

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO. 248 OF 2005

Connected with

COMPANY APPLICATION NO.62 OF 2005

In the matter of the Companies Act,
1956 (1 of 1956)

And

In the matter of Sections 391 and 394 of
the Companies Act, 1956

And

In the matter of scheme of
Amalgamation of GAURAV AGRO
PLAST LIMITED

With

KISAN MOULDINGS LIMITED

KISAN MOULDINGS LIMITED.)
A Company registered under the)
Companies Act, 1956 and having its)
registered office at "TEX CENTRE", K-)
wing, 3rd Floor, 26 Chandivali Road,)
Near HDFC Bank, Off Saki Vihar Road,)
Andheri (E), Mumbai 400 072.)... Petitioner

Coram: A. M. Khanwilkar, J.

Date : 5th August, 2005

UPON the Petition of Kisan Mouldings Limited, the
Petitioner Company abovenamed, solemnly declared on 15th day of April,
2005, presented to this Honourable Court on the 16th day of April, 2005 for
sanction of the Scheme of Amalgamation of Gaurav Agro Plast Limited
(hereinafter referred to as the "Transferor Company") with Kisan
Mouldings Limited (hereinafter referred to as "The Petitioner Company or
"the Transferee Company") AND for other consequential reliefs as
mentioned in the Petition and the said Petition being this day called on for
hearing and final disposal AND UPON READING the said Petition and the

Affidavit of Mr. Vijay J. Aggarwal, the Director of the Petitioner Company solemnly affirmed on 15th April, 2005 verifying the said Petition AND UPON READING the affidavit of Mr. Vijay J. Aggarwal, the Director of the Petitioner Company, dated 14th July, 2005 proving publication of the notice of the date of hearing of the Petition in the issue of "the Free Press Journal" in Mumbai Edition dated 16th May, 2005 and "Nav Shakti" in Mumbai Edition dated 16th May, 2005 and also proving dispatch of notice of hearing of the Petition to the Secured Creditors and Unsecured Creditors of the Petitioner Company whose consent were not obtained by the Petitioner Company and also proving service of notice of hearing of the Petition upon the Regional Director, Department of company Affairs, Maharashtra, Mumbai AND the Registrar of Companies Maharashtra, Mumbai being served with a copy of Petition on 17th May, 2005 AND UPON READING the Order dated 11th February, 2005 made by this Honourable Court in Company Application No. 62 of 2005 whereby the Petitioner Company was directed to convene and hold meetings of the Equity Shareholders of the Petitioner Company to consider and approve the proposed arrangement embodied in the Scheme of Amalgamation and of Gaurav Agro Plast Limited, the Petitioner Company, with Kisan Mouldings Limited, the Transferee Company AND UPON READING the affidavit dated 12th day of April, 2005 of Mr. Ramesh J. Aggarwal, Chairman appointed for the meetings of the Equity Shareholders of the Petitioner Company, proving publication of the notice convening the meeting of Equity Shareholders of Petitioner Company in the issue of "Free Press Journal" dated 21st day of February, 2005 and "Navshakti" dated 21st day of February, 2005 and also proving despatch of notice convening meetings to individual Equity Shareholders of the Petitioner Company AND UPON READING the Report dated 7th day of April, 2005 of Mr. Ramesh J. Aggarwal, Chairman appointed for the meeting of the Equity Shareholders of the Petitioner Company as to the results of the said meetings AND UPON READING the Affidavit of Mr. Ramesh J.

Aggarwal, dated 7th day of April, 2005 verifying the Chairman's Report
ANT IT APPEARS from the said Chairman's Report that the scheme of
Amalgamation has been unanimously approved by all the Equity
Shareholders of the Petitioner Company present at the meeting and voted
in favour of the Scheme and the convening and holding of meeting of the
Secured Creditors of the Petitioner Company to consider and approve the
proposed Arrangement embodied in the Scheme of Amalgamation of
Gaurav Agro Plast Limited the "Transferor Company" with Kisan
Mouldings Limited "the Petitioner Company" was dispensed with in view of
the averment made in paragraph 16 of the Affidavit of Vijay J. Aggarwal
dated 11th day of January, 2005, in support of the Company application
No. 62 of 2005 and the Petitioner Company undertakes to issue notice of
hearing of the Petition to all the Secured Creditors and the convening and
holding of the meeting of the Unsecured Creditors of the Petitioner
Company to consider and approve the proposed Arrangement embodied
in the Scheme of Amalgamation of Gaurav Agro Plast Limited, the
Transferor Company with Kisan Mouldings Limited, the Petitioner
Company, was dispensed with in view of the consent given by 95.11% of
the Unsecured Creditor, which is annexed as Exhibit "G" to "G- 56" to the
Affidavit in support of the Company Application No. 62 of 2005 AND THAT
THIS COURT DOTH ORDER AND RECORD ^{that} /the undertaking of the
Petitioner Company to issue notice of hearing of the Petition to the
remaining Unsecured Creditors whose consent was not obtained AND
THIS COURT accepts the same AND UPON PERUSING the consent to
the Scheme of Amalgamation given by Union Bank of India annexed as
Exhibit "G" to the Petition AND UPON READING the Affidavit dated 4th
August, 2005 of Mr. S. R. Kom, the Joint Director, (Legal) in the office of
the Regional Director, Western Region, Department of Companies Affairs,
stating that balance sheet as at 31st March, 2004 of the Transferor
Company shows that share application money to the tune of Rs.
20,95,667/- is pending for which the Scheme does not provide hence

Petitioner Company be directed to refund the share application money to the applicant and same as aforesaid the scheme is not prejudicial to the interest of the Creditors and Shareholders of the Petitioner Company AND UPON READING the undertaking dated 8th August, 2005 of Vijay Agarwal, Director of the Petitioner Company stating that the Petitioner company shall refund the share application money as reflected in the balance sheet of Transferor Company within a period of four weeks from 5th August, 2005 AND the said undertaking was accepted by the Hon'ble Court AND UPON HEARING Mr. Sanjay G. Udeshi, instructed by M/s. SANJAY UDESHI & CO., Advocates for the Petitioner Company and Mr. C. J. Joy with Mr. R. C. Master and Mr. M. M. Goswami, Panel Counsel instructed by Dr. T. C. Kaushik for Regional Director, Department of Company affairs, Maharashtra, Mumbai who appears in pursuance of the notice herein dated 12th May, 2005 under Section 394 (A) of the Companies Act 1956 and submits to the Order of the Court AND no other person or persons entitled to present at the hearing of the Petition appearing this day either in support of the Petition or to show cause against the same THIS COURT DOTH HEREBY SANCTION the Scheme of Amalgamation of Gaurav Agro Plast Limited, the Transferor Company with Kisan Mouldings Limited, the Transferee Company as set forth in Exhibit "E" to the said Petition and also in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE THAT the said Scheme of Amalgamation is binding on all the Equity Shareholders, Secured creditor and Unsecured Creditors of the Transferor Company and the Petitioner Company AND THIS COURT DOTH ORDER that with effect from the 1st day of April, 2004 (hereinafter called "the Appointed Date"), the entire business and undertakings of the Transferor Company including all its properties and assets more particularly described in the scheme of Amalgamation being Exhibit "E" to the Petition and in the Schedule hereto shall without any further act or deed and pursuant to the provisions of Section 394 of the Companies Act 1956 stand transferred to and vested in the Petitioner

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Company so as to become the properties of the Petitioner Company subject to the charges, if any, affecting the same AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company shall, without any further act or deed and pursuant to the provisions of Section 394 of the Companies Act, 1956, stand transferred to the Petitioner Company so as to become the debts, liabilities, duties and obligations of the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that if any suit, appeal or other proceeding pending by or against the Transferor Company shall be continued and enforced by or against the Petitioner Company AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of and vesting of the undertaking of the Transferor Company in the Transferee Company in terms of the scheme, the Transferee Company shall, subject to the provisions of the scheme and without any further application, act or deed, issue and allot to the Equity Shareholders of the Transferor Company, 4 (four) Equity Shares of Rs. 10/- (Rupees Ten only) each credited as fully paid-up in the capital of the Transferee Company to the members of the Transferor Company on such date (hereinafter called the 'Record Date') to be fixed by the Board of Directors of the Transferee Company for every 5 (five) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each fully paid-up credit as paid-up & held by the said members or their heirs, executors, administrators or their legal representatives as the case may be, in the Transferor Company AND THIS COURT DOTH FURTHER ORDER that the Petitioner Company do within 30 days from the date of sealing of this Order cause a certified copy of the order sanctioning the Scheme of Amalgamation to be delivered to the Registrar of Companies, Maharashtra, Mumbai for registration and on such certified copy of Order being so delivered the Transferor Company shall stand dissolved without winding up and the Registrar of Companies, Maharashtra, Mumbai, shall transfer all the files relating to the Transferor Company and registered with

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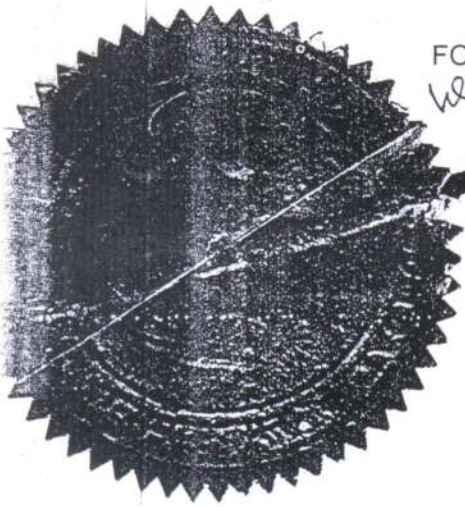
him on the files kept by him in relation to the Petitioner Company and shall consolidate the files of the Transferor Company and the Petitioner Company accordingly AND THIS COURT DOTH FURTHER ORDER that the liberty is reserved to the Petitioner Company and all other persons interested in this petition to apply to this Hon'ble Court as and when occasion arise for any direction that may be necessary in regard to the working of the Arrangement embodied in the Scheme of Amalgamation Sanctioned herein and set forth in the Schedule hereto AND THIS COURT DOTH LASTLY ORDER that the Petitioner Company do pay a sum of Rs. 2500/- (Rupees Two thousand Five Hundred only) to the Regional Director, Department of Company Affairs, Maharashtra State, Mumbai towards the costs of the Petition WITNESS SHRI DALVEER BHANDARI the Honourable the Chief Justice at Bombay aforesaid this 5th day of August, Two Thousand Five.

BY THE COURT,



FOR PROTHONOTARY AND SENIOR CLERK







10th day of November 2005
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Order Sanctioning the Scheme of)
Amalgamation under Section 391)
And 394 of the Companies Act 1956)
drawn on the Application by M/s.)
SANJAY UDESHI & CO., Advocates,)
for the Petitioner, having their office)
at 68, Podar Chambers, S. A. Brelvi,)
Road, Fort, Mumbai - 400 001.)

SCHEDULE

SCHEDULE
SCHEME OF AMALGAMATION

OF

GAURAV AGROPLAST LIMITED –THE TRANSFEROR COMPANY

WITH

KISAN MOULDINGS LIMITED –THE TRANSFEREE COMPANY

1. PREAMBLE

- (a) This Scheme of Amalgamation provides for amalgamation of GAURAV AGROPLAST LIMITED (hereinafter referred to as "GAPL") as a going concern with KISAN MOULDINGS LIMITED (hereinafter referred to as "KML"), pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956.
- (b) Kisan Mouldings Limited was incorporated on 20th November, 1989 as a Private Limited Company under the Companies Act, 1956 in the name and style of "Sanwaria Synthetics Private Limited". The company subsequently converted itself into a Public Limited Company on 5th November, 1993. The name of the company was changed to "Kisan Mouldings Limited" on 24th November 1993. KML is a company listed on the Stock Exchange, Mumbai and Madhya Pradesh Stock Exchange.
- (c) Gaurav Agroplast Limited was incorporated on 15th March, 1984 as a Private Limited Company under the Companies Act, 1956 in the name and style of "Gaurav Agroplast Private Limited". The Company subsequently converted itself into a Public Limited Company on 15th September, 1996.

2. DEFINITIONS:

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings: -

- (a) "The Transferor Company" means GAURAV AGROPLAST LIMITED, a company incorporated under the Companies Act, 1956 and having its Registered Office at "TEX CENTRE", K-Wing, 3rd Floor, 26, Chandivali Road, Near HDFC Bank, Off Saki Vihar Road, Andheri (East), Mumbai 400 072.
- (b) "The Transferee Company" means KISAN MOULDINGS LIMITED, a company incorporated under the Companies Act, 1956 having its

Registered Office at "TEX CENTRE", K-Wing, 3rd Floor, 26 Chandivali Road, Near HDFC Bank, Off Saki Vihar Road, Andheri (East), Mumbai 400 072.

- (c) 'The Act' means Companies Act, 1956 including any statutory modifications, re-enactments or amendments thereof.
- (d) 'The Appointed Date' means 1st April, 2004 or such other date as may be fixed or approved by the High Court of judicature at Mumbai.
- (e) 'The Effective Date' means the last of the dates on which the sanctions/approvals or orders as specified in Clause No.17 of this Scheme have been obtained and/or filed.
- (f) "The Record Date" is any date after the Effective Date to be fixed by the Board of Directors of the Transferee Company for issuing the shares of Transferee Company to the shareholders of the Transferor Company.
- (g) 'Undertaking' shall mean and include:
 - I) All the assets of the Transferor Company as on the Appointed Date (hereinafter referred to as 'the said Assets').
 - II) All secured and unsecured Debts (whether in Rupees or in foreign currency), all liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon as on the Appointed Date (hereinafter referred to as 'the said Liabilities').
 - III) Without prejudice to the generality of Sub-clause (I) and (II) above the undertaking of the Transferor Company shall include all preliminary and pre-operative expenses, assets, investments, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and other intangible rights, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, permits, quotas, entitlements, registrations, licences (industrial or otherwise), municipal permissions, systems of any kind whatsoever, rights and benefits of all agreements and other interests including rights and benefits under various schemes of different Taxation Laws as may belong to or be available to the Transferor Company, rights and powers of every kind, nature and description of whatsoever probabilities, liberties, easements, advantages, and approval of whatsoever nature and

wheresoever situated, belonging to or in ownership of the Transferor Company, including but without being limited to trade and services marks, patents, copyrights, brand names, and any other intellectual property rights of any nature whatsoever, authorizations, permits, rights to use and avail of telephones, telexes, facsimile, email, internet, lease line connections and installations, utilities, electricity and other services, all records, files, papers, computer programs, software, know-how, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relation to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession, or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad including its employees which are working with the company as on the Appointed Date.

(h) "The Scheme" means this Scheme of Arrangement for Amalgamation in its present form or with any modifications, approved or imposed or directed by the shareholders of GAPL or Hon'ble High Court of Mumbai. All terms and words 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 Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956 and other applicable laws, rules, regulations, by-laws as the case may be or any statutory modifications or re-enactment thereof from time to time.

3. SHARE CAPITAL

A. The Share Capital of the Transferor Company as on 31st March 2004 is as follows:

Authorised Capital:

50,00,000 Equity Shares of Rs.10/- each	Rs. 50,000,000
Total	Rs. 50,000,000

Issued, subscribed and paid up capital:

47,79,600 Equity shares of Rs.10/- each	Rs. 47,796,000
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(Out of the above 16,58,000 Equity shares

issued as fully paid Bonus Shares by way
of capitalization of Surplus in Profit and
Loss Account)

Total	<u>Rs. 47,796,000</u>
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B. The Share Capital of the Transferee Company as on 31st March 2004 is
as under:

Authorised Capital

50,00,000 Equity Shares of Rs.10/- each	Rs. 50,000,000
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Total	<u>Rs.50,000,000</u>
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Issued and subscribed and paid up capital:

35,65,100 Equity shares of Rs.10/- each	Rs.35,651,000
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(Out of the above Shares, 15,100 Equity
Shares of Rs. 10/- each allotted as fully
paid-up to the shareholders of erstwhile
Jaydeep Textile Mills Pvt. Ltd. pursuant
to the Scheme of Amalgamation.)

Total	<u>Rs. 35,651,000</u>
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4. TRANSFER OF UNDERTAKING:

(a) With effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 394 and other applicable provisions of the Act and in relation to the mode of transfer and vesting, the Undertaking of the Transferor Company shall, without any further act, instrument or deed, be and shall stand transferred to and/or vested in or deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, titles and interests and authorities of the Transferee Company pursuant to the provisions of Section 394 and other applicable provisions of the Act.

(b) The transfer and/or vesting as aforesaid shall be subject to the existing charges, hypothecation and mortgages, if any, over or in respect of all the aforesaid assets or any part thereof of the Transferor Company.

Provided however, that any reference on any security documents or arrangements, to which the Transferor Company is a party, to the assets of the Transferor Company which it has offered or agreed to be offered as security for any Financial assistance or obligations, to the secured creditors of the Transferor Company, shall be construed as reference only to the assets pertaining to the assets of the Transferor Company as are vested in the Transferee Company by virtue of the aforesaid clause, to the end and intent that such security, mortgage or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specifically agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security of any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security therefor after the Scheme has become effective or otherwise.

- (c) Without prejudice to clause (a) above, it is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the said Act.
- (d) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Liabilities of the said Transferor Company shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 and other applicable provisions of the Act, so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

- (e) The Transferor Company may, if required, give notice in such form as it may deem fit and proper to each party, debtor or depositors as the case may be that pursuant to the High Court of Bombay sanctioning the Scheme, the said debt, loan, advance, etc. be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the Transferor Company to recover or realize the same stands extinguished.
- (f) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositors that pursuant to the High Court of Bombay having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Company.
- (g) With effect from the Appointed Date, the existing securities created over its assets by the Transferor Company in favour of Industrial Development Bank of India, Punjab National Bank, Shamrao Vithal Co-operative Bank Ltd., and Jankalyan Sahakari Bank Ltd., respectively, shall continue as first and exclusive charge their respective securities over the assets (both movable and/or immovable as the case may be) of Transferor Company upon amalgamation; and the Assets so secured shall be clearly identifiable and/or distinguishable.
- (h) With effect from the Appointed Date, the existing securities created over its assets by the Transferee Company in favour of Union Bank of India shall continue as first and exclusive charge Union Bank of India's securities over the assets (both movable and immovable) of Transferee Company upon amalgamation; and the Assets so secured shall be clearly identifiable and/or distinguishable.
- (i) With effect from the Appointed Date, and subject to the provisions of this Scheme all the Employees of the Transferor Company shall also be and shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Act, so as to become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person, in order to give effect to the provisions of this Clause.

5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS:

Subject to all the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefits of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this Clause if so required or become necessary.

The resolutions, if any, of the Transferor company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be added and shall constitute the aggregate of the said limits in the Transferee company.

6. LEGAL PROCEEDINGS:

(a) Upon coming into effect of this Scheme all suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.

(b) The Transferee Company will undertake to have all legal or other proceedings initiated by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

7. OPERATIVE DATE OF THE SCHEME:

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE:

With effect from the Appointed Date, and upto the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall be deemed to have held and stood possessed of the Undertaking on account of, and for the benefit of and in trust for the Transferee Company.
- (b) All the profits or incomes accruing or arising to the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) of the Transferor Company shall, for all purposes be treated and be deemed to be and accrued as the profits or incomes or expenditure or losses or taxes of the Transferee Company, as the case may be.
- (c) The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course of business or if the same is expressly permitted by this Scheme or pursuant to any pre-existing obligation undertaken by the Transferor Company prior to the Appointed Date, except with prior written consent of the Transferee Company.

Provided that as far as the obligations referred as above are concerned, the restrictions thereunder shall be applicable from the date of the acceptance of the present Scheme by the respective Board of Directors of the Transferor Company and Transferee Company even if the same are prior to the Appointed Date.
- (d) The Transferor Company shall not vary the terms and conditions and employment of permanent employees except in ordinary course of business.
- (e) The Transferor Company shall not, without prior written consent of the Transferee Company, undertake any new business.
- (f) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of

management of the Company and for business of the Company and shall not change its present Capital Structure.

- (g) The Transferor Company and the Transferee Company shall not make any change in their respective capital structure either by any increase, (by issue of equity or shares on a right basis, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner which may, in any way, affect the Share Exchange Ratio (as defined in clause 9 below), except by mutual consent of the respective Board of Directors of the Transferor Company and the Transferee Company or except as may be expressly permitted under this Scheme.

9. ISSUE OF SHARES BY THE TRANSFEE COMPANY:

- (a) Upon the Scheme becoming finally effective, in consideration of the transfer of and vesting of the undertaking of the Transferor Company in the Transferee Company in terms of the scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application, act, instrument or deed, issue and allot at par 4 (four) Equity Shares of Rs. 10/- (Rs. Ten only) each, credited as fully paid up in the capital of the Transferee Company to the members of the Transferor Company, whose names appear in the Register of members of Transferor Company on such date (hereinafter called the "Record Date") to be fixed by the Board of Directors of the Transferee Company for every 5 (Five) Equity Shares of the face value of Rs. 10/- (Rs. Ten only) each fully paid-up or credited as paid-up and held by the said members or their heirs, executors, administrators or legal representatives as the case may be, in the Transferor Company.
- (b) The said new Equity Shares issued and allotted by the Transferee Company in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank for voting rights and all other respects pari-passu with the existing Equity Shares of the Transferee Company, save and except that the owners of such Equity Shares shall be entitled to dividend declared and paid by the Transferee Company only after the Record Date for the purpose of allotment of the

Transferee Company's shares to the members of the Transferor Company pursuant to the approval of the Scheme.

Fraction of Shares:-The fractions arising due to the above Exchange Ratio shall be treated as under:

No fractional entitlements shall be issued by the Transferee Company in respect of the fractional entitlements if any, to which the members of the Transferor Company may be entitled on issue of allotment of the shares by the Transferee Company as aforesaid.

The Directors of the Transferee Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a Director or an authorised officer of the Transferee Company with express understanding that such Director or the officer shall sell the same at the best available price in one or more lots and by private sale /placement or by auction as deemed fit (the decision of such Director or the officer as to the case may be as to the timing and method of the sale and the price at which such sale has been given effect to shall be final) and pay the sale proceeds to the Transferee company. The net sale proceeds thereupon, shall be distributed among the members of the Transferor Company in the proportion of their fractional entitlements by the Transferee Company.

- (c) The issue and allotment of Equity Shares by Transferee Company as provided in the Scheme shall be deemed to have been carried out by following the procedure laid down under Section 81(1A) and other applicable provisions of the Act
- (d) Upon issuance and allotment of the Equity Shares by the Transferee Company to the members of the Transferor Company as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Company shall automatically stand cancelled / extinguished.
- (e) In so far as the equity shares of the Transferor Company held by the Transferee Company if any, on the Effective Date are concerned, such shares would be cancelled and to that extent the Transferee Company is required to issue less number of shares.
- (f) In so far as the equity shares of the Transferee Company held by the Transferor Company are concerned, such shares would be cancelled, on the Effective Date and the capital of the Transferee Company shall be reduced to that extent.

(g) Equity shares to be issued by Transferee company, subject to execution of listing agreement and payment of the appropriate fee and compliance with applicable Regulations, be listed on all the Stock Exchange on which the existing equity shares of Transferee company are listed i.e on Mumbai Stock Exchange and Madhya Pradesh Stock Exchange.

10. ACCOUNTING TREATMENTS OF ASSETS, LIABILITIES AND RESERVES OF THE TRANSFEROR COMPANY

- (a) As on the Appointed Date, and subject to any corrections and adjustments as may, in the opinion of the Board of Directors of the Transferor Company be required, the Reserves of the Transferor Company will be merged with the Reserves of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- (b) Further, in case of any difference in accounting policy between the Transferor Company and Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Revenue Reserve(s) as mentioned earlier to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistency in the accounting policy.
- (c) An amount equal to the balance lying to the credit/ debit of Profit and Loss Account in the books of the Transferor Company shall be credited/ debited by the Transferee Company to its Profit and Loss Account and shall constitute (or reduce, as the case may be) the Transferee Company's free reserves & as effectively as if the same were created by the Transferee Company and credited by the Transferor Company out of its own earned and distributable profits.
- (d) The difference between Net Assets Value i.e. Book value of Assets minus liabilities (including Reserves) of the Transferor Company as on Appointed Date and Equity Share Capital issued to the shareholders of Transferor Company on Amalgamation by the Transferee Company shall be credited/ debited by the Transferee Company to its General Reserve/ Goodwill Account as the case may be. General Reserve shall constitute as free reserves as if the same was created by the Transferee Company out of its own earned and distributable profits.

11.DIVIDEND, PROFIT, BONUS, RIGHT SHARES AUTHORISED CAPITAL, MANAGEMENT AND ADMINISTRATION:

At any time upto the Effective Date

- (a) The Transferor Company and the Transferee Company shall not declare/or pay dividends which are interim or final to the respective members relating to any period commencing on or after the Appointed Date unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.
- (b) The Transferor Company and the Transferee Company shall not issue or allot any right shares, or Bonus Shares or any other security converting into Equity or other Share Capital or obtain any other financial assistance converting into Equity or other Share Capital, unless agreed to by the Board of Directors of the Transferor Company and the Transferee Company.
- (c) The resolutions of the Transferor Company, which are valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits shall be valid and shall constitute for the Transferee Company.
- (d) The borrowing limits of the Transferee Company in terms of Section 293(1)(d) of the Act shall, without any further act, instrument or deed, stand enhanced by % of the aggregate value of the paid up share capital and free reserves of the Transferee Company Rs. 50 Crores (apart from temporary loans obtained from the bankers in the ordinary course of business) over and above the paid up share capital and free reserves of the Transferee Company.

12.TRANSFEROR COMPANY'S EMPLOYEES:

Upon the Scheme coming into effect, all permanent Employees of the Transferor Company, shall become employees of the Transferee Company on such date as if they were in continuous service without any break or interruption in service and on the terms and conditions as to remuneration not less favourable than those subsisting with reference to the Transferor Company as on the said date.

It is provided that so far as the Provident Fund, Gratuity Fund, or any other Special Scheme(s)/Fund(s), if any, created or existing for the benefit of the

employees of the Transferor Company are concerned, upon the coming into effect of this Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Schemes or Funds or in relation to the obligation to make contributions to the said Schemes/Funds in accordance with provisions of such Schemes/Funds as per the terms provided in the respective Trust Deeds, to the end and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such Schemes/Funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid Schemes/Funds

13. DISSOLUTION OF THE COMPANY:

The Transferor Company shall be dissolved without winding up on an order made by the High Court of Bombay under Section 394 of the Companies Act.

14. APPLICATION TO THE HIGH COURT:

The Transferor Company shall make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme and for dissolution of Transferor Company without winding up under the Provisions of Act and obtain all approvals as may be required under law.

The Transferee Company shall also with reasonable dispatch make all applications/petitions under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme under the Provisions of Act and obtain all approvals as may be required under law.

15. MODIFICATIONS, AMENDMENTS TO THE SCHEME:

The Transferor Company (by their Directors) and Transferee Company (by their Directors) may assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the respective High Court, Mumbai or any authorities under the Law may deem fit to approve of or impose and to resolve any doubt or difficulties that may arise for carrying out this

Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect. For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of the Transferor Company and Transferee Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

16. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS:

This Scheme is specifically conditional upon and subject to:

- (a) The approval of and agreement to the Scheme by the requisite majorities of such Classes of persons of the Transferor Company and the Transferee Company as may be directed by the High Court of Judicature at Mumbai on the applications made for directions under Section 391 of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.
- (b) The sanctions of the High Court of Judicature at Mumbai being obtained under Sections 391 to 394 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and Transferee Company.

In case of tangible movable properties possession the court shall have approved thereof being given after the scheme.

It being fully effective in accordance with sections 391 to 394 of the Act.

Filing certified copies of the court orders referred to in this Scheme being filed with the Registrar of Companies, Maharashtra.

17. EFFECTIVE DATE OF THE SCHEME:

This Scheme although to come into operation from Appointed Date shall not come into effect until the last of the following dates viz.

- (a) The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and/or orders as are herein above referred to have been obtained or passed; and
- (b) The date on which all necessary certified copies of the order under sections 391 and 394 of the Act are duly filed with the Registrar of Companies, Maharashtra and such date shall be referred to as Effective Date for the purpose of the Scheme.

18. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION:

In the event of any of the said sanction and approval referred to in the preceding Clause No.15 and 16 above not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order(s) not being passed as aforesaid before 31st September, 2005 or within such further period(s) as may be agreed upon from time to time by the Transferor Company (by its Directors) and by the Transferee Company (by its Directors) and the Board of the Directors of the both Companies are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their power through and by its delegates, this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in this Scheme and or otherwise arise as per Law.

19. EXPENSES CONNECTED WITH THE SCHEME:

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with this scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this scheme shall be borne by the Transferee Company only.

CERTIFIED TO BE A TRUE COPY

This 14th day of 03 Nov 05

In Witness Whereof and for the Purpose

IN THE HIGH COURT OF JUDICATURE
AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY PETITION NO. 248 OF 2005
CONNECTED WITH
COMPANY APPLICATION NO. 62 OF 2005

In the matter of the Companies Act, 1956 (1
of 1956)

And

In the matter of Sections 391 and 394 of the
Companies Act, 1956

And

In the matter of scheme of Amalgamation of
GAURAV AGRO PLAST LIMITED

With

KISAN MOULDINGS LIMITED

KISAN MOULDINGS LIMITED

...PETITIONER

CERTIFIED COPY OF
ORDER SANCTIONING THE SCHEME OF
AMALGAMATION

Dated this 5th day of August, 2005

Filed this 10th day of November, 2005.

29-9-05
10-11-05
Mahu
10-11-05
Ready on
Delivered on

F. C. Prasad on 11-11-05

10-11-05
10-11-05
22-11-05
11 NOV 2005

M/s. SANJAY UDESHI & CO.,
Advocates for the Petitioner
68, Podar Chambers, 3rd Floor,
S. A. Brelvi Road, Fort,
Mumbai - 400 001.

11 NOV 2005