

Presented on 30/4/14
by Nitish Lodh
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**IN THE HIGH COURT OF MADHYA PRADESH
BENCH AT INDORE**
(Original Company Jurisdiction)

COMPANY PETITION NO. 13 OF 2014
Connected With
Company Petition No.11 of 2014

In the matter of the Companies Act,
1956;

AND

In the matter of the Scheme of
Arrangement & Demerger between
Kataria Industries Private Limited,
Kataria Plastics Private Limited and
Shree Hanuman Mining
Corporation Private Limited under
Section 391-394 of the Companies
Act, 1956;

AND

In the matter of:

**KATARIA INDUSTRIES PRIVATE
LIMITED** a Company incorporated
under the Companies Act, 1956
having Registered Office at 34-44,
Industrial Estate, Ratlam-457 001
(M.P.)

**PETITIONER NO.1/
TRANSFEROR**

**KATARIA PLASTICS PRIVATE
LIMITED** a Company incorporated
under the Companies Act, 1956
having Registered Office at 10-13,
Industrial Estate, Ratlam-457 001
(M.P.)


**PETITIONER NO.2/
TRANSFEREE NO.1**

**SHREE HANUMAN MINING
CORPORATION PRIVATE
LIMITED** a Company incorporated
under the Companies Act, 1956
having Registered Office at 10-13,
Industrial Estate, Ratlam-457 001
(M.P.)

**PETITIONER NO.3/
TRANSFEREE NO.2**

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**PETITION TO SANCTION SCHEME OF
AMALGAMATION UNDER SECTION 394 OF
THE COMPANIES ACT, 1956 READ WITH RULE 79 OF
THE COMPANIES (COURT) RULES, 1959**

The Joint Petition of the Petitioner Companies is as follows:-

1. The object of this petition is to obtain sanction of the Hon'ble High Court to the scheme of arrangement & demerger between Kataria Industries Private Limited, Kataria Plastics Private Limited and Shree Hanuman Mining Corporation Private Limited, and necessary directions under section 391-394 of the Companies Act, 1956.
2. The Petitioner No.1 Company i.e. *Kataria Industries Private Limited* was incorporated on 11th May, 2004 under the Companies Act, 1956 (hereinafter referred to as the "Act"). On the date of incorporation of the Petitioner No.1 Company its registered office was situated at Mumbai in the State of Maharashtra and on 23rd October, 2012 its registered office was shifted from Mumbai to 34-44, Industrial Estate, Ratlam-457001, Madhya Pradesh. The share capital of the Petitioner No.1 Company as on 30th September, 2013 was as follows:





INDORE

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HIGH COURT OF MADHYA PRADESH
BENCH AT INDORE
(SB: HON. SHRI JUSTICE PRAKASH SHRIVASTAVA)

Company Petition No.13/2014

In the matter of Companies Act, 1956;

AND

In the matter of Scheme of Arrangement and Demerger between Kataria Industries Private Limited, Kataria Plastics Private Limited and Shree Hanuman Mining Corporation Private Limited under Section 391-394 of the Companies Act, 1956;

AND

In the matter of:

Kataria Industries Private Limited

(a Company, incorporated under the Companies Act, 1956, and having its **Registered Office** at 34-44, Industrial Estate, Ratlam-457 001 (M.P.)

**Petitioner No.1 /
Transferor**

Kataria Plastics Private Limited

(a Company, incorporated under the Companies Act, 1956, and having its **Registered Office** at 10-13, Industrial Estate, Ratlam-457 001 (M.P.)

**Petitioner No.2 /
Transferee No.1**

Shree Hanuman Mining Corporation Pvt. Ltd.

(a Company, incorporated under the Companies Act, 1956, and having its **Registered Office** at 10-13, Industrial Estate, Ratlam-457 001 (M.P.)

**Petitioner No.3 /
Transferee No.2**

Shri Vijayesh Atre, learned counsel for the petitioners.

Shri H.Y. Mehta, learned counsel for the Official Liquidator and O.L. also present in person.

Shri Vivek Sharan, learned counsel for the Regional Director, North-Western Region.

Whether approved for reporting :

ORDER

(Passed on 11th September, 2014)

[1] This petition under Section 394 of the Companies



Act, 1956 read with Rule 79 of the Companies (Court) Rules, 1959 has been jointly filed by Kataria Industries Pvt. Ltd. (Petitioner No.1/Transferor Company), Kataria Plastics Pvt. Ltd. (Petitioner No.2/Transferee No.1) and Shree Hanuman Mining Corporation Pvt. Ltd. (Petitioner No.3/Transferee No.2) in respect of the scheme of demerger, whereby the transferor and resulting companies have decided to demerge the business of the transferor company into the transferee company, as per the Scheme of Arrangement.

2/ In the first stage proceedings, this Court vide order dated 11.4.2014 passed in Company Petition No.11/2014 had dispensed with the meeting of shareholders, unsecured creditors and secured creditors of the transferee and transferor companies and had permitted them to file a petition under Rule 79 of the Companies (Court) Rules, 1959.

3/ In the present petition this Court on 13.5.2014 had issued notice to the Registrar of Companies, Madhya Pradesh and Chhattisgarh, Gwalior, Regional Director, Western Region, Ahmedabad and to the Official Liquidator and had also directed the advertisement of the petition in accordance with the rules in the Official Gazette of State and two daily newspapers namely 'Naidunia' (Hindi) and 'Free Press' (English). The petitioner has filed the affidavit dated 7.6.2014 in respect of the compliance of the said order.

4/ From the record it is found that the petitioner No.1 company was incorporated on 11.5.2004 with its registered office at Mumbai and on 23.10.2012 its registered office was shifted to Ratlam. The petitioner No.2 company was incorporated on 21.3.1996 in the name of "Sonic Constructions Private Limited" and on 3.3.2005 the name of the petitioner No.2 company was changed to "Amkam Industries Private



Limited" and subsequently on 5.4.2013 the name of the petitioner No.2 company was further changed to "Kataria Plastics Private Limited". The petitioner No.3 company was incorporated on 20.11.1950 as public limited company and on 12.7.2011 it became a private limited company. The head office of all the three companies is situated within the jurisdiction of this Court. The balance sheet of the companies as well as their memorandum and article of association have been placed on record.

5/ It has been pointed out that the petitioner No.1 company is incurring losses during past few financial years, whereas petitioner No.2 & 3 are profit making companies. The scheme of demerger provides for demerger of plastic and wind mill division of the transferor company and vesting thereof into respective transferee company including consequential or related matters integrally connected therewith. The scheme of demerger has been framed with the object to enable the companies to concentrate on their core business activity, to scale up operational capacities by infusion of funds for focused business etc. The demerger of the undertaking of the petitioner No.1 Company, as per scheme, would enable Kataria Industries to streamline its operations to focus on core business competencies. The detailed scheme has been filed as Annexure P/10.

6/ In pursuance to the notice issued by this Court, the Regional Director as well as the Official Liquidator have filed their reports raising certain objections.

7/ The objections raised by the Regional Director are dealt with hereunder :-

- A) The first objection is that as per the scheme the wind mill division of the demerged



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company is proposed to be transferred to the resulting Company No.2 but in the enabling object clause for authorizing such activity i.e. power and energy generating business is not provided in the Memorandum of Association of the petitioner resulting company.

The petitioner has filed the affidavit in response to the objection stating that immediately after the effective date and before starting business of Wind Mill operation, the transferee No.2 company will amend its object clause under the Memorandum of Association, to enable it to undertake the business of Wind Mill operation and will also comply with all the applicable provisions of the Companies Act in this regard.

- B) The second objection is that from the share exchange ratio it is revealed that the resulting company No.1 and 2 will issue and allot certain shares to the shareholders of the petitioner-demerged company but the authorized share capital of both the resulting companies put together is not sufficient to issue and allot new equity shares of the resulting company to the shareholders of the demerged company. The clauses 12.1 (d) and 12.2 (d) of the scheme do not clearly state about the payment of stamp duty, registration fee etc for further increase in authorized share capital of the resulting companies and the company should be directed to comply with the provisions of Section 61, 66





read with 117 of the Companies Act and make payment of stamp duty, registration fee etc.

In the reply affidavit, the petitioner company has stated that Clause 12.4 of the Scheme provides for filing of necessary form of notice, intimating increase in the authorized share capital and paid up share capital of the respective company to the Registrar of Companies. It has further been stated that the respective transferee company shall pay necessary fee and stamp duty on the increased share capital and shall follow the necessary procedure in compliance with the applicable provisions of the Companies Act. It has also been pointed out that authorized share capital of resulting companies will be increased as soon as the Scheme is allowed.

- C) Further objection has been raised by the R.D. that there is incorrect mention of the authorized capital in the petition.

In the reply affidavit, it has been clarified that there is a typographical error in Para 2 of the petition concerning the Authorized and Paid-up share capital of the transferor company. The correct authorized and paid-up share capital has been disclosed in the reply affidavit. The typographical error is found to be unintentional.

- D) The Regional Director has also objected that in Para 11.1 the appointed date has wrongly been mentioned as 1.4.2013.

In this regard in the reply affidavit it has



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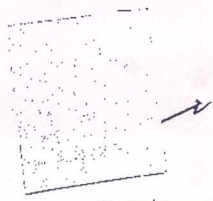
been clarified that it was a mere typographical error and the appointed date as disclosed in the scheme is 1.10.2013, which is the correct appointed date.

E) The Regional Director has also raised an objection that the fact that both the companies have obtained licenses, approvals and other permissions from the regulatory authority/concerning Ministry to carry on the activities of power, energy etc., has not been disclosed, therefore, they should be directed to obtain necessary license, approval and N.O.C. etc.

In the reply affidavit the petitioner has stated that on the scheme becoming effective, the transferee companies will apply for obtaining necessary licenses, approval and other permissions as may be necessary to undertake their respective business from the concerned regulatory Ministry/Authority to carry on the activity of the demerged undertaking.

F) The Regional Director has also raised an objection that the appointed date of 1.10.2013 should not be approved in view of the fact that the financial position of the petitioner Company has been mentioned in the petition as well as in the Scheme on the basis of last audited balance-sheet for the year ending on 31.3.2013, therefore, the appointed date should have been 1.4.2013.

In this regard the counsel for the petitioner





has pointed out that the latest balance sheets as on 30.9.2013 have been filed and the valuation of share exchange ratio has been done on the basis of the balance sheet as on 30.9.2013, and the same were also submitted to the Regional Director for verification. It has been pointed out that 1.10.2013 has been selected as appointed date considering their commercial needs. In this regard counsel for the petitioner has also drawn the attention of this Court to the judgment of the Gujarat High Court dated 18.4.2013 in the matter of Arvind Retail Ltd. in Company Application No.382/2012 with Company Petition No.82/2013, as also the judgment dated 7.2.2012 in the matter of Riddhi Siddhi Gluco Biols Ltd. in Company Application No.128/2011 & in Company Application No.360/2011, whereby the similar objection regarding the appointed date has been rejected noting the submission that there is no legal bar on the choice of the Appointed Date and it is the prerogative of the Board of Directors of the company to select the Appointed Date for the scheme and the same is required to be approved by the shareholders of the respective companies.

- G) R.D. has also raised an objection that the petitioner-companies have not clearly disclosed about the complete list of the assets and liabilities which are proposed to be demerged and transferred to the resulting companies through the scheme, and they have also not



attached the list of assets and liabilities.

Along with the reply affidavit the petitioner has enclosed the list of assets and liabilities to be transferred to the transferee companies by the transferor company in the form of provisional balance sheet as on the appointed date i.e. 1.10.2013. The details of the assets to be transferred have been disclosed. It has further been stated that the petitioners company will pay all tax and duties on transfer of the land in accordance with the scheme.

H) The R.D. has also raised an objection that both the petitioner-resulting companies are mainly generating income from the interest income which is an investment activity of both the petitioner resulting companies, therefore, they are NBFC.

In this regard in the reply it has been clarified that as per the object clause in the Memorandum, the main activity of the transferee companies is plastic and mining activities. Since they have not started their business activities, therefore, they had made "One Time Short Term Investment" within the group and they do not undertake any Non-Banking Financial activities outside the group and they are not NBFCs.

This Court in the similar circumstances by the order dated 11.9.2013 passed in Company Petition No.4/2013 in the matter of Sunrays International Pvt. Ltd. has overruled the similar objection keeping in view Section 45-I(f) of the





Reserve Bank of India.

- 1) The R.D. has also raised an objection that demerged company M/s. Kataria Industries Pvt. Ltd. has submitted two different sets of audited balance sheet as on 31.3.2013.

In the reply affidavit it has been clarified that the two balance sheets of the transferor companies have been submitted of the same date for re-grouping for income tax purposes and there is no hidden objective. It has been pointed out that the figures disclosed in both the audited balance sheets are the same, only their placement has been changed and it has also been pointed out that the original audited balance sheet as on 31.3.2013 is on record which is relevant for the present purpose.



8/ Keeping in view the aforesaid, it is found that the objections which have been raised by the Regional Director cannot be sustained.

9/ So far as the O.L. is concerned, he has raised the following objections :-

- A) That the statutory dues aggregating to Rs.12.71 Lacs are there and they have not been deposited or provided in the accounts, therefore, a direction be issued to the transferee companies to take responsibility to comply with the order of Commercial Tax Appellate Board, Bhopal in respect of payment of the Commercial Tax.

Learned counsel for the petitioner has referred



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to Para 4 of the reply affidavit and has submitted that the appeal is pending before the Commercial Tax Appellate board, Bhopal and the petitioner companies will comply with all the provisions of the Commercial Tax Act in connection with the payment to the department in accordance with law.

10/ In view of this the objection of the O.L. also cannot be sustained.

11/ Both R.D. and O.L. have stated that no complaints have been received against any of the petitioner companies or against the present Scheme of Arrangement & Demerger in question from any person / party interested in the Scheme, in any manner and that apart from the above there is no other objection, and that the scheme does not appear to be prejudicial to the interest of the shareholders of the petitioner companies and public at large.

[12] Having considered the scheme and on perusal of the record and reports, the scheme appears to be fair and reasonable and not opposed to public interest.

[13] Accordingly, the Scheme of Arrangement filed as **Annexure P-10** to the petition is hereby approved. The said scheme may be read as part of this order. The petitioner company shall, within 30 days of this order, file with the Registrar of Companies, Madhya Pradesh a certified copy of this order.

[14] The Petitioner Company to pay the cost of Rs.20,000/- to the Official Liquidator for deposit in Common Pool Fund maintained by the Official Liquidator within four weeks from today and also to pay Rs.10,000/- to the counsel for Regional Director and Rs.7,500/- to the counsel for O.L.





within same period.

[15] In view of the foregoing discussion, it is hereby directed that no formal order is required to be drawn up in terms of Rule 37 in Form No.41 and 42. This petition thus stands disposed of as aforesaid. There will be no order as to costs.

C.C. as per rules.

(PRAKASH SHRIVASTAVA)
Company Judge

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ANNEXURE P-10

SCHEME OF ARRANGEMENT & DEMERGER

BETWEEN

KATARIA INDUSTRIES PRIVATE LIMITED

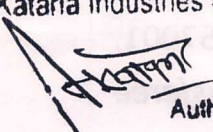
AND

KATARIA PLASTICS PRIVATE LIMITED

AND

SHREE HANUMAN MINING CORPORATION PRIVATE LIMITED


or- Kataria Industries Private Limited


Authorised Signatory

For-Kataria Plastics Private Limited


Director

For- Shree Hanuman Mining Corporation Pvt. Ltd


Authorised Signatory



1. DEFINITIONS

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

- (1) "Act" means the Companies Act, 1956 and/or the Companies Act, 2013 and any amendments and/or re-enactment thereof, for the time being in force.
- (2) "Appointed Date" means 1st October, 2013.
- (3) "Kataria Industries" means *Kataria Industries Private Limited*, (CIN U27300MP2004PTC029530), a company incorporated under the provisions of the Act, having its registered office at 34-44, Industrial Estate, Ratlam-457001, Madhya Pradesh. (Hereinafter referred to as "*the Transferor Company*").
- (4) "Kataria Plastics" means *Kataria Plastics Private Limited*, (CIN U25203MP1996PTC010637) a company incorporated under the provisions of the Act, having its registered office at 10-13, Industrial Estate, Ratlam-457001, Madhya Pradesh. (Hereinafter referred to as "*the Transferee No.1 Company*").
- (5) "Hanuman Mining" means *Shree Hanuman Mining Corporation Private Limited*, (CIN U13200MP1950PTC031617), a company incorporated under the provisions of the Act, having its registered office at 10-13, Industrial Estate, Ratlam-457001, Madhya Pradesh. (Hereinafter referred to as "*the Transferee No.2 Company*").
- (6) "Effective Date" means the last of the dates on which all the conditions, matters and filings referred to in Clause 17 hereof have been fulfilled and necessary orders, approvals and consents referred to therein have been obtained and filings completed.

References in this Scheme to the date of "Coming into effect of this Scheme" or "Upon the Scheme being effective" shall mean the Effective Date.

For- Kataria Industries Private Limited

Authorised Signatory

For- Kataria Plastics Private Limited

Director

For- Shree Hanuman Mining Corporation Pvt. Ltd

Authorised Signatory



(7) "High Court" means the Hon'ble High Court of Madhya Pradesh, Bench at Indore. The term High Court shall also mean and include the jurisdictional Bench of the National Company Law Tribunal, if before coming into effect of this scheme, the provisions of the Companies Act, 1956 are repealed and the powers of the High Court are delegated to the National Company Law Tribunal.

(8) "Scheme" or "This Scheme" means the present Scheme of De-merger of its divisions by Kataria Industries in its present form or with any modification approved or imposed or directed by the High Court.

(9) "Undertaking" shall mean and include Demerged Undertaking and Remaining Undertaking:

I-Demerged Undertaking:-

(a) The Transferor Company, in addition to other business activities and assets has two major divisions viz. **Plastic Division** and **Wind Mill Division** which are being transferred by it to the Transferee Companies and for the sake of convenience, the details of the said two divisions, including their immovable assets and the secured loans obtained by the Transferor Company concerning respective division have been divided into two parts, which has been prepared on the basis of the prospective trial-balance and balance sheet of the transferee companies depicting their financial position post approval of the scheme of arrangement & de-merger which they have handed over to the Board of Directors of the Transferor Company for its information, record and drafting of the present scheme.

(b) The assets, liabilities and properties concerning Plastic Division and Wind Mill Division of the transferor company, wherever situate, whether movable or immovable, tangible or intangible of whatever nature including investments, inventories, cash and bank balances, all projects, contracts, furniture, fixtures, office equipments, vehicles, trucks, employees, appliances, equipments, tools, accessories as on the appointed date;

Kataria Industries Private Limited

Authorised Signatory

For-Kataria Plastics Private Limited

Director

For- Shree Hanuman Mining Corporation Pvt. Ltd

Authorised Signatory

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(c) without prejudice to the generality of sub-clause (b) above, the undertaking of the respective division of the Transferor Company shall also include but not limited to their reserves, movable and immovable properties, assets, including lease-hold rights, tenancy rights, bids, projects, tenders, letters of intent, memoranda of understanding, membership, bank accounts, industrial and other licenses, permits, authorizations, quota rights, trade names, description, trading style, franchisee, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, trade-marks, patents, copy rights, privileges and any rights, title or interest in intellectual property rights, powers, facilities of every kind and descriptions of whatsoever nature, import quotas, telephones, telex, facsimile and other communication facilities and equipments, benefits under tax laws, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits, approvals, registrations, licenses, permissions, authorizations, under any law for the time being in force.

II-Remaining Undertaking:-

(d) "Remaining Undertaking" means the entire residual business, assets and liabilities of the Transferor Company other than the Plastic Division and the Wind Mill Division, including all other business units, divisions and their respective assets, liabilities including portion of borrowings, contracts and employees not allocated to the Plastic Division and the Wind Mill Division of Kataria Industries.

RATIONALE OF THE SCHEME

Demerger of the undertaking would enable Kataria Industries to streamline its operations to focus on core businesses competencies and explore strategic options to grow such business and to rationalize its management, businesses and finances. The Board of Directors of the companies feel that the scheme is in the genuine business interest of the transferor and transferee companies, their respective shareholders, creditors and the general public. Once approved and implemented, the



For- Kataria Industries Private Limited
[Signature]
Authorised Signatory

For- Kataria Plastics Private Limited
[Signature]
Director

For- ~~Shree~~ Hanuman Mining Corporation Pvt. Ltd
[Signature]
Authorised Signatory

scheme shall enable all the three companies to achieve and fulfill their objectives more efficiently and offer opportunities to the management of all the companies to vigorously pursue growth and expansion opportunities.

This scheme accordingly, provides for the demerger of plastic and wind mill division of the transferor company and transfer and vesting thereof into respective transferee company including consequential or related matters integrally connected therewith.

The arrangement shall also bring the following benefits:-

- (a) to enable the companies to concentrate on their core business activity;
- (b) to scale up operational capacities by infusion of funds for focused business;
- (c) to bring about optimum utilization of resource for companies;
- (d) to facilitate expansion or any other arrangement depending on the opportunity in the future with similar business to achieve economies of scale and better and improved profitability;
- (e) to ensure effective and efficient administration, management and control of the companies post approval of scheme;
- (f) to structure a vehicle that can be used for the purpose of entering into joint venture with the foreign partners in near future.

3. SHARE CAPITAL

3.1 The present authorized share capital of **Kataria Industries** is as under:-

Particulars	Amount in Rs.
Authorized:	
55,00,000 equity shares of Rs. 10/- each	5,50,00,000
Total	5,50,00,000
Issued, Subscribed and Paid-up:	
38,53,120 equity shares of Rs. 10/- each	3,85,31,200
Total	3,85,31,200

Kataria Industries Private Limited

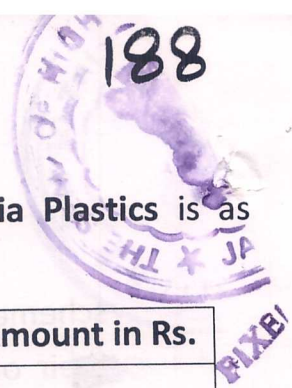
Authorised Signatory

For-Kataria Plastics Private Limited

Director

For- Shree Hanuman Mining Corporation Pvt. Ltd

Authorised Signatory



- 3.2 The present authorized share capital of Kataria Plastics is as under:-

Particulars	Amount in Rs.
Authorized:	
13,00,000 equity shares of Rs. 10/- each	1,30,00,000
Total	1,30,00,000
Issued, Subscribed and Paid-up:	
12,97,500 equity shares of Rs. 10/- each	1,29,75,000
Total	1,29,75,000

- 3.3 The present authorized share capital of Hanuman Mining is as under:-

Particulars	Amount in Rs.
Authorized:	
1,25,000 equity shares of Rs. 100/- each	1,25,00,000
Total	1,25,00,000
Issued, Subscribed and Paid-up:	
1,00,000 equity shares of Rs. 100/- each fully paid up & 5000 equity shares of Rs.80/- paid up	1,04,00,000
Total	1,04,00,000

PART-I

4 TRANSFER OF UNDERTAKING (PLASTIC DIVISION)

- 4.1 With effect from the appointed date and subject to the provisions of the scheme in relation to the mode of transfer and vesting, the Plastic Division of the transferor company shall, without any further act, instrument, deed, matter or thing be transferred to and be vested in and be deemed to be transferred to and vested in Kataria Plastics as a going concern so as to become as and from the appointed date, the estate, assets, rights, title, interest and authorities of Kataria Plastics, pursuant to Section 394 (2) of the Act, subject however, to all charges, liens, mortgages, if any, then affecting Plastic Division or any part thereof, provided always that the scheme shall not operate to



For- Kataria Industries Private Limited

Authorised Signatory

For-Kataria Plastics Private Limited

Director

For- Shree Hanuman Mining Corporation Pvt. Ltd

Authorised Signatory

enlarge the scope of security for any loan, deposit or facility created by or available to the transferor company which shall vest in Wind Mill Division by virtue of the de-merger and Kataria Plastics shall not be obliged to create any further or additional security therefor after coming into effect of this scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, Kataria Plastics will create the security in terms of the issue or arrangement in relation thereto. Similarly, Kataria Plastics shall not be required to create any additional security over its assets acquired by it under the scheme for any loans, deposits or other financial assistance availed/to be availed by Hanuman Mining, or the remaining undertaking.

4.2 In particular, with effect from the appointed date and upon the scheme being effective, the contracts, projects, tenders, bids, rights of collection, agreements, being undertaken by Kataria Industries concerning the Plastic Division whether from any private party, State Government, Central Government or otherwise and all rights, liabilities, duties, powers, authorities shall vest in Kataria Plastics and the concerned party under such contract, tender, bid or agreement facilitate the vesting of the Plastic Division of Kataria Industries in Kataria Plastics without hindrance or let from the appointed date.

4.3 In respect of such of the assets of the undertaking as are movable in nature, including investments, or are otherwise capable of transfer by physical delivery/or by endorsement and/or delivery, the same shall be so transferred by the transferor company, and shall, upon such transfer, become properties, estates, assets, rights, title, interests and authorities of Kataria Plastics as an integral part of the project undertaken by Kataria Plastics for its projects as distributed to it in the list attached to the scheme as Plastic Division and accordingly, shall become the property of Kataria Plastics.

For- Kataria Industries Private Limited

Authorised Signatory

For-Kataria Plastics Private Limited

Director

For- Shree Hanuman Mining Corporation Pvt. Ltd

Authorised Signatory

4.4 In respect of such of the assets of the Plastic Division other than those mentioned in 4.3 above, the same shall, without any further act, instrument or deed, be and stand transferred to and vested in the Kataria Plastics on the appointed date pursuant to the provisions of Section 394 of the Act. For avoidance of doubt, it is hereby clarified that all the rights, title and interest of the transferor company in any leasehold properties concerning the Plastic Division shall, pursuant to Section 394 (2) of the Act and the provisions of the scheme, without any further act or deed, be and stand transferred to and vested in or be deemed to have been transferred and vested in the Kataria Plastics.

4.5 All debts, outstanding and receivables of the transferor company concerning Plastic Division shall, accordingly, on and from the Appointed Date, stand transferred to and vested in Kataria Plastics without any notice or prior intimation to the debtor and the debtors shall be obliged to make payment to Kataria Plastics after the Effective Date.

4.6 All the debts, liabilities, duties and obligations of the transferor company as on the appointed date attached to and concerning Plastic Division including secured loans obtained from State Bank of India for working capital facilities shall be on account of Kataria Plastics.

7 With effect from the appointed date, all the liabilities concerning Plastic Division shall, without any further act, instrument, deed, matter or thing, be and stand transferred to the Kataria Plastics pursuant to the applicable provisions of the Act, so as to become as from the appointed date, the debts, liabilities, duties and obligations of Kataria Plastics on the same terms and conditions as were applicable to the transferor company and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.



For- Kataria Industries Private Limited

Authorised Signatory

For- Kataria Plastics Private Limited

Director

For- Shree Hanuman Mining Corporation Pvt. Ltd

Authorised Signatory

4.8 With effect from the appointed date and upon the scheme being effective, the unabsorbed depreciation under the Income Tax Act, 1961, concerning the assets mentioned in Plastic Division shall be treated as the unabsorbed depreciation of Kataria Plastics as on the appointed date and the Kataria Plastics shall be entitled to carry forward the said unabsorbed depreciation under the Income Tax Act, 1961, of the transferor company and to revise its income tax returns including any loss returns, accordingly.

4.9 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the transferor company in respect of the operations and/or the profits of the business concerning Plastic Division before the appointed date, shall be on account of Kataria Plastics and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the transferor company in respect of the profits or activities or operation of the business concerning Plastic Division after the appointed date or wherever such deduction of tax at source, advance tax, minimum alternate tax stands or any other tax demand adjusted against the refund in any of the tax proceedings and stands refundable to the transferor company as on the Effective Date, the same shall be deemed to be the corresponding item paid/payable/refundable by/to Kataria Plastics and, shall, in all such tax proceedings, be dealt with accordingly.

4.10 Any unutilized Modvat/Cenvat/Service tax Credit under Modvat/Cenvat Credit Rules framed under Central Excise Act, 1944 or Service Tax Credit Rules framed under Finance Act, 1994 concerning Plastic Division lying in the Registers of or to the account of the transferor company for the Excise Duty/Customs Duty (including CVD)/Service Tax paid on inputs /capital goods shall be entitled to carry forward/claim credit of such unutilized Modvat/Cenvat/Service tax Credit under Modvat/Cenvat/ Service Tax Credit Rules to the account of the Kataria Plastics.

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4.11 The transfer and vesting of the Plastic Division of the transferor company under this clause and the continuance of the proceedings by the Kataria Plastics under Clause 8 hereof shall not affect any transaction or proceeding already concluded by the transferor company in the ordinary course of business on and after the appointed date to the end and with the intent that the Kataria Plastics accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the transferor company concerning the Plastic Division.

5. CONTRACTS, PROJECTS, DEEDS, BONDS AND OTHER INSTRUMENTS

5.1 Subject to the provisions of this scheme, all contracts, deeds, registrations, licenses, permissions, authorizations under any law for the time being in force, bonds, agreements and other instruments of whatsoever nature to which the transferor company is party, or to the benefit of which the transferor company may be eligible and which are subsisting or having effect immediately before the Effective Date and covered under Plastic Division, without any further act, instrument or deed, shall, remain in full force and effect against or in favour of Kataria Plastics, and may be enforced by or against Kataria Plastics as fully and effectively as if, instead of the transferor company, the Kataria Plastics had been a party or beneficiary or obligee thereto. Kataria Plastics shall enter into and/or issue or execute deeds, writings or confirmations in order to give formal effect to the provisions of this clause, and to the extent that the transferor company is required, prior to the effective date, to join in any such deeds, writings, or confirmations, the Kataria Plastics shall be entitled to act for and on behalf of and in the name of the Transferor Company.

5.2 With effect from the appointed date, all rights and licenses relating to trade marks, know-how, technical data, trade names, description, trading style, franchisee, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in



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intellectual property rights, powers, facilities of every kind and descriptions of whatsoever nature in relation to the Plastic Division of the transferor company or to which the transferor company is a party or to the benefit of which the transferor company may be entitled/eligible and which are subsisting or have effect immediately before the appointed date, shall be in full force and effect on, or against, or in favour of Kataria Plastics, as the case may be and may be enforced as fully and effectually as if, instead of the transferor company, the Kataria Plastics had been a party or beneficiary or obligee thereto.

- 5.3 On the scheme coming into effect, Kataria Plastics shall be entitled to use the name, turnover, experience, balance sheet and profit and loss account of the transferor company as its own for participation in new tenders.

PART-II

6. TRANSFER OF UNDERTAKING (WIND MILL DIVISION)

- 6.1 With effect from the appointed date and subject to the provisions of the scheme in relation to the mode of transfer and vesting, the Wind Mill Division of the transferor company shall, without any further act, instrument, deed, matter or thing be transferred to and be vested in and be deemed to be transferred to and vested in Hanuman Mining as a going concern so as to become as and from the appointed date, the estate, assets, rights, title, interest and authorities of Hanuman Mining, pursuant to Section 394 (2) of the Act, subject however, to all charges, liens, mortgages, if any, then affecting Wind Mill Division or any part thereof, provided always that the scheme shall not operate to enlarge the scope of security for any loan, deposit or facility created by or available to the transferor company which shall vest in Wind Mill Division by virtue of the de-merger and Hanuman Mining shall not be obliged to create any further or additional security therefor after coming into effect of this scheme or otherwise except in case where the required security has not been created and in such case if the terms thereof require, Hanuman Mining will create the security in terms of the



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date, shall be on account of Hanuman Mining and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the transferor company in respect of the profits or activities or operation of the business concerning Wind Mill Division after the appointed date or wherever such deduction of tax at source, advance tax, minimum alternate tax stands or any other tax demand adjusted against the refund in any of the tax proceedings and stands refundable to the transferor company as on the effective date, the same shall be deemed to be the corresponding item paid/payable/refundable by/to Hanuman Mining and, shall, in all such tax proceedings, be dealt with accordingly.

6.10 Any unutilized Modvat/Cenvat/Service tax Credit under Modvat/Cenvat Credit Rules framed under Central Excise Act, 1944 or Service Tax Credit Rules framed under Finance Act, 1994 concerning Wind Mill Division lying in the Registers of or to the account of the transferor company for the Excise Duty/Customs Duty (including CVD)/Service Tax paid on inputs/capital goods shall be entitled to carry forward/claim credit of such unutilized Modvat/Cenvat/Service tax Credit under Modvat/Cenvat/ Service Tax Credit Rules to the account of the Hanuman Mining.

1 The transfer and vesting of the Wind Mill Division of the transferor company under this clause and the continuance of the proceedings by the Hanuman Mining under Clause 8 hereof shall not affect any transaction or proceeding already concluded by the transferor company in the ordinary course of business on and after the appointed date to the end and with the intent that the Hanuman Mining accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the transferor company concerning the Wind Mill Division.



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- 6.5 All debts, outstanding and receivables of the transferor company concerning Wind Mill Division shall, accordingly, on and from the Appointed Date, stand transferred to and vested in Hanuman Mining without any notice or prior intimation to the debtor and the debtors shall be obliged to make payment to Hanuman Mining after the Effective Date.
- 6.6 All the debts, liabilities, duties and obligations of the transferor company as on the appointed date attached to and concerning Wind Mill Division including secured loans obtained from State Bank of India for working capital facilities shall be on account of Hanuman Mining.
- 6.7 With effect from the appointed date, all the liabilities concerning Wind Mill Division shall, without any further act, instrument, deed, matter or thing, be and stand transferred to the Hanuman Mining pursuant to the applicable provisions of the Act, so as to become as from the appointed date, the debts, liabilities, duties and obligations of Hanuman Mining on the same terms and conditions as were applicable to the transferor company and further that it shall not be necessary to obtain the consent of any person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this clause.
- 8 With effect from the appointed date and upon the scheme being effective, the unabsorbed depreciation under the Income Tax Act, 1961, concerning the assets mentioned in Wind Mill Division shall be treated as the unabsorbed depreciation of Hanuman Mining as on the appointed date and the Hanuman Mining shall be entitled to carry forward the said unabsorbed depreciation under the Income Tax Act, 1961, of the transferor company and to revise its income tax returns including any loss returns, accordingly.
- 6.9 All taxes (including income tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the transferor company in respect of the operations and/or the profits of the business concerning Wind Mill Division before the appointed

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issue or arrangement in relation thereto. Similarly, Hanuman Mining shall not be required to create any additional security over its assets acquired by it under the scheme for any loans, deposits or other financial assistance availed/to be availed by Kataria Plastics, or belong to the remaining undertaking.

- 6.2 In particular, with effect from the appointed date and upon the scheme being effective, the contracts, projects, tenders, bids, rights of collection, agreements, being undertaken by Kataria Industries concerning Wind Mill Division whether from any private party, State Government, Central Government or otherwise and all rights, liabilities, duties, powers, authorities shall vest in Hanuman Mining and the concerned party under such contract, tender, bid or agreement facilitate the vesting of the Wind Mill Division of Kataria Industries in Hanuman Mining without hindrance or let from the appointed date.
- 6.3 In respect of such of the assets of the undertaking as are movable in nature, including investments, or are otherwise capable of transfer by physical delivery/or by endorsement and/or delivery, the same shall be so transferred by the transferor company, and shall, upon such transfer, become properties, estates, assets, rights, title, interests and authorities of the Hanuman Mining as an integral part of the project undertaken by the Hanuman Mining for its projects as distributed to it in the list attached to the scheme as Wind Mill Division and accordingly, shall become the property of the Hanuman Mining.
- 6.4 In respect of such of the assets of the Wind Mill Division other than those mentioned in 6.3 above, the same shall, without any further act, instrument or deed, be and stand transferred to and vested in the Hanuman Mining on the appointed date pursuant to the provisions of Section 394 of the Act. For avoidance of doubt, it is hereby clarified that all the rights, title and interest of the transferor company in any leasehold properties concerning the Wind Mill Division shall, pursuant to Section 394 (2) of the Act and the provisions of the scheme, without any further act or deed, be and stand transferred to and vested in or be deemed to have been transferred and vested in the Hanuman Mining.



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7. CONTRACTS, PROJECTS, DEEDS, BONDS AND OTHER INSTRUMENTS

7.1 Subject to the provisions of this scheme, all contracts, deeds, registrations, licenses, permissions, authorizations under any law for the time being in force, bonds, agreements and other instruments of whatsoever nature to which the transferor company is party, or to the benefit of which the transferor company may be eligible and which are subsisting or having effect immediately before the effective date and covered under Wind Mill Division, without any further act, instrument or deed, shall, remain in full force and effect against or in favour of Hanuman Mining, and may be enforced by or against Hanuman Mining as fully and effectively as if, instead of the transferor company, the Hanuman Mining had been a party or beneficiary or obligee thereto. The Hanuman Mining shall enter into and/or issue or execute deeds, writings or confirmations in order to give formal effect to the provisions of this clause, and to the extent that the transferor company is required, prior to the effective date, to join in any such deeds, writings, or confirmations, the Hanuman Mining shall be entitled to act for and on behalf of and in the name of the Transferor Company.

2 With effect from the appointed date, all rights and licenses relating to trade marks, know-how, technical data, trade names, description, trading style, franchisee, labels, label designs, colour schemes, utility models, holograms, bar codes, designs, patents, copyrights, privileges and any rights, title or interest in intellectual property rights, powers, facilities of every kind and descriptions of whatsoever nature in relation to the Wind Mill Division of the transferor company or to which the transferor company is a party or to the benefit of which the transferor company may be entitled/eligible and which are subsisting or have effect immediately before the appointed date, shall be in full force and effect on, or against, or in favour of Hanuman Mining, as the case may be and may be enforced as fully and effectually as if, instead of the transferor company, the Hanuman Mining had been a party or beneficiary or obligee thereto.

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7.3 On the scheme coming into effect, Hanuman Mining shall be entitled to use the name, turnover, experience, balance sheet and profit and loss account of the transferor company as its own for participation in new tenders.

8. LEGAL PROCEEDINGS

If any, suit, application, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the transferor company concerning the plastic division and wind mill division be pending, the same shall not abate, or be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the divisions of the transferor Company or of anything contained in the scheme, but the proceedings may be continued, prosecuted and enforced, as the case may be, by or against the Kataria Plastics and Hanuman Mining respectively, based on division of undertaking, where such allocation is possible, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the transferor company, if the scheme had not been made.

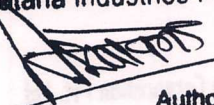
9. OPERATIVE DATE OF THE SCHEME

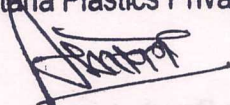
The scheme shall be operative from the appointed date but shall become effective on the effective date.

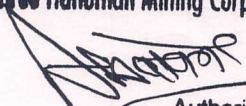
10. EMPLOYEES

10.1 All employees of the transferor company working in the plastic division and the wind mill division as on the effective date, shall on and from the effective date, become the employees of their respective transferee company, for whose project they are engaged, at such position, rank and designation as may be determined by the transferee companies with the benefit of continuity of service and such that the terms and conditions of their employment with the transferee companies are no less favourable than those applicable to them as employees of the transferor company for respective division on the effective date.



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10.2 With regard to provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of such employees of the respective division of the transferor company, upon the scheme being effective, the respective transferee company shall stand substituted for the transferor company for all purposes whatsoever in relation to the administration or operation of such fund or funds and the obligation to make contributions to the said fund or funds. It is the aim and intent of the scheme that all the rights, duties, powers and obligations of the transferor company in relation to such funds shall become those of the respective 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 fund etc.

10.3 The transferee companies undertake to continue to abide by any agreement(s)/settlement(s) entered into by the transferor company with any employees of the transferor company for respective division. The transferee companies agree that for the purpose of payment of any retrenchment, compensation, gratuity and other terminal benefits, the past services of such employees with the transferor company concerning the divisions shall also be taken into account, and further agree and undertake to pay the same as and when payable.

11. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the appointed date and up to the effective date, the transferor company:

11.1 shall carry on and be deemed to carry on all its business concerning the respective division and activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of its properties and assets on account of, and in trust for, the transferee companies and any income or profits accruing or arising to the respective division of the transferor company or losses, costs, charges and expenses arising or incurred by the transferor company shall, for all purposes, be treated as the

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income, profits, costs, charges, expenses and losses as the case may be, of the transferee companies;

11.2 hereby undertakes to carry on its business and activities in the ordinary course of business with reasonable diligence and utmost business prudence and shall not, without the written consent of the transferee companies, sell, transfer, alienate, charge, mortgage or encumber or otherwise deal with the undertaking or any part thereof except in the ordinary course of their business;

11.3 shall not, vary the terms and conditions of the employment of its employees except in the ordinary course of business;

11.4 shall with the written consent of the transferee companies, undertake any new business concerning the plastic and wind mill divisions which shall be transferred to the respective transferee company, though not mentioned in the meaning of the term undertaking. The transferor company shall not increase its liability in any manner, except in exceptional case.

12. REORGANISATION OF CAPITAL OF THE COMPANIES

12.1 Issue & Allotment of Shares and Increase in Share Capital of Kataria Plastics:

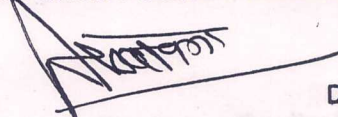
- (a) Upon the Scheme being effective and in consideration of the transfer of and vesting of the Plastic Division of the transferor company to Kataria Plastics in terms of the scheme, the shareholders of the transferor company shall become shareholders of Kataria Plastics, the transferee No.1 company. Therefore, on the scheme being effective, Kataria Plastics shall issue and allot 5,71,248 (Five lacs seventy one thousand two hundred forty eight) equity shares of Rs.10/- (Rupees ten) each shall stand credited as fully paid-up to the shareholders of the transferor company in the Kataria Plastics and fraction arising therein shall be paid in cash to the shareholders of the transferor company.



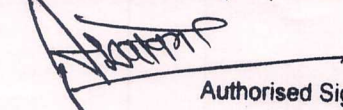
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- (b) Upon the Scheme being effective, and after allotment of 5,71,248 (Five lacs seventy one thousand two hundred forty eight) equity shares of Rs.10/- (Rupees ten) each, the issued, subscribed and paid up capital of Kataria Plastics shall automatically stand increased from Rs.1,29,75,000/- (Rupees one crore twenty nine lacs seventy five thousand) divided into 12,97,500 (Twelve lacs ninety seven thousand five hundred) equity shares of Rs.10/- (Rupees ten) each to Rs.1,86,87,480/- (Rupees one crore eighty six lacs eighty seven thousand four hundred eighty) divided into 18,68,748 (Eighteen lacs sixty eight thousand seven hundred forty eight) equity shares of Rs.10/- (Rupees ten) each.
- (c) Upon the scheme being effective, the new share certificates of the transferee No.1 company in relation to the shares shall be issued to the shareholders of the transferor company on and from the appointed date.
- (d) Upon the coming into effect of this Scheme, the authorized share capital of Kataria Plastics shall without any further act or deed be automatically increased from Rs.1,30,00,000/- (Rupees one crore thirty lacs) divided into 13,00,000 (Thirteen lacs) equity shares of Rs.10/- (Rupees ten) each to Rs.1,87,12,480/- (Rupees one crore eighty seven lacs twelve thousand four hundred eighty) divided into 18,71,248 (Eighteen lacs seventy one thousand two hundred forty eight) equity shares of Rs.10/- (Rupees ten) each and consequently Clause V of the Memorandum of Association of Kataria Plastics (relating to authorized share capital) shall without any further act, instrument or deed be stand altered, modified and amended pursuant to Sections 16, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:

V. The authorized share capital of the Company shall be Rs.1,87,12,480/- (Rupees one crore eighty seven lacs twelve thousand four hundred eighty) divided into 18,71,248 (Eighteen lacs seventy one thousand two hundred forty eight) equity shares of Rs.10/- (Rupees ten) each.

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- (e) The equity shares of the transferee No.1 company issued and allotted in terms of clause (a) above shall rank *pari passu* in all respect with the existing equity shares of the transferee No.1 company.
- (f) The equity shares of the transferee No.1 company issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the transferee No.1 company.

12.2 Issue & Allotment of Shares and Increase in Share Capital of Hanuman Mining

(a) Upon the Scheme being effective, and in consideration of the transfer of and vesting of the Wind Mill Division of the transferor company to Hanuman Mining in terms of the scheme, the shareholders of the transferor company shall become shareholders of Hanuman Mining, the transferee No.2 company. Therefore, on the scheme being effective, Hanuman Mining shall issue and allot 62,947 (Sixty two thousand nine hundred forty seven) equity shares of Rs.100/- (Rupees one hundred) each shall stand credited as fully paid-up to the shareholders of the transferor company in the Hanuman Mining and fraction arising therein shall be paid in cash to the shareholders of the transferor company.



(b) Upon the Scheme being effective, and after allotment of 62,947 (Sixty two thousand nine hundred forty seven) equity shares of Rs.100/- (Rupees one hundred) each, the issued, subscribed and paid up capital of Hanuman Mining shall be increased from Rs.1,04,00,000/- (Rupees one crore four lacs) divided into 1,00,000 (One lac) fully paid equity shares of Rs.100/- (Rupees one hundred) & 5,000 (Five thousand) partly paid equity shares of Rs.80/- (Rupees eighty) each to Rs.1,66,94,700/- (Rupees one crore sixty six lacs ninety four thousand seven hundred) divided into 1,62,947 (One lac sixty two thousand nine hundred forty seven) fully paid equity shares of Rs.100/- (Rupees one hundred) & 5,000 (Five thousand) partly paid equity shares of Rs.80/- (Rupees eighty) each.

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- (c) Upon the scheme being effective, the new share certificates of the transferee No.2 company in relation to the shares shall be issued to the shareholders of the transferor company on and from the appointed date.
- (d) Upon the coming into effect of this Scheme, the authorized share capital of Hanuman Mining shall without any further act or deed be automatically increased from Rs.1,25,00,000/- (Rupees one crore twenty five lacs) divided into 1,25,000 (One lac twenty thousand) equity shares of Rs.100/- (Rupees one hundred) each to Rs.1,67,94,700/- (Rupees one crore sixty seven lacs ninety four thousand seven hundred) divided into 1,67,947 (One lac sixty seven thousand nine hundred forty seven) equity shares of Rs.100/- (Rupees one hundred) each and consequently Clause V of the Memorandum of Association of Hanuman Mining (relating to authorized share capital) shall without any further act, instrument or deed be stand altered, modified and amended pursuant to Sections 16, 94 and 394 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:
- V. The authorized share capital of the Company shall be Rs.1,67,94,700/- (Rupees one crore sixty seven lacs ninety four thousand seven hundred) divided into 1,67,947 (One lac sixty seven thousand nine hundred forty seven) equity shares of Rs.100/- (Rupees one hundred) each.
- (e) The equity shares of the transferee No.2 company issued and allotted in terms of clause (a) above shall rank *pari passu* in all respects with the existing equity shares of the transferee No.2 company.
- (f) The equity shares of the transferee No.2 company issued and allotted in terms hereof will be subject to the Memorandum and Articles of Association of the transferee No.2 company.

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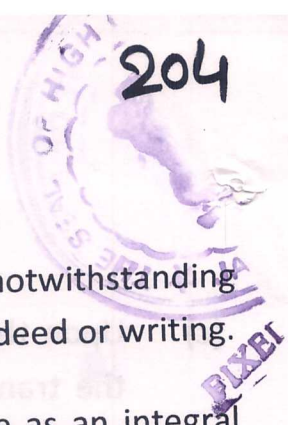
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12.3 Reduction of Capital of the Transferor Company

- (a) The provisions of this clause shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- (b) In consideration of the provisions of this scheme as an integral part, the share capital of the transferor company shall be restructured and reorganized in the manner set out in clauses (c) & (d) below.
- (c) Upon the Scheme being effective and as a consequence of transfer of the Plastic Division and Wind Mill Division from the transferor company, the issued, subscribed and paid up equity share capital of the transferor company shall stand reduced from Rs.3,85,31,200/- (Rupees three crores eighty five lacs thirty one thousand two hundred) divided into 38,53,120 (Thirty eight lacs fifty three thousand one hundred twenty) equity shares of Rs.10/- (Rupees ten) each to Rs.2,23,48,100/- (Rupees two crores twenty three lacs forty eight thousand one hundred) divided into 22,34,810 (Twenty two lacs thirty four thousand eight hundred ten) equity shares of Rs.10/- (Rupees ten) each and the equity shareholding of the individual shareholder of the transferor company shall also get automatically reduced on proportionate basis and the fractions, if any, shall be rounded-off to the nearest share.
- (d) The scheme does not envisage reduction of authorized share capital of the transferor company and the reduction of issued, subscribed and paid-up share capital of the transferor company pursuant to the scheme shall be given effect as an integral part of the scheme and the consent given to the scheme by the shareholders and the creditors of the transferor company shall be deemed to be their consent under the provisions of Section 100 and all other applicable provisions of the Act to such reduction of capital of the transferor company and the transferor company shall not be required to convene any separate meeting for that purpose. 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 101 of the Act will not



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be applicable. The order of the Hon'ble High Court/Tribunal sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act.

- (e) It is hereby clarified that the amount by which the share capital of the transferor company is reduced in terms of Clause (c) & (d) above, shall not be paid to the shareholders of the transferor company and all applicable accounting standards shall be followed while passing the necessary accounting entries in this connection.
- (g) Upon the Scheme being effective, the shares and the share certificates issued by the transferor company to its members in relation to their holding shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the appointed date and the transferor company shall issue fresh share certificates to its shareholders in accordance with the provisions of the Companies Act, 1956 and the Companies (Issue of Share Certificate) Rules, 1960.

2.4 Upon the coming into effect of this scheme the Transferee Companies shall file necessary form of notice intimating increase in their authorized and paid up share capital with the Office of the Registrar of Companies, Madhya Pradesh and shall pay all necessary fees and stamp duty as may be applicable and required to be paid in accordance with law.

13. ACCOUNTING STANDARDS

The transferor and the transferee companies shall account for the present scheme of arrangement & demerger in its books in conformity with the applicable Accounting Standards pursuant to which the assets, liabilities and reserves of the transferor company shall be recorded in the books of the transferee companies at their carrying amounts as on the appointed date and the transferor and the transferee companies shall comply with all the applicable accounting standards to the fullest possible extent.

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14. CONTINUATION OF THE TRANSFEROR COMPANY

Upon the scheme being effective, the operations of the transferor company shall continue, with the remaining undertaking.

15. APPLICATIONS TO HIGH COURT

The transferor and the transferee companies shall, with all reasonable dispatch, make joint petitions to the Hon'ble High Court of Madhya Pradesh, Bench at Indore under Sections 391-394 of the Act for sanction of the present scheme and apply for and obtain such other approvals, if any, required under the law.

16. APPROVALS AND MODIFICATIONS

16.1 The transferor and the transferee companies may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to the Scheme, or to any conditions or limitations which either the Board of Directors of the transferor and the transferee companies may deem fit or which the High Court and/or competent authorities, if any, under the law may deem fit to approve of or impose and which the transferor and the transferee companies may in their discretion, deem fit, and to resolve all doubts or difficulties that may arise in carrying out and implementing this scheme and to do all acts, instruments, deeds, matters and things necessary or to review the position relating to the satisfaction of the conditions of this scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing the scheme into effect. In the event of any of the conditions that may be imposed by the Hon'ble High Court or other authorities which the transferor and the transferee companies may find unacceptable for any reason, then the transferor and the transferee companies are at liberty to withdraw the scheme. The aforesaid powers of the transferor and transferee companies may be exercised by their respective Board of Directors, or a committee of the concerned Board of Directors, or any director or employee authorised in that behalf



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Authorised Signatory

by the concerned Board of Directors (hereinafter referred to as the "Delegates").

16.2 For the purpose of giving effect to this scheme or to any modifications or amendments thereof, or additions thereto, the Delegate(s) of the transferor company and the transferee companies may give and are hereby authorised to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this scheme.

17. SCHEME CONDITIONAL UPON APPROVALS/SANCTIONS

The scheme is conditional upon and subject to:

17.1 The scheme being agreed to by the requisite majority of the members of the transferor and the transferee companies as required under the Act and the requisite orders of the High Court referred to in Clause 15 above being obtained.

17.2 Such other sanctions and approvals including sanctions of any governmental or regulatory authority of the scheme being obtained.

17.3 The certified copies of the Court orders sanctioning the scheme, being filed with the Registrar of Companies, Madhya Pradesh.

18. COST, CHARGES AND EXPENSES

Upon the Scheme becoming effective, all costs, charges, taxes including duties, levies and all other expenses, if any, of the transferor and the transferee companies arising out of/or incurred in carrying out and implementing the scheme and matters incidental thereto shall be borne and paid by the transferor company.

For Kataria Industries Private Limited

Authorised Signatory

For Kataria Plastics Private Limited

Director

For Shree Hanuman Mining Corporation Pvt. Ltd

Authorised Signatory



19. APPROVALS/SANCTION NOT FORTHCOMING

In the event any of the approvals, sanctions and filings referred to in Clause 17 are not obtained or completed, the 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, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and shall be preserved or worked out as specifically provided in the scheme or as may otherwise arise in law.

For- Kataria Industries Private Limited
[Signature]
Authorized Signatory

For-Kataria Plastics Private Limited
[Signature]
Director

For- ~~Shree~~ Hanuman Mining Corporation Pvt. Ltd
[Signature]
Authorized Signatory



[Faint signatures and text at the bottom of the page, including 'For Kataria Industries Private Limited' and 'For Kataria Plastics Private Limited']

**DETAILS OF PLOTS AND AREA OF
KATARIA INDUSTRIES PRIVATE LIMITED**

LAND DETAILS
AS PER DIC

PLOT NO.	WIDTH FEET	LENGTH FEET	AREA SQ. FEET
34 TO 38	300	1000	300000
ROAD	60	1000	60000
PLOT NO. 39 TO 43	150	1000	150000
ROAD BETWEEN 44 AND 42, 43	60	400	24000
PLOT NO. 44	400	600	240000
ROAD BETWEEN 44 AND 51, 52, 53	60	600	36000
PLOT NO. 51, 52, 53	200	600	120000
			930000

ACTUAL MEASUREMENT

34 TO 38, ROAD, PLOT NO. 39 TO 43	495.69	1000	495690
ROAD BETWEEN 44 AND 42, 43	60	414.11	24846.6
PLOT NO. 44	414.11	605.38	250693.9
ROAD BETWEEN 44 AND 51, 52, 53	60	605.38	36322.8
PLOT NO. 51, 52, 53	185.89	605.38	112534.1
			920087.4

WIRE DIVISION

PLOT NO.	WIDTH FEET	LENGTH FEET	AREA SQ. FEET
PLOT NO. 34 TO 38	300	1000	300000
ROAD			41704
			341704

CABLE DIVISION

PLOT NO.44	WIDTH FEET	LENGTH FEET	AREA SQ. FEET
	544.18	414.11	225350.4
SIDE ROAD	15	514.38	7715.7
			233066.1

PLASTIC DIVISION

PLOT NO.	WIDTH FEET	LENGTH FEET	AREA SQ. FEET
PLOT NO. 39 TO 43	150.65	1000	150650
DIC ROAD	60	414.11	24846.6
CABLE ROAD	32.81	414.11	13586.95
PLOT 44A	28.4	414.11	11760.72
PLOT NO. 51, 52, 53	185.89	605.38	112534.1
ROAD			28305.9
			341684.3

COMMON LAND

	WIDTH FEET	LENGTH FEET	AREA SQ. FEET
	46.08	62.6	2884.608
	26.5	28.4	752.6
			3637.208



For- Kataria Industries Private Limited

Authorised Signatory

For-Kataria Plastics Private Limited

Director

For- Shree Hanuman Mining Corporation Pvt. Ltd

Authorised Signatory



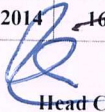
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Application No. 45878 / 2014

II-10
C.J.

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
Application received on	Applicant told to appear on	Applicant appeared on	Application (with or without further particulars) sent to Record Keeper / Dealing Assistant on	Application (with record or without record, and for further or correct particulars, if any required) received from the Record Keeper / Dealing Assistant on	Applicant given notice for further or correct particulars on	Applicant given notice for further funds on	Notice in Sr.No. (6) or (7) complied with on	Copy ready on	Copy delivered on	Court-fee realized
15-09-2014	24-09-2014	25-09-2014						25-09-2014	25-09-2014	1600

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