

ESSEL PROPACK LIMITED

Regd. Office : P. O. Vasind, Taluka: Shahapur, District: Thane, Maharashtra - 421 604, India.

NOTICE

Notice is hereby given that an Extra-Ordinary General Meeting of the Company will be held at its Registered Office at P.O. Vasind, Taluka Shahapur, Dist. Thane, Maharashtra – 421 604 at 11:30 a.m. on Thursday, April 26, 2012 to transact the following business:

1) To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions contained in Section 18 and such other applicable provisions, if any, of Sick Industrial Companies (Special Provisions) Act 1985 (SICA) and subject to the sanction of Hon’ble Board for Industrial and Financial Reconstruction (‘BIFR’) and / or any such concerned authority as may be constituted pursuant to SICA or the Companies Act, 1956 (‘the Act’) or any amendments or its reconstitution thereof or any other statutory authority under the applicable law for the time being in force and subject to such other approvals, sanctions, consents and/or permissions as may be required, approval be and is hereby accorded to the Modified Draft Rehabilitation Scheme (‘MDRS’) containing Scheme of Merger (‘the Scheme’) between Ras Propack Lamipack Limited (‘RPLL’) and Ras Extrusions Limited (‘REL’) (‘Transferor Companies’) and EsseL Propack Limited (‘EPL’) (‘Transferee Company’), as laid before the meeting and initialled by the Chairman for the purpose of identification, for the purpose of merger of the Transferor Companies with Transferee Company and to acquire and merge all the assets, liabilities, rights and obligations and the entire undertaking of the Transferor Companies, with the Transferee Company as per the Scheme of Merger.

RESOLVED FURTHER THAT the Board of Directors of the Company (‘the Board’) (which term shall include any Committee which the Board may have constituted or hereafter constitute to exercise the powers including the powers conferred by this Resolution) be and is hereby authorized to accept such alteration(s) and modification(s) in the Scheme as may be stipulated or required by BIFR or any other concerned Statutory Authority, Monitoring Agency, Government authorities and / or other concerned institutions or authorities, if any, while sanctioning or participating in the Scheme and/or granting such approvals, sanctions, consents and/or permissions, if any required in connection therewith and which the Board thereof, may deem fit to consider, modify and approve in the interest of the Company and to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to the Scheme and other related matters as may be incidental and ancillary thereto”.

2) To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 81, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force and subject to such approvals, sanctions, consents and/or permissions and subject to such terms, conditions and modifications as may be prescribed or imposed while granting such approvals, sanctions, consents and/or permissions and agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’) (which term shall include any Committee which the Board may have constituted or hereafter constitute to exercise the powers including the powers conferred by this Resolution), the consent, authority and approval of the Company (‘EPL’), be and is hereby accorded to the Board to issue and allot equity shares of EPL to the shareholders of Ras Propack Lamipack Limited (‘RPLL’) and Ras Extrusions Limited (‘REL’) (other than to EPL for shares held by EPL in RPLL and REL), in accordance with the share exchange ratio stated in the Scheme of Merger as under.

(i) 3,80,248 equity shares of face value Rs. 2 each of EPL, in exchange of 62,74,100 equity shares of face value Rs. 10 each held by the equity shareholders in RPLL.

(ii) 1,19,907 equity shares of face value Rs. 2 each of EPL, in exchange of 12,95,000 equity shares of face value Rs. 10 each held by the equity shareholders in REL.

RESOLVED FURTHER THAT in the event of any equity shareholder of RPLL and REL becoming entitled to any fraction of the equity shares of EPL as a result of the Scheme of Merger, no fractional shares shall be issued by EPL and such fractions shall be consolidated into whole shares and the Board will allot such shares to any person or persons as they may, in their absolute discretion, deem fit for the purpose of holding and selling such whole shares at such time or times at such price or prices as may be approved by the Board and aggregate sale proceeds of such whole shares, after defraying all costs, charges and expenses of sale, shall be distributed and divided pro-rata amongst the respective equity shareholders of RPLL and REL as would have been entitled to such fractions of the shares of EPL, pursuant to the Scheme of Merger.

RESOLVED FURTHER THAT the equity share(s) so issued and allotted by EPL to the equity shareholders of RPLL and REL will in all respects rank *pari passu* with the existing equity shares of EPL.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make such changes in the share exchange ratio, number of shares to be allotted and such other changes as may be required in the Scheme of Merger, by BIFR or any such concerned statutory authority, Government and other authorities while granting their approvals and to do and perform all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable, appropriate, or expedient in this regard and to settle any question, doubts or difficulty that may arise in regard to the issue and allotment of the aforesaid equity shares and listing thereof with the Stock exchange(s) where the existing equity shares of EPL are listed and to delegate all or any of the powers herein conferred to such officials of EPL, as it may deem fit”.

By Order of the Board of Directors

Mumbai
Dated: March 15, 2012

Aashay S. Khandwala
V. P. (Legal) and Company Secretary

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME FOR COMMENCEMENT OF THE MEETING.
- 2) The statement of material facts pursuant to Section 173 (2) of the Companies Act, 1956, setting out the material facts in respect of the above business is annexed hereto.
- 3) Members / proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience at the Extra-Ordinary General Meeting.

Explanatory Statement of Material Facts
 (pursuant to the provisions of Section 173(3) of the Companies Act, 1956)

Item no 1.

Ras Propack Lamipack Limited ('RPLL') is engaged in the business of manufacture and sale of soft squeeze laminated tubes and Ras Extrusions Limited ('REL') is engaged in the business of manufacture and sale of multi-layer flexible laminated sheets. RPLL and REL are listed companies and have their Registered office at 36 Kms Stone, Waki Khurd, Chakan, Taluka: Khed, Pune – 410501.

RPLL was promoted by Propack Holding AG, Switzerland and Mr. Sameer Kaji in July, 1993. RPLL plan was to commence production in July 1994 with two tube making lines. Delay in project implementation compounded with interest burden and poor sales margin because of stiff competition adversely affected the cash flows of the Company. The net worth of the Company was fully eroded as per the audited balance sheet for the period ended September 30, 2000. BIFR in its hearing held on November 07, 2001 declared RPLL as a Sick Industrial Company u/s 3 (1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985. In the hearing held on February 05, 2009, the Hon'ble BIFR sanctioned Rehabilitation Scheme (SS-09) to the Company and appointed IDBI as Monitoring Agency.

REL was promoted by Mr. Sameer Kaji and Mr. Bhagwan C. Thandani. Consequent of erosion of its net worth, REL was declared as a Sick Industrial Company u/s 3 (1) (o) of Sick Industrial Companies (Special Provisions) Act, 1985 and IDBI was appointed as the Operating Agency. In the hearing held on February 02, 2009, the Hon'ble BIFR sanctioned Rehabilitation Scheme (SS-09) to the Company and appointed IDBI as Monitoring Agency.

EPL had agreed to be a Co-Promoter in the rehabilitation scheme which was approved (hereinafter referred as 'Sanctioned Scheme' or 'SS-09') by BIFR vide its orders dated February 17, 2009 and February 6, 2009.

As per the Sanctioned Scheme, EPL infused funds in these sick industrial companies, by way of equity and unsecured loans for its rehabilitation and revival. Pursuant to equity infusion, EPL is holding 39.57% of the paid up equity share capital of RPLL and 36.67% of the paid up equity share capital of REL.

While implementing SS-09, RPLL and REL has made payment of dues under one time settlement with its unsecured lenders, unsecured creditors / worker's dues and current liabilities. However, due to adverse market conditions and global melt-down, RPLL and REL are not able to achieve profitability estimates as per SS-09 and continue to incur operational overheads. It was difficult for these Companies to fund the losses on their own and put the Company on revival path. RPLL and REL are not getting any substantial orders and hence they have to rely on job conversion work and margins are barely enough to meet the overhead expenses.

In order to revive themselves on a long term basis, RPLL and REL have proposed to merge their respective companies with EPL, Co-Promoter of both the companies. This will have operational and financial synergies as all the companies are in same industry. A Miscellaneous application was submitted by RPLL and REL with BIFR for seeking directions on the said merger proposal.

Hon'ble BIFR in the hearing held on May 9, 2011 considered the Miscellaneous Applications filed by RPLL and REL, and gave directions for filing of draft modified rehabilitation proposal with IDBI Bank Ltd (IDBI), Monitoring Agency appointed for RPLL and REL.

Based on the directions given by the Board in the hearing held on May 9, 2011 and based on the consensus emerged in the joint meeting of stakeholders convened by the Monitoring Agency on June 29, 2011, IDBI vide its communication dated July 7, 2011, submitted Modified Draft Rehabilitation Scheme ('MDRS') containing draft Scheme of Merger ("the Scheme") taking the cut off date as April 1, 2011. Based on the scheme submitted by IDBI, BIFR has formulated a combined MDRS as both RPLL and REL are proposed to merge with EPL. BIFR vide its order dated March 1, 2012 has circulated the scheme to all the concerned inviting objections / suggestions within 60 days from the date of the order.

Salient features of the MDRS and Scheme of Merger are as under:

A) SALIENT FEATURES OF MDRS

MDRS of Ras Propack Lamipack Limited (RPLL) and Ras Extrusions Limited (REL) has been combined since both the schemes envisage merger with EsseL Propack Limited (EPL).

PAST PERFORMANCE

1) RAS PROPACK LAMIPACK LIMITED (RPLL)

Financial Position

(Rs. in Lakhs)

SOURCES OF FUNDS	31.03.07	30.09.08	30.09.09	30.09.10	31.03.11
Share Capital	4330.00	4330.00	4330.00	1038.82	1038.32
Share Application Money	476.99	476.99	476.99	-	-
Reserves & Surplus - Capital / revaluation	30.00	30.00	30.00	805.64	1765.64*
- Profit & Loss A/c.	-	-	-	-	-
Secured Loans	4059.29	5363.15	6426.68	23.88	-
Unsecured Loans	1898.01	2428.45	2869.26	950.00	467.00
Total	10794.30	12628.60	14132.93	2817.84	3270.95
APPLICATION OF FUNDS					
Gross Fixed Assets	5197.25	5216.62	5219.62	5104.68	5116.08
Less : Depreciation	4218.43	4349.54	4434.33	4360.82	4373.11
Net Fixed Assets	978.82	867.07	785.29	743.86	742.97
Investments	-	-	-	-	-

	31.03.07	30.09.08	30.09.09	30.09.10	31.03.11
Inventories	43.68	5.00	-	-	-
Sundry Debtors	53.47	179.42	205.04	-	-
Cash & Bank Balances	20.71	6.86	8.06	25.77	0.21
Loans & Advances	198.12	331.02	417.05	258.15	324.75
Less : Current Liabilities & Provisions	2268.13	2533.26	2642.72	2099.63	1653.01
Profit & Loss A/c.	11767.63	13772.47	15630.21	3889.70	3856.04
Total	10794.30	12628.60	14132.93	2817.84	3270.95

* Includes Special Capital Reserve (Rs.30.00 Lakh), write back of Principal of Banks & FI (Rs.775.64 Lakh), Share Application Money - Propack AG (Rs.476.99 Lakh) and Unsecured Loans - Propack Holding (Rs.483.00 Lakh).

Working Results

(Rs. in Lakhs)

YEAR ENDING	31.03.07	30.09.08 (18 Months)	30.09.09	30.09.10	31.03.11 (6 Months)
Sales *	767.96	155.30	-	-	-
Conversion charges	-	496.13	391.26	404.08	210.95
% Growth (Annualised)	-	-43.45%	-9.91%	3.28%	4.41%
Other Income	173.40	75.33	45.85	61.12	10.72
Accretion/(Decretion) in Stocks	(13.32)	(14.12)	(0.02)	-	-
Total	928.04	712.64	437.09	465.20	221.67
EXPENDITURE					
Purchases/Raw Material Consumed/Job Work	382.11	67.89	0.20	-	-
Stores & Packing Materials	13.71	34.45	27.98	27.93	24.61
Power & Fuel	36.92	45.87	34.91	61.55	35.81
Repair & Maintenance	49.27	32.15	12.27	10.91	9.37
Employees	129.26	107.55	56.18	65.88	42.86
Excise Duty	101.33	24.01	-	-	-
Sales Tax	59.47	137.84	0.45	-	-
Selling & distribution Expenses	1.33	-	-	-	-
Other Expenses	147.09	180.81	152.83	113.93	31.09
Sundry Debit Bal. w/o/ Bad Debts	16.13	4.70	75.93	378.49	-
Total	936.62	635.43	360.75	658.69	143.74
EBIDTA	(8.58)	77.21	76.34	(193.49)	77.93
Less: Interest	953.38	1820.58	1496.21	95.34	0.05
Less: Depreciation	110.24	131.11	84.78	35.73	12.29
Less: Extra Ordinary Items / Previous Year's expenses	84.31	125.36	82.09	40.93	32.33
Add: Extraordinary Income **	-	-	-	7722.51	0.40
Less: Provision/Payment of Taxation	6.80	5.00	1.00	-	-
Profit / (Loss) After Taxation	(1163.31)	(2004.84)	(1587.74)	7357.01	33.66
Add: Brought Forward from Previous Year	(10604.32)	(11767.63)	(13772.47)	(15360.21)	(3889.70)
Write-off (Equity as per BIFR SS-09)	-	-	-	4113.50	-
Balance Carried to Balance Sheet	(11767.63)	(13772.47)	(15360.21)	(3889.70)	(3856.04)

* Owing to adverse market conditions and global melt-down, the Company has not been able to achieve profitability estimates as per SS-09 and continues to incur operational overheads. Presently it is doing job work for EsseL Propack Limited, the Co-promoter of the Company.

** Includes write-back of interest on banks & FI (Rs.7072.01 Lakh), Sundry Creditors (Rs.181.95 Lakh), excess depreciation provided (Rs.109.23 Lakh) and other write-backs (Rs.359.31 Lakh).

2) RAS EXTRUSIONS LIMITED (REL)
Financial Position

Rs. in Lakhs

SOURCES OF FUND	31.03.07	30.09.08	30.09.09	30.09.10	31.03.11
Share Capital	1090.00	1090.00	1090.00	204.50	204.50
Reserve & Surplus - Capital / revaluation	161.46	156.23	152.75	330.41	328.68*
- Profit & Loss A/c	-	-	-	-	-
Secured Loans	9.60	7.53	8.00	-	-
Unsecured Loans	-	-	-	150.00	150.00
Total	1261.06	1253.76	1250.75	684.91	683.18
APPLICATION OF FUNDS					
Gross Fixed Assets	833.78	833.78	833.78	850.40	900.50
Less: Depreciation	446.98	491.55	521.05	550.36	559.14
Net Fixed Assets	386.80	342.23	312.73	300.04	341.36
Investments	-	-	-	-	-
Inventories	14.37	0.27	-	-	-
Sundry Debtors	1.76	2.81	2.81	-	-
Cash & Bank Balances	2.32	0.09	0.12	3.56	1.16
Loans & Advances	12.58	11.36	11.37	5.51	20.62
Total current assets	31.03	14.51	14.29	9.07	21.78
Less : Current Liabilities & Provisions	494.35	666.10	799.25	301.23	339.98
Net Current assets	(463.33)	(651.58)	(784.95)	(292.16)	(318.21)
Profit & Loss A/c	1337.60	1563.11	1722.98	677.05	660.03
Total	1261.06	1253.76	1250.75	684.91	683.18

* Includes Capital Reserve (Rs. 181.14 Lakh) and revaluation reserve (Rs. 147.54 Lakh)

Working Results

Rs. in Lakhs

YEAR ENDING	31.03.07	30.09.08	30.09.09	30.09.10	31.03.11
		(18 Months)			(6 Months)
Sales / Conversion charges *	122.74	58.93	-	3.21	73.16
% Growth (Annualised)	-36.76%	-51.99%	-100%	-	4458%
Other Income	35.36	20.12	9.27	65.84	10.82
Accretion/(Decretion) in Stocks	(0.65)	(0.26)	-	-	-
Total	157.45	78.79	9.27	69.05	83.98
EXPENDITURE					
Purchases/Raw Material Consumed/Job Work	88.51	46.12	0.25	-	-
Stores & Packing Materials	0.43	2.84	0.27	-	2.29
Power & Fuel	10.41	13.01	5.73	6.77	7.67
Repair & Maintenance	0.92	0.47	-	6.44	7.62
Personnel Cost	35.98	113.82	68.21	78.76	32.81
Excise Duty	17.37	8.92	-	-	-
Other Expenses	22.51	63.31	61.20	31.50	9.54
Sundry Bal. w/o/ Bad Debts	0.21	0.05	-	1.23	-
Total	176.34	248.54	135.66	124.70	59.93
EBIDTA	(18.89)	(169.75)	(126.39)	(55.65)	24.05
Less: Interest	3.56	13.34	7.23	4.45	-
Less: Depreciation	13.26	39.33	26.03	26.04	7.03
Profit Before Tax	(35.71)	(222.42)	(159.65)	(86.14)	17.02
Less: Provision/Payment of Taxation	1.81	1.92	0.22	-	-
Less: Previous year Expenses	-	1.17	-	-	-
Profit / (Loss) After Taxation	(37.52)	(225.51)	(159.87)	(86.14)	17.02

YEAR ENDING	31.03.07	30.09.08 (18 Months)	30.09.09	30.09.10	31.03.11 (6 Months)
Add: Brought Forward from Previous Year	(1300.08)	(1337.60)	(1563.11)	(1722.98)	(677.05)
Add: Extraordinary Income	-	-	-	96.57	-
Write-off (Equity as per BIFR SS-09)	-	-	-	1035.50	-
Balance Carried to Balance Sheet	(1337.60)	(1563.11)	(1722.98)	(677.05)	(660.03)

* Owing to adverse market conditions and global melt-down, the company has not been able to achieve profitability estimates as per SS-09 and continues to incur operational overheads. Presently it is doing job work for EsseL Propack Limited, the co-promoter of the company.

REVIVAL STRATEGY

The proposed rehabilitation strategy now being adopted by RPLL and REL for rehabilitating the ailing units is as detailed below:

1) Merger of RPLL and REL with EPL

Justification for Merger

a. Operational Synergy

All the three companies relate to the same industry of Laminated Tubes. RPLL is in manufacture of Soft Squeeze Laminated Tube, REL is in manufacture of Multi-layer Flexible Laminates and EPL manufactures laminated tubes, plastic tubes.

Therefore, merger of the three companies would result in integration of operations, enhanced capacity utilization of the existing facilities and an increase in the installed capacity in the future years of operation. This would result in realizing the economies of scale of the merged company and would improve its profitability and cash flows.

b. Financial Assistance to RPLL and REL

RPLL and REL are currently in BIFR and are grossly falling short of projections made in SS-09 which would impact their ability to make net worth positive in the foreseeable future. The two companies are unable to penetrate the market nor can they adequately fund their growth.

On the other hand, EPL has sound financial background, commands credit in the market for its operations and has the capability to raise and invest the funds as may be required for meeting the requirements of RPLL and REL towards capital expenditures, working capital and other financial requirements.

c. Administrative cost saving

Merger of the three companies (RPLL, REL and EPL) will result in saving in administrative cost.

d. Sharing of experience and expertise of Strong Management Team of EPL

EPL has a strong and experienced management team. After the merger of RPLL and REL with EPL, management of RPLL and REL shall benefit from the expertise and experience of strong management team, which the EPL is having.

e. Merger of RPLL and REL with EPL shall also enable the latter to get benefit of brought forward income tax losses of RPLL and REL and the resultant savings can be used for revival of RPLL and REL.

2) Optimum utilization of capacity

At present the plant and machinery of RPLL has been working on Job work basis only. The plant and machinery of REL has been overhauled and operations have commenced on Job work basis only from September 2010. Following the merger with EPL w.e.f. 01.04.2011, units of RPLL and REL expect to normalize their operations on their own by 31st March, 2012.

3) Reliefs and concessions from various concerned parties

RPLL and REL seek relief and concessions from various parties/authorities, such as State and Central Government and other agencies for their revival. The relief and concessions sought by RPLL and REL for the respective units to be operated under the Merged entity (Transferee Company / EPL) are detailed in the MDRS.

4) Infusion of additional funds

After merger of RPLL and REL with EPL, the merged entity to deploy its internal accruals to the tune of Rs. 415.39 Lakhs (Rs. 252.67 Lakhs for RPLL and Rs.162.72 Lakhs for REL).

COST OF SCHEME AND MEANS OF FINANCE

RPLL

(Rs. in lakhs)

COST OF SCHEME	Sanctioned (As per SS-09)	Already incurred (up to 31.03.2011)	To be incurred (After 31.03.2011)	Total
Capital expenditure	35.00	11.39	23.61	35.00
Payment to secured creditors *	812.35	872.56	-	872.56
Payment of Statutory dues	83.70	83.70	-	83.70
Payment of current liabilities	56.37	56.37	-	56.37
Additional working capital requirement	134.40	129.77	229.06	358.43
Cash Loss etc.	-	187.61	-	187.61
TOTAL	1121.82	1341.40	252.67	1594.07

MEANS OF FINANCE

Equity – Promoters / Co-promoters	821.82	821.82	-	821.82
Unsecured Loans – Co-promoters	300.00	467.00	-	467.00
Internal Cash Accruals	-	52.58	-	52.58
Internal Cash Accruals - EPL - Post-merger	-	-	252.67	252.67
TOTAL	1121.82	1341.40	252.67	1594.07

* Expense already incurred includes interest on OTS amount for delayed period.

REL

(Rs. in lakhs)

COST OF SCHEME	Sanctioned (As per SS-09)	Already incurred (up to 31.03.2011)	To be incurred (After 31.03.2011)	Total
Capital expenditure	20.00	66.92	-	66.92
Payment to private creditors	7.29	7.29	-	7.29
Payment of Statutory dues	42.40	42.40	-	42.40
Payment of workers' dues	53.12	53.12	-	53.12
Payment of current liabilities	88.34	88.34	-	88.34
Additional working capital requirement (II Year)	169.69	115.73	162.72	278.45
TOTAL	380.84	373.80	162.72	536.52

MEANS OF FINANCE

Equity – Promoters / Co-promoters	150.00	150.00	-	150.00
Unsecured Loans – Co-promoters / Ors.	150.00	216.30	-	216.30
Internal Cash Accruals	80.84	7.50	-	7.50
Internal Cash Accruals - EPL - Post-merger	-	-	162.72	162.72
TOTAL	380.84	373.80	162.72	536.52

CUT OFF DATE : 01.04.2011

RELIEF AND CONCESSIONS

1) From Financial Institutions / Bank

RPLL : No relief is sought.

REL : No relief is sought.

2) From the State Govt of Maharashtra

Additional Reliefs as per MDRS : To Consider -

- 1) To exempt EPL in respect of RPLL and REL from levy of stamp duty and registration fees, if any, in relation to the transfer / conveyance of movable and immovable properties in pursuance of this Scheme and on the BIFR / Merger order.
- 2) To waive levy of stamp duty on issue of shares by the Transferee company i.e. EPL in respect of RPLL and REL in pursuance of the Scheme.
- 3) To waive levy of stamp duty on increase or re-organization of the authorized share capital of the Transferee Company.

Sales Tax Department, State Government of Maharashtra

Additional Reliefs as per MDRS: To Consider -

- 1) To allow EPL deferment in respect of the units of RPLL and REL from the payment of Sales Tax / VAT and Purchase Tax for a period of five years from the cut-off date.
- 2) To allow sales tax reliefs as per the Standard Package of the State Government.
- 3) To allow waiver of interest and penalty for non filing of VAT and CST returns in time, for financial year 2004-05 to 2009 -2010 in respect of RPLL and REL units.

Electricity Department (MSEB/MSEDC)

Additional Reliefs as per MDRS : Nil

3) Central Government - Department of Company Affairs

Additional Relief as per MDRS

No additional relief proposed.

4) CBDT

Reliefs as per MDRS : To Consider -

- 1) To exempt/ grant exemption to EPL in respect of RPLL and REL from the applicability of the provisions of Section 79 of the Income Tax Act owing to merger of Transferor companies (RPLL and REL) with the Transferee Company (EPL).
- 2) To allow EPL in respect of RPLL to carry forward business loss for the financial year 2007-08 on account of late filing of return and exempt the company from penal provisions (which do not include criminal liability under IPC or CRPC) as contained in respective section of Income Tax Act' 1961.
- 3) To allow EPL to carry forward business loss of RPLL and REL on account of late filing of return and exempt the company from penal provisions (which do not include criminal liability under IPC or CRPC) as contained in respective section of Income Tax Act' 1961.
- 4) To allow EPL in respect of RPLL and REL the deduction of expenses incurred for amalgamation under Section 35 DD of the Income Tax Act in financial year 2011-12 itself.
- 5) To allow EPL in respect of RPLL and REL waiver of interest and penalty for non filing of TDS returns in time, for financial year 2004- 05 to 2009 -2010.
- 6) To exempt EPL, RPLL and REL from provisions of Section 41 (1) of Income tax Act, 1961 in respect of write-back of loans and any other liability of RPLL and REL.
- 7) To grant benefits to EPL under Section 72-A of the Income Tax Act, 1961
- 8) To exempt / grant reliefs to EPL from provisions of the section 41(1), 72(3), 43B read with section 139, 115 JB and provisions of Chapter XVII of the Income Tax Act 1961, in respect of RPLL and REL units and allow it to carry forward the losses incurred by RPLL and REL.
- 9) EPL to get waiver of interest and penalty against any Statutory dues, claim, penalties, if any, from any Statutory or Regulatory Body, which are not reflected in the books of RPLL and REL.

5) Central Board of Excise and Customs (CBEC)

Reliefs as per MDRS : To Consider -

To allow EPL, in respect of RPLL, waiver of Interest of Rs. 3.02 lakh levied vide Show Cause cum Demand notice issued by Central Excise, Pune V Division issued on account of interest payable under Rule 57AH of Central Excise Rules, 1944.

6) EPCG/DGFT : Ministry of Commerce, Govt. of India

Additional Reliefs as per MDRS : To Consider -

(EPL in respect of RPLL and REL)

1. To extend the validity of EPCG Licence for a period of 5 years from the appointed date.
2. To extend the time period for meeting re-fixed export obligations for a further period of five years from the cut-off date.
3. To treat the Exports made by EPL / the Group Companies of EPL as Exports made by RPLL for the purpose of meeting its export obligations

7) Provident Fund : To Consider -

To allow EPL in respect of RPLL and REL waiver of interest and damages / penalty for non filing of Provident Fund returns in time for financial year 2006-07 to 2010-2011.

8) ROC Maharashtra

- 1) EPL be exempted from the applicable provisions of Section 81(1) (a) / 372A / any other provisions of Companies Act, 1956 in respect of raising further funds by way of private equity or loans required to meet the obligations as stated in this scheme and to issue equity shares to the shareholders of RPLL and REL as per the share exchange ratio.
- 2) EPL in respect of RPLL and REL shall be exempted from provisions of the Companies Act, 1956 in respect of increasing the authorized share capital of the Company as per provisions of the Scheme and shall be eligible for waiver of fee payable to Registrar of Companies in respect of increase in the authorized share capital as per provisions of the Scheme.

9) SEBI

EPL be exempted from the applicable provisions of Clause 70(1)(c) of the SEBI (ICDR) Regulations, 2009, or any other SEBI Rules in respect of raising further funds by way of private equity or loans required to meet the obligations as stated in this scheme and to issue equity shares to the shareholders of RPLL and REL as per the share exchange ratio.

10) Stock Exchange (BSE, Pune SE)

EPL shall be exempted from the applicable provisions of the Listing agreement with the Stock Exchange in respect of raising further funds by way of private equity or loans required to meet the obligations as stated in this scheme and to issue equity shares to the shareholders of RPLL and REL as per the share exchange ratio.

FROM PROMOTERS/CO-PROMOTERS/ASSOCIATES

Reliefs as per MDRS

Transferee Company i.e. EsSEL Propack Limited (EPL)

- 1) To raise further funds by way of private equity or loans required to meet the obligations as stated in this scheme and to issue equity shares to the shareholders of RPLL and REL as per the share exchange ratio as stated in the scheme.

- 2) To mobilize various financial resources as specified in the Cost of Scheme and Means of Finance including internal cash generation for financing this rehabilitation and revival scheme.
- 3) To issue its 10 (Ten) equity shares of Rs. 2 each fully paid up at par for every 165 (One Hundred and Sixty Five) equity shares of Rs. 10 each, fully paid up to the shareholders of RPLL and to issue its 10 (Ten) equity shares of Rs. 2 each fully paid up at par for every 108 (One Hundred and eight) equity shares of Rs. 10 each fully paid up to the shareholders of REL as per provisions of valuation report. The holders of the fractional shares so arising shall be paid in cash.
- 4) The Equity shares issued by RPLL and REL to EPL as per provisions of SS-09 shall be extinguished after merger of RPLL and REL with EPL.
- 5) The shares of EPL after merger will be issued to the shareholders of RPLL and REL only after the sanction of the scheme.

Other terms and conditions

Reliefs as per MDRS

- 1) RPLL and REL shall with effect from 01.04.2011 on sanction of the Modified Draft Rehabilitation Scheme stand merged with EPL on the terms & conditions as mentioned in this Rehabilitation cum Merger Scheme and in the Scheme of Merger.
- 2) Transferee Company (i.e. EsSEL Propack Limited), irrespective of the applicable provisions of Companies Act, 1956 and other applicable Acts and guidelines including SEBI Regulations / Guidelines and listing agreement with the Stock Exchanges, will give effect to this Scheme of Rehabilitation and Revival of Transferor Companies [i.e. Ras Propack Lamipack Limited (RPLL) and Ras Extrusions Limited (REL)] and consequent Merger of the two Transferor Companies with the Transferee Company.
- 3) The balance sheet of the companies as on the cut-off date shall stand restructured as per the Financial Projections given in MDRS.
- 4) The general reserve account of the Transferee Company (EPL) would further be debited / credited by the diminution, if any.

SACRIFICE FROM EXISTING SHAREHOLDERS

No further de-rating is proposed in the MDRS. Thus, there will be no further sacrifice from the existing shareholders.

SACRIFICE / OBLIGATIONS OF PROMOTERS / TRANSFEE COMPANY (EPL)

- 1) No further de-rating is proposed in the MDRS. Thus, there will be no further sacrifice from the promoters,
- 2) To raise further funds by way of private equity or loans required to meet the obligations as stated in this scheme and to issue equity shares to the shareholders of RPLL and REL as per the share exchange ratio as stated in the scheme.
- 3) To mobilize various financial resources as specified in the Cost of Scheme and Means of Finance including internal cash generation for financing this rehabilitation and revival scheme.
- 4) To issue its 10 (ten) equity shares of Rs. 2 each fully paid up at par for every 165 (One Hundred and Sixty Five) equity shares of Rs. 10 each fully paid up to the shareholders of RPLL and to issue its 10 (ten) equity shares of Rs. 2 each fully paid up at par for every 108 (One Hundred and eight) equity shares of Rs. 10 each fully paid up to the shareholders of REL as per provisions of attached valuation report. The holders of the fractional shares so arising shall be paid in cash.

FINANCIAL VIABILITY

Restructured financials of the merged entity as on April 01, 2011:-

(Rs. in lakhs)

As on March 31,	2012 Proj.	2013 Proj.	2014 Proj.	2015 Proj.	2016 Proj.
Net Sales	46499	50597	55284	60032	64197
Increase / (Decrease) in Stock	-428	175	225	232	199
Other Income	1830	835	835	835	835
Total	47901	51607	56344	61098	65232
Manufacturing Expenses	35136	38100	41458	44765	47809
PBDIT	12765	13331	14661	16101	17224
Interest	2200	2000	1900	1900	1700
Depreciation	3057	3260	3517	3788	4059
Profit before tax	7508	8071	9245	10413	11465
Less: Tax	1094	3414	3958	4493	4980
Profit after tax	6414	4656	5287	5920	6485
Equity Share Capital	3141	3141	3141	3141	3141
Free Reserves & Surplus (General & P&L A/c)	57460	63873	68530	73816	79736
Accumulated Losses	Nil	Nil	Nil	Nil	Nil
Net Worth	60601	67015	71671	76958	82877

CONCLUSION

- i) The rehabilitation strategy envisages reliefs and concessions from the Central & State Government.
- ii) The Net worth of the two sick companies i.e. RPLL and REL will turn positive immediately upon their merger with EPL as on 01.04.2011, i.e. cut-off date.
- iii) The projected Profitability statement reveals that the merged entity shall start earning profits from the first year of rehabilitation itself.
- iv) The projected cash flow statement reveals that the merged entity has surplus cash flows, which can be used for meeting its repayment obligations, modernization / expansion programmes to be taken up subsequently.
- v) Thus, merger of RPLL and REL with EPL will enable the revival of RPLL and REL.

BRIEF GENERAL TERMS AND CONDITIONS

- i) IDBI will continue to act as the Monitoring Agency (MA).
- ii) EPL in respect of RPLL and REL shall take steps to strengthen the management structure and effectiveness;
- iii) EPL in respect of RPLL and REL shall constitute a Monitoring Committee consisting of CEO of the Company and Special Director of BIFR, if any and MA to oversee and monitor of the Rehabilitation Scheme;
- iv) EPL in respect of RPLL and REL shall take steps to strengthen the internal control systems and internal audit system;
- v) The provisions of the Scheme shall have effect notwithstanding anything inconsistent therewith contained in any other Act except the provisions of the Foreign Exchange Management Act, 1999 and the Urban Land (Ceiling and Regulation) Act, 1976 for the time being in force or in the Memorandum and Articles of Association of the company or in any other instrument having effect by virtue of any Act other than Sick Industrial Companies (Special Provisions) Act, 1985 as amended or re-enacted from time to time or any Act passed in replacement thereof.
- vi) Reference to BIFR shall include any successor Tribunal or Forum or Authority, which is conferred with or which exercises the powers exercised by the BIFR.
- vii) This Scheme shall come into force with immediate effect and shall be implemented by all concerned as per the time frame stipulated / or envisaged in the Scheme and in the Annexures to the Scheme.
- viii) Notwithstanding anything contained hereinabove, the reliefs and concessions to be allowed to EPL in respect of RPLL and REL shall be within the policy guidelines of the concerned State /Central Govt/other Govt Agencies.

B) SALIENT FEATURES OF SCHEME OF MERGER

This Scheme of Merger provides for the Merger of the Transferor Companies i.e. Ras Propack Lamipack Limited ('RPLL') and Ras Extrusions Limited ('REL') with the Transferee Company i.e. Essel Propack Limited ('EPL') pursuant to the provisions of Section 18(1)(c) and other applicable provisions of SICA.

PART I - GENERAL

Definitions:

- I) **"Appointed Date"** means April 1, 2011.
- II) **"Effective Date"** means the date on which all the conditions and matters in relation to the Scheme referred to in the Scheme of Merger have been fulfilled or waived.
- III) **"First Transferor Company"** means Ras Propack Lamipack Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 36 Km Stone, Pune - Nasik Highway, Waki Khurd, Chakan, Taluka: Khed, Pune, Maharashtra - 410 501.
- IV) **"Second Transferor Company"** means Ras Extrusions Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 36 Km Stone, Pune - Nasik Highway, Waki Khurd, Chakan, Taluka: Khed, Pune, Maharashtra - 410 501.
- V) **"Transferee Company"** means Essel Propack Limited, a company incorporated under the Companies Act, 1956 and having its registered office at P.O. Vasind, Taluka - Shahapur, District - Thane, Maharashtra - 421 604.
- VI) **"Undertaking"** shall mean the undertaking and entire business of the Transferor Company and shall include as of the Appointed Date (without limitation):
 - (a) all assets and property wherever situate, whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal of whatsoever nature, including land (whether freehold or leasehold), plant and machinery, buildings, flats (residential / commercial), offices (including marketing offices and liaison offices), any interests in properties co-owned, schools, hospitals, temples, townships, premises, capital work-in-progress, rolling stock, current assets (including inventories, sundry debtors, bills of exchange, loans and advances), vehicles, D.G. sets, godowns, cement dumps, stocks and stores, warehouses, furniture, fixtures, office equipment, appliances, accessories, power lines, railway lines and sidings, water pipelines, depots, power plants, right to use jetties and ports, share of any joint assets, and other facilities and all present liabilities restructured as per the Modified Rehabilitation Scheme and all cash and bank balances appertaining or relating to the Transferor Company;
 - (b) all permits, quotas, rights, entitlements, export/import incentives and benefits including Duty Exemption Passbook Scheme (DEPB) and advance licenses, industrial and other licenses, bids, tenders, customer contracts, supply contracts, letters of intent, memoranda of understanding, expressions of interest, development rights (whether vested or potential) and whether under agreements or otherwise, licenses, permissions, approvals, consents from various authorities including municipal (whether granted or pending), subsidies, receivables, trade marks, patents, copyrights, all other intellectual property, benefit of any deposits, assets, properties or other interests, financial assets including investments of all kinds, funds belonging to or utilized for the Transferor Company, bank accounts, privileges and all other rights and benefits including any tax direct or indirect including advance tax paid or any tax deducted in respect of any income received, sales tax deferrals and exemptions and other benefits, lease, rights, prospecting licenses and mining leases (in each case including the benefit of any applications made therefore) and the surface rights in relation thereto, water-front and jetty, exemptions, tenancies in relation to office and/or residential properties for the employees, memberships, lease rights, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other

services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;

- (c) all earnest moneys and/or security deposits paid by the Transferor Company;
- (d) all records, files, papers, engineering and process information, computer programs, websites, domain names, software licenses (including SAP), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or relating to the Transferor Company and 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, SICA, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Modified Draft Rehabilitation Proposal and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

PART II – SHARE CAPITAL:

- I) The Share Capital structure of the two Transferor Companies as on April 1, 2011 is as follows:

- **Ras Propack Lamipack Limited** Rs. in Lakhs

Particulars	Amount
Authorized	
6,20,00,000 Equity Shares of Rs.10/- each	6200.00
Issued, Subscribed and Paid-up	
1,03,83,200 Equity Shares of Rs. 10/- each fully paid-up	1038.32

- **Ras Extrusions Limited** Rs. in Lakhs

Particulars	Amount
Authorized	
1,50,00,000 Equity Shares of Rs.10/- each	1500.00
Issued, Subscribed and Paid-up	
20,45,000 Equity shares of Rs. 10/- each fully paid-up	204.50

- II) The Share Capital structure of the Transferee Company as on April 1, 2011 is as follows:

- **EsseL Propack Limited** Rs. in Lakhs

Particulars	Amount
Authorized	
20,00,00,000 Equity Shares of Rs.2/- each	4000.00
Issued, Subscribed and Paid-up	
15,66,01,130 Equity shares of Rs.2/- each fully paid-up	3132.02
Less: Calls in arrears	0.71
	3131.31

PART III – TRANSFER AND VESTING

- I) Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title, interests and authorities of the Transferee Company.
- II) Without prejudice to clause as above, in respect of such of the assets of the Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Transferor Company, and shall, upon such transfer, become the property, estate, assets, rights, title, interests and authorities of the Transferee Company.
- III) In respect of such of the assets of the Undertaking other than those referred to in Clause (II) above, the same shall, as more particularly provided in Clause as above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date. It is hereby clarified that all the investments made by the Transferor Company and all the rights, title and interests of the Transferor Company in any leasehold properties in relation to the Undertaking shall, pursuant to the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- IV) On the Scheme becoming effective, the investments in equity share capital of the Transferor Company as appearing in the books of accounts of the Transferee Company shall stand cancelled.
- V) All debts, outstanding and receivables of the Transferor Company shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without any notice or other intimation to the debtors, and the debtors shall be obliged to make payments to the Transferee Company on and after the Effective Date.
- VI) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of this Scheme, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, rights, title, interests and authorities of the Transferee Company.

VII) Upon the coming into effect of this Scheme and with effect from the Appointed Date:

- a) All secured and unsecured debts (whether in rupees or foreign currency), all liabilities, duties, obligations and undertakings of the Transferor Company of any nature whatsoever along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "Liabilities") shall, without any further act, instrument or deed, be and stand transferred to and vested in or be deemed to have been transferred to and vested in, the Transferee Company, so as to become the Liabilities of the Transferee Company.
- b)
 - (i) Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangements which may give rise to a contingent liability in whatever form), if any, due or which may at any time in the future become due between the Transferor Company and the Transferee Company, shall stand discharged and there shall be no liability in that behalf on either party.
 - (ii) All debentures, bonds, notes or other debt securities of the Transferor Company, whether convertible into equity or otherwise, (the "Securities"), if any, shall, without any further act, instrument or deed become securities of the Transferee Company and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in or deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the Transferor Company in respect of the Securities so transferred.
- c) It is clarified that, unless otherwise determined by the Board of Directors of the Transferee Company, in so far as the assets comprising the Undertaking are concerned:
 - (i) The security or charge relating to loans, debentures or borrowings of the Transferor Company shall without any further act or deed continue to relate to the said assets after the Effective Date; and
 - (ii) The assets of the Transferee Company shall not relate to or be available as security in relation to any loan or borrowings of the Transferor Company.
 - (iii) The existing security, charge, mortgage, encumbrances or lien, if any, over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date, shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Companies, transferred to and vested in the Transferee Company by virtue of this Scheme.
- d)
 - (i) Where any of the liabilities and obligations of the Transferor Company as on the Appointed Date transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
 - (ii) All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company in relation to or in connection with the Undertaking after the Appointed Date and prior to the Effective Date shall subject to the provisions of this Scheme be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debts, duties, undertakings, liabilities and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- e) The various benefits under incentive schemes and policies to which the Transferor Company is entitled to, shall be transferred to and vested in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, including sales tax concessions and incentives, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date and as if the Transferee Company was originally entitled to all benefits under such incentive schemes and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the Transferor Company.

Various other matters are covered in the Scheme of Merger, including:

- a) With effect from the Appointed Date and up to and including the Effective Date:
 - (i) The Transferor Company shall carry on and shall be deemed to have carried on all its business and activities as hitherto and shall hold and stand possessed of the Undertaking and shall be deemed to have held and stood possessed of the Undertaking on account of, for the benefit of and in trust for, the Transferee Company;
 - (ii) All the profits or income accruing or arising to the Transferor Company, or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company, shall for all purposes, be treated and be deemed to be and accrue as the profits or income or expenditure or losses or taxes of the Transferee Company, as the case may be;
 - (iii) No assets of the Transferor Company shall be alienated, charged, mortgaged or encumbered and the Transferor Company shall carry on the business and activities not expressly prohibited herein with reasonable diligence and business prudence and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for itself or any third party, except in each case in the following circumstances:
 - (A) if the same is in the ordinary course of business;
 - (B) if the same is expressly permitted by this Scheme; or
 - (C) if prior written consent of the Transferee Company has been obtained.
 - (iv) All taxes (including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the business before the Appointed Date, shall be on account of the Transferor Company 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 after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings, be dealt with accordingly.
- b) Upon the coming into effect of this Scheme:
 - i) All suits, 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.

- ii) All contracts, deeds, bonds, agreements, arrangements, assurances and other instruments of whatsoever nature to which the Transferor Company is a party, including without limitation to its mining leases or to the benefit 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 effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- iii) The Transferee Company may, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances on the part of the Transferor Company to be carried out or performed.
- iv) The Transferee Company undertakes to engage all permanent employees of the Transferor Company who are in the employment of the Transferor Company as on the Effective Date, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer. The Transferee Company undertakes to continue to abide by any agreement/settlement entered into by the Transferor Company with any union/ employee of the Transferor Company. The Transferee Company agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- v) In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund/schemes/trusts created by the Transferor Company for its employees are concerned, such funds/schemes/trusts shall be transferred to or merged with the relevant funds/schemes/trusts as determined by the Transferee Company.
- vi) 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 Companies 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.
- vii) The Statutory Auditors appointed by the Transferor Companies for the year commenced from 1st October, 2010 shall be deemed to be the Branch Auditors within the meaning of and subject to Section 228 of the said Companies Act, in respect of the period from Appointed date and their terms and conditions shall be decided by the Board of Directors of the Transferee Company.
- viii) The Transferor Companies shall be dissolved without being wound up. The Board of Directors (or any committee thereof) of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved.
- ix) The borrowing limits of the Transferee Company in terms of Section 293 (1) (d) of the Companies Act shall, without further act or deed, stand increased to Rs.812 crores (Rupees Eight Hundred Twelve Crores Only) (apart from temporary loans obtained from the company's bankers in the ordinary course of the business), over and above the paid-up share capital and free reserves of the Transferee Company. It is clarified that the approval of the members of the Transferee Company to the scheme shall be deemed to be their consent / approval also to the enhancement of the borrowing limit of the Transferee Company as required u/s 293 (1) (d) and other applicable provisions of the Companies Act.

PART IV - ISSUANCE OF SHARES

- i) Upon the coming into effect of the Scheme, in consideration of the transfer of and vesting of the Undertaking and the Liabilities of the Transferor Company to the Transferee Company in terms of Part III of this Scheme, the Transferee Company shall issue and allot to the equity shareholders of the Transferor Company, whose names are recorded in the Register of Members on the "Record Date" to be fixed in that behalf by the Board of Directors or a Committee thereof of the Transferee Company, in the ratio of 10 (Ten) equity share in the Transferee Company of Rs. 2/- credited as fully paid up at par for every 165 (One Hundred Sixty Five) equity shares of Rs. 10/- each fully paid up held by such member in the First Transferor Company i.e. Ras Propack Lamipack Limited and 10 (Ten) equity shares in the Transferee Company of Rs. 2/- credited as fully paid up at par for every 108 (One Hundred Eight) equity shares of Rs. 10/- each fully paid up held by such member in the Second Transferor Company i.e. Ras Extrusions Limited (the "Share Exchange Ratio").
- (ii) The shares or the share certificates of the Transferor Company in relation to the shares held by its members shall, without any further application, act, instrument or deed other than what is specified in above Clause, be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- (iii) No certificate(s) shall be issued in respect of fractional entitlements, if any, by the Transferee Company, to which the Members may be entitled on issue and allotment of shares of the Transferee Company as stated in aforesaid clause. The Board of Directors of the Transferee Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot equity shares in lieu thereof to a director or an officer of the Transferee Company or such other person as the Board of Directors of the Transferee Company shall appoint in this behalf, who shall hold the shares in trust on behalf of the Members entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same in the market at such time or times and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to the Transferee Company, the net sale proceeds thereof, whereupon the Transferee Company shall distribute such net sale proceeds to the Members in proportion to their respective fractional entitlements.
- (iv) No allotment shall be made in respect of the equity shares of the Transferor Company that are held by the Transferee Company and the same shall stand cancelled.
- (v) Equity Shares of the Transferee Company issued in terms of this Scheme shall be listed on the stock exchange/s in India, where the existing equity shares of the Transferee Company are presently listed.

PART V – ACCOUNTING TREATMENT

- a. The Transferee Company shall record all assets and liabilities of the Transferor Companies at the book value.
- b. If considered appropriate for the purpose of uniform accounting methods and policies between the Transferor Companies and the Transferee Company, the Transferee Company may make suitable adjustments and reflect the effect thereof in the Amalgamation Reserve Account.
- c. The difference between the net assets taken over and purchase consideration (i.e. shares to be allotted by the transferee company to the shareholders of the transferor companies and any cash payable in respect of fractional shares, in pursuance of this scheme) shall be transferred to the Amalgamation Reserve Account.

- d. The book value of investments in the Equity Shares of the Transferor Companies held by the Transferee Company shall be transferred to the Amalgamation Reserve Account and the amount of provision, if any, made for diminution in the value of such investments shall be transferred to the Amalgamation Reserve Account.
- e. Inter-company loans, advances, deposits and balances, if any, will stand cancelled.
- f. On the net result of the foregoing, the balance remaining in Amalgamation Reserve Account whether Debit or Credit, the same shall be transferred to the General Reserve Account of the Transferee Company.

The Scheme is conditional upon and subject to:

- a) The Scheme being approved, with or without modification, by a special resolution passed by the shareholders of the Transferee Company as required under SICA or any other applicable law.
- b) Sanction of the Scheme by the Hon'ble BIFR.
- c) The certified copies of the BIFR order referred to in this Scheme being filed with the Registrar of Companies, Maharashtra.

The Share Capital and shareholding pattern of the Company before and after issue of equity shares as per the aforesaid Share exchange ratio is set out below:

a)	Share Capital (Existing)	Rs. in Lakhs
	Authorized	
	20,00,00,000 Equity Shares of Rs.2 each	4000.00
	Issued, Subscribed and Paid-up	
	15,66,01,130 Equity shares of Rs.2 each fully paid-up	3132.02
	Less: Calls in arrears	0.71
		3131.31
b)	Share Capital (Post merger)	Rs. in Lakhs
	Authorized	
	58,50,00,000 Equity Shares of Rs.2 each*	11700.00
	Issued, Subscribed and Paid-up	
	15,71,01,285 Equity shares of Rs.2 each fully paid-up	3142.03
	Less: Calls in arrears	0.71
		3141.32

* Post merger, Authorised Share Capital of EPL will be increased to Rs.11,700 lakhs with the addition of authorised share capital of Rs.6,200 lakhs of RPLL and Rs.1,500 lakhs of REL.

c) Shareholding pattern

Sr. No.	Category	Existing		Post-Merger	
		No. of shares	%	No. of shares	%
1	Promoters	9,25,89,390	59.12	9,25,89,390	58.94
2	Mutual Funds / Financial Institutions/ Banks	1,08,99,974	6.96	1,09,02,195	6.94
3	FII's / NRIs / OCBs	1,54,06,361	9.84	1,54,24,336	9.82
4	Bodies Corporates	1,27,80,438	8.16	1,31,27,455	8.35
5	Individuals	2,49,24,967	15.92	2,50,57,909	15.95
	TOTAL	15,66,01,130	100.00	15,71,01,285	100.00

The above terms may be modified as may be suggested by the concerned authorities/parties and agreed by the Company and sanctioned by BIFR while granting its approval. Authority is being given to the Board in the resolution to accept such alterations and modifications, if any, and also to do all such acts, deeds and things as may be necessary in the interest of the Company to give effect to the Scheme.

Following documents are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of the meeting and also during the meeting hours:

1. Modified Draft Rehabilitation Scheme containing Draft Scheme of Merger.
2. Valuation Report issued by M/s. Mittal Goel & Associates, Chartered Accountants and Fairness opinion from Independent Merchant Banker, Fortune Financial Services (India) Limited on the valuation of shares done by the Valuer for RPLL and REL.
3. Memorandum & Articles of Association of EPL.
4. Memorandum & Articles of Association of RPLL and REL.

The approval of the Scheme is required by way of a special resolution from the Shareholders of the Company in accordance with the provisions of Section 18(3)(b) and other applicable provisions of SICA.

The Board of Directors recommends the special resolution for approval of the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolutions, except to the extent of equity shares held by them in the Company.

Item no 2.

The proposed Scheme of Merger of Ras Propack Lamipack Limited ('RPLL') and Ras Extrusions Limited ('REL') with the Company ('EPL') envisages issue and allotment of fully paid up equity shares of EPL to the equity shareholders of RPLL and REL in exchange of shares held by them in these Companies. The present paid up share capital of Essel Propack Limited ('EPL') is 15,66,01,130 Equity Shares of Rs. 2 each aggregating to Rs. 31,32,02,260.

Pursuant to the provisions of Section 81/81(1A) and other applicable provisions, if any, of the Companies Act, 1956 for issue and allotment of shares of the Company to the person(s) other than the shareholders of the Company, sanction of Company in General meeting by means of a Special Resolution is required.

The Modified Draft Resolution Scheme containing the Scheme of Merger and other annexures and Memorandum of Articles of RPPL, REL and EPL are available for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. upto the date of the meeting and also during the meeting hours.

Based on the Valuation report and as stated in the Scheme of Merger, Essel Propack Limited ('EPL' or 'the Company') shall issue and allot 10 equity shares of face value Rs. 2 each for every 165 equity shares of face value Rs. 10 each held by the equity shareholders of RPLL (other than to EPL) i.e. 3,80,248 Equity Shares of Rs. 2 each aggregating to Rs. 7,60,496 and 10 equity shares of EPL of face value Rs. 2 each for every 108 equity shares of face value Rs. 10 each held by the equity shareholders of REL (other than to EPL) i.e. 1,19,907 Equity Shares of Rs. 2 each aggregating to Rs. 2,39,814. This is subject to the Scheme of Merger being approved by the BIFR or any such concerned authority and subject to such changes in the number of shares to be allotted, the ratio of shares and such other changes as may be required in the Scheme of Merger by BIFR or such concerned authority.

Accordingly, the required consent of the shareholders is being sought pursuant to the provisions of Section 81/81(1A) and other applicable provisions of the Companies Act 1956 and also in terms of the Listing Agreements executed by the Company with the Stock Exchanges.

The Board of Directors recommends the special resolution for approval of the shareholders.

None of the Directors of the Company are in any way, concerned or interested in the resolutions, except to the extent of equity shares held by them in the Company.

By Order of the Board of Directors

Mumbai
Dated: March 15, 2012

Aashay S. Khandwala
V. P. (Legal) and Company Secretary



ATTENDANCE SLIP

ESSEL PROPACK LIMITED

Registered Office: P.O. Vasind, Taluka - Shahapur, District - Thane, Maharashtra - 421 604, India.

(To be handed over at the entrance of the Meeting hall)

Reg. Folio No. _____ DP ID * _____ Client ID* _____

I hereby record my/our presence at the Extra-Ordinary General Meeting of the Company to be held on Thursday, April 26, 2012 at 11:30 a.m. at the Company's Registered Office at P.O. Vasind, Taluka - Shahapur, District - Thane, Maharashtra - 421 604, India.

Full Name of the Member (in BLOCK LETTERS) _____

Full Name of the Proxy (in BLOCK LETTERS) _____

Member's/Proxy's Signature _____

*Applicable for Members holding shares in electronic (dematerialised) form.

PROXY FORM

ESSEL PROPACK LIMITED

Registered Office: P.O. Vasind, Taluka - Shahapur, District - Thane, Maharashtra - 421 604, India.

Reg. Folio No. _____ DP ID * _____ Client ID* _____

I/We _____ of _____

being a Member(s) of ESSEL PROPACK LIMITED hereby appoint _____

of _____ or failing him/her _____

of _____ as my/our proxy to vote for me/us

on my/our behalf at the Extra-Ordinary General Meeting of the Company to be held on Thursday, April 26, 2012 at 11:30 a.m. at the Company's Registered Office at P.O. Vasind, Taluka - Shahapur, District - Thane, Maharashtra- 421 604, India and at any adjournment thereof.

Signed this _____ day of _____, 2012

Affix
Re. 1
Revenue
Stamp

Note : This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the above referred Meeting.

* Applicable for Members holding shares in electronic (dematerialised) form.

BOOK - POST

If undelivered, please return to:

ESSEL PROPACK LIMITED

Registered Office: P.O. Vasind, Taluka - Shahapur,
District - Thane, Maharashtra - 421 604, India.