account	—
Kotak Mahindra Bank	330,527
	330,527
Particulars	As at 31.12.2018
7. OTHER EXPENSES	
Audit Fees	
Bank Charges	
Preliminary Expense Written Off	
Rates & Taxes	21,800
Rent - Office - Rudrapur	90,000
Professional fees	55,000
	166,800
8. CONTINGENT LIABILITIES	NIL
9. EARNING PER SHARE	
As required by Accounting Standard-AS 20 "Earning Per Share" issued by the Institute of Chartered Accountants of India", the Earning Per Share (EPS) is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year and is ascertained as follows.	
i) Net Profit After Tax (A) (Rs.)	(166,800)
ii) Weighted Average number of Equity Shares (B)	50,000
iii) Face Value Per Equity Share (Rs.)	10
iv) Earning Per Share (Rs) – Basic & Diluted	(3.34)

ARCHIDPLY DECOR LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED 31st DECEMBER 2018

(Amounts in Rupees)

Particulars	As at 31.12.2018
10. RELATED PARTIES	
Disclosure as per Accounting Standard 18 (AS-18) "Related Party Disclosures" Issued by the Institute of Chartered Accountants of India.	
Key Management Personnel	
i) Shyam Daga - Director	
ii) Rajiv Daga – Director	
iii) Arpita Daga – Director	
Related Parties:	
i) Archidply Industries Ltd.	
The Company has entered into transactions with certain parties as listed below during the year under consideration. Full Disclosure has been made and the Board of Directors considers such transactions to be in normal course of business and at rates agreed between the parties. Details of transactions with related parties are as follows:	
Transation with related parties	
1. Archidply Industries Ltd. - Rent paid	90,000

Abridged Prospectus of Archidply Décor Limited

IN THE NATURE OF ABRIDGED PROSPECTUS CONTAINING SALIENT FEATURES OF THE SCHEME OF ARRANGEMENT BETWEEN ARCHIDPLY INDUSTRIES LIMITED (HE REINAFTER REFERRED TO AS THE "DEMERGED COMPANY" OR "AIL") AND ARCHIDPLY DECOR LIMITED (HEREINAFTER REFERRED TO AS THE "RESULTING COMPANY" OR "ADL" OR "COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS (UNDER SECTION 230 TO 232 READ ALONG WITH SECTION 52 AND SECTION 66 OF THE COMPANIES ACT, 2013 (HEREINAFTER REFERRED TO AS THE "SCHEME").

THIS ABRIDGED PROSPECTUS IS PREPARED IN TERMS OF PARA 3(A) OF PART I (A) OF SEBI CIRCULAR NO. CFD/DIL3/CIR/2017/21 DATED MARCH 10, 2017

THIS ABRIDGED PROSPECTUS CONSISTS OF 09 (PAGES). PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

THIS DOCUMENT DATED JANUARY 30, 2019 SHOULD BE READ TOGETHER WITH THE SCHEME AND THE NOTICE TO THE SHAREHOLDERS OF AIL

ARCHIDPLY DECOR LIMITED

Registered Office: Plot No 7, Sector-9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, Uttaranchal- 263 153, India

Corporate Office: No.29/2, G.K. Manor, 1st Floor, Nehru Nagar Circle, Sheshadripuram, Bangalore –560 020, Karnataka

Contact Person: Mr. Shyam Daga; **Telephone:** 05944 - 242830/250269; 080 – 23445607 / 43420000 **email:** info@archidply.com **Website:** www.archidplydecor.com

Corporate Identity Number: U20231UR2017PLC008626

NAMES OF PROMOTER OF OUR COMPANY

1. Arpita Daga
2. Shyam Daga
3. Rajiv Daga
4. Usha Daga
5. Rajneesh Sharma
6. Raj Kishore Prasad
7. Viresh Vyas

ISSUE DETAILS, LISTING AND PROCEDURE

Not applicable

ELIGIBILITY FOR THE ISSUE

Not applicable

INDICATIVE TIMEABLE

Not applicable

GENERAL RISKS

Not applicable as the offer is not for public at large. Specific attention of the investors is invited to the section "Internal Risk Factors" at page 07 of this Abridged Prospectus.

PRICE INFORMATION OF BRLM'S

Not Applicable

PROMOTERS OF ISSUER COMPANY

1. **Arpita Daga** – Ms. Arpita Daga, aged 42 years is one of the Promoters and Board member of our Company. She currently holds 25,000 Equity Shares, representing 50% of the paid up capital of our Company. She has completed her Bachelor's Degree in Commerce and has overall 15 years of experience in the food industry.
2. **Shyam Daga** – Mr. Shyam Daga aged 43 years is one of the Promoters and Board member of our Company. He currently holds 24,950 Equity Shares, representing 49.90% of the paid up capital of our Company. He has completed Bachelor's Degree in Commerce from St. Xavier's, Kolkata University. Currently he is involved in the day to day operations of the Chintamani Unit (Karnataka) of Archidply Industries Limited. He is on Board as an Executive Director of Archidply Industries Limited and is also a Director of Shree Shyam Tea Private Limited and the Mysore Chipboards Limited.
3. **Rajiv Daga** – Mr. Rajiv Daga aged 40 years is one of the Promoters and Board member of our Company and is also the Managing Director of Archidply Industries Limited. He currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. He holds Bachelor's Degree in Industrial Engineering and Economic from Purdue University in the United States. He has a working experience with a Software firm situated at Atlanta in the field of Supply Chain Management consultancy. Over the last 5 years he has successfully developed Laminate export business. At present he is also a Director of the Mysore Chipboards Limited, Bhordhumsha Tea Co. P Limited and Assam Timber Products P Limited.
4. **Usha Daga**– Mrs. Usha Daga aged 67 years is one of the Promoters of our Company. She currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. She has 30 years of experience in the Wood Panel and Tea Industry. She is on the Board of Shree Shyam Tea Company Limited.
5. **Rajneesh Sharma**– Mr. Rajneesh Sharma aged 44 years is one of the Promoters of our Company. He currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. He holds Fellow Membership with The Institute of Company Secretaries of India. He has also done Post Graduation in Finance from MERC, Jaipur and is also passed his CA (Intermediate) from Institute of Chartered Accountants of India. He has approximately 16 years of postqualification experience in corporate affairs and corporate secretarial matters.
6. **Raj Kishore Prasad** – Mr. Raj Kishore Prasad aged 45 years is one of the Promoters of our Company. He currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. He holds an Associate Membership with The Institute of Chartered Accountants of India. He has approximately 11 years of experience in the field of Accounting, Finance and Taxation.
7. **Viresh Vyas**– Mr. Viresh Vyas aged 44 years is one of the Promoters of our Company. He currently holds 10 Equity Shares, representing 0.02% of the paid up capital of our Company. He holds Bachelor's Degree in Arts from Devi Ahilya Vishwavidyalaya .He has more than 20 years of experience in the field of Marketing and Sales

BUSINESS MODEL/BUSINESS OVERVIEW AND STRATEGY

Our Company is authorized by its Memorandum of Association to carry on the following business:-

1. To carry on the business of Manufacture of wood and other products of wood and cork, including furniture and providing the service relating to polishing & coating service on wood.
2. To carry on the business as timber merchants, saw mill proprietors, timber growers, timbers, treaters, seasoners, veneer, plywood, hardboard, laminator Board industrial decorative Laminates. Tea Chests, chip board and fibre board manufacturers and to buy, sell, of saplings and trees and to harvest treat, process, render marketable, buy, sale and dispose of any such products including by products in the raw or

manufactured state and to take up the business of planters, growers, cultivators, sellers, and dealers the all kinds of wood including bamboo, bagase, Mesta or Cotton stalks and to manufacture, dispose off, sell or deal in their product grow. prepare, manipulate, import and export and deal in timber, veneers, plywood and wood, wood products, metal and metal products of all kinds, doors, windows, polishing and coating service on wood, panel boards and others in manufacture of which timber, wood plywood or metal is used in any form of proportion, to buy, acquire any forests, factories and timber estate to enter into lease and other agreements with government, private and other agencies for purchase of timber and forest products and to act as forest contractors planters growers cultivators. Currently our Company is not carrying out any business activity.

BOARD OF DIRECTORS

Sr. No.	Name	Designation (Independent/ Wholetime/ Executive/ Nominee)	Experience including current/ past position held in other firms
1.	Shyam Daga	Director	Mr. Shyam Daga holds Bachelor's Degree in Commerce from St. Xavier's, Kolkata University. Currently he is involved in the day to day operations of the Chintamani Unit of Archidply Industries Limited and is on Board as an Executive Director of Archidply Industries Limited and is also a Director of Shree Shyam Tea Private Limited and the Mysore Chipboards Limited.
2.	Rajiv Daga	Director	Mr. Rajiv Daga holds Bachelor's in Industrial Engineering and Economic degree from Purdue University in the United States.. He has a working experience with a Software firm situated at Atlanta in the field of Supply Chain Management consultancy. He is the Managing Director of Archidply Industries Limited and was instrumental in doubling the capacity of Rudrapur unit within a time span of 3 years and achieved 100% capacity utilization. Over the last 5 years he has successfully developed Laminate export business . At present he is Director of the Mysore Chipboards Limited, Bhordhumsha Tea Co. P limited and Assam Timber Products P Limited.
3.	Arpita Daga	Director	Ms. Arpita Daga holds Bachelor's Degree in Commerce. She has overall 15 years of experience in food industry. Currently, she is the Promoter and Board member in our Company.

OBJECTS OF THE ISSUE

Details of means of finance -

Not Applicable

Details and reasons for non – deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ right issues, if any, of the Company in the preceding 10 years.

Not Applicable

Name of the monitoring agency, if any

Not Applicable

Terms of Issuance of Convertible Security, if any

Not Applicable

SHAREHOLDING PATTERN

Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre Issue
1	Promoter & Promoter Group	50,000	100 %
2	Public	0	0
	Total	50,000	100 %

Sr. No.	Particulars of shareholding of Promoter & Promoter Group	Pre Issue number of shares	% Holding of Pre Issue
1	Aprita Daga	25,000	50.00
2	Shyam Daga	24,950	49.90
3	Rajiv Daga	10	0.02
4	Usha Daga	10	0.02
5	Rajneesh Sharma	10	0.02
6	Raj Kishore Prasad	10	0.02
7	Viresh Vyas	10	0.02
	Total	50,000	100.00 %

Number/ amount of equity shares proposed to be sold by selling shareholders – if any

Not Applicable

RESTATED AUDITED FINANCIALS

Standalone

(Amount in Rs)

	Latest stub period (April 2018 to September 2018)	FY ended on March 31, 2018
Total income from operations (net)	NIL	NIL
Net Profit/(loss) before tax and extraordinary items	(1,21,800)	(31,299)
Net Profit /(loss) after tax and extraordinary items	(1,21,800)	(31,299)
Equity Share Capital	5,00,000	5,00,000
Reserves & Surplus	(1,53,099)	(31,299)
Networth	3,46,901	4,68,701
Basic earnings per share (Rs.)	(2.44)	(0.63)
Diluted earnings per share (Rs.)	(2.44)	(0.63)
Return on net worth (%)	(35.11)%	(6.67)%
Net asset value per share (Rs.)	6.94	9.37

INTERNAL RISK FACTORS

The below mentioned are the top 5 risk factors:-

- 1. Political, Economic and other factors that are beyond our control may have adverse effect on our business and result of operations:** - Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Thus any appreciation of the Rupee against the foreign currency coupled with instability of economic policies, political situation and other levies and taxes imposed by the Government of India may have adverse effect on our business and result of operations.
- 2. Loss or Shutdown of operations at any of our Manufacturing Units may have adverse effect on our business-** Business of our Company is dependent on our Manufacturing facilities. Any, loss or Shutdown of operations at any of our Manufacturing Units may have adverse effect on our business, financial condition and results of our operations.
- 3. We face intense competition in the market from the unbranded/ unorganized sector of the Wood based Industry:** - The industry that we operate in is highly competitive. Our failure to provide services to clients at prices similar or lower to that of our competitors, our inability to successfully market our services based on our efficiency may have an adverse impact on our business, financial condition and result of operations.
- 4. Our Group Entities are engaged in similar line of business as that of our Company. This may be potential source of conflict of interest for us:-** Our Group Companies Assam Timber Products P Limited, Archidply Industries Limited and The Mysore Chipboard Limited are engaged in similar line of business as that of our Company and this could have a material effect on the business of our Company.
- 5. Our success largely depends upon the knowledge and experience of our Promoter and other skilled professionals. Any loss or our ability to attract and retain them could adversely affect our business, operations and financial conditions:** - The success of our Company depends upon the management skills and guidance of our Promoter for development and implementation of business strategies and meeting future challenges. Any loss or our ability to attract and retain them could adversely affect our business, operations and financial conditions.

SUMMARY OF OUTSTANDING LITIGATION CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the Company and amount involved

NIL

- B. Brief details of top 5 material outstanding litigations against the company and amount involved

Sr. No	Particulars	Litigation filed by	Current status	Amount involved
NIL				

- C. Regulatory Action, if any – disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any. No disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, except the following:-

Sr. No	Particulars	Action taken by	Penalty Imposed (Amount)	Current Status
1.	Order No. PJ/JAK/AO-2/2017 dated August 22, 2017 issued by SEBI for violation of Regulation 11(2) of SEBI	SEBI	Rs. 11,00,000	Penalty paid

A. Brief details of outstanding criminal proceedings against Promoter

NIL

ANY OTHER IMPORTANT INFORMATION AS PER BRLM/ISSUER COMPANY

A. Details of Material Related Party Transactions

(In INR)

Name of Party	Nature of Transaction	For the year ended March 31, 2018	For half year ended on September 30, 2018
Archidply Industries Limited	Office Rent paid	4,838	60,000

DECLARATION BY OUR COMPANY

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines /regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act,1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act 1956, Companies Act, 2013, the Securities and Exchange Board of India Act 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in the Abridged Prospectus are true and correct.

Date : January 30, 2019

Place : Bangalore

January 30, 2019

To,
The Board of Directors
ARCHIDPLY INDUSTRIES LIMITED.
Plot No 7, Sector -9, Integrated Industrial Estate,
SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar - 263153

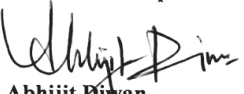
To,
The Board of Directors
ARCHIDPLY DECOR LIMITED
Plot No 7, Sector-9, Integrated Industrial Estate,
SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar,
Uttaranchal- 263 153, India

Dear Sir (s),

Sub.: Proposed Scheme of Arrangement between Archidply Industries Limited and Archidply Decor Limited

- We have been appointed by Archidply Industries Limited ("AIL") to certify the accuracy and adequacy of the disclosures made by Archidply Decor Limited ("ADL") in its Abridged Prospectus dated January 30, 2019 pursuant to SEBI Circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 in accordance with SEBI (ICDR) Regulations, 2018 for the proposed Scheme of Arrangement.
- We have examined various documents of ADL *inter alia* relating to financial information (Annual Reports), secretarial filing, ROC documents, and other material documents in connection with the information mentioned in the Abridged Prospectus;
- Based on the copy of board resolution dated January 30, 2019 approving the Abridged Prospectus, Executed Copy of the Abridged Prospectus duly signed by all the directors of the ADL, examination of various documents, Affirmations, Undertakings and Representations given by ADL in regard to the disclosures made in the Abridged Prospectus and the discussions held with ADL its directors and its employees, we hereby, certify that the disclosures made by ADL in the Abridged Prospectus are adequate and accurate to the best of our knowledge.

For Saffron Capital Advisors Private Limited


Abhijit Diwan
Vice President
Equity Capital Markets



ARCHIDPLY INDUSTRIES LIMITED

(CIN: L85110UR1995PLC008627)

Regid. Office : Plot No. 7 Sector 9, Integrated Industrial Estate, Sidcul, Pant Nagar,
 Rudrapur, Udham Singh Nagar, Uttarakhand – 263153
 Tel. No.:05944-252270 /011-45642555 / 080 -23445607
 E-mail: info@archidply.com; website: www.archidply.com

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
 ALLAHABAD BENCH, AT AALAHABAD
 COMPANY APPLICATION NO. CA (CAA) No 51 / ALD/ OF 2019**

In the matter of the Companies Act, 2013

AND

In the matter of application under Sections 230 to 232 read
 alongwith Section 52 and 66 of the Companies Act, 2013 and other applicable provisions of the Companies
 Act, 2013

AND

In the matter of Archidply Industries Limited, a company incorporated under the provisions of the
 Companies Act, 1956

AND

In the matter of Scheme of Arrangement of Archidply Industries Limited ('the Demerged Company') WITH
 Archidply Décor Limited ('the Resulting Company')

Archidply Industries Limited,

a company incorporated under the
 Companies Act, 1956, having its
 registered office at Plot No.7, Sector- 9,
 Integrated Industrial Estate, SIDCUL,
 Pant Nagar, Udham Singh Nagar,
 Uttrakhand -263153the Applicant / Demerged Company

SECURED CREDITORS**FORM OF PROXY**

**(As per Form MGT -11 and Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)
 of the Companies(Management and Administration) Rules, 2014)**

Name of the Secured Creditors	
Registered Address	
E-mail ID	
Amount Outstanding (Rs.)	

I/We, being the Secured Creditors (s) having an outstanding amount of Rs. _____ of
 Archidply Industries Limited, hereby appoint:

- 1) Name
- Address.....
-
- E-Mail ID.....Signatureor failing him

2) Name
Address.....
.....
E-Mail ID.....Signature

3) Name
Address.....
.....
E-Mail ID.....Signature

as my/our proxy to act for me/us at the meeting of the Secured Creditors of the applicant company to be held at Plot No.7, Sector- 9, Integrated Industrial Estate, SIDCUL,Pant Nagar, Udham Singh Nagar,Uttarakhand - 263153 on Saturday the 29th day of June, 2019 at 1.00 p.m. for the purpose of considering and, if though fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Archidply Industries Limited, the Demerged Company and Archidply Décor Limited and their respective shareholders and creditors ("the Scheme") and at such meeting and at any adjournment or 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 below after 'the Scheme')the said arrangement embodied in the Scheme, either with or without modification (s)*as my / our proxy may approve. (*strike out whatever is not applicable)

Signed this _____ day of _____ 2019

Signature of Creditor (s) _____

Signature of Proxy Holder (s) _____

Affix
Revenue
stamp of
Re.1/-

(signature across the stamp)

Notes:

- (1) This form of proxy must be deposited at the registered office of Archidply Industries Limited at, Plot No.7, Sector- 9, Integrated Industrial Estate, SIDCUL,Pant Nagar, Udham Singh Nagar,Uttarakhand - 263153 at least 48 hours before the commencement of this said Meeting.
- (2) All alterations made in the form of proxy should be initialed.
- (3) Please affix appropriate revenue stamp before putting signature
- (4) In case of multiple proxies, the proxy later in time shall be accepted.
- (5) A proxy need not be a secured creditor of Archidply Industries Limited.
- (6) Appointing a proxy does not prevent a Secured Creditors from attending the meeting in person if he so wishes.

ARCHIDPLY INDUSTRIES LIMITED

(CIN: L85110UR1995PLC008627)

Regid. Office : Plot No. 7 Sector 9, Integrated Industrial Estate, Sidcul, Pant Nagar,

Rudrapur, Udham Singh Nagar, Uttarakhand – 263153

Tel. No.:05944-252270 /011-45642555 / 080 -23445607

E-mail: info@archidply.com; website: www.archidply.com

SECURED CREDITORS

ATTENDANCE SLIP

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

MEETING OF THE SECURED CREDITORS ON SATURDAY THE 29TH DAY OF JUNE, 2019 AT 1.00P.M.

I /We hereby record my/ our presence at the Meeting of the Secured Creditors of Archidply Industries Limited, the Applicant Company, convened pursuant to the Order dated 14th day of May 2019 of the NCLT at Plot No. 7 Sector 9, Integrated Industrial Estate, Sidcul, Pant Nagar, Rudrapur, Udham Singh Nagar, Uttarakhand – 263153 on Saturday, the 29th day of June, 2019 at 1.00p.m.

Name and address of Secured Creditors.

(IN BLOCK LETTER) : _____

Signature : _____

Amount Outstanding (Rs.) : _____

Name of the Proxy * : _____

(IN BLOCK LETTERS) : _____

Signature : _____

*(To be filled in by the proxy in case he /she attend instead of the Secured Creditors)

Notes:

1. Secured Creditors attending the meeting in person or by proxy or through authorized representatives are requested to complete and bring the Attendance slip with them and hand it over at the entrance of the meeting hall.
2. Secured Creditors who come to attend the meeting are requested to bring their copy of the Scheme with them
3. Secured Creditors are requested to bring their ID for easy identification of attendance at the meeting.

ROUTE MAP FOR THE VENUE OF THE MEETING

