

**SCHEME OF AMALGAMATION
BETWEEN
XENOS AUTOMOTIVE LIMITED
AND
PRICOL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

PART - 1

1. PREAMBLE

1.1 THE SCHEME

This Scheme of Amalgamation provides for the amalgamation of Xenos Automotive Limited (Transferor Company) with Pricol Limited (Transferee Company) pursuant to the applicable provisions of the Companies Act.

1.2 The Scheme is divided into following Parts:

Part - 1 : Deals with Preamble;

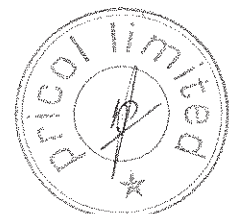
Part - 2 : Deals with Definitions;

Part - 3 : Deals with Amalgamation of Transferor Company with Transferee Company;

Part - 4 : Deals with the general terms and conditions that would be applicable to the entire Scheme.

1.3 Transferor Company:

Xenos Automotive Limited, a company incorporated under the Companies Act, 1956, bearing Corporate Identity Number: U29308TZ2002PLC010356, and having its Registered Office at 965, Harita Center, Avanashi Road, Coimbatore 641037 (hereinafter referred to as "Transferor Company") was established in the year 2002.



The Transferor Company is promoted by promoters of Transferee Company and they hold majority of shares. The present paid capital of the Transferor Company is Rs.36.20 Crores.

The Transferor Company deals with vehicle accessories in the areas of Vehicle Security Systems, Driver Assistance Systems, Audio & Video Systems, Auto Accessories like mobile charger, power sockets etc. The Transferor Company is now focusing more on manufacturing and contract manufacturing over and above the trading. The Transferor Company's brand "Xenos" is well recognized in the market.

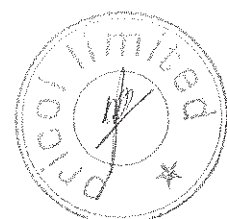
The turnover of the Transferor Company during 2012-13 is Rs. 25.47 Crores. In the current year (2013-14) upto December 2013 (9 Months), the company achieved a turnover of Rs.21.11 Crores. The accumulated losses as at 31st December 2013 is Rs.66.69 Crores.

1.4 **Transferee Company:**

Pricol Limited, a listed company incorporated under the Companies Act, 1956, bearing Corporate Identity Number: L33129TZ1972PLC000641, and having its Registered Office at 109, Race Course, Coimbatore 641018 (hereinafter referred to as "Transferee Company") was established in the year 1972.

The Transferee Company has a paid capital of Rs. 9.45 Crores and promoters hold 38.63%

The Transferee Company has six (6) manufacturing facilities across India. The Transferee Company is engaged in the business of manufacturing and selling of Driver Information Systems (Instruments Cluster, Gauges, Telematics etc.), Powertrain Products (Oil Pumps, Water Pumps etc), Sensors, Actuators and Switches and Asset Management Systems (Vehicle Tracking System etc) to Original Equipment Manufacturers (OEM) and replacement markets. At present the Transferee Company is having a market share of around 30%.

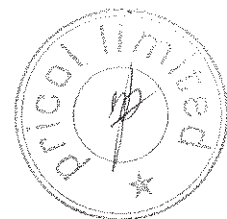


The turnover of the company during 2012-13 is Rs. 828.26 Crores and a net profit after tax is Rs. 15.74 Crores. The transferee company has Reserves and Surplus of Rs. 245.53 Crores. In the current year (Upto December 2013) the turnover of the company is Rs.616.46 Crores and a profit after tax of Rs.59.68 Crores. The Reserves and Surplus as at 31st December 2013 is Rs.308.44 Crores.

1.5 The present Scheme proposed is the amalgamation of the Transferor Company with the Transferee Company for the purpose of synergy in operations, better economical management and control.

1.6 **Rationale of the Scheme**

- a) The Transferor Company and Transferee Company are engaged in lines of business in the automotive sector;
- b) The Transferee Company is a leading manufacturer of automotive products catering to the needs of vehicle manufacturers and replacement market in India and abroad; It has good capabilities in managerial, engineering and financial areas;
- c) The Transferor Company is dealing with automotive accessories, including manufacturing and contract manufacturing and has an established network through its 15 branches and 3 warehouses situated across the country. The Transferor Company has strengths in distribution, sales and after sales services through its network across India. Over a period of time, it has established its "Xenos" brand in the after-market space.

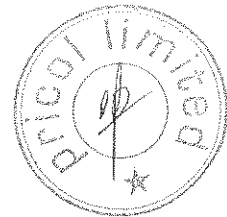


- d) An Analysis of the Auto Industry indicates that significant majority of accessories requirement is Direct to Vehicle Makers (OEM), Sale at Vehicle Makers showrooms under OEM brand name (OES) and Sale at Vehicle Makers showrooms under supplier brand name (DFS) and lately through the E-commerce platform, from the earlier dominance of the after- market channel. These market segments, hitherto untapped by the Transferor Company, can be tapped using Transferee Company's technical and managerial capabilities combined with the long standing and deep ties that the Transferee Company has with Vehicle Makers.
- e) The amalgamation will help the Transferee Company in creation of platform for a new business vertical and to act as a gateway for growth and expansion of business operations.
- f) The Transferor Company's products synergize well with the product groups of the Transferee Company like Driver Information Systems and Asset Management Products. The amalgamation would thus lead to improved customer connect and enhanced market share across product segments.
- g) By this amalgamation and through enhanced base of product offerings, the Transferee Company would serve as "One-Stop Solution Provider" for that range to the Original Equipment Manufacturers.
- h) The proposed amalgamation of the Transferor Company with the Transferee Company in accordance with this scheme would enable companies to realize benefits of greater synergies between their businesses and avail of the financial, managerial, technical, distribution and marketing resources of each other towards maximizing stakeholder value.



i) The amalgamation will result in higher value proposition for the products and operations currently being done by the Transferee Company. Synergy of operations will result in benefits such as sustained availability and better procurement terms of components. Pooling of resources in manufacturing, engineering manpower, office space and other infrastructure will lead to better utilization and avoidance of duplication of facilities. Enhanced access to marketing networks/customers, reduction of administrative work etc will also lead to higher cost efficiencies.

1.7 Both Transferor Company and Transferee Company intend that the amalgamation in accordance with this Scheme shall take effect from the Appointed Date (as defined hereinafter), but will be operative from the Effective Date (as defined hereinafter).

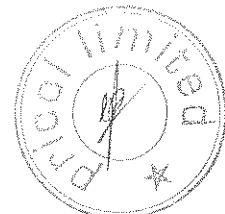


PART - 2

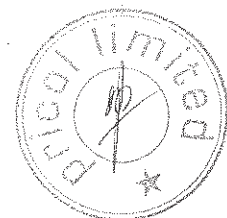
2. DEFINITIONS

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

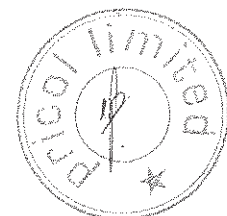
- 2.1 "**Act**" or "**Companies Act**" means the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and / or the Companies Act, 2013 (from the date of applicability as may be notified by the Government, including any statutory modification or re-enactment thereof).
- 2.2 "**Applicable provisions of the Act**" or "**Applicable provisions of the Companies Act**" means Section 391 to 394 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and / or Section 230 to 232 of the Companies Act, 2013 (from the date of applicability as may be notified by the Government, including any statutory modification or re-enactment thereof).
- 2.3 "**Appointed Date**" means the **1st January, 2014** or such other date as the Court may direct for the purposes of this Scheme and for the Income Tax Act, 1961.
- 2.4 "**Board**" means Board of Directors.
- 2.5 "**Effective Date**" means the date on which a certified copy of the Order of the Hon'ble High Court sanctioning this Scheme is filed with the Registrar of Companies, Tamilnadu, Coimbatore.



- 2.6 **"High Court" or "Court"** means the Hon'ble High Court of Judicature at Madras and shall include the National Company Law Tribunal (NCLT) or such other forum or authority, as may be vested with the any of the powers of a High Court under the Companies Act, if applicable.
- 2.7 **"Record Date"** shall mean a date to be fixed by the Board of Directors of the Transferee Company for purpose of issue and allotment of Equity Shares under this Scheme.
- 2.8 **"Shareholders"** means respectively the persons registered as holders of Equity Shares of the Companies concerned.
- 2.9 **"Scheme of Amalgamation" or "Scheme" or "Scheme of Arrangement"** shall mean this Scheme of Amalgamation of M/s Xenos Automotive Limited with M/s Pricol Limited in its present form or with any modification(s) approved, imposed, or directed by the shareholders of the respective Companies or the Hon'ble High Court.
- 2.10 **"SEBI Scheme Circular"** shall mean Securities and Exchange Board Circular CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013, (including any amendment/ modification or re-enactment thereof for the time being in force).
- 2.11 **"Undertaking"** shall mean and include:-
- i. All the assets, properties, current assets, investments, claims, authorities, allotments, approvals, consents, licenses, registration, contracts, engagements, arrangements, estates, interests, intellectual property rights, powers, rights and titles, benefits and advantages of whatsoever nature and wherever situate of every description belonging to or in the ownership, power and possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date (hereinafter referred to as "the assets");

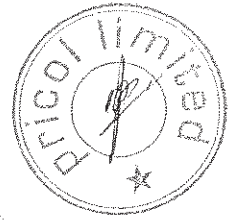


- ii. All the debts, liabilities, duties and obligations of every description of or pertaining to, the Transferor Company as on the Appointed Date (hereinafter referred to as "the liabilities");
- iii. Without prejudice to the generality of sub-clauses (i) and (ii) above, the term "Undertaking" shall include the entire business, reserves, movable and immovable assets and properties, real corporeal and incorporeal, in possession or reversion, present and contingent, all other assets (whether tangible or intangible) of whatsoever nature, investments, lease and hire-purchase contracts, rights, powers, authorities, allotments, approvals, consents, letters of intent, industrial and other licenses, registrations, contracts, engagements, arrangements, rights, titles, interests, benefits and advantages of any nature whatsoever and wheresoever situate of, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to all patents, patent rights applications, trade marks, trade names, brands, copyrights and other industrial and intellectual properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contracts, advantages, benefits, goodwill, quota rights, permits, approvals, authorizations, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services, of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements, deposits, advances, recoverables and receivables whether from government, semi-government, local authorities or any other customers, etc. and all other rights, interests, claims and powers of every kind, nature and description



of and arising to the Transferor Company and cash and bank balances, all earnest moneys and / or deposits including Security Deposits paid by the Transferor Company.

2.12 The expressions used in the Scheme of Amalgamation and not expressly defined herein shall carry the same meaning as in the Act.



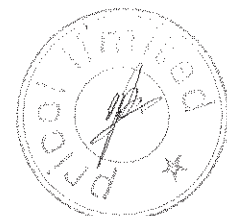
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PART - 3

THE SCHEME

3 Transfer and vesting of assets of Transferor Company

- 3.1 With effect from the Appointed Date and upon the scheme becoming effective, the undertaking and the entire business of the Transferor Company comprising of all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the applicable provisions of the Companies Act, without any further act, instrument or deed, be and stand transferred to, and vested in, and /or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the assets and liabilities of the Transferee Company and there shall be vested in the Transferee Company all the rights, titles, interests or obligations of the Transferor Company and shall be free from all encumbrances.
- 3.2 With effect from the Appointed Date and upon the Scheme becoming effective, all the assets relating to the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Transferor Company, and shall upon transfer become the property and an integral part of the Transferee Company. In respect of such of the said assets, the same shall, without any further act, instrument or deed, be transferred to and vested in, and /or be deemed to be transferred to and vested in the Transferee Company.
- 3.3 For the purpose of giving effect to the order passed under the applicable provisions of the Companies Act in respect of this Scheme, the Transferee Company shall at any time pursuant to the order on this Scheme be entitled to get the recordal of the change in the title and appurtenant legal right(s) upon the vesting of such assets of the Transferor Company in the Transferee Company.

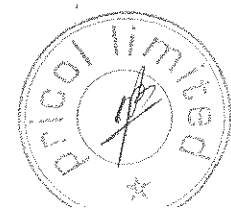


Transfer of Debts & Liabilities

- 3.4 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description attributable to the Transferor Company shall also be and stand transferred, without any further act or deed, to the Transferee Company, pursuant to the applicable provisions of the Companies Act, so as to become as from that day, the debts, liabilities, duties and obligations of the Transferee Company and the Transferee Company undertakes to meet, discharge and satisfy the same. 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, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- 3.5 All loans raised and used and liabilities incurred by the Transferor Company prior to the Effective Date, for the operations of the Transferor Company shall be discharged by the Transferee Company.
- 3.6 This Scheme although effective from the Appointed Date, shall become operative from the Effective Date.

Conduct of Business till Effective Date

- 3.7 With effect from the Appointed Date and upto the date on which this Scheme finally takes effect, the Transferor Company shall be deemed to carry on all the business and activities and stand possessed of the properties so to be transferred for and on account of, in trust for and be answerable to the Transferee Company and that the profits accruing to the Transferor Company or losses arising or incurred by it shall for all purposes be treated as the profits or losses of the Transferee Company

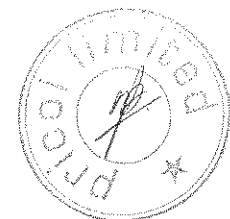


as the case may be and that the Transferor Company shall not alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business, without the consent of the Transferee Company and that the Transferor Company shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.

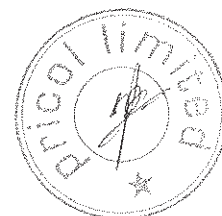
- 3.8 Until amalgamation takes place, Transferee Company may make such advances as it may deem appropriate to the Transferor Company to grow the ongoing business of the Transferor Company in terms of clause 3.7 above, provided however that, in the event of the Scheme not becoming Effective, the monies so advanced shall be required to be repaid forthwith by the Transferor Company and the Promoters of the Transferor Company severally with simple interest @ 10 % p.a.
- 3.9 All legal proceedings by or against the Transferor Company pending at the date on which this Scheme shall finally take effect, shall be continued and be enforced by or against the Transferee Company as the case may be.

Contracts, Deeds, Bonds and Other Instruments

- 3.10 Subject to the other provisions of this Scheme all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before this Scheme becomes finally effective, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.



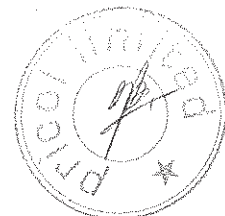
- 3.11 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, registrations, trademarks, patents, copy rights, privileges, powers, facilities, subsidies, rehabilitation schemes, special status and other benefits or privileges (granted by any Government Body, local authority or by any other person of every kind and description of whatsoever nature in relation to the Transferor Company or to the benefit of which the said Transferor Company may be eligible, or having effect immediately before the Effective Date, shall be and remain in full force and effect in favour of or against the Transferee Company, as the case may be, and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a beneficiary or obligee thereto.
- 3.12 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all such statutory and regulatory permissions, licenses, approvals and consents including statutory licenses, approvals, permissions or approvals or consents required to carry on the operations of the said Transferor Company shall vest in and become available to the Transferee Company pursuant to the Scheme.
- 3.13 The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the said Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary.



- 3.14 For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company, without the process of winding up as contemplated hereinafter, shall not affect the previous operations of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party and shall not affect any right, privilege, obligation or liability, acquired, deemed to be vested or incurred under any such contracts, agreements, deeds, or any instrument and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference to the Transferee Company with effect from the Effective Date.

Continuation of Legal Proceedings

- 3.15 With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company and pending on the Effective Date, transferred in its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company. The Transferee Company also undertakes to deal with all legal or other proceedings which may be initiated by or against the Transferor Company or the Transferee Company after the Effective Date in respect of the period upto the Effective Date, in its own name and account and to the exclusion of the Transferor Company, and further undertakes to pay all amounts including interest, penalties, damages, etc., which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company for the period upto the Effective Date, and any reasonable costs incurred by the Transferor Company in respect of such proceedings started by or against it relating to the period upto the Effective Date upon submission of necessary evidence by the Transferor Company to the Transferee Company for making such payment.



Authorized, issued, subscribed and paid-up capital

3.16 The share capital of the Transferor Company as of 31st December, 2013 is as follows:

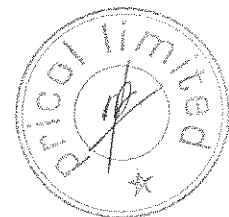
The Authorized Share Capital of the Transferor Company is Rs.362,000,000 (Rupees Three hundred and sixty two million only) divided into 36,200,000 Equity Shares of Rs. 10/- each.

The Subscribed and Paid-up Capital of the Transferor Company is Rs.362,000,000 (Rupees Three hundred and sixty two million only) divided into 36,200,000 Equity Shares of Rs. 10/- each fully paid.

The Paid-up share capital of the Transferor Company includes Rs.328,000,000 comprising of 32,800,000 equity shares of Rs.10/- each allotted in consideration, discharge and in full and final settlement of un-secured loan of Rs.328,000,000 advanced by a promoter of Transferor Company and reflected in the books of accounts of the Transferor Company

3.17 The share capital of the Transferee Company as of 31st December, 2013 is as follows:

The Authorized Share Capital of the Transferee Company is Rs.100,000,000 (Rupees One Hundred million only) divided into 100,000,000 Equity Shares of Re. 1/- each. The Subscribed and Paid-up Capital of the Transferee Company is Rs.94,500,000 (Rupees Ninety four million and five hundred thousand only) divided into 94,500,000 Equity Shares of Re. 1/- each fully paid.

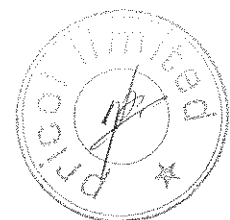


3.18 Upon the coming into effect of this Scheme:-

- a) Clause V of the Memorandum of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to the applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause;

"The Authorized Share Capital of the Company is Rs.462,000,000 (Rupees Four hundred and sixty two million only) divided into 462,000,000 (Four hundred and sixty two million) equity shares of Re.1/- each."

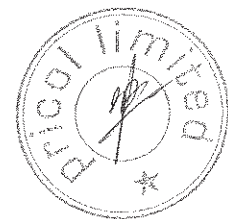
- b) The Board of Directors (or any committee thereof) of the Transferor Company shall without any further act, instrument or deed be and stand dissolved.
- c) Subject to an order being made by the Hon'ble High Court under the applicable provisions of the Companies Act, the Transferor Company shall be dissolved without the process of winding-up, upon the Scheme becoming effective in accordance with the provisions of the Act and rules made thereunder.
- d) The resolutions and / or agreements, if any, of the Transferor Company and / or Transferee Company which is valid and subsisting on the effective date shall continue to be valid and subsisting till the end of the period covered under the resolutions and / or agreements irrespective of the increase in paid-up capital of the Transferee Company arising out of issue of new equity shares under the Scheme.



Issue of Shares of Transferee Company

3.19 Upon the Scheme becoming fully effective, in consideration of the transfer and vesting of the entire undertaking of the Transferor company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further act or deed, issue and allot:-

- a) One Equity Share of Re.1/- each credited as fully paid up of the Transferee Company for every 122 Equity Shares of Rs.10/- each fully paid-up held by the Equity Shareholders in the Transferor Company, whose names are recorded in the Register of Members, on a date (hereinafter referred to as the "Record Date") to be fixed by the Board of Directors of the Transferee Company. The Equity Shares so issued and allotted, shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company.
- b) No fractional shares shall be issued by the Transferee Company in respect of fractional entitlement to which the shareholders of Transferor Company may be entitled to on issue and allotment of shares as aforesaid by the Transferee Company. All such fractions shall be consolidated into full equity shares which shall be allotted by the Board of Directors of Transferee Company at its discretion to any nominees of Transferee Company upon trust to sell the shares so allotted and to distribute the sale proceeds to those shareholders of the Transferor Company who are entitled to such fractions in the proportion to which they are so entitled.

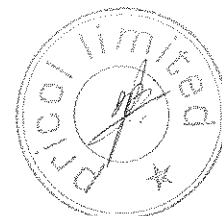


Tax Treatment

3.20 Tax Treatment: Pursuant to the transfer of the Undertaking as provided under this Scheme, and subject to the provisions in the Scheme, all tax returns, filings, assessments, payments, deductions, withholding, rebates, benefits, incentives, set-offs, carry-forward tax losses, unabsorbed depreciation and other rights, liabilities and obligations whatsoever of the Transferor Company, shall also be and stand transferred or deemed to be transferred, without further act, instrument, deed, matter or thing, to the Transferee Company, pursuant to the provisions of Companies Act so as to become as and from the Appointed Date, the rights, liabilities and obligations of the Transferee Company. The carry forward of the tax losses and unabsorbed depreciation of the Transferor Company shall be available to the Transferee Company for set off. The Transferee Company shall have the right to rectify tax returns and file revised tax returns and seek re-assessment or revisions in assessment or rectification of mistakes in filings, returns or assessment in respect of any period(s) prior to the Effective Date in the manner and to the same extent as would or might have been done by or against the Transferor Company. For the purpose of giving effect to the provisions of this Clause, it shall not be necessary to obtain the consent of any third party or authority.

Accounting Treatment

3.21 The Transferee Company shall upon the Scheme becoming effective, record the assets and liabilities of the Transferor Company transferred to and vested in it pursuant to this Scheme at their book values as appearing in the books of the Transferor Company as at the close of business of a day immediately preceding the Appointed Date.



- 3.22 In respect of inter-company outstanding balances between the Transferor Company and the Transferee Company of Rs.36.15 Crores owed by Transferor Company towards the supplies made by Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company.
- 3.23 The excess / short fall in the book value of the assets over the value of the liabilities of the Transferor Company transferred and vested in the Transferee Company pursuant to this Scheme shall be credited / debited to General Reserve Account of the Transferee Company, as the case may be.
- 3.24 The difference between the share capital issued / allotted under this Scheme and the amount of share capital of the transferor company shall be credited to the General Reserves of the Transferee Company.
- 3.25 The debit balance in Profit & Loss Account appearing in the financial statement of the transferor company shall be transferred and adjusted against the General Reserves of the Transferee Company.
- 3.26 With effect from the Appointed Date, all profits, reserves, income accruing to or losses and expenditure arising or incurred by the Transferor Company shall for all purposes, be treated as the profits or reserves or income or losses or expenditure, as the case may be of the Transferee Company.
- 3.27 In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the General Reserve



Account to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

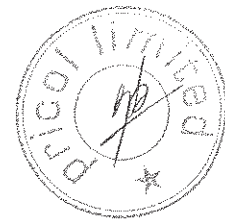
- 3.28 Notwithstanding anything contained in these clauses, all adjustments against Reserves in the books of accounts of the Transferee Company shall be in accordance with Accounting Standard 14 prescribed by the Institute of Chartered Accountants of India.
- 3.29 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Act, shall without further act or deed stand enhanced by an amount being the aggregate liabilities of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company.
- 3.30 The financial statement, as on the Appointed Day, on giving effect to the Scheme, in terms hereof, shall be as set out in Schedule-I herewith.

Employees

- 3.31 Upon the Scheme becoming effective, all the employees in service of the Transferor Company, on the date immediately preceding the date on which this Scheme finally takes effect i.e. "The Effective date" shall become the employees of the Transferee Company on the basis that:
- a) Their services shall have been continuous and shall not have been interrupted by reason of amalgamation.
 - b) The terms and conditions of service applicable to the said employees after such transfer shall not in any way be less favourable than those applicable to them immediately before the transfer.



- c) It is expressly provided that as far as Provident Fund, Gratuity Fund, Super Annuation Fund or any other Special Fund created or existing for the benefit of the staff, workmen and the employees of the said Transferor Company is concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such Funds or in relation to the obligation to make contribution to the said Funds in accordance with the provisions of such Funds as per the terms provided in the respective Trust Deeds. It is the aim and intent that all the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in the said Transferor Company under such Funds and Trusts shall be protected. It is clarified that the services of the employees of the said Transferor Company will also be treated as having been continuous for the purpose of the aforesaid Funds.



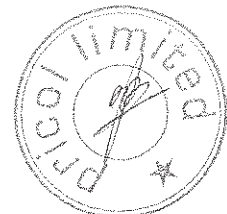
PART - 4

General Terms

- 4.1 The Transferor Company and the Transferee Company shall, with all reasonable despatch, make applications / petitions under the applicable provisions of the Companies Act to the Hon'ble High Court of Judicature at Madras or any other Competent Authority under the Act for sanctioning this Scheme of Amalgamation and for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law.

Modifications/Amendments to the Scheme

- 4.2 The Transferor Company and the Transferee Company through their respective Board of Directors or other persons duly authorized by the respective Boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Hon'ble High Court of Judicature at Madras or any other Competent Authority under law may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, questions or difficulty, arising under the scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things necessary for putting this scheme into effect.
- 4.3 After dissolution of the Transferor Company, the Transferee Company by its Board of Directors or other persons, duly authorized by its Board in this regard, shall be authorized, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the Hon'ble High Court of Judicature at Madras or of any directive or order of any other authorities or otherwise, however, arising out of, under or by virtue of this Scheme and /or matters concerning or connected therewith.



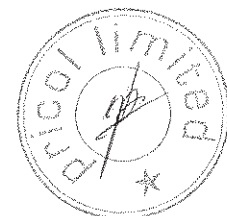
Operative date of the Scheme

4.4 The Scheme shall be operative with effect from the Appointed Date ie.1st January, 2014 but shall be effective from the Effective Date.

Scheme conditional on approval/sanctions:

4.5 This Scheme is conditional upon and subject to:-

- a) The Scheme being agreed to (in the manner prescribed) by the respective requisite majorities of the shareholders and / or creditors of the Transferor Companies and the Transferee Company, as the case may be, as required under the Act and / or the SEBI Scheme Circular, as applicable, and the requisite order of the High Court of Judicature at Madras being obtained;
- b) For the Transferee Company, the approval of the shareholders shall be through special resolution passed through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, and such special resolution shall be acted upon only if the votes cast by public shareholders in favour of the Scheme are more than the number of votes cast by public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957.
- c) Such other sanctions and approvals including any statutory or regulatory authority, as may be required by law and
- d) Filing of the certified copies of the orders of the High Court sanctioning the Scheme with the Registrar of Companies, Tamilnadu, Coimbatore within such time as may be specified by the High Court or such extended time as approved by the High Court.



Effect of non-receipt of approvals/sanctions

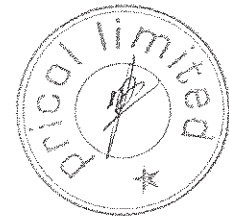
- 4.6 In the event of the Scheme not being sanctioned by the Hon'ble High Court of Judicature at Madras and / or the order or orders not being passed as aforesaid before 31st December, 2014 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company who are hereby empowered and authorized to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through, and by their respective Board of Directors, the Scheme shall become null and void and in that event no rights and liabilities shall, inter se accrue between the parties in terms of the Scheme.

Expenses connected with the Scheme

- 4.7 All costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company. In the event of this Scheme not being implemented each party shall bear its respective costs, charges and expenses.

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for pricol limited


T.G. Thamizhanban
Company Secretary



Schedule-I

The financial statement of Transferee Company,
as on the Appointed Day (1st January 2014),
on giving effect to the Scheme

	Rs. Crores
	Pricol Post amalgamation
I. EQUITY AND LIABILITIES	
Authorised Share Capital	46.200
(1) Shareholders' funds	
(a) Share Capital	9.480
(b) Reserves and Surplus	277.915
(2) Non Current Liabilities	12.062
(3) Current Liabilities	254.599
Total	554.056
II. ASSETS	
(1) Non Current Assets	257.301
(2) Current Assets	296.755
Total	554.056

CERTIFIED TRUE COPY

for pricol limited


T.G. Thamizhanban
Company Secretary

