



# Prakash Industries Limited

Near I.O.C.L. Depot, Najafgarh - Bijwasan Road,  
Bijwasan, New Delhi-110061. CIN : L27109HR1980PLC010724  
Tel. : 25305800, 28062115, Fax : 91-11-28062119  
E-mail : pilho@prakash.com, Website : www.prakash.com

Dated: 29th August, 2018

To,

BSE Limited,  
Floor, 25, P.J. Towers, Dalal Street  
Mumbai-400001

**Sub: In the matter of Scheme of arrangement of Prakash Industries Ltd and Prakash Pipes Limited**

**Kind Attention: Shri Hitesh Desai, Addl. General Manager**

Dear Sir,

With reference to your letter no. LC/SD/183/2018-19 dated 24th August, 2018, we hereby enclosed the copy of the affidavit and undertaking submitted by Prakash Industries Ltd., and Prakash Pipes Ltd., respectively confirming the relevant observations and amendments required by your goodself to be incorporated in the draft scheme of arrangement by the Hon'ble NCLT, Chandigarh while approving the said **Scheme of arrangement of Prakash Industries Ltd and Prakash Pipes Limited.**

We will update on this from time to time.

This is for your information & record.

Thanking You.,

Yours faithfully,

**For Prakash Industries Ltd**

*Ashwini Kumar*



**Ashwini Kumar**  
**Company Secretary**  
**CC: Office of the Regional Director, New Delhi**  
**National Stock Exchange of India Ltd, Mumbai**  
**Encl a/a**

**Regd. Office : 15 Km Stone, Delhi Road, Hissar - 125 044**

**DUPLICATE - 3**  
BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT CHANDIGARH

CP (CAA) No. 16/Chd/Pb/2018

Connected With CA(CAA) No. 07/Chd/Pb/2018

(Under Section 230-232 of the Companies Act, 2013)

In the matter of Companies Act, 2013

AND

IN THE MATTER OF

**PRAKASH INDUSTRIES LIMITED**, a public company incorporated under the provisions of Companies Act, 1956, Having its Registered Office at 15Km Stone Delhi Road, Hissar-125004 (Haryana).

.....Petitioner Company No.1/Demerged Company

AND

**PRAKASH PIPES LIMITED**, a public company incorporated under the provisions of Companies Act, 2013, Having its Registered Office at Darjiyan Wali Gali, Rayya Teh-Baba Bakala, Amritsar 143112 (Punjab).

.....Petitioner Company No.2/Resulting Company

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**AND**

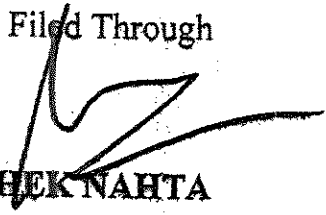
**PRAKASH PIPES LIMITED**, a public company incorporated under the provisions of Companies Act, 2013, Having its Registered Office at Darjiyan Wali Gali, Rayya Teh-Baba Bakala, Amritsar 143112 (Punjab).

**.....Petitioner Company No.2/Resulting Company**

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Filed Through

  
**ABHISHEK NAHTA**  
**[NAHTA JAIN & ASSOCIATES]**  
 Practicing Chartered Accountant  
 R-46, LOWER GROUND FLOOR,  
 GREATER KAILASH - I  
 NEW DELHI - 110048  
 +91-9999366607  
[abhishek.nahta@gmail.com](mailto:abhishek.nahta@gmail.com)

PLACE: NEW DELHI  
 DATE: New Delhi



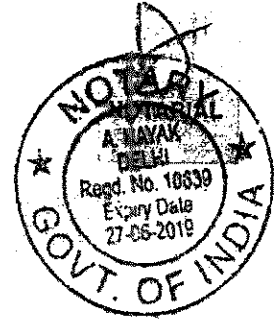
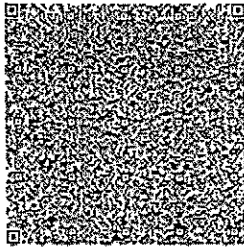
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# INDIA NON JUDICIAL

## Government of National Capital Territory of Delhi

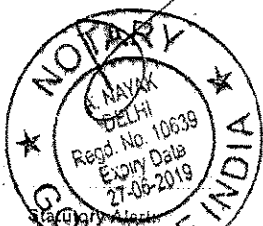
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Unique Doc. Reference	: SUBIN-DL86220336143259763155Q
Purchased by	: PRAKASH PIPES LIMITED
Description of Document	: Article 4 Affidavit
Property Description	: Not Applicable
Consideration Price (Rs.)	: 0 (Zero)
First Party	: PRAKASH PIPES LIMITED
Second Party	: Not Applicable
Stamp Duty Paid By	: PRAKASH PIPES LIMITED
Stamp Duty Amount(Rs.)	: 100 (One Hundred only)



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This E-Stamp paper is integral part of Affidavit of Mr. Kanha Agarwal, Director of Prakash pipes Ltd in respect of undertaking on behalf of Prakash Pipes Ltd. to the Scheme of arrangement between Prakash Industries Ltd and Prakash Pipes Ltd.



For Prakash Pipes Limited

*Kanha*  
Authorized Signatory



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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL**

**BENCH AT CHANDIGARH**

**CA(CAA) No. 07/CHD/PB/2018  
Connected With CP(CAA) No.16/Chd/Pb/2018**

*(Under Section 230-232 of the Companies Act, 2013)*

In the matter of Companies Act-2013

AND

IN THE MATTER OF

**PRAKASH INDUSTRIES LIMITED**, a public company incorporated under the provisions of Companies Act, 1956, Having its Registered Office at 15Km Stone Delhi Road, Hissar-125044 (Haryana).

**.....Petitioner Company No.1/Demerged Company**

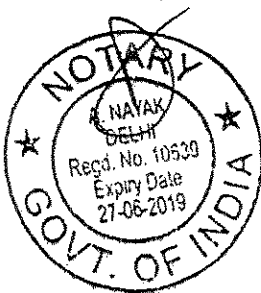
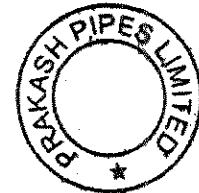
AND

**PRAKASH PIPES LIMITED**, a public company incorporated under the provisions of the Companies Act, 2013, Having its registered office at Darjiyan Wali Gali, Rayya Teh-Baba Bakala, Amritsar 143112 (Punjab).

**.....Petitioner Company No.2 / Resulting Company**

For Prakash Pipes Limited

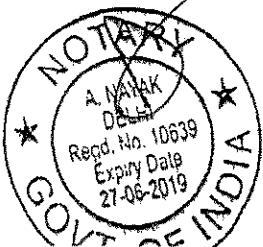
*Kanika*  
Authorised Signatory



**AFFIDAVIT**

I, Kanha Agarwal, son of Shri Ved Prakash Agarwal, aged about 26 years resident of 36/78, Punjabi Bagh, New Delhi-110026, authorized signatory on behalf of the Petitioner Company No.2/Resulting Company, do hereby solemnly affirm and state as under:

- 1) That, I am the authorized signatory of Prakash Pipes Limited (Petitioner Company No.2/Resulting Company, and I am duly authorized vide board resolution dated August 24, 2017, copy enclosed herewith, to swear this affidavit. I am well acquainted with the facts and circumstances of the case and competent and authorized to make and file this affidavit.
- 2) The statements made in deposition in forthcoming paragraph herein now are true to my knowledge, and I believe them to be true
- 3) It is brought to your notice that BSE Ltd ("BSE"), vide its observation letter dated January 15, 2018 directed that the following shall be incorporated in the Scheme:  
  
"There shall be no change in the shareholding pattern of Prakash Pipes Limited between the record date and the listing which may affect the status of this approval".
- 4) In the light of the above direction in the observation letter of BSE, I, on behalf of Prakash Pipes Limited (Petitioner Company No.2/Resulting Company) undertake that there shall be no change in the shareholding pattern of Prakash Pipes Limited between the record date and the listing which may affect the status of this approval.
- 5) Further, amendments have been carried out in the Scheme to incorporate the observation made by BSE. The declaration required by BSE has been incorporated under Clause 12.13 of the Scheme. A copy of the amended Scheme has been enclosed herewith as Annexure - 1.



For Prakash Pipes Limited

*Kanha*  
Authorized Signatory



6) That, on the basis of the above undertaking, it is humbly prayed that the present Scheme of Arrangement of the above named companies be sanctioned by this Tribunal in terms of the prayer made in the petition.

For Prakash Pipes Limited

*Kanhu*

Authorised Signatory



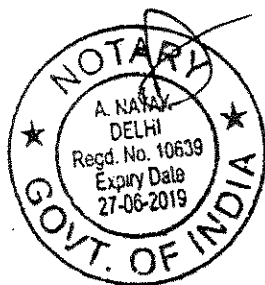
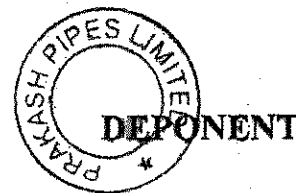
**VERIFICATION**

Verified at \_\_\_\_\_, on this \_\_\_\_\_ of \_\_\_\_\_, 2018 that the contents of the above paragraphs of the affidavit are true and correct to the best of my knowledge and belief and information therein is derived from the records of the Resulting Company. No part of it is false and nothing material has been concealed therefrom.

For Prakash Pipes Limited

*Kanhu*

Authorised Signatory

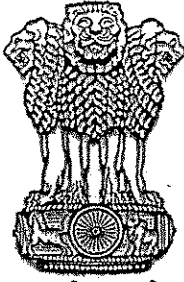


**ATTESTED**

*A. NAYAK*  
**NOTARY PUBLIC**

**27 AUG 2018**





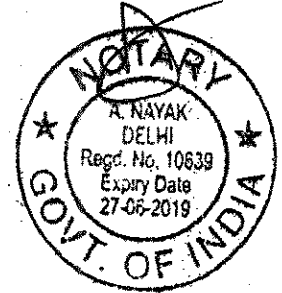
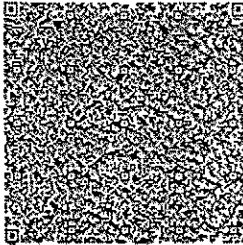
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## INDIA NON JUDICIAL

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 Property Description : Not Applicable  
 Consideration Price (Rs.) : 0  
 (Zero)  
 First Party : PRAKASH INDUSTRIES LIMITED  
 Second Party : Not Applicable  
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 Stamp Duty Amount(Rs.) : 100  
 (One Hundred only)

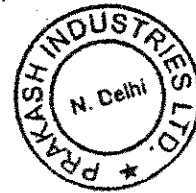
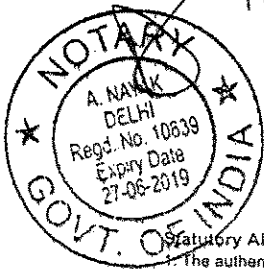


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This E-Stamp is integral part of Affidavit of  
 Shri P.L. Gupta, Director of Prakash Industries Ltd in  
 respect of the Scheme of arrangement between  
 Prakash Industries Ltd and Prakash Pipes Ltd

For PRAKASH INDUSTRIES LTD

DIRECTOR



## Statutory Alert:

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

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AND

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.....Petitioner Company No.1/Demerged Company

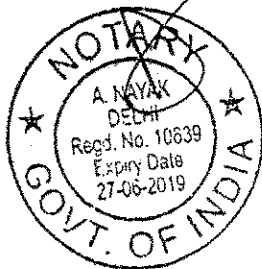
AND

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For PRAKASH INDUSTRIES LTD

  
DIRECTOR

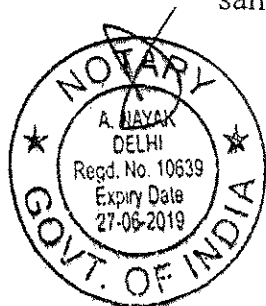


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AFFIDAVIT

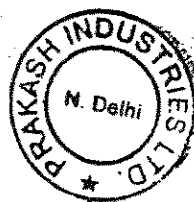
I, P L Gupta, son of Late Shri Shiv Dayal Gupta, aged about 66 years resident of G-6, Nice Apartments, 17/41, West Punjabi Bagh, New Delhi - 110026 authorized signatory on behalf of the Petitioner Company No.1/Demerged Company, do hereby solemnly affirm and state as under:

- 1) That, I am the authorized signatory of Prakash Industries Limited (Petitioner Company No.1/Demerged Company, and I am duly authorized vide board resolution dated August 24, 2017, copy enclosed herewith, to swear this affidavit. I am well acquainted with the facts and circumstances of the case and competent and authorized to make and file this affidavit.
- 2) The statements made in deposition in forthcoming paragraph herein now are true to my knowledge, and I believe them to be true
- 3) It is brought to your notice that BSE Ltd ("BSE"), vide its observation letter dated January 15, 2018 directed that the following shall be incorporated in the Scheme:  
  
"There shall be no change in the shareholding pattern of Prakash Pipes Limited between the record date and the listing which may affect the status of this approval".
- 4) In the light of the above direction in the observation letter of BSE, amendments have been carried out in the Scheme to incorporate the observation made by BSE. The declaration required by BSE has been incorporated under Clause 12.13 of the Scheme. A copy of the amended Scheme has been enclosed herewith as Annexure - 1.
- 5) That, on the basis of the above undertaking, it is humbly prayed that the present Scheme of Arrangement of the above named companies be sanctioned by this Tribunal in terms of the prayer made in the petition.



For PRAKASH INDUSTRIES LTD

  
DIRECTOR

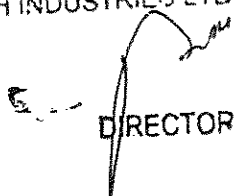


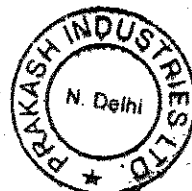
DEPONENT

### VERIFICATION

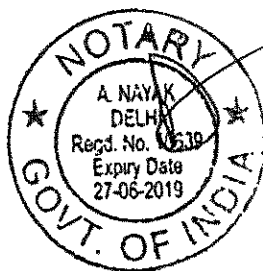
Verified at \_\_\_\_\_, on this \_\_\_\_\_ of \_\_\_\_\_, 2018 that the contents of the above paragraphs of the affidavit are true and correct to the best of my knowledge and belief and information therein is derived from the records of the Demerged Company. No part of it is false and nothing material has been concealed therefrom.

For PRAKASH INDUSTRIES LTD

  
DIRECTOR



DEPONENT



ATTESTED

  
A. NAYAK  
NOTARY PUBLIC

27 AUG 2018

**SCHEME OF ARRANGEMENT**

**BETWEEN**

**PRAKASH INDUSTRIES LIMITED (DEMERGED COMPANY)**

**AND**

**PRAKASH PIPES LIMITED (RESULTING COMPANY)**

**AND**

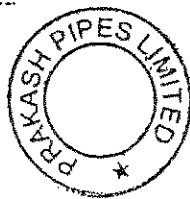
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 READ  
WITH SECTION 66 OF THE COMPANIES ACT, 2013**

**For Prakash Pipes Limited**

*Kaushik*

**Director**



**For PRAKASH INDUSTRIES LTD**

*[Signature]*  
**DIRECTOR**



## PREAMBLE

This Scheme (hereinafter defined) is presented under Section 230 to 232 of the 2013 Act (hereinafter defined) read with section 66 of the Act, and other relevant provisions of the Act, as applicable from time to time, for the transfer and vesting of PVC Pipes Undertaking (hereinafter defined) of PIL (hereinafter defined) to PPL with effect from the Appointed Date (hereinafter defined), and upon the occurrence of the Effective Date (hereinafter defined). In addition, this scheme of arrangement also provides for various other matters consequential or otherwise integrally connected herewith.

### A. Background

1. Prakash Industries Limited (“PIL” or the “Demerged Company”) is a public limited company incorporated under the provisions of Companies Act, 1956 on July 31, 1980 bearing Corporate Identification Number L27109HR1980PLC010724. The registered office of PIL is situated at 15 Km Stone Delhi Road, Hissar – 125044 (Haryana). The correspondence email address of PIL is pilho@prakash.com. The equity shares of PIL are listed on Bombay Stock Exchange Limited (“BSE”) & National Stock Exchange of India Limited (“NSE”).

PIL is primarily engaged in the following businesses:

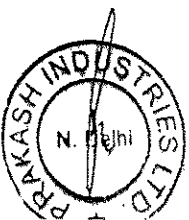
- a) Steel;
  - b) Power ; and
  - c) PVC pipes
2. Prakash Pipes Limited (“PPL” or the Resulting Company) is a public limited company incorporated under the provisions of the Companies Act, 2013 on June 29, 2017 bearing Corporate Identification Number U25209PB2017PLC046660. The registered office of PPL is situated at Darjiyan Wali Gali, Rayya Teh-Baba Bakala, Amritsar-143112 (Punjab). The correspondence email address of PPL is pplho@prakash.com. The equity shares of PPL are not listed on any stock exchange.

PIL is the holding company of PPL. As on the date of filing of the Scheme, PIL along with its nominees holds 100% equity share capital of PPL.

### B. Rationale for the Scheme of Arrangement

The arrangement is aimed at demerger of “PVC pipes undertaking” (hereinafter defined) of PIL into PPL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for PIL and PPL:-

- a) The PVC pipes undertaking carried on by PIL has significant potential for growth. The nature of risk, competition, challenges, opportunities and business methods for the PVC pipes undertaking is separate and distinct from the other businesses of the Company. The PVC pipes undertaking would become capable of attracting a different set of investors, strategic partners, lenders and



other stakeholders.

- b) PIL as well as PPL would have its own management teams, Board of Directors, who can chart out their own independent strategies to maximize value creation for their respective stakeholders. Demerger shall enable enhanced focus to the operations of the PVC pipes undertaking by PPL and the remaining business by PIL.
- c) The demerger will permit increased focus by PIL and PPL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of PPL. The Scheme would be in the best interest of all stakeholders in PIL.

The transfer and vesting of the PVC pipes undertaking (hereinafter defined) into PPL would be in the best interests of the shareholders, creditors and employees of PIL and PPL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the PVC pipes undertaking and the remaining business of the PIL. Pursuant to this Scheme all the shareholders of the PIL will get shares in PPL and there would be no change in the economic interest for any of the shareholders of PIL pre and post implementation of the Scheme. Holders of FCCB of PIL shall be eligible to receive shares of PPL upon conversion of FCCB subject to and in accordance with the Scheme.

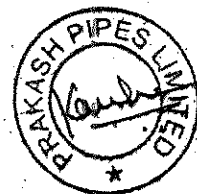
There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of PIL. The Scheme would be in the best interest of all stakeholders in PPL.

In view of the above rationale, the Board recommended a Scheme of Arrangement whereby the PVC pipes undertaking of PIL will be demerged into PPL as a going concern with effect from the Appointed Date (hereinafter defined). Accordingly, the Board of Directors of PIL and PPL have decided to make requisite applications and/or petitions before the Tribunal (hereinafter defined) as the case may be, as applicable under Sections 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, and other applicable provisions for the sanction of this Scheme.

**C. Treatment of Scheme for the purposes of Income-Tax Act, 1961**

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income-tax Act, 1961 ("IT Act"). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modifications will however not affect the other provisions of the Scheme.

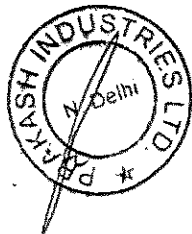
**D. The Scheme is divided into the following parts:**



PART A deals with Definition and share capital of the companies.

PART B deals with the transfer and vesting of the PVC Pipes Undertaking (hereinafter defined) of PIL to and with PPL in accordance with section 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act, other applicable provisions of the Act and/ or the 1956 Act (hereinafter defined), and in accordance with section 2(19AA) of the IT Act.

PART C deals with General terms and conditions that would be applicable to the Scheme.



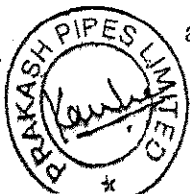
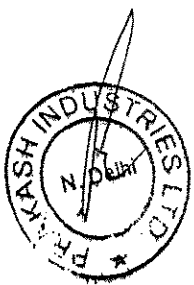


## PART A - DEFINITION AND SHARE CAPITAL

## 1. DEFINITIONS

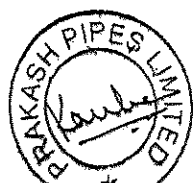
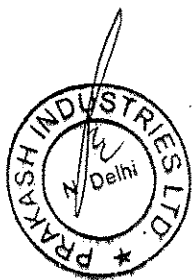
In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

- 1.1 "2013 Act" or "the Act" means the Companies Act, 2013, as notified, and ordinances, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof.
- 1.2 "1956 Act" means the Companies Act, 1956 (as applicable) and ordinances, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof.
- 1.3 "Appointed Date" means 1<sup>st</sup> April, 2018 or such other date as may be decided by the Board of the Demerged Company and the Resulting Company with the consent or as per the direction by the Tribunal.
- 1.4 "Board of Directors" or "Board" means and includes the respective Boards of Directors of the Demerged Company and the Resulting Company or any committee constituted by such Board of Directors for the purposes of the Scheme.
- 1.5 "PVC pipes business of PIL" or "PVC pipes undertaking" means all, the businesses, undertakings, activities, properties and liabilities, whatsoever nature and kind and wheresoever situated, of PIL pertaining to the PVC pipes business, including specifically the following:
- 1.5.1 all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including assets situated at Sarbarkhera, Gangapur Rakba, Kudaiyonwala, District- Udham Singh Nagar (Uttarakhand) and Industrial Area No. 3. Tehsil- Dhar, Pithampur (M.P.), offices, structures, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the PVC pipes business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- 1.5.2 all assets, as are movable in nature pertaining to and in relation to the PVC pipes business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities,



installations, vehicles, inventory and tools and plants), stock-in-trade, stock-in-transit, raw materials, finished good packaging items, actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other, persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds;

- 1.5.3 all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by relevant Pollution Control Boards and other licenses/permits granted/issued/ given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the PVC pipes business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the PVC pipes business;
- 1.5.4 all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the PVC pipes business;
- 1.5.5 all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the PVC pipes business;
- 1.5.6 all rights to use and avail telephones, telexes, facsimile, email, Internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all

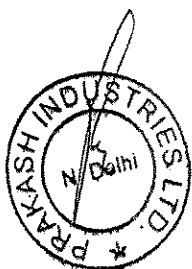


other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by PIL pertaining to or in connection with or relating to the PVC pipes business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by PIL and pertaining to the PVC pipes business;

- 1.5.7 all books, records, files, papers, engineering- and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the PVC pipes business;
- 1.5.8 all debts, liabilities including contingent liabilities, duties, taxes and obligations of PIL pertaining to the PVC pipes business and/or arising out of and/or relatable to the PVC pipes business including:
- a) the debts, liabilities, duties and obligations of PIL which arises out of the activities or operations of the PVC pipes business;
  - b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the PVC pipes Business; and
  - c) liabilities other than those referred to in sub-clauses a) and b) above and not directly relatable to the Remaining Business of PIL, being the amounts of general and multipurpose borrowings of PIL shall be allocated to the PVC pipes undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of PIL immediately before giving effect to Part II of the Scheme.

It is clarified that other than working capital borrowing, all other loans/ borrowings/ FCCBs/ debts have been raised and utilized solely for Steel & Power business.

- 1.5.9 all employees of PIL employed/engaged in the PVC pipes business as on the Effective Date; and
- 1.5.10 all legal or other proceedings of whatsoever nature that pertain to the PVC pipes business.
- 1.6 "Demerged Company": means Prakash Industries Limited (or "PIL").
- 1.7 "Effective Date" means the date on which the last of the conditions mentioned in Clause 18 of Part C of the Scheme is fulfilled. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

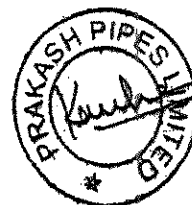
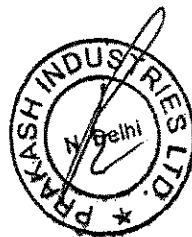


- 1.8 "National Company Law Tribunal" or "NCLT" or "Tribunal" means the National Company Law Tribunal, Chandigarh Bench.
- 1.9 "Record Date" means the date fixed by the Board of Directors of the Resulting Company or any committee thereof in consultation with the Demerged Company, for the purpose of determining names of the equity shareholders of the Demerged Company, who shall be entitled to receive the equity shares in the Resulting Company pursuant to Clause 12.1 of the Scheme, upon coming into effect of this Scheme.
- 1.10 "Remaining Business" means all assets, liabilities, businesses, activities and operations of the Demerged Company other than the Demerged Undertaking.
- 1.11 "Resulting Company" means Prakash Pipes Limited (or "PPL").
- 1.12 "RoC" means Registrar of Companies, Punjab and Chandigarh, and Registrar of Companies, Delhi and Haryana.
- 1.13 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement among the Demerged Company, the Resulting Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 of the Act read with section 66 of the Act, and other applicable provisions of the Act or the 1956 Act, as the case may be, in its present form or with any modification(s) made under Clause 17 of the Scheme by the Board of Directors of the Demerged Company and the Resulting Company, and/ or as approved or directed by the Tribunal, as the case may be.
- 1.14 "SEBI" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.15 "SEBI Circulars" means Circular No. CFD/DIL3/CIR/CMD/2017/21 dated March 10, 2017, issued by SEBI and as amended from time to time or any other circulars issued by SEBI applicable to a scheme of arrangement.
- 1.16 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 Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, SEBI Circulars and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or reenactment thereof from time to time.

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 17 of the Scheme, approved or imposed or directed by the Tribunal as the case may be, as applicable, shall be effective from the Appointed Date, as the case may be, but shall be made operative from the Effective Date.

## 3. CAPITAL STRUCTURE OF THE COMPANIES



3.1. The share capital of PIL as at March 31, 2017 is as under:

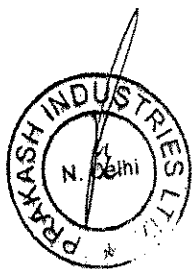
Particulars	Amount (INR)
<b>Authorized Share Capital</b>	
17,00,00,000 Equity Shares of INR 10 each	1,70,00,00,000
<b>Total</b>	<b>1,70,00,00,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
13,90,46,331 Equity Shares of INR 10 each fully paid up	1,39,04,63,310
<b>Total</b>	<b>1,39,04,63,310</b>

Since March 31, 2017 and as on the date of filing of this Scheme, there has been a change in the capital structure of PIL. Post March 31, 2017 PIL has allotted 1,34,61,466 Equity Shares upon conversion of FCCBs as detailed below:

Date of allotment of Equity Shares	No. of Equity Shares allotted on conversion of FCCB
03.04.2017	34,97,861
18.04.2017	13,77,945
26.04.2017	10,59,958
07.06.2017	37,09,853
24.06.2017	2,64,989
10.07.2017	5,29,979
02.08.2017	30,20,881
<b>Total</b>	<b>1,34,61,466</b>

Accordingly, the share capital of PIL as at 24<sup>th</sup> August 2017 is as under:

Particulars	Amount (INR)
<b>Authorized Share Capital</b>	
20,00,00,000 Equity Shares of INR 10 each	2,00,00,00,000
<b>Total</b>	<b>2,00,00,00,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
15,25,07,797 Equity Shares of INR 10 each fully paid up	1,52,50,77,970



Total	1,52,50,77,970
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The Company's remaining outstanding FCCBs have an option to convert into equity shares which may result in an increase in the issued and paid up capital of PIL.

3.2. The share capital of PPL as at June 29, 2017 (date of incorporation) is as under:

Particulars	Amount (INR)
<b>Authorized Share Capital</b>	
10,000 Equity Shares of INR 10 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
10,000 Equity Shares of INR 10 each fully paid up	1,00,000
<b>Total</b>	<b>1,00,000</b>

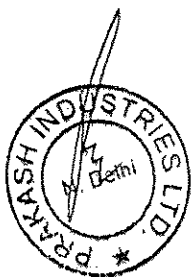
Since June, 29, 2017 (i.e. from the date of incorporation of PPL) and as on the date of filing of this Scheme, there has been no change in the capital structure of PPL.

The entire shareholding of PPL is held by PIL and its nominees.

4. MAIN OBJECTS

4.1. The main objects of PIL are as follows:

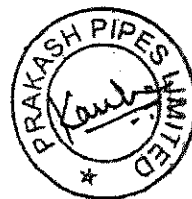
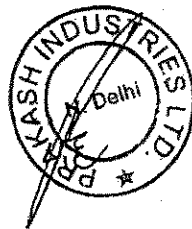
1. *To manufacture, produce, process, design, buy, sell, import, export or otherwise deal in all kinds of tubes, pipes, pipes fittings, components, accessories and all kinds of hardware items whether made of steel, alloys, stainless steel, P.V.C., plastics, or any other metal (ferrous or non-ferrous) or substance or material, to act as and/or carry on the business of galvanisers, jappaners, re-rollers, annealers, enamellers, electroplators and to manufacture, produce, process, design, repair, convert, buy, sell, import export, or otherwise deal in such products, their bye-products and commodities, raw-materials, stores, packing materials, tools, plant and machineries whether in India or abroad either on its own account or on account of its constituents and either solely or in conjunction with others.*
2. *To carry on business, whether in India or abroad, either on its own account or on account of constituents solely or in conjunction with others as manufacturers, producers, processors, dealers, importers, exporters, buyers, sellers, distributors, stockists, agents and/or suppliers of tubes and pipes and poles made partly or wholly of steel, P.V.C. plastic; any other metal, cement, concrete, stones, clay, timber, teak, board, Fibre, Fibreglass, Ferrous, Nonferrous Alloys, Strips, Sheets, paper, glass, rubber, any other natural or synthetic substance or compound and various types of fittings, accessories.*



*gadgets, parts, machinery, plants, tools, packing materials, compounds, chemicals, formulations and other items required for or used with such pipes and tubes and tubular structures and furniture made of pipes or tubes.*

4.2. The main objects of PPL are as follows:

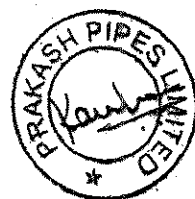
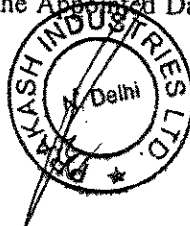
1. *To establish, own, run, manage and to carry on the business as manufacturers, producers, developers, traders, buyers, sellers, exporters, importers, operators, engineers, fabricators, contractors, sub contractors, brokers, assemblers, packers, re-packers, jobbers, designers, laminators, merchants, resellers, dealers, distributors, converters, recyclers of all kinds of goods used for the purpose of irrigation, water transportation, sanitary systems, drainage system, cable ducting, or for any other purpose wherein it can be used conveniently such as pipes, tubes, hoses, sprinklers, polyethylene pipes for sprinkler irrigation system, drippers, accessories, fittings HDPE, PP, LLDPE, plastic resins, plastic granules, polymers, monomers, polypropylene, thermoplastics, foam, adhesive, synthetic resins, emulsions, fibre glass, PVC compound, PVC Dryblend, PVC premix and the like whatever name called or their derivatives/ mixtures and to do all incidental acts and things necessary for the attainment of the above project.*
2. *To construct, build, develop, maintain, operate, own, and transfer, infrastructure facilities including water supply projects, irrigation projects, inland waterways and inland ports, water treatment system, solid waste management system, sanitation and sewerage system, or any other public facilities of a similar nature; any projects for providing telecommunications services.*
3. *To manufacturing, spinning, processing, weaving, selling, buying, importing, exporting or otherwise to deal in low and high density polythene, polypropylene high molecular, high density polythene films, sacks, Woven sacks, bags, HDPE bags, sheeting, laying off flat tubing and to convert, any of the polythene polypropylene HM/HDPE products into any size or shape for use in packing and wrapping of all varieties of goods and to print all plastics, high density/ low density polythene, polypropylene HM/HDPE products whether rigid or flexible for packing, wrapping, and for use as stationary articles, publicity and display and for daily domestics or commercial/industrial use.*
4. *To carry on the business as manufacturers, imports, exporters, dealers, (both wholesaler and retailer) processors, stockists, agents, distributors, traders, in all kind of PVC, HDPE, LLDPE, PLB, Cable, Duct pipe, Hose pipe, PVC pipe fittings, sanitary items, tiles made from granite, marbles, ceramics, partition, panel rods, plywood doors, windows made from aluminium, PVC wood, rails, grills, door closures, mirrors, fitting glasses, sanitary fittings, basin, shower, commode, pipe fittings, tap fittings, geysers, water filters, electric fittings and accessories, fans, lamps, security items, and sanitary items.*



## PART B - TRANSFER AND VESTING OF PVC PIPES UNDERTAKING FROM PIL TO PPL

## 5. TRANSFER AND VESTING OF PVC PIPES UNDERTAKING FROM DEMERGED COMPANY TO RESULTING COMPANY

- 5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the PVC pipes undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the PVC pipes undertaking) shall, without any further act, instrument, deed, matter or thing, be demerged from PIL and transferred to and vested in PPL or be deemed to have been demerged from PIL, and transferred to and vested in PPL as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of PPL, pursuant to Section 232 of the Act.
- 5.2. In respect of such of the assets of the PVC pipes undertaking as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by PIL to PPL upon the coming into effect of this Scheme pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of PPL as an integral part of the PVC pipes undertaking.
- 5.3. In respect of the movable assets other than those dealt with in clause 5.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in PPL without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of PIL to recover or realize the same stands transferred to PPL. PPL shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in PPL and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- 5.4. In respect of such of the assets belonging to the PVC pipes undertaking other than those referred to in clause 5.2 and 5.3 above, the same shall, as more particularly provided in clause 5.1 above, without an further act, instrument or deed, be demerged from PIL and transferred to and vested in and/or be deemed to be demerged from PIL and transferred to and vested in PPL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- 5.5. All assets, rights, title, interests and investments of PIL in relation to the PVC pipes undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in PPL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.

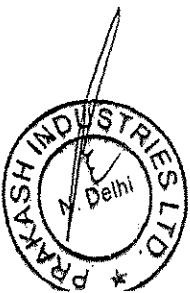




- 5.6. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of PIL in any leasehold/leave and licence/right of way properties of PIL in relation to the PVC pipes undertaking, shall, pursuant to Section 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in PPL automatically and on the same terms and conditions.
- 5.7. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of PIL, and the rights and benefits under the same, in so far as they relate to the PVC pipes undertaking and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, designs, trade secrets, research and studies, technical knowhow and other intellectual properties (whether owned, licensed or otherwise, and whether registered or unregistered) and all other interests relating to the goods or services being dealt with by the PVC pipes undertaking and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by PIL, in relation to the PVC pipes undertaking shall be transferred to and vested in PPL and the concerned licensors and granters of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the name of PPL on such approvals, clearances, permissions and facilitate the approval and vesting of the same as part of the PVC pipes undertaking and continuation of operations pertaining to the PVC pipes undertaking in PPL without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against PPL, as the case may be, and may be enforced as fully and effectually as if, instead of PIL, PPL had been a party or beneficiary or obligee thereto.

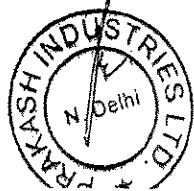
It is further clarified that PPL shall be entitled to use the corporate/ master brand name 'Prakash' and its related trademark/ Logo upon coming into effect of this Scheme as per the terms mutually agreed upon by the board of PIL and PPL.

- 5.8. In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by PIL are concerned, the same shall, without any further act or deed, in so far as they relate to the PVC pipes undertaking, vest with and be available to PPL on the same terms and conditions, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to PPL.
- 5.9. Any claims due to PIL from its customers or otherwise and which have not been received by PIL as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the PVC pipes undertaking, shall also belong to and be received by PPL.
- 5.10. All assets, estate, rights, title, interest and authorities acquired by PIL after the Appointed



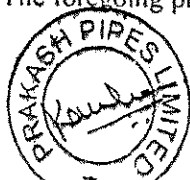
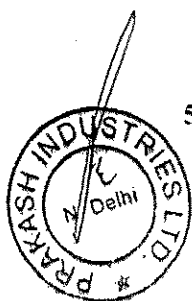
Date and prior to the Effective Date for operation of the PVC pipes undertaking shall also stand transferred to and vested in PPL upon the coming into effect of this Scheme.

- 5.11. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of PIL relating to the PVC pipes undertaking shall without any further act, instrument or deed be and stand transferred to PPL and shall thereupon become the debts, duties, obligations and liabilities of PPL, which it undertakes to meet, discharge and satisfy to the exclusion of PIL and to keep PIL indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person, who is a party to an act or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.
- 5.12. Upon the Scheme coming into effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, relating to the PVC Pipes Undertaking, whether provided for or not in the books of accounts of PIL or disclosed in the balance sheet of such PVC Pipes Undertaking, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, contingent liabilities, duties and obligations of PPL, without any further act, instrument or deed required by either PIL or PPL. PPL undertakes to meet, discharge and satisfy the same to the exclusion of the PIL. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. However, PIL and PPL shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to PPL as part of the PVC Pipes Undertaking and/or in relation to the assets remaining in PIL after the demerger and vesting of PVC Pipes Undertaking in PPL pursuant to this Scheme becoming effective in accordance with the terms hereof. Where any of the loans, liabilities and obligations attributed to PVC Pipes Undertaking have been discharged by PIL on behalf of PPL after the Appointed Date, such discharge shall be deemed to have been done by PIL for and on behalf of PPL.
- 5.13. Subject to clause 5.12 above, from the Effective Date, PPL alone shall be liable to perform all obligations in respect of the liabilities of the PVC pipes undertaking as the borrower/issuer thereof, and PIL shall not have any obligations in respect of the said liabilities.
- 5.14. Where any of the liabilities and obligations of PIL as on the Appointed Date deemed to be transferred to PPL, have been discharged by PIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of PPL and all liabilities and obligations incurred by PIL for the operations of the PVC pipes undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of PPL and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to PPL and shall become



the liabilities and obligations of PPL, which shall meet, discharge and satisfy the same.

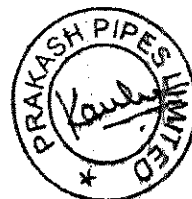
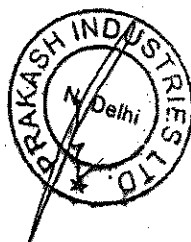
- 5.15. Any claims, liabilities or demands arising on account of the PVC pipes undertaking of PIL which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by PPL. In the event that such liability is incurred by or such claim or demand is made upon PIL, then PPL shall indemnify PIL for any payments made in relation to the same.
- 5.16. Subject to the other provisions of this Scheme, in so far as the assets of the PVC pipes undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of PIL shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of PIL which are not transferred to PPL.
- 5.17. As per the terms and conditions as set out in the Offering Circulars dated April 26, 2010, September 30, 2015 and August, 2017 issued in respect of the FCCBs ("Offering Circular") for issue of FCCBs, by PPL, upon the coming into effect of this Scheme and subject to applicable law, PPL shall guarantee the due payment of all sums expressed to be payable by PIL to the outstanding FCCB holders and in this regard shall enter into such deed or document, as may be required, with the trustee of the outstanding FCCB holders to give effect to the aforesaid. In case of payment of any outstanding sum to the outstanding FCCB holder by PPL, as per the terms and conditions set out in the Offering Circular, PIL shall, without any further act, instrument, deed, matter or thing, make the payment to PPL within such period as may be mutually decided between PIL and PPL.
- 5.18. In so far as the assets of the Remaining Business of PIL are concerned, the security, pledge, existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the PVC pipes undertaking shall, without any further act, instrument or deed be released and discharged from such security, pledge, charges and mortgages. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.
- 5.19. In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of PIL are concerned, such security shall, without any further act, instrument or deed be continued with PIL only on the assets which are remaining with PIL.
- 5.20. Without any prejudice to the provisions of the foregoing clauses and upon the Scheme being effective, PIL, and PPL shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Punjab and Chandigarh to give formal effect to the provisions of this clause and foregoing clauses, if required.
- 5.21. Upon the coming into effect of this Scheme, PIL alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of PIL and PPL shall not have any obligations in respect of the Remaining Business of PIL.
- 5.22. The foregoing provisions shall operate, notwithstanding anything to the contrary contained in



any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

- 5.23. On and from the Effective Date, and thereafter, PPL shall be entitled to operate all bank accounts of PIL, in relation to or in connection with the PVC pipes undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of PIL, in relation to or in connection with the PVC pipes undertaking, in the name of PPL in so far as may be necessary until the transfer of rights and obligations of the PVC pipes undertaking to PPL under this Scheme have been formally given effect to under such contracts and transactions.
- 5.24. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of PIL, in relation to or in connection with the PVC pipes undertaking, have been replaced with that of PPL, PPL shall be entitled to operate the bank accounts of PIL, in relation to or in connection with the PVC pipes undertaking, in the name of PIL in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of PIL in relation to or in connection with the PVC pipes undertaking, after the Effective Date shall be accepted by the bankers of PPL and credited to the account of PPL, if presented by PPL. PPL shall be allowed to maintain bank accounts in the name of PIL for such time as may be determined to be necessary by PPL for presentation and deposition of cheques and pay orders that have been issued in the name of PIL, in relation to or in connection with the PVC pipes undertaking. It is hereby expressly clarified that any legal proceedings by or against PIL, in relation to or in connection with the PVC pipes undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of PIL shall be instituted, or as the case may be, continued by or against PPL after the coming into effect of this Scheme.
- 5.25. It is clarified that in order to ensure the smooth transition and sales of products and inventory of PIL, in relation to or in connection with the PVC pipes undertaking, manufactured and/or branded and/or labelled and/or packed in the name of PIL prior to the Effective Date, PPL shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the PVC pipes undertaking at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of PPL after the Effective Date.
- 5.26. It is hereby clarified that all assets and liabilities of the PVC pipes undertaking, which are set forth in the closing balance sheet of PIL as on the close of business hours on the date immediately preceding the Appointed Date, shall be transferred at values appearing in the books of account of PIL as on the Appointed Date.

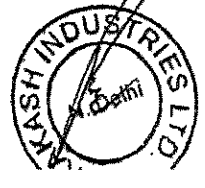
6. LEGAL PROCEEDINGS



- 6.1. Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against PIL, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each relating to the PVC pipes undertaking shall be continued and enforced by or against PPL after the Effective Date. In the event that the legal proceedings referred to herein require PIL and PPL to be jointly treated as parties thereto, PPL shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with PIL. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the PVC pipes undertaking or not, a decision jointly taken by the Board of Directors of PIL and PPL in this regard, shall be conclusive evidence of the matter.
- 6.2. If proceedings are taken against PIL in respect of the matters referred to in clause 6.1 above, it shall defend the same in accordance with the advice of PPL and at the cost of PPL, and the latter shall reimburse and indemnify PIL against all the liabilities and obligations incurred by PIL in respect thereof.
- 6.3. PPL shall have all legal or other proceedings initiated by or against PIL with respect to the PVC pipes undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against PPL to the exclusion of PIL.

7. **CONTRACTS, DEEDS, ETC.**

- 7.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the PVC pipes undertaking to which PIL is a party or to the benefit of which PIL may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of PPL, as the case may be, and may be enforced as fully and effectually as if, instead of PIL, PPL had been a party or beneficiary or obligee thereto.
- 7.2. Notwithstanding the fact that vesting of the PVC pipes undertaking occurs by virtue of this Scheme itself, PPL may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute such deeds (including deeds of adherence), confirmations or other Writings or tripartite with any party to any contract or arrangement to which PIL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. PPL will, if necessary, also be a party to the above. PPL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of PIL and to carry out or perform all, such formalities or compliances referred to above on the part of PIL to be carried out or performed.
- 7.3. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the PVC pipes undertaking which PIL own or to which PIL is a party to, cannot be transferred to PPL for



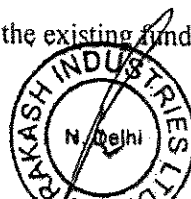
any reason whatsoever, PIL shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of PPL, in so far as it is permissible so to do, till such time as the transfer is effected.

#### 8. SAVING OF CONCLUDED TRANSACTIONS

8.1. The transfer and the vesting of the assets, liabilities and obligations of the PVC pipes undertaking under clause 5 hereof and the continuance of proceedings by or against PPL under clause 6 hereof shall not affect any transaction or proceedings already completed by PIL on or after the Appointed Date, to the end and intent that PPL accepts all acts, deeds and things done and executed by and/or on behalf of PIL as acts, deeds and things made, done and executed by and on behalf of PPL.

#### 9. STAFF, EMPLOYEES & WORKMEN

- 9.1. Upon the coming into effect of this Scheme, all the employees relating to the PVC pipes undertaking that were employed by PIL, immediately before the Effective Date, shall become the employees of PPL without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the PVC pipes undertaking of PIL immediately prior to the demerger of the PVC pipes undertaking.
- 9.2. PPL agrees that the service of all employees pertaining to the PVC pipes undertaking with PIL up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in PIL up to the Effective Date. PPL further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with PIL, shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 9.3. Upon the coming into effect of this Scheme, PPL shall make all the necessary contributions for such transferred employees relating to the PVC pipes undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. PPL will also file relevant intimations in respect of the PVC pipes undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of PPL for PIL.
- 9.4. In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by PIL for employees of the PVC pipes undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the PVC pipes undertaking as on the Effective Date, who are being transferred along with the PVC pipes undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of PPL and till the time such necessary funds, schemes or trusts are created by PPL, all contribution shall continue to be made to the existing funds, schemes or trusts of PIL.



## 10. CONDUCT OF BUSINESS

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

- a) PIL undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the PVC pipes undertaking, for and on account of and in trust for PPL.
- b) All profits accruing to the PIL and all taxes thereon or losses arising or incurred by it with respect to the PVC pipes undertaking shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of PPL.
- c) All accretions and depletions in relation to the PVC pipes undertaking shall be for and on account of the PPL.

10.2. With effect from the date of approval to the Scheme by the Board of Directors of PIL and PPL, and upto and including the Effective Date:

- a) PIL shall carry on the business of the PVC pipes undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- b) Except with the consent of their respective Board of Directors, PIL and PPL shall not make any change in its respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner effect the reorganization of capital of PPL.

10.3. PPL shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which PPL may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under any law for time being in force for carrying on business of PVC pipes undertaking.

10.4. From the date of filing of this Scheme with the Tribunal and upto and including the Effective Date, PIL and PPL shall, unless expressly prohibited under this Scheme, carry on their respective business in ordinary course, including payment of any dividend and with the approval of their respective Board any other activity or business as may be deemed necessary or expedient in the opinion of the Board.

## 11. TREATMENT OF TAX

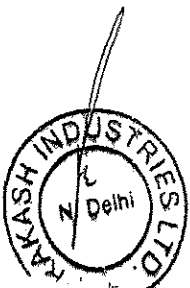
11.1. PPL will be the successor of PIL vis-à-vis the PVC pipes undertaking. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the PVC pipes undertaking and the obligations, if any, for payment of taxes on any assets of the PVC pipes undertaking or their erection and/or installation, etc. shall be deemed to have been availed by PPL, or as the case may be deemed to be the obligation of PPL.



- 11.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by PIL relating to the PVC pipes undertaking including all or any refunds/ credits/ claims/ tax losses/ unabsorbed depreciation relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of PPL.
- 11.3. PIL and PPL are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/ returns and to claim refund, advance tax, credits, excise and service tax credits, set off etc. on the basis of the accounts of the PVC pipes undertaking as vested with PPL upon coming into effect of this Scheme.
- 11.4. Any refund, under the Income-tax Act, 1961, Goods & Service Tax, Service Tax laws, Excise Duty laws, Central Sales Tax, applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to PVC pipes undertaking of PIL consequent to the assessment made on PIL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by PPL upon this Scheme becoming effective.
- 11.5. The tax payments (including, without limitation income tax, Goods & Service Tax, Service Tax, Excise Duty, Central Sales Tax, applicable State Value Added Tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the PIL with respect to the PVC pipes undertaking after the Appointed Date, shall be deemed to be paid by the PPL and shall, in all proceedings, be dealt with accordingly.
- 11.6. Further, any tax deducted at source by PIL / PPL with respect to PVC pipes undertaking on transactions with the PIL/ PPL, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the PPL and shall, in all proceedings, be dealt with accordingly.
- 11.7. Obligation for deduction of tax at source on any payment made by or to be made by PIL shall be made or deemed to have been made and duly complied with by PPL.
- 11.8. Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, Goods and Service Tax, Cenvat, Customs, VAT, Sales Tax, Service Tax etc. relating to the PVC pipes undertaking to which PIL is entitled to shall be available to and vest in PPL, without any further act or deed.
- 11.9. The Board of Directors of PIL shall be empowered to determine if any specific tax liability or any tax proceeding relates to the PVC pipes undertaking and whether the same would be transferred to PPL.

## 12. CONSIDERATION

- 12.1. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the PVC pipes undertaking of PIL in PPL, PPL shall, without any further act or deed, issue and allot to the equity shareholders of PIL, whose names appear in the Register of Members of PIL, on a date (hereinafter referred to as "Record Date") to be fixed in that behalf by the

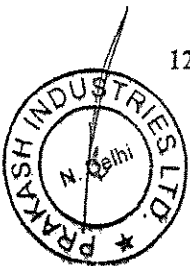




Board of Directors of PIL in consultation with PPL for the purpose of reckoning the names of the equity shareholders of PIL, in consideration for the transfer of the PVC pipes undertaking in the following proportion namely,:

*"for every 8 equity share of face value of INR10/- (Rupees Ten only) each held in PIL as on the Record Date, the equity shareholders of PIL shall be issued 1 equity share of face value INR10/- (Rupees Ten only) each credited as fully paid-up in PPL"*

- 12.2. In issue and allotment of such shares as aforesaid, the fractional entitlements of shares of any shareholders of PIL shall not be taken into account, but such shares representing fractional entitlements shall be allotted to Company Secretary of PPL upon trust/ or separate trustee nominated by PPL, who will sell them on the date of listing of PPL or within such period of listing of PPL as may be decided by the Board of Directors of PPL, and distribute their sale proceeds (less expenses, if any) to the shareholders of PIL, who are entitled to such fractional shares.
- 12.3. The new equity shares issued, pursuant to clauses 12.1 above, shall be issued and allotted in a dematerialized form to those equity shareholders who hold equity shares in PIL in dematerialized form, into the account with the depository participant in which the equity shares of PIL are held or such other account with the depository participant as is intimated by the equity shareholders of PIL to PPL before the Record Date. All those equity shareholders of PIL who hold equity shares of PIL in physical form shall also have the option to receive the new equity shares, as the case may be, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to PPL before the Record Date. In the event that PPL has received notice from any equity shareholder of PIL that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of PPL, then PPL shall issue new equity shares of PPL in accordance with clauses 12.1 above, as the case may be, in physical form to such equity shareholder.
- 12.4. The new equity shares of PPL to be issued to the shareholders of PIL in terms of this scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of PPL and shall rank pari-passu, in all respects with the then existing equity shares in PPL in all respects including dividends.
- 12.5. Where the new equity shares of PPL are to be allotted, pursuant to this scheme, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of PIL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of PPL.
- 12.6. The new equity shares to be issued by PPL, pursuant to this scheme, in respect of any equity shares of PIL, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by PPL.
- 12.7. FCCB holders that exercise the option of conversion ("Converting FCCB Holder") after the record date, PPL shall issue corresponding number of equity shares, as per the share



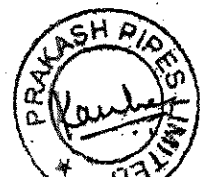
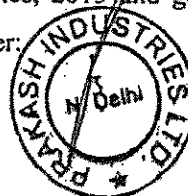
entitlement ratio mentioned in clauses 12.1 above, to such Converting FCCB Holders upon allotment of equity shares of PIL.

- 12.8. The equity shares allotted by PPL to the Converting FCCB Holder in terms of clause 12.7 above, will be listed and admitted to trading on the BSE and NSE in terms of the provisions of applicable law.
- 12.9. The approval of this Scheme shall be deemed to be due compliance of the provisions of section 62 of the Act and other relevant and the Act and applicable provisions of the Act, for the issue and allotment of new equity shares by PPL to the shareholders and Converting FCCB Holder, as provided in this Scheme.
- 12.10. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of PIL, the Board of Directors of PIL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in PIL as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to PIL or PPL of equity shares in PPL issued by PPL upon the coming into effect of this Scheme.
- 12.11. PPL shall, if and to the extent required to, apply for and/or intimate and/or obtain any approvals from the concerned regulatory authorities. PPL shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable PPL to issue and allot new equity shares to the non-residents, if any.
- 12.12. The new equity shares to be issued by PPL, in terms of this Scheme, will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of PIL are listed and/or admitted to trading in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable regulations. PPL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the aforesaid stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading. The new equity shares allotted by PPL, pursuant to this scheme, shall remain frozen in the depositories system till the listing/trading permission is given by the BSE and NSE.
- 12.13. There shall be no change in the shareholding pattern of PPL between the record date and the listing which may affect the status of this approval.

### 13. ACCOUNTING TREATMENT

#### Accounting treatment in the books of the PIL

On effectiveness of the Scheme and with effect from the Appointed Date, PIL shall account for Demerger of the PVC Pipes undertaking in its books of account in accordance with the Indian Accounting Standard (IND AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounted principles, as may be amended from time to time, as under:



- 13.1. All the Assets and the liabilities of the PVC pipes undertaking shall be reduced at their Book Value.
- 13.2. The difference between the book value of assets and book value of liabilities of the PVC pipes undertaking shall be adjusted first against the Capital Reserve and balance against the Securities Premium Reserve may be decided by the Board of Directors of PIL.
- 13.3. Upon the Scheme being effective, the investment of PIL in PPL shall stand cancelled. Upon cancellation, PIL shall credit its investment in PPL, the value of investment held by PIL in PPL, which stands cancelled and the same shall be debited to the reserves of PIL.
- 13.4. If considered appropriate for compliance with Accounting Standards, PIL may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of PIL.

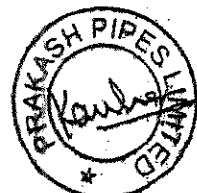
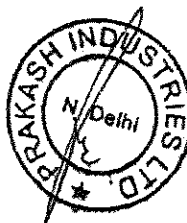
#### Accounting treatment in the books of PPL

On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the transaction, the Resulting Company shall account for Demerger of the Demerged Undertaking in its books of account in accordance with Appendix C 'Business combinations of entities under common control' of the Indian Accounting Standard (IND AS) 103 for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under:

- 13.5. PPL shall record the assets and liabilities of the PVC pipes undertaking vested in it pursuant to this Scheme at the respective Book Values thereof.
- 13.6. PPL shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the members of PIL pursuant to Clause 12 of this Scheme.
- 13.7. In respect of cancellation of shares held by PIL, PPL shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by PIL in PPL with a corresponding credit to the Capital Reserves of PPL.
- 13.8. The difference between clause 13.5 and clause 13.6 above shall be recorded as capital reserve.
- 13.9. For issue of equity shares to the Converting FCCB Holder after the record date, PPL shall credit its Equity Share Capital Account the aggregate face value of the equity shares issued and allotted to the Converting FCCB Holder with a corresponding debit to the Capital Reserves of PPL.
- 13.10. If considered appropriate for the purpose of application of uniform accounting policies and method or for compliance with the applicable Accounting Standards, PPL may make suitable adjustment and adjust the effect thereof in the manner determined by the Board of Directors of PPL.

#### 14. REDUCTION OF SHARE CAPITAL OF PPL and PIL

##### 14.1. REDUCTION OF SHARE CAPITAL OF PPL



- a) With the issue and allotment of the new equity shares by PPL to the equity shareholders of PIL in accordance with clauses 12 of the Scheme, in the books of PPL, all the equity shares issued by PPL to PIL and held by PIL shall stand cancelled, extinguished and annulled on and from the Effective Date.
- b) The cancellation, as aforesaid, which amounts to reduction of share capital of PPL, shall be effected as an integral part of this Scheme itself in accordance with the provisions of section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.
- c) Notwithstanding the reduction as mentioned above, PPL shall not be required to add "and reduced" as suffix to its name and PPL shall continue in its existing name.

#### 14.2. REDUCTION OF SHARE CAPITAL OF PIL

- a) The reduction under Clause 13 in the capital reserve and securities premium account of PIL shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 66 of the Act and the order of the Tribunal, as the case may be, as applicable sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The approval granted by the shareholders to the Scheme shall be deemed to be the approval for the purpose of Section 66 and other relevant provisions of the Act. PIL and PPL shall not be obliged or required to call for a separate meeting of its shareholders/ creditors for obtaining their approval for sanctioning the reduction in capital reserves and / or securities premium account. The reduction does not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital under the provisions of Section 66 of the Act.
- b) Notwithstanding the reduction as mentioned above, PIL shall not be required to add "and reduced" as suffix to its name and PIL shall continue in its existing name.

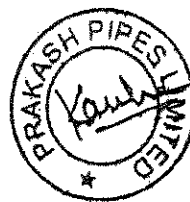
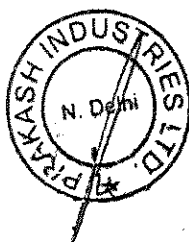
#### 15. REMAINING BUSINESS TO CONTINUE WITH PIL

- 15.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by PIL subject to the provisions of the Scheme.
- 15.2 All legal or other proceedings by or against PIL under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of PIL in respect of the Remaining Business) shall be continued and enforced by or against PIL. PPL shall in no event be responsible or liable in relation to any such legal or other proceedings by or against PIL.



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

- a) PIL shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- b) all profits and income accruing or arising to PIL, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of PIL; and
- c) all employees relatable to the Remaining Business shall continue to be employed by PIL and PPL shall not in any event be liable or responsible for any claims whatsoever regarding such employees.



**PART C - GENERAL TERMS & CONDITIONS**

**16. APPLICATION TO TRIBUNAL**

The Companies shall, with all reasonable dispatch, make necessary applications/petitions under Sections 230 to 232 of the Act read with section 66 of the Act, and other applicable provisions of the Act to the Tribunal for seeking sanction of this Scheme.

**17. MODIFICATION OR AMENDMENTS TO THE SCHEME**

17.1. PIL and PPL, by their respective Boards of Directors (the "Board", which term shall include committee thereof and/or person(s) authorized by the Board or the committee), may assent to/make and/or consent to any modifications/amendments of any kind to the Scheme or to any conditions or limitations that the Tribunal, as the case may be, as applicable and/or any other authority (including SEBI and stock exchanges) under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board).

17.2. PIL and PPL by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

**18. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

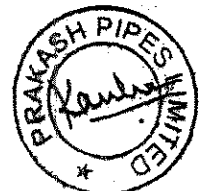
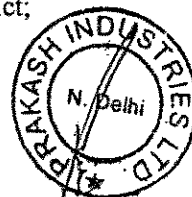
18.1. The requisite consent, approval or permission from BSE and NSE and/or SEBI under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, which by law or otherwise may be necessary for the implementation of this Scheme in compliance with the provisions of SEBI Circular;

18.2. The approval of the Scheme by the respective requisite majorities of the shareholders and/or creditors (where applicable) of the Companies in accordance with Section 230 to 232 of the Act read with section 66 of the Act;

18.3. The Scheme being sanctioned by the Tribunal in terms of Sections-230 to 232 read with section 66 of the Act and other relevant provisions of the Act and the requisite orders of the Tribunal;

18.4. Such other approvals and sanctions including from government authorities or contracting party as may be required by law or contract for the Scheme.

18.5. Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the RoC by PIL and PPL as per the provisions of the Act;



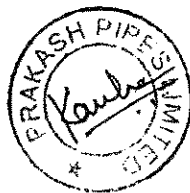
19. **EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of the Companies shall mutually waive such conditions as they may consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.

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

20. **COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of PIL and PPL arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by PIL.





# Prakash Industries Limited

Near I.O.C.L. Depot, Najafgarh - Bijwasan Road,  
Bijwasan, New Delhi-110061. CIN : L27109HR1980PLC010724  
Tel. : 25305800, 28062115, Fax : 91-11-28062119  
E-mail : pilho@prakash.com, Website : www.prakash.com

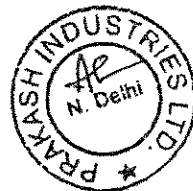
CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF PRAKASH INDUSTRIES LIMITED ("THE COMPANY") IN THEIR MEETING HELD ON 24<sup>TH</sup> AUGUST, 2017 AT ITS CORPORATE OFFICE SITUATED AT SRIVAN, BIJWASAN, NEW DELHI- 110061

**Approval of Scheme of Arrangement between Prakash Industries Limited and Prakash Pipes Limited and their Respective Shareholders and Creditors ("the Scheme")**

"RESOLVED THAT pursuant to the provisions of sections 230 to 232 read with section 66 and other applicable provisions, if any, of the Companies Act, 2013 and related applicable rules and regulations (including any statutory modification(s) or re-enactment(s) thereof), relevant provisions of the Memorandum of Association and Articles of Association of the company, the recommendation of the Audit Committee of the company vide its report dated 24<sup>th</sup> August 2017, and subject to the requisite approvals of shareholders and creditors of the company and other approvals and permissions of the Stock Exchange, Securities and Exchange Board of India ("SEBI"), National Company Law Tribunal, Chandigarh Bench ("NCLT"), and other regulatory or government bodies, as may be necessary under the applicable laws, the draft Scheme providing for the demerger of PVC Pipes undertaking (as defined in the Scheme) of the company into Prakash Pipes Limited, as per the draft Scheme of Arrangement between Prakash Industries Limited and Prakash Pipes Limited and their respective shareholders and creditors ('the Scheme'), placed before the Board and initialed by the Chairman of the Meeting for the purpose of identification, be and is hereby approved."

"RESOLVED FURTHER THAT the appointed date shall be 1<sup>st</sup> April, 2018, or such other date as may be mutually decided by the Board of Directors of the company and Prakash Pipes Limited, or such date as may be modified / fixed by the order of the NCLT."

"RESOLVED FURTHER THAT the net worth certificate dated 24<sup>th</sup> August, 2017 issued from M/s Chaturvedi & Company, Chartered Accountants, Statutory Auditors of the Company, be and is hereby taken on record and approved."





“RESOLVED FURTHER THAT the certificate dated 24<sup>th</sup> August 2017 issued by M/s Chaturvedi & Company, Chartered Accountants, Statutory Auditors of the Company , certifying percentage turnover and profitability of the division being hived off vis-à-vis the other divisions of the company, be and is hereby taken on record and approved.”

“RESOLVED FURTHER THAT the National Stock Exchange of India Limited (“NSE”) is hereby appointed as the designated stock exchange for the purposes of coordination with the Stock Exchanges and the SEBI in respect of the above Scheme and matters connected therewith.”

“RESOLVED FURTHER THAT the report from the Audit Committee dated 24<sup>th</sup> August 2017, recommending the draft scheme for favorable consideration by the stock exchanges and SEBI and accordingly in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March, 2017 (“SEBI Circular”) be and is hereby approved for submission to the stock exchanges and SEBI.”

“RESOLVED FURTHER THAT the appointment of Price Waterhouse & Co. LLP, Chartered Accountants as Valuer, and Finshore Management Services Limited as the Merchant Banker, be and is hereby approved and ratified, and hereby authorize Mr. Vikram Agarwal, Managing Director and Mr. Kanha Agarwal, Joint Managing Director to fix their remuneration.”

“RESOLVED FURTHER THAT the following documents pursuant to SEBI Circular are considered and hereby approved by the Board:

- (a) Share entitlement Report from Price Waterhouse & Co. LLP, Chartered Accountants providing the share entitlement ratio as under:

“for every 8 (Eight) equity shares of face value of Rs.10/- (Rupees Ten only) each held in Prakash Industries Limited as on the Record Date, the equity shareholders of Prakash Industries Limited shall be issued 1 (One) equity share of face value Rs.10/- (Rupees Ten only) each credited as fully paid-up in Prakash Pipes Limited”;

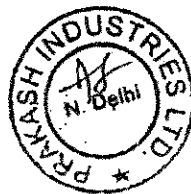
- (b) Fairness Opinion from Finshore Management Services Limited, Merchant Banker; and
- (c) Certificate as per para I(A)(5) of Annexure – I of the SEBI Circular from M/s Chaturvedi & Company, Chartered Accountants, Statutory Auditors of the company, confirming the compliance
- (d) with the applicable accounting standards notified under the Companies Act, 2013 and other generally accepted accounting principles.”



"RESOLVED FURTHER THAT an undertaking certified by M/s Chaturvedi & Company, Chartered Accountants, Statutory Auditors stating the reasons for non-applicability of the conditions as mentioned in Para 9 of Annexure I of the SEBI Circular be and is hereby reviewed, noted and approved."

"RESOLVED FURTHER THAT Mr. Vikram Agarwal, Managing Director, Mr. Kanha Agarwal, Joint Managing Director, Mr. P.L. Gupta, Whole Time Director & Chief Financial Officer and Mr. Ashwini Kumar, Company Secretary of the Company, be and are hereby severally authorized on behalf of the Board, inter alia, to:

- (a) Finalizing and sending of Notice and Explanatory Statement under Section 102 of the Companies Act, 2013, publication of advertisement, etc.;
- (b) Finalise and settle the draft Scheme with such modifications as they may deem fit which do not amount to a material change in the substance of the Scheme;
- (c) Make and agree to such alterations, conditions and changes to the Scheme as may be necessary for satisfying the requirements or conditions prescribed or imposed by the Central Government or the NCLT, or any other authority concerned (including stock exchanges, SEBI, Registrar of Companies ("ROC"), Regional Director, tax authorities, etc.) and to sign/ execute all such applications, letters, writings, undertakings, certificates, confirmations and all other documents, deeds as may be necessary in this regard;
- (d) Make applications, petitions, replies, affidavits and file forms to the relevant authorities, including stock exchanges and other persons (including shareholders and creditors) for their approval to the Scheme, and to make such disclosures to the government and regulatory authorities concerned (including stock exchanges, SEBI, Registrar of Companies ("ROC"), Regional Director, tax authorities, etc.) and other persons as may be required in relation to the Scheme or giving effect to thereto and for that purpose to undertake all necessary actions including signing / executing all such applications, letters, writings, affidavits, undertakings, certificates, confirmations and all other documents, deeds, etc. as may be necessary in this regard;
- (e) File application with NCLT or such other appropriate authority seeking directions as to convening / dispensing with the meeting of the shareholders/ creditors of the company and where necessary, to take steps to convene and hold such meetings as per the directions of NCLT/ other authorities concerned;
- (f) Appoint, engage, renew or terminate any lawyers, advocates or firm of advocates, legal advisors, chartered accountants, valuers, merchant bankers, service providers and consultants on such terms and conditions as deemed fit, to complete the demerger process under the provisions of sections 230 to 232 read with section 66 of the Companies Act, 2013 and related applicable rules and regulations;



- (g) Execute, sign, submit and deliver all necessary petitions, pleadings, affidavits, notices for summons, vakalatnamas, applications, letters, writings, undertakings, certificates, confirmations, issue public advertisement, and/ or any other documents and/ or papers;
- (h) Move/ initiate appropriate proceedings in the relevant NCLT and/ or other regulatory authorities, for giving effect to the Scheme of Arrangement for the said demerger and to accept and carry out any alterations, changes, deletions, amendments, etc. to the Scheme or to any of the documents in connection with the Scheme as may be required by the NCLT or Central Government or any of its departments or by SEBI or any other authority as aforesaid or as may deemed expedient or necessary;
- (i) Represent the company before NCLT, any other regulatory and/or statutory authorities and departments in connection with the above matter;
- (j) Settle any questions, remove any difficulties or doubts that may arise from time to time in regard to the proposed Scheme;
- (k) Accepting services of notices or other process which may from time to time be issued in connection with the matter aforesaid and also to serve any such notices or other processes to parties or persons concerned;
- (l) Delegate to any other officer of the company or any lawyer or counsel as may be deemed necessary or prudent, any or all of their powers in connection therewith;
- (m) Affix common seal of the company, if required, on any deed or documents in this regard as per the provisions of the Articles of Association of the company;
- (n) Do all such acts, deeds, matters and things as may be deemed necessary, expedient, incidental or consequential in connection with the approval and implementation of the Scheme including satisfaction of the conditions of effectiveness of the Scheme and the closing actions under the Scheme. and as may be required to be done to give effect to this resolution."

"RESOLVED FURTHER THAT Mr. P.L. Gupta, Whole Time Director & Chief Financial Officer and Mr. Ashwini Kumar, Company Secretary of the Company be and is hereby authorized severally to issue any fresh resolution on all or any of the matters referred above or incidental thereto and to do all such acts, deeds and things as may be required to be done to give effect to the above resolution including furnishing certified copy of the resolution to any authority, person or government body."

Certified to be true  
For Prakash Industries Limited

*Ashwini Kumar*  
Ashwini Kumar  
Company Secretary





Srivan, Bijwasan, New Delhi - 110061

CIN : U25209PB2017PLC046660

Tel. : 25305800, 28062115 Fax : 91-11-28062119

E-mail : pplho@prakash.com Website : www.prakash.com

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF PRAKASH PIPES LIMITED ("THE COMPANY") IN THEIR MEETING HELD ON 24<sup>TH</sup> AUGUST 2017 AT ITS CORPORATE OFFICE SITUATED AT SRIVAN, NAZAFGARH BIJWASAN ROAD, BIJWASAN, DELHI-110061**

**Approval of Scheme of Arrangement between Prakash Industries Limited and Prakash Pipes Limited and their Respective Shareholders and Creditors ("the Scheme")**

"RESOLVED THAT pursuant to the provisions of sections 230 to 232 read with section 66 and other applicable provisions, if any, of the Companies Act, 2013 and related applicable rules and regulations (including any statutory modification(s) or re-enactment(s) thereof), relevant provisions of the Memorandum of Association and Articles of Association of the company, and subject to the requisite approvals of shareholders and creditors of the company and sanction of the National Company Law Tribunal, Chandigarh Bench ("NCLT") constituted under the provisions of the Companies Act, 2013, and such other regulatory or government bodies, as may be necessary under the applicable laws, the draft Scheme providing for the demerger of PVC Pipes undertaking (as defined in the Scheme) of Prakash Industries Limited into the company, as per the draft Scheme of Arrangement between Prakash Industries Limited and Prakash Pipes Limited and their respective shareholders and creditors ("the Scheme"), placed before the Board and initialed by the Chairman of the Meeting for the purpose of identification, be and is hereby approved."

"RESOLVED FURTHER THAT the share entitlement report dated 24<sup>th</sup> August 2017 prepared by M/s Price Waterhouse & Co. LLP, Chartered Accountants providing the share entitlement ratio in connection with the Scheme, as placed before the Board, be and is hereby taken on record and approved for the purposes of the Scheme."

"RESOLVED FURTHER THAT the net worth certificate dated 24<sup>th</sup> August 2017 issued by M/s G.R. Keswani & Co., Chartered Accountants/ Statutory Auditors, be and is hereby taken on record and approved."

"RESOLVED FURTHER THAT Mr. Vikram Agarwal, Director, and Mr. Kanha Agarwal, Director of the Company, be and are hereby severally authorized on behalf of the Board, to finalise and sign the Scheme and to make such alteration and changes therein as may be expedient or necessary for satisfying the requirements or conditions imposed by any relevant authority including but not limited to, National



Regd. Office : Darjiyan Wall Gali, Rayya The-Baba Bakala, Amritsar-143112 (Pb.)



Srivan, Bijwasan, New Delhi - 110061

CIN : U25209PB2017PLC046660

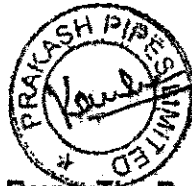
Tel. : 25305800, 28062115 Fax : 91-11-28062119

E-mail : pplho@prakash.com Website : www.prakash.com

Company Law Tribunal, any court of competent jurisdiction, or relevant regulatory or government authority and do all such acts, deeds and things on behalf of the company in connection with the Scheme or with respect to any condition under the Scheme including any conditions as to effectiveness or with respect to any other filings that may be required to be performed by the company."

**"RESOLVED FURTHER THAT** Mr. Vikram Agarwal, Director and Mr. Kanha Agarwal, Director of the Company, be and are hereby severally authorized on behalf of the Board, inter-alia, to take all such steps as may be necessary in connection with the following:

- (a) To make such filings as may be necessary with any court/ tribunal/ authority of competent jurisdiction or regulatory authority in any relevant jurisdiction;
- (b) To take all steps as may be required, including without limitation for obtaining approvals, consents, and/ or orders of the shareholders, creditors, banks, financial institutions, other third parties and other regulatory authorities or entities or agencies or the court/ tribunal of competent jurisdiction as may be required from time to time in that behalf;
- (c) Make and agree to such alterations, conditions and changes to the Scheme as may be necessary for satisfying the requirements or conditions prescribed or imposed by the Central Government or the NCLT, or any other authority concerned (including Registrar of Companies ("ROC"), Regional Director, tax authorities, etc.) and to sign/ execute all such applications, letters, writings, undertakings, certificates, confirmations and all other documents, deeds as may be necessary in this regard;
- (d) Make applications, petitions, replies, affidavits and file forms to the relevant authorities, including stock exchanges and other persons (including shareholders and creditors) for their approval to the Scheme, and to make such disclosures to the government and regulatory authorities concerned (Registrar of Companies ("ROC"), Regional Director, tax authorities, etc.) and other persons as may be required in relation to the Scheme or giving effect to thereto and for that purpose to undertake all necessary actions including signing / executing all such applications, letters, writings, affidavits, undertakings, certificates, confirmations and all other documents, deeds, etc. as may be necessary in this regard;
- (e) File application with NCLT or such other appropriate authority seeking directions as to convening / dispensing with the meeting of the shareholders/ creditors of the company and where necessary, to take steps to convene and hold such meetings as per the directions of NCLT/ other authorities concerned;
- (f) To take necessary action in this regard and take all necessary steps as are required for the implementation of the Scheme in all respects whatsoever and to give such direction as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to



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# Prakash Pipes Limited

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Sriwan, Bijwasan, New Delhi - 110061

CIN : U25209PB2017PLC046660

Tel. : 25305800, 28062115 Fax : 91-11-28062119

E-mail : pplho@prakash.com Website : www.prakash.com

- and of the meaning or interpretation of the Scheme or implementation thereof or in any manner connected therewith or to review the position relating to the satisfaction of the various conditions of the Scheme and if necessary, to waive any of those (to the extent permissible under law);
- (g) To engage such other consultants, advocates, financial and legal advisors on behalf of the company, in respect of the Scheme;
- (h) To execute, sign and issue, the requisite approvals/ authorizations/ consents/ no-objections, on behalf of the company, in respect of the Scheme;
- (i) Represent the company before NCLT, any other regulatory and/or statutory authorities and departments in connection with the above matter;
- (j) To sign all documents, applications, petitions, affidavits, Vakalatnama, representations, pleadings, etc. which are required to be signed, executed, delivered for carrying into effect the said Scheme in all respects whatsoever and/ or for obtaining directions (including but not limited to, from the NCLT) and to deliver certified copy of this resolution to any concerned party or authorities and for this purpose, to appear in person and/ or represent the company before the NCLT or any other authority; and
- (k) Accepting services of notices or other process which may from time to time be issued in connection with the matter aforesaid and also to serve any such notices or other processes to parties or persons concerned;
- (l) Delegate to any other officer of the company or any lawyer or counsel as may be deemed necessary or prudent, any or all of their powers in connection therewith;
- (m) Affix common seal of the company, if required, on any deed or documents in this regard as per the provisions of the Articles of Association of the company;
- (n) Do all such acts, deeds, matters and things as may be deemed necessary, expedient, incidental or consequential in connection with the approval and implementation of the Scheme including satisfaction of the conditions of effectiveness of the Scheme and the closing actions under the Scheme, and as may be required to be done to give effect to this resolution."

"RESOLVED FURTHER THAT Mr. Kanha Agarwal, Director be and is hereby authorized to issue any fresh resolution on all or any of the matters referred above or incidental thereto and to do all such acts, deeds and things as may be required to be done to give effect to the above resolution including furnishing certified copy of the resolution to any authority, person or government body."

Certified to be true

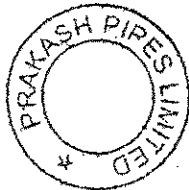
For Prakash Pipes Limited



Kanha Agarwal

Director

DIN: 06885529



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