

**IN THE HIGH COURT OF JUDICATURE AT MADRAS**

**(ORDINARY ORIGINAL CIVIL JURISDICTION)**

**COMPANY APPLICATION NO. 440 OF 2016**

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

And

In the matter of Section 391 to 394 of the Companies Act, 1956 read with Section 100 to 104 of the Companies Act, 1956 and Section 13 of the Companies Act, 2013

And

**IN THE MATTER OF SCHEME OF AMALGAMATION**

**BETWEEN**

**PRICOL LIMITED**

**AND**

**PRICOL PUNE LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**Pricol Limited,**

a company incorporated under the Companies Act, 1956 and having its

Registered Office at "CPMTowers"

109, Race Course, Coimbatore 641018.

..Applicant/Transferor Company

**NOTICE OF POSTAL BALLOT / E-VOTING**

Notice in pursuant to Section 110 of the Companies Act, 2013 and Section 391(2) of the Companies Act, 1956 read with Companies (Management and Administration) Rules, 2014 and Securities and Exchange Board of India (SEBI) CircularNo.CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November 2015.

To

The Equity Shareholders of the Applicant /Transferor Company,

Take notice that by an Order dated 22<sup>nd</sup> April, 2016 in C.A.No. 440 of 2016, the Hon'ble High Court of Judicature at Madras has permitted the Applicant Company to seek approval of the Equity Shareholders of the Applicant Company for the Scheme of Amalgamation of Pricol Limited with Pricol Pune Limited by way of Postal Ballot / E-voting in terms of Section 391(2) of the Companies Act, 1956 and in terms of Securities and Exchange Board of India (SEBI) Circular CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February 2013, CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May 2013 and CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November 2015.

The Hon'ble High Court of Judicature at Madras has appointed Mr.Vijay Mohan, Chairman of the Applicant Company to be the Chairperson and Mr. Vikram Mohan, Director of the Applicant Company to be the Alternate Chairperson for the purpose of conducting the said Postal Ballot / E-voting.

In pursuance of the said Order, the following are enclosed herewith:-

- 1) Proposed Resolution; (Page No. 2)
- 2) Explanatory Statement for the said resolution setting out the material facts and reasons required under Section 393 of the Companies Act, 1956; (Page No. 3)
- 3) Instructions to Postal Ballot and E-voting; (Page No. 10)
- 4) Scheme of Amalgamation; (Page No. 12)
- 5) Observation letters of BSE Limited and National Stock Exchange of India Limited: (Page No. 32)
- 6) Complaints Report filed with Stock Exchanges; (Page No. 36)
- 7) Fairness Opinion; (Page No. 37) and
- 8) Postal Ballot Form.

The shareholders are requested to carefully read the instructions for exercising voting through Postal Ballot / E-voting and return the completed Postal Ballot Form, in the enclosed self addressed postage pre-paid business

reply envelope (if posted in India) so as to reach the Scrutinizer, Unit: Pricol-Amalgamation, C/o Integrated Enterprises (India) Limited, Registrar & Transfer Agents of Pricol Limited, 2<sup>nd</sup> Floor, "KENCES" Towers, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600017 on or before the close of business hours at **5.00 p.m. Wednesday, the 22<sup>nd</sup> day of June, 2016 (Voting Date)**.

The Applicant Company is pleased to offer E-voting facility also as an alternative for physical postal ballot for its shareholders. E-voting is optional. The shareholders are requested to carefully read the instructions for exercising voting through E-voting.

The above mentioned Scheme of Amalgamation, if approved by Postal Ballot / E-voting by requisite majority, will be subject to the subsequent approval of the Hon'ble High Court of Judicature at Madras.

Place: Coimbatore  
Date: 6<sup>th</sup> May 2016

**Vijay Mohan**  
**Chairperson appointed for**  
**Conducting Postal Ballot / E-voting**

#### **PROPOSED RESOLUTION NO.1**

To consider and, if thought fit, to pass the following resolution as "Special Resolution":

**"RESOLVED** that, subject to such approvals as may be necessary from the Hon'ble High Court of Judicature at Madras under Section 391 and 394 read with Section 100 to 104 of the Companies Act, 1956 (including corresponding provisions of the Companies Act, 2013, if any applicable) and Section 13 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 / 2013 and such other statutory or other authorities, the Scheme of Amalgamation of Pricol Limited with Pricol Pune Limited be and is hereby agreed and approved.

**RESOLVED FURTHER** that, the Board of Directors of the Company and any person authorised by the Board of Directors, be and are hereby severally authorised to take all such steps as may be necessary or desirable and do all such acts, deeds, things and matters, as may be considered necessary or desirable and do all such acts, deeds, things and matters as may be considered necessary to give effect to the aforesaid Scheme of Amalgamation and this Resolution and to accept such alteration, modification and /or conditions, if any, which may be proposed, required or imposed by the Hon'ble High Court of Judicature at Madras while sanctioning the said Scheme of Amalgamation."

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**IN THE HIGH COURT OF JUDICATURE AT MADRAS**  
**(ORDINARY ORIGINAL CIVIL JURISDICTION)**  
**COMPANY APPLICATION NO. 440 OF 2016**

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In the matter of Section 391 to 394 of the Companies Act, 1956 read with Section 100 to 104  
of the Companies Act, 1956 and Section 13 of the Companies Act, 2013

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IN THE MATTER OF SCHEME OF AMALGAMATION

BETWEEN

PRICOL LIMITED

AND

PRICOL PUNE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

**Pricol Limited,**

a Company incorporated under the  
Companies Act, 1956 and having its  
Registered Office at CPMTowers, 109,  
Race Course, Coimbatore - 641018.

... Applicant /Transferor Company

**Statement under section 393 of the Companies Act, 1956**

1. Pursuant to the Order dated 22<sup>nd</sup> April, 2016 passed by the Hon'ble High Court of Judicature at Madras, in the Company Application No. 440 of 2016 referred to hereinabove, the Postal Ballot / E-voting is being organised for the purpose of considering and, if thought fit, approving the arrangement embodied in the Scheme of Amalgamation of Pricol Limited with Pricol Pune Limited by way of Special Resolution.
2. In this Statement, Pricol Limited, hereinafter referred to as "Applicant Company" / "Transferor Company", Pricol Pune Limited, hereinafter referred to as "Transferee Company". Where the context so requires, the Applicant Company and the Transferee Company are collectively referred to as the "Companies". The said Scheme of Amalgamation is hereinafter referred to as "the Scheme"
3. A copy of the Scheme of Amalgamation, setting out the terms and conditions of the amalgamation of the Transferor Company with the Transferee Company, which has been approved by the Board of Directors of Transferor Company and Transferee Company at their respective meetings held on 27<sup>th</sup> January, 2016, is enclosed.
4. The Applicant Company was incorporated in the name of Premier Instruments Coimbatore Limited on 6<sup>th</sup> March, 1972, changed its name to Premier Instruments & Controls Limited on 4<sup>th</sup> January, 1983, and again changed its name to Pricol Limited with effect from 7<sup>th</sup> July, 2004. The Registered Office of the Applicant Company is situated at 109, Race Course, Coimbatore 641018.

The Applicant Company is engaged in the business of manufacturing and selling of Driver Information Systems (Instrument 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.

The turnover of the Applicant Company for the financial year 2014-15 is Rs.900.49 crores and has Reserves & Surplus of Rs.258.06 crores. In the Current year (Up to December, 2015), the turnover of the Applicant Company is Rs.748.34 crores and Reserves & Surplus as at 31<sup>st</sup> December, 2015 is Rs.279.19 crores.

5. The Transferee Company which was originally incorporated as Pricol Pune Limited on 18<sup>th</sup> May, 2011, and changed its name as Pricol Pune Private Limited with effect from 30<sup>th</sup> April, 2012, and further changed its name as Johnson Controls Pricol Private Limited with effect from 11<sup>th</sup> July, 2012 and again changed its name

as Pricol Pune Private Limited with effect from 29<sup>th</sup> May, 2015 and once again changed its name as Pricol Pune Limited with effect from 22<sup>nd</sup> January, 2016. The Registered Office of the said Applicant Company is situated at 109, Race Course, Coimbatore 641018.

6. The Transferee Company is a 100% wholly owned subsidiary of the Applicant Company. The present paid-up share capital of the Transferee Company is Rs.10 crores.
7. The Share Capital of the Applicant Company and Transferee Company are set out in the Share Capital Clause of the Scheme.
8. The objects of the Applicant Company are as set out in the Memorandum of Association of the Applicant Company. The primary objects are, inter alia, to carry on the business of manufacturing and sale of Dashboard Instruments, Precision Instruments, Automotive Components & Parts for automotive applications.
9. The objects of the Transferee Company are as set out in the Memorandum of Association of the Transferor Company. The primary objects are, inter alia to carry on the business of Manufacturers, Exporters, Importers, Dealers in Instrument Clusters, Displays, Body Control Modules, Immobilisers for Automobiles.
10. **The Circumstances which justify and the rationale which necessitated the Scheme of Arrangement for Amalgamation, inter alia as follows:-**

**The Amalgamation is expected to enable greater realisation of potential of the businesses of the Transferor Company and the Transferee Company and have beneficial results and enhanced value creation for the Company, their respective shareholders, their respective lenders and employees of such Company. It is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company with a view to achieve the following:**

- (i) **The Amalgamation will consolidate the business. Further, the Amalgamation will provide a high level of synergistic integration of operations, better operational management and provide value addition to existing and future orders of the Transferor Company and Transferee Company by integrating the respective technical, financial and other expertise and resources.**
- (ii) **Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all assets, tangible and intangible, including those not recorded in the books of the Transferor Company, and liabilities of the Transferor Company shall be taken over by the Transferee Company and recorded at their respective fair values), improved alignment of debt and enhancement in earnings and cash flow.**
- (iii) **Under the proposed amalgamation, the Transferee Company would be able to better leverage on its large networth base, comprehensive suite of products and services, extensive corporate customer relationships, strong brand and vast talent pool. Further, the Transferee Company would have enhanced businesses potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.**
- (iv) **The proposed Amalgamation would result in financial resources of the Transferor Company and Transferee Company being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative and manpower expenses and overheads (i.e. cost rationalization), which are presently being multiplied, being separate entities. Amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances, cost and operational efficiencies as well as optimum utilization of resources which will help the Transferee Company in keeping its business competitive in the long run and enhance the value of stakeholders.**
- (v) **The Amalgamation will provide greater internal control and functional integration at various levels of the organisation such as Information Technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.**

- (vi) **The Amalgamation will facilitate debt consolidation of the Transferor Company in the Transferee Company, which will improve the debt servicing abilities through improved cash flows and simplified administration of debt both for the Transferee Company and Transferor Company and for the lenders.**

11. The Salient features of the Scheme are:-

- a) The Scheme of Amalgamation of Transferor Company with Transferee Company will take effect from "Appointed Date" i.e. 1<sup>st</sup> April, 2015 and the entire undertaking of Transferor Company shall stand transferred to and vested in Transferee Company.
- b) The "Effective Date" for the Scheme means the date on which the certified copy of the Orders of High Court of Judicature at Madras sanctioning this Scheme is filed with the Registrar of Companies, Tamilnadu, Coimbatore.
- c) The term "**Undertaking**" means and include all the business, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Transferor Company, on a going concern basis, together with all its assets, liabilities and employees and shall include (without limitation):
- (i) all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, packing, packaging material, leasehold assets and other properties, real, corporeal and incorporeal, in possession or otherwise, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including overseas subsidiaries, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangible items (whether or not recorded in the books of Transferor Company), industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, designs, logo, pre qualification rights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from Government, semi-Government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature (including but not limited to benefits of tax exemptions/incentives/benefits and/or exemption or rebate entitlements, all tax holiday, tax relief including those available under the Income Tax Act such as credit for advance tax, taxes deducted at source, minimum alternate tax credit, credit for Service Tax, CENVAT credit, input tax credit, etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by Transferor Company, as on the Appointed Date;
- ii) All the debts, loans, liabilities, duties and obligations including contingent liabilities of the Transferor Company as on the Appointed Date; and
- iii) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Company.

- d) With effect from 1<sup>st</sup> April, 2015, all the assets (including intangible assets, if any, whether or not recorded in the books of Transferor Company) and liabilities of the Transferor Company vested in it shall stand transferred to Transferee Company and recorded pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the 1956 Act and/or 2013 Act. Equity shares of the Transferee Company held by Transferor Company shall not be recorded by the Transferee Company as assets and shall be cancelled.. Till the date the Scheme finally takes effect, Transferor Company shall be deemed to carry on its business and activities and stand possessed of properties for and on account of Transferee Company.
- e) 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:-
- i) One Equity Share of Re.1/- each credited as fully paid up of the Transferee Company for every One Equity Share of Re.1/- each fully paid-up held by the Equity Shareholders in the Transferor Company, whose names are recorded in the Register of Members, as on the Record Date. The Equity Shares so issued and allotted, shall rank pari-passu in all respects with the existing Equity Shares of the Transferee Company.
  - ii) 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 two nominees of Transferee Company upon trust to sell the shares so allotted and to distribute the sale proceeds to those shareholders of Transferor Company as the case may be who are entitled to such fractions in the proportion to which they are so entitled.
- f) Upon the Scheme becomes finally effective all legal proceedings by or against Transferor Company shall be continued and be enforced by or against Transferee Company, as the case may be.
- g) Upon the Scheme becomes effective, the Transferee Company shall take over employees of Transferor Company on the same terms as they are employed by Transferor Company.
- h) For the purpose of giving effect to the Scheme of Amalgamation or to any modifications thereof the Directors of Transferee Company are authorised to give necessary directions.
- i) The Scheme is conditional on and subject to the Sanction of the Authorities concerned, approval by the requisite majority of the shareholders and sanctions of the High Court of Judicature at Madras, as may be required.
- j) Pursuant to the Scheme being effective, the Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.
- k) Pursuant to the Scheme being effective, the entire share capital of the Transferee Company held by the Transferor Company shall stand cancelled.
- l) Pursuant to the Scheme being effective, all the main objects specified in the Memorandum of Association of the Transferor Company shall be added/clubbed/included as main objects in the Memorandum of Association of the Transferee Company.
- m) Pursuant to the Scheme being effective, the name of the Transferee Company be changed from Pricol Pune Limited to Pricol Limited.
- n) Upon the coming into effect of this Scheme, the Directors of the Transferor Company shall be appointed as Directors of the Transferee Company subject to the compliance of applicable provisions of the 1956 Act or 2013 Act as may be applicable. The approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for their appointment as Directors under the applicable provisions of the 2013 Act and 1956 Act.

- o) On approval of the Scheme by the Shareholders of the Transferor Company and Transferee Company pursuant to Section 391 of the Companies Act, 1956, it shall be deemed that the said members have also accorded all relevant consents under Section 13 of the Companies Act, 2013 and Sections 100 to 104 of the Companies Act, 1956 and any other provisions of the said Acts to the extent the same may be considered applicable.
- p) The new equity shares to be issued to the Shareholders of Transferor Company shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall be listed and/or admitted to trading on the BSE Limited and National Stock Exchange of India Limited where the equity shares of Transferor Company were listed and/ or admitted for trading.

**12. The features set out above being the salient features of the Scheme of Amalgamation; the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

13. The proposed Scheme of Amalgamation was approved by the Board of Directors of the Applicant Company at the meeting held on 27<sup>th</sup> January, 2016 after considering the recommendation of the Audit Committee, Valuation Report dated 25<sup>th</sup> January, 2016 issued by M/s Sharp & Tannan, Chartered Accountants and Fairness Opinion dated 25<sup>th</sup> January, 2016 of an independent Category – I Merchant Banker M/s Centrum Capital Limited.
14. In accordance with the Circular No.CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November 2015 issued by the Securities and Exchange Board of India (SEBI), the Audit Committee of the Board of Directors of the Applicant Company had on 25<sup>th</sup> January, 2016, recommended the proposed Scheme of Amalgamation for approval of the Board.
15. BSE Limited and National Stock Exchange of India Limited have given No-objection / observation letter dated 8<sup>th</sup> April 2016 and 11<sup>th</sup> April 2016 respectively to the Scheme of Amalgamation of Pricol Limited with Pricol Pune Limited;
16. No investigation proceedings have been instituted or are pending against the Applicant/Transferor Company under Sections 235 to 250A of the Companies Act, 1956 (including corresponding provisions of the Companies Act, 2013).
17. The rights and interests of the secured and unsecured creditors, as the case may be, of the Transferor Company and the Transferee Company will not in any way be adversely affected or stand to lose or be prejudiced and that their rights and interests are well protected since after amalgamation, the Transferee Company will be continuing the business of the Transferor Company.
18. The equity shareholders of the Transferor Company prior to amalgamation shall become the equity shareholders of the Transferee Company post amalgamation. Upon the Scheme coming into effect, the Transferee Company shall issue one equity share of Re.1/- each in the Transferee Company to the every one equity share held by the shareholders of the Transferor Company in the Transferor Company. The entire share capital of the Transferee Company held by the Transferor Company shall stand cancelled.
19. The present capital structure of the Applicant Company pre and post (expected) amalgamation will be as follows:

Particulars	Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>A. Authorised Share Capital</b>				
Equity shares of Re. 1 each	48,20,00,000	48,20,00,000	-	-
<b>Total</b>	<b>48,20,00,000</b>	<b>48,20,00,000</b>	-	-
<b>B. Issued, Subscribed and Fully Paid Up Share Capital</b>				
Equity shares of Re. 1 each	9,47,96,721	9,47,96,721	-	-
<b>Total</b>	<b>9,47,96,721</b>	<b>9,47,96,721</b>	-	-

20. The present capital structure of the Transferee Company pre and post (expected) amalgamation will be as follows:

Particulars	Pre-Amalgamation		Post-Amalgamation	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>A. Authorised Share Capital</b>				
Equity shares of Re. 1 each	10,00,00,000	10,00,00,000	58,20,00,000	58,20,00,000
<b>Total</b>	<b>10,00,00,000</b>	<b>10,00,00,000</b>	<b>58,20,00,000</b>	<b>58,20,00,000</b>
<b>B. Issued, Subscribed and Fully Paid Up Share Capital</b>				
Equity shares of Re. 1 each	10,00,00,000	10,00,00,000	9,47,96,721	9,47,96,721
<b>Total</b>	<b>10,00,00,000</b>	<b>10,00,00,000</b>	<b>9,47,96,721</b>	<b>9,47,96,721</b>

21. The shareholding pattern pre and post amalgamation of the Applicant Company and the Transferee Company based as on March 31, 2016 are as under:

	Transferor Company				Transferee Company			
	Pre-amalgamation		Post-amalgamation		Pre-amalgamation		Post-amalgamation	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Promoters & Associates	3,83,47,962	40.45	-	-	-	-	3,83,47,962	40.45
Foreign Institutional Investor	5,000	0.01	-	-	-	-	5,000	0.01
Non-Resident Indians	11,39,794	1.20	-	-	-	-	11,39,794	1.20
Banks/Indian Financial Institutions	1,09,751	0.12	-	-	-	-	1,09,751	0.12
Venture Capital Funds	27,00,000	2.85	-	-	-	-	27,00,000	2.85
Insurance Companies	2,68,966	0.28	-	-	-	-	2,68,966	0.28
Bodies Corporate	1,49,41,879	15.76	-	-	10,00,00,000	100.00	1,49,41,879	15.76
Mutual Funds	27,18,333	2.87	-	-	-	-	27,18,333	2.87
Trust	8,000	0.01	-	-	-	-	8,000	0.01
Public	3,45,57,036	36.45	-	-	-	-	3,45,57,036	36.45
<b>Total</b>	<b>9,47,96,721</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>10,00,00,000</b>	<b>100.00</b>	<b>9,47,96,721</b>	<b>100.00</b>

22. The Directors of each of the Transferor Company and the Transferee Company may be deemed to be concerned and /or interested in the Scheme to the extent of their shareholding in the Transferor Company, or to the extent the said Directors are common Directors in both the Companies, or to the extent the Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and /or beneficiary of trust, that hold shares in the Transferor Company.
23. The present details of Directors of Transferee Company and their shareholding in the Transferee Company and Transferor Company as follows:-

Name of the Director	Position	Equity shares held in	
		Transferee Company	Transferor Company
Mr.Vijay Mohan	Director	Nil	98,01,178
Mr.Vikram Mohan	Director	Nil	35,21,175
Mr.S.A.Gopalakrishnan	Director	Nil	Nil
Mr.N.Subramanian	Director	Nil	Nil

24. The present details of Directors of Transferor Company and their shareholding in Transferee Company and Transferor Company are as follows:-

Name of the Director	Position	Equity shares held in	
		Transferee Company	Transferor Company
Mr.Vijay Mohan	Chairman	Nil	98,01,178
Mrs.Vanitha Mohan	Vice Chairman	Nil	37,26,488
Mr.Vikram Mohan	Managing Director	Nil	35,21,175
Mr.D.SarathChandran	Director	Nil	45,000
Mr.Suresh Jagannathan	Director	Nil	26,985
Mr.C.R.Swaminathan	Director	Nil	1,995
Mr.R.Vidhya Shankar	Director	Nil	Nil
Mr.G.Soundararajan	Director	Nil	Nil
Mr.K.Murali Mohan	Director	Nil	Nil

25. The following documents are open for inspection by the Members at the Registered Office of Applicant Company at CPM Towers, 109, Race Course, Coimbatore 641018 on any working day between 11.00 a.m. and 1.00 p.m. till 22<sup>nd</sup> June 2016:—

- a) Memorandum and Articles of Association of Applicant Company and Transferee Company.
- b) Scheme of Amalgamation;
- c) Annual Reports of the Applicant Company and Transferee Company;
- d) Valuation Report dated 25<sup>th</sup> January 2016 by M/s Sharp &Tannan, Chartered Accountants recommending share exchange ratio;
- e) Copy of the Order dated 22<sup>nd</sup> June 2016 passed by the Hon'ble High Court of Judicature at Madras in C.A.No. 440 of 2016:
- f) Copies of Resolutions passed by the Board of Directors of Applicant Company and Transferee Company approving the Scheme;
- g) Copies of No-objection / observation letter relating to the Scheme issued by the BSE Limited dated 08<sup>th</sup> April 2016 and National Stock Exchange of India Limited dated 11<sup>th</sup> April 2016;
- h) Copy of Fairness Opinion dated 25<sup>th</sup> January 2016 issued by Category I Merchant Banker M/s Centrum Capital Limited on share exchange ratio;

This statement may be treated as Explanatory Statement under Section 102 of the Companies Act, 2013 and Section 393 of the Companies Act, 1956. A Copy of the Scheme, Explanatory Statement, Proposed Resolution, Postal Ballot Form and instructions for Voting may be obtained from the Registered Office of the Applicant Company and /or at the office of their Counsel Mr.V.Srinivasan, No.1/1, Third Street, EastAbhiramapuram, Mylapore, Chennai 600004.

Place: Coimbatore  
Date: 6<sup>th</sup> May 2016

**Vijay Mohan**  
**Chairperson appointed for**  
**Conducting Postal Ballot/E-voting**

## **INSTRUCTIONS FOR VOTING:**

### **A) VOTING THROUGH PHYSICAL POSTAL BALLOT FORM**

1. A Shareholder desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the enclosed self-addressed postage prepaid envelope. Postage will be borne and paid by the Applicant Company. However, envelopes containing Postal Ballot Forms, if deposited in person or sent by courier at the expenses of the shareholders will also be accepted.  

The Postal Ballot Form duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer, Unit: Pricol – Amalgamation, C/o, Integrated Enterprises (India) Limited, Registrar & Transfer Agents of Pricol Limited, 2<sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600017 so as to reach the Scrutinizer not later than the close of working hours **(1700 hrs) on Wednesday, 22<sup>nd</sup> June, 2016**. Postal ballot forms received after that date will be treated as if the reply from such shareholders has not been received.
2. This form should be completed and signed by the sole / first named shareholder. In case of joint holding, this Form should be completed and signed by the first named shareholder and in his absence, by the next named joint holder. The signature of the shareholder on this Postal Ballot Form should be as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialized form, respectively.
3. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authorisation together with attached specimen signature(s) of the duly authorised signatories.
4. Shareholders holding shares in dematerialised form are advised, in their own interest, to get their signatures verified by their Banker / Depository Participant (DP). Signatures should be verified by the Manager of the concerned Bank / DP by affixing a rubber stamp / seal mentioning name and address of the Bank / DP and name, stamp and signature of the Manager.
5. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
6. The votes should be cast in favour of or against the Resolution by putting the tick mark (√) in the column provided for assent or dissent. Postal Ballot Form bearing (√) in both the column will render the form invalid. Incomplete, unsigned, incorrectly filled or bearing more than one Postal Ballot Forms will be subject to rejection by the Scrutinizer.
7. There will be one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint holder.
8. The Postal Ballot shall not be exercised by a Proxy.
9. Postal Ballot Form – Votes will be considered invalid on the following grounds.
  - a) If the shareholder's signature does not tally.
  - b) If the shareholder has marked all his shares both in favour and also against the resolutions.
  - c) If the Ballot paper is unsigned.
  - d) If the Ballot paper is filled in pencil or signed in pencil.
  - e) If the Ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the Scrutinizer to identify either the shareholder or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or one or more of the above grounds.
10. The Chairperson appointed for Postal Ballot/e-voting's decision on the validity of the Postal Ballot will be final.

### **B) E-VOTING FACILITY**

1. The Company is pleased to offer e-voting facility for the Shareholders to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Members have an option to vote either through e-voting or through Ballot Form. If a shareholder has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-a-versa. However, in case members cast their vote both via postal ballot and e-voting, then voting through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
2. The e-voting period commences on **24<sup>th</sup> May 2016 (0900 hours) and ends on 22<sup>nd</sup> June 2016 (1700 hours)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized

form, as on the **cut-off date of 13<sup>th</sup> May 2016**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

3. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Applicant Company as on the cut-off date of **13<sup>th</sup> May 2016**.
4. The members who hold shares as on the cut-off date of 13<sup>th</sup> May 2016 are eligible to exercise their right to vote through remote e-voting or voting through ballot. A person who is not a Member (not holding shares of the Company) as on the aforesaid cut-off date should treat this Notice for information purposes only.
5. Mr. K Sriram, Partner of M/s. S Krishnamurthy & Co, Company Secretaries, shall assist the Chairman appointed for the postal ballot/e-voting process in a fair and transparent manner.
6. The Chairperson shall declare the result of the voting on or before 1700 hours, Friday, 24<sup>th</sup> June 2016 at the Registered Office of the Applicant Company. The results declared shall be placed on the Company's website [www.pricol.com](http://www.pricol.com) immediately after the result is declared by the Chairperson and shall be simultaneously communicated to NSE, BSE, NSDL & CDSL.
7. In case of any grievances connected with the voting by electronic means, the members may contact the Company Secretary, Pricol Limited, CPM Towers, 109, Race Course, Coimbatore - 641 018. Phone : +91 422 4336223. E-mail : [cs@pricol.co.in](mailto:cs@pricol.co.in).
8. **Shareholders are further requested to read the instructions given below:**
  - A. In case a Shareholder **receives an email from NSDL** [for members whose email IDs are registered with the Company / Depository Participants(s)]:
    - i. Open email and open PDF file viz; "pricol e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.
    - ii. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
    - iii. Click on "Shareholder – Login"
    - iv. Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
    - v. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
    - vii. Select "EVEN" (E-Voting Event Number) of Pricol Limited.
    - viii. Now you are ready for e-voting as Cast Vote page opens.
    - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - x. Upon confirmation, the message "Vote cast successfully" will be displayed
    - xi. Once you have voted on the resolution, you will not be allowed to modify your vote
    - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [skco.cs@gmail.com](mailto:skco.cs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. In case a Member receives **physical copy of the Postal Ballot** [for members whose email IDs are not registered with the Company / Depository Participants(s) or requesting physical copy] :
    - i. Initial password is provided as below / at the bottom of the Attendance Slip for the Postal Ballot : **EVEN** (E Voting Event Number) **USER ID PASSWORD / PIN**.
    - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
    - iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) OR contact NSDL at the following Telephone No:022 24994600.
9. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
10. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

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**SCHEME OF AMALGAMATION**  
(UNDER SECTIONS 391 TO 394 READ WITH SECTION 100 AND OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013)

BETWEEN

**PRICOL LIMITED**

**AND**

**PRICOL PUNE LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

This Scheme of Amalgamation provides for:

- (i) Amalgamation of Pricol Limited with Pricol Pune Limited pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (“**Amalgamation**”);
- (ii) Reduction in the share capital of Pricol Pune Limited under the provisions of Sections 100-104 of the Companies Act, 1956.
- (iii) Change of name of Pricol Pune Limited to Pricol Limited.
- (iv) This Scheme also makes provisions for various other matters consequential or related to the above and otherwise integrally connected therewith.

**DESCRIPTION OF COMPANY**

- A. Pricol Limited is a public company limited by shares incorporated in 1972 under the provisions of the Companies Act, 1956, bearing Corporate Identity Number: L33129TZ1972PLC000641, having its registered office at 109, Race Course, Coimbatore 641018, Tamil Nadu (the “**Transferor Company**”) and is inter alia 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. The equity shares of the Transferor Company are listed on National Stock Exchange of India Ltd. (“**NSE**”) and BSE Ltd. (“**BSE**”) (collectively, the “**Stock Exchanges**”).
- B. Pricol Pune Limited is a public company limited by shares incorporated in 2010 under the provisions of the Companies Act 1956, bearing Corporate Identity Number: U34200TZ2011PTC022194 having its registered office at 109, Race Course, Coimbatore 641018, Tamil Nadu (the “**Transferee Company**”) and is inter alia engaged in the business of manufacturing and selling Instrument Clusters to several Personal Passenger Car and Utility Vehicles manufacturers. The entire equity share capital of the Transferee Company is held by the Transferor Company and its nominees.

**RATIONALE**

- A. The Amalgamation is expected to enable greater realisation of potential of the businesses of the Transferor Company and the Transferee Company and have beneficial results and enhanced value creation for the Company, their respective shareholders, their respective lenders and employees of such Company. It is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company with a view to achieve the following:
  - (i) The Amalgamation will consolidate the business. Further, the Amalgamation will provide a high level of synergistic integration of operations, better operational management and provide value addition to existing and future orders of the Transferor Company and Transferee Company by integrating the respective technical, financial and other expertise and resources.
  - (ii) Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements (as all assets, tangible

and intangible, including those not recorded in the books of the Transferor Company, and liabilities of the Transferor Company shall be taken over by the Transferee Company and recorded at their respective fair values), improved alignment of debt and enhancement in earnings and cash flow.

- (iii) Under the proposed amalgamation, the Transferee Company would be able to better leverage on its large network base, comprehensive suite of products and services, extensive corporate customer relationships, strong brand and vast talent pool. Further, the Transferee Company would have enhanced businesses potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.
  - (iv) The proposed Amalgamation would result in financial resources of the Transferor Company and Transferee Company being efficiently merged and pooled leading to more effective and centralised management of funds, greater economies of scale, stronger base for future growth and reduction of administrative and manpower expenses and overheads (i.e. cost rationalization), which are presently being multiplied, being separate entities. Amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances, cost and operational efficiencies as well as optimum utilization of resources which will help the Transferee Company in keeping its business competitive in the long run and enhance the value of stakeholders.
  - (v) The Amalgamation will provide greater internal control and functional integration at various levels of the organisation such as Information Technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
  - (vi) The Amalgamation will facilitate debt consolidation of the Transferor Company in the Transferee Company, which will improve the debt servicing abilities through improved cash flows and simplified administration of debt both for the Transferee Company and Transferor Company and for the lenders.
- B. Consequently, the Board of Directors (*as hereinafter defined*) of the Transferor Company and the Board of Directors of the Transferee Company have considered this Scheme of Amalgamation and accordingly proposed the Amalgamation of the Transferor Company with the Transferee Company.
- C. This Scheme provides for (i) the Amalgamation of the Transferor Company with the Transferee Company and issuance of equity shares of the Transferee Company to the equity shareholders of Transferor Company in accordance with the Share Exchange Ratio, as per the terms of this Scheme and pursuant to Sections 391 to 394 of the 1956 Act and the other relevant provisions made under the 1956 Act or the 2013 Act (*as hereinafter defined*), as applicable and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme; (ii) cancellation of equity shares of the Transferee Company held by the Transferor Company as per the terms of this Scheme and pursuant to Section 100 of the 1956 Act and the other relevant provisions made under the 1956 Act or the 2013 Act (*as hereinafter defined*), as applicable; (iii) change of name of Pricol Pune Limited to Pricol Limited and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.
- D. This Scheme has been drawn up to comply with the conditions relating to “amalgamation” as defined and specified under Section 2(1B) of the Income Tax Act (*as hereinafter defined*). If any terms or provisions or part of this Scheme are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income Tax Act, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income Tax Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the Income Tax Act and such modifications shall not affect other parts of the Scheme.
- E. The amalgamation of the Transferor Company with the Transferee Company pursuant to this Scheme shall take place with effect from the Appointed Date (*as hereinafter defined*).

## GENERAL

This Scheme is divided into the following parts:

- (i) **Part I**, provides for the definitions and share capital of the parties to the Scheme (defined hereinafter);
- (ii) **Part II**, provides for the amalgamation of the Transferor Company with the Transferee Company;
- (iii) **Part III**, provides for the reorganization of share capital, cancellation of equity shares of the Transferee Company held by the Transferor Company and consequent reduction of capital of the Transferee Company;
- (iv) **Part IV**, deals with the dissolution of the Transferor Company; and
- (v) **Part V**, deals with the general terms and conditions applicable to this Scheme.

### PART I- DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

“**1956 Act**” means the Companies Act, 1956 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto;

“**2013 Act**” means the Companies Act, 2013 and the rules and regulations made thereunder, and includes any alterations, modifications, amendments made thereto and/or any re-enactment thereof;

“**Transferee Company**” means Pricol Pune Limited;

“**Transferor Company**” means Pricol Limited;

“**Appointed Date**” means the opening of business on 1 April 2015, or such other date as may be determined by the Boards of Directors of the Transferor Company and the Transferee Company or directed by the High Court and is the date with effect from which this Scheme shall, upon sanction of the same by the High Court, be deemed to be operative;

“**Audit Committee**” means the audit committee of the Transferor Company and Transferee Company, as constituted from time to time;

“**Board of Directors**” or “**Board**” in relation to each of the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company;

“**BSE**” means BSE Limited;

“**Effective Date**” means the date on which a certified copy of the order of the High Court sanctioning this Scheme is filed with the Registrar of Companies;

“**Encumbrance**” means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever;

“**Governmental Authority**” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau, instrumentality, judicial or arbitral body, statutory body or stock exchange, including but not limited to the Reserve Bank of India (“**RBI**”) and the Securities and Exchange Board of India (“**SEBI**”), or any other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law;

“**High Court**” means the High Court of Judicature at Madras having jurisdiction in relation to the Transferor Company and the Transferee Company and shall include the National Company Law Tribunal, as applicable

or such other forum or authority as may be vested with any of the powers of a High Court under the 1956 Act or the 2013 Act, as applicable;

**“Income Tax Act”** means the Income Tax Act, 1961, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

**“Liabilities”** means all debts and liabilities, both present and future comprised in the Undertaking, whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company, including all secured and unsecured debts, liabilities (including deferred tax liabilities, contingent liabilities), duties and obligations (including under any licenses or permits or schemes of every kind) and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations along with any charge, Encumbrance;

**“NSE”** means the National Stock Exchange of India Limited;

**“Record Date”** means the date after the Effective Date to be fixed by the Board of Directors of the Transferee Company and the Transferor Company for the purpose of determining the equity shareholders of the Transferor Company, as applicable, to whom equity shares of the Transferee Company will be allotted pursuant to this Scheme;

**“Registrar of Companies”** means the Registrar of Companies, Tamil Nadu, Coimbatore;

**“Scheme”** means this Scheme of Amalgamation, pursuant to Sections 391 to 394 read with Section 100 of the 1956 Act, or any other applicable provisions of the 1956 Act or the 2013 Act, if any, in its present form (along with any annexures, schedules, etc, attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals including approvals of the shareholders and/or creditors, as applicable, and sanction from the High Court under the 1956 Act or 2013 Act, as applicable, and under all applicable laws;

**“SEBI Circulars”** means the circular number CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, both issued by the Securities and Exchange Board of India and any related and amended circulars that SEBI may issue in respect of schemes of arrangement;

**“Share Exchange Ratio”** has the meaning ascribed to it in sub-clause 14(a) hereof;

**“Stock Exchanges”** shall mean BSE and NSE;

**“Undertaking”** means and include all the business, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Transferor Company, on a going concern basis, together with all its assets, liabilities and employees and shall include (without limitation):

- (a) all the movable and immovable properties including plant and machinery, equipments, furniture, fixtures, vehicles, stocks and inventory, packing, packaging material, leasehold assets and other properties, real, corporeal and incorporeal, in possession or otherwise, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of the Transferor Company, investments of all kinds (i.e. shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates) including overseas subsidiaries, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, club memberships, advantages, leasehold rights, memorandum of understandings, brands, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangible items (whether or not recorded in the books of Transferor Company), industrial and other licenses, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, designs, logo, pre qualification rights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities,

electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from Government, semi-Government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature (including but not limited to benefits of tax exemptions/incentives/benefits and/or exemption or rebate entitlements, all tax holiday, tax relief including those available under the Income Tax Act such as credit for advance tax, taxes deducted at source, minimum alternate tax credit, credit for Service Tax, CENVAT credit, input tax credit, etc.) and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by Transferor Company, as on the Appointed Date;

- (b) All the debts, loans, liabilities, duties and obligations including contingent liabilities of the Transferor Company as on the Appointed Date; and
- (c) All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Transferor Company.

- 1.1 All terms and words used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the 1956 Act or the 2013 Act, as applicable, the Income Tax Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this Scheme.
- 1.3 The headings herein shall not affect the construction of this Scheme.
- 1.4 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.6 References to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- 1.7 References to any of the terms taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally.
- 1.8 Any reference to any statute or statutory provision shall include:
  - (a) All subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
  - (b) Such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

## 2. SHARE CAPITAL

### (a) Transferor Company

The share capital structure of the Transferor Company as on 31<sup>st</sup> December 2015 is as under:

<b>A. Authorised Share Capital</b>	<b>Amount in Rupees</b>
48,20,00,000 Equity shares of Re. 1 each	48,20,00,000
<b>Total</b>	<b>48,20,00,000</b>
<b>B. Issued, Subscribed and Fully Paid Up Share Capital</b>	<b>Amount in Rupees</b>
94,796,721 Equity shares of Re. 1 each	9,47,96,721
<b>Total</b>	<b>9,47,96,721</b>

After 31 December 2015 there has been no change in the issued, subscribed and paid up share capital of the Transferor Company.

### (b) Transferee Company

The share capital structure of the Transferee Company as on 31<sup>st</sup> December 2015 is as under:

<b>A. Authorised Share Capital</b>	<b>Amount in Rupees</b>
1,00,00,000 Equity shares of Rs. 10 each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b>B. Issued, Subscribed and Fully Paid Up Share Capital</b>	<b>Amount in Rupees</b>
1,00,00,000 Equity shares of Re. 10 each	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>

After 31 December 2015 the share capital has been sub-divided from 1,00,00,000 equity shares of Rs. 10 each to 10,00,00,000 equity shares of Re. 1 each.

## PART II – AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

### Transfer and Vesting of the Transferor Company

1. Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Undertaking of each of the Transferor Company shall, pursuant to the sanction of the Scheme by the High Court and pursuant to the provisions of Sections 391 to 394, Section 100 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, will be and shall stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(1B) of the Income Tax Act without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.
2. Without prejudice to the generality of Clause 3 above, upon the coming into effect of the Scheme and with effect from the Appointed Date,
  - (a) all the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances, whether or not provided and/or recorded in the books of accounts, comprised in the Undertaking of whatsoever nature and where-so-ever situate shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer

of the Undertaking as a going concern so as to become, as and from the Appointed Date, the estate, assets (including intangible assets), properties, investments of all kinds (that is, shares, scripts, stocks, bonds, debenture stocks, units or pass through certificates), rights, claims, title, interest and authorities including accretions and appurtenances of the Transferee Company.

- (b) Such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession, or by endorsement and/or delivery shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in the Transferee Company and/or be deemed to stand transferred to the Transferee Company as a part of the transfer of the Undertaking as a going concern so as to become from the Appointed Date, the assets and properties of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly.
- (c) all other movable properties of the Transferor Company, including investments of all kinds (that is, shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, will be and shall stand transferred to and vested in the Transferee Company and/or deemed to have been transferred to and vested in the Transferee Company, by way of delivery of possession of the respective documents, as applicable, as a part of the transfer of the Undertaking as a going concern, so as to become from the Appointed Date, the assets and properties of the Transferee Company.
- (d) The Transferee Company may, if it so deems appropriate, give notice in such form as it deems fit and proper, to each such debtor or obligor, that pursuant to the sanction of this Scheme by the High Court, such debt, loan, advance, claim, bank balance, deposit or other asset be paid or made good or held on account of the Transferee Company as the person entitled thereto, to the end and intent that the right of the Transferor Company to recover or realise all such debts (including the debts payable by such debtor or obligor to the Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in the books of accounts of the relevant debtors or obligors to record such change. It is hereby clarified that investments, if any, made by the Transferor Company and all the rights, title and interest of the Transferor Company in any licensed properties or leasehold properties shall, pursuant to Section 394(2) of the 1956 Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company.
- (e) all immovable properties of the Transferor Company, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or licensed or otherwise and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfill all obligations in relation to or applicable to such immovable properties. The mutation of the ownership or title, or interest in the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof, without requirement of any further instrument or Deed.

- (f) all lease/license or rent agreements entered into by the Transferor Company with various landlords, owners and lessors in connection with the use of the assets of the Transferor Company, together with security deposits and advance/prepaid lease/license fee, etc., shall stand automatically transferred and vested in favour of the Transferee Company on the same terms and conditions without any further act, instrument, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent, or lease or license fee as provided for in such agreements, and the Transferee Company and the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants there-under. Without limiting the generality of the foregoing, the Transferee Company shall also be entitled to refund of security deposits paid under such agreements by the Transferor Company.
- (g) All permissions, approvals, consents, subsidies, incentives, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and Liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, if any, shall, under the provisions of Sections 391 to 394 of the 1956 Act, and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vest in and/or be deemed to be transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, indirect tax benefits and exemptions, all other rights, benefits and Liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements, of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions. It is further clarified that they shall be deemed to have originally been given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof and the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- (h) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies) for the purpose of carrying on the business of the Transferor Company, and in relation thereto, and those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company, or to the benefit of which, the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligor thereto. In relation to the same, any procedural requirements required to be fulfilled solely by the Transferor Company (and not by any of its successors), shall be fulfilled by the Transferee Company as if it is the duly constituted attorney of that Transferor Company.
- (i) Without prejudice to the generality of the foregoing, all leave and licence agreements/deeds, lease agreements/deeds, bank guarantees, performance guarantees and letters of credit, hire purchase agreements, lending agreements and such other agreements, deeds, documents and arrangements pertaining to the business of the Transferor Company or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, including all rights and benefits (including benefits of any deposit, advances, receivables or claims) arising or accruing therefrom, shall, with effect from Appointed Date and upon this Scheme becoming effective, by operation of law pursuant to the vesting orders of the Court, be deemed to be contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses of the Transferee Company. Such property and rights shall stand vested in the Transferee Company and shall be deemed to have become the property of the Transferee Company

by operation of law, whether the same is implemented by endorsement or delivery and possession or recordal in any other manner.

- (j) all the intellectual property rights of any nature whatsoever, including but not limited to intangible assets appertaining to the Transferor Company, whether or not provided in books of accounts of the Transferor Company, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the intellectual property of the Transferee Company.
- (k) all intangible assets including various business or commercial rights, etc belonging to but not recorded in books of the Transferor Company shall be transferred to and vested with the Transferee Company and shall be recorded at their respective fair values. The consideration agreed under the Scheme shall be deemed to include payment towards these intangible assets at their respective fair values. Such intangible assets shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of Income Tax Act and shall be eligible for depreciation there under at the prescribed rates.
- (l) all taxes (including but not limited to advance tax, tax deducted at source, minimum alternate tax credits, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, or goods and service tax, as applicable, excise duty, wealth tax, fringe benefit tax and tax collected at source, etc.) payable by or refundable to or being the entitlement of the Transferor Company, including all or any refunds or claims shall be treated as the tax liability or refunds/credits/claims, as the case may be, of the Transferee Company, and any tax incentives, advantages, privileges, exemptions, credits, tax holidays, remissions, reductions, as would have been available to the Transferor Company, shall pursuant to this Scheme becoming effective, be available to the Transferee Company. Benefit of tax losses including brought forward business loss, unabsorbed depreciation, etc. of the Transferor Company (including unabsorbed business loss and unabsorbed depreciation available to the Transferor Company in view of any arrangement undertaken, pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, prior to the Appointed Date), up to the Appointed Date, shall be available to Transferee Company w.e.f. from Appointed Date in terms of section 72A of Income Tax Act, 1961.
- (m) the Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including but not limited to sales tax, value added tax, service tax, excise duty or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilised by the Transferor Company and the Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme.
- (n) All statutory rights and obligations of Transferor Company would vest on/accrete to Transferee Company. Hence, obligation of the Transferor Company, prior to the Effective Date, to issue or receive any statutory declaration or any other Forms by whatever name called, under the State VAT Acts or the Central Sales Tax Act or any other applicable law for the time being in force, would be deemed to have been fulfilled if they are issued or received by Transferee Company and if any Form relating to the period prior to the said Effective Date is received in the name of the Transferor Company, it would be deemed to have been received by the Transferee Company in fulfillment of its obligations.
- (o) benefits of any and all corporate approvals as may have already been taken by the Transferor Company, whether being in the nature of compliances or otherwise, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred and vested in the Transferee Company as a part of the transfer of the Undertaking as

a going concern, and the said corporate approvals and compliances shall be deemed to have originally been taken / complied with by the Transferee Company.

- (p) the resolutions, if any, of the Transferor Company, which are valid and subsisting on the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the 1956 Act or the 2013 Act as applicable, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
  - (q) such of the assets comprised in the Undertaking and which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern, so as to become, as and from the Appointed Date, the assets of the Transferee Company.
5. Without prejudice to the generality of Clause 3 above, upon the coming into effect of this Scheme and with effect from the Appointed Date,
- (a) all the Liabilities, whether or not provided in the books of the Transferor Company, shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company, to the extent they are outstanding on the Effective Date and shall become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
  - (b) all Liabilities comprised in the Undertaking, and which are incurred or which arise or accrue to the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same.
  - (c) any Liabilities of the Transferor Company as on the Appointed Date that are discharged by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to have been discharged for and on account of the Transferee Company.
  - (d) all loans raised and utilised, liabilities, duties and taxes and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date but prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same be and stand transferred to and vested in and be deemed to have been transferred

to and vested in the Transferee Company as a part of the transfer of the Undertaking as a going concern and the same shall be assumed by the Transferee Company and to the extent they are outstanding on the Effective Date, the Transferee Company shall meet, discharge and satisfy the same.

- (e) loans, advances and other obligations (including any arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, under the provisions of Sections 391 to 394 of the 1956 Act and other provisions of the 1956 Act or the 2013 Act, as applicable, and all other provisions of applicable law, if any, without any further act, instrument, deed, cost or charge, stand discharged and come to an end and there shall be no liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.
6. (a) Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company which secure or relate to the Liabilities shall, without any further act, instrument, deed, cost or charge and without any notice or other intimation to any third party for the transfer of the same, continue to relate and attach to such assets or any part thereof to which they were related or attached prior to the Effective Date and are transferred to the Transferee Company. It being clarified that the aforesaid Encumbrances shall not be extended to any assets of the Transferor Company which were earlier not Encumbered or the existing assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- (b) Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company pursuant to this Scheme.
- (c) Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.
- (d) The provisions of this Clause shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
7. (a) Upon the coming into effect of this Scheme, all permanent employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company, without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to relevant authorities, such as the Regional Provident Fund Commissioner or to such other funds maintained by the Transferor Company, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company for such purpose shall be treated as having been continuous.
- (b) The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the

Transferee Company for such purpose. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.

- (c) The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.
  - (d) The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.
  - (e) Upon the coming into effect of this Scheme, the Directors of the Transferor Company shall be appointed as Directors of the Transferee Company subject to the compliance of applicable provisions of the 1956 Act or 2013 Act as may be applicable. The approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for their appointment as Directors under the applicable provisions of the 2013 Act and 1956 Act.
  - (f) All proceedings of whatsoever nature (legal and others, including any suits, appeals, arbitrations, execution proceedings, revisions, writ petitions, if any) by or against the Transferor Company shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking or anything contained in this Scheme but the said proceedings, shall, till the Effective Date be continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.
  - (g) Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company, whether pending and/or arising on or before the Effective Date shall be continued and / or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted and/or pending and/or arising by or against the Transferee Company.
  - (h) The Transferee Company undertakes to have accepted on behalf of itself, all suits, claims, actions and legal proceedings initiated by or against the Transferor Company transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.
8. All books, records, files, papers, information, databases, and all other books and records, whether in physical or electronic form, of the Transferor Company, to the extent possible and permitted under applicable laws, be handed over to the Transferee Company.
9. Without prejudice to the provisions of Clauses 3 to 8 above, with effect from the Appointed Date, all inter-party transactions amongst the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.
10. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of the Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company are party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. It is

hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this clause, the said third party or authority shall be obligated to, and shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by the Court, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

#### **Conduct of Business**

11. With effect from the Appointed Date and up to and including the Effective Date:
  - (a) the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of the entire Undertaking for and on account of, and in trust for, the Transferee Company;
  - (b) all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by the Transferor Company for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of the Transferee Company;
  - (c) any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent of the Transferee Company;
  - (d) all taxes, where applicable, (including but not limited to advance income tax, tax deducted at source, minimum alternate tax, wealth tax, taxes withheld/paid in a foreign country, sales tax, excise duty, customs duty, service tax, VAT, tax refunds) payable by or refundable to the Transferor Company, including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under any law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of the Transferor Company) as the case may be, of the Transferee Company, and any tax losses including unabsorbed tax losses and depreciation, etc., as would have been available to the Transferor Company on or before the Effective Date, shall be available to the Transferee Company upon the Scheme coming into effect; and
  - (e) Transferor Company shall not without the concurrence of the Transferee Company alienate, charge or otherwise deal with any of its assets, except in the ordinary course of business.
12. Subject to the terms of the Scheme, the transfer and vesting of the Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and subject to compliance with Clause 11(e), the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company.
13. Upon the Scheme coming into effect, the Transferor Company (if required) and the Transferee Company are expressly permitted to revise, its financial statements.
14. **Consideration**
  - (a) Upon the Scheme being effective and in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company pursuant to the Scheme, Transferee Company shall without any further application, act, instrument or deed, issue and allot to each shareholder of the Transferor Company whose name is recorded in the register of members of each of the Transferor Company on the Record Date in the following ratio ("**Share Exchange Ratio**"):

1 (One) fully paid up equity shares of Re 1 (One) each of Transferee Company for every 1 (One) fully paid equity share of Re 1 (One) each held by such shareholder in Transferor Company.

- (b) The Share Exchange Ratio has been arrived at on basis of the valuation report of Sharp & Tannan, an independent chartered accountant. Centrum Capital Limited, an independent merchant banker has provided a fairness report on the fairness of the Share Exchange Ratio determined for the vesting of the Undertaking into Transferee Company. Based on the recommendations of the Audit Committee of the Transferor Company, the valuation report and fairness report as aforesaid have been duly approved by the board of directors of each of the Transferor Company and the Transferee Company.
- (c) It is clarified that since the issue of shares to the shareholders of the Transferor Company in the Transferee Company shall be equal to the number of shares held by them in the Transferor Company as on the Record Date and the entire share capital of the Transferee Company held by the Transferor Company and its nominees shall stand cancelled under this Scheme, there will be no change in the shareholding pattern and the share holding pattern of the Transferor Company shall be the share holding pattern of the Transferee Company.
- (d) The equity shares to be issued and allotted by the Transferee Company in terms of Clause 14(a) above shall be subject to the provisions of the Memorandum and Articles of Association of Transferee Company and shall rank *pari passu* in all respects with the existing equity shares of Transferee Company. It is hereby clarified that the new equity shares allotted by Transferee Company to the shareholders of the Transferor Company pursuant to this Scheme shall not be entitled to any dividend declared, distributed by Transferee Company before the Effective Date.
- (e) The new equity shares issued pursuant to Clause 14(a) above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of the Transferor Company to Transferee Company on or before such date as may be determined by the board of directors of Transferee Company or a committee thereof. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company. In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.
- (f) The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the 2013 Act and/or applicable provisions of 1956 Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- (g) In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors or any committee thereof, of Transferor Company at the sole discretion shall be empowered in appropriate cases, prior to or even subsequent to the Effective Date as the case may be to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the new shares after the Scheme becomes effective and the Board of Directors of Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in Transferee Company on account of difficulties faced in the transition period.
- (h) The equity shares issued to the shareholders under Clause 14(a) will be listed and admitted for trading and the Transferee Company shall comply with the requirements of the SEBI Circular and take all steps to get the equity shares, issued pursuant to the Scheme, listed on NSE and BSE on which the equity shares of the Transferor Company are listed, in accordance with relevant regulations. However, it is

further clarified that the Transferee Company shall have the benefit of any fees and amounts paid by the Transferor Company to the Stock Exchanges in relation to its listing and other processes under applicable law till the Effective Date and no separate filing fees would be required to be paid by the Transferee Company in respect of the same.

- (i) The equity shares of the Transferee Company issued in terms of this Scheme shall pursuant to the SEBI Circular and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing equity shares of the Transferor Company are listed and/or admitted to trading, i.e., BSE and NSE. The Transferee Company shall enter into such arrangement and issue such confirmations and/or undertakings as may be necessary in accordance with the applicable law or regulation for the above purpose.
- (j) The equity shares in the Transferee Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- (k) Post the issue of shares pursuant to Clause 14, there shall be no change in the shareholding pattern or control in the Transferee Company between the record date and the listing which may affect the status of the approval by the Stock Exchanges.
- (l) In the event the shares of the Transferee Company including shares issued to the Promoters' pursuant to the Clause 14(a) above are subject to lock-in under the SEBI Circular, then subject to applicable laws, the shares kept under lock-in may be pledged with Scheduled Commercial Bank or Public Financial Institution as collateral security and shares may also be transferred within the promoters' group during such lock-in period.
- (m) In the event that the Transferee Company restructures its equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- (n) The issue and allotment of equity shares by Transferee Company to the equity shareholders of Transferor Company as provided in this Scheme as an integral part thereof, shall be deemed to have been carried out without any further act or deed by Transferee Company as if the procedure laid down under Section 62(1)(c) of the 2013 Act and any other applicable provisions of the 1956 Act or 2013 Act were duly complied with.

### **PART - III REORGANISATION OF CAPITAL AND REDUCTION OF SHARE CAPITAL**

#### **Reorganisation and Combination of the Share Capital**

- 15. As an integral part of the Scheme, upon this Scheme becoming effective and with effect from Appointed Date, the authorised share capital of the Transferor Company shall, without any further act, instrument or deed or payment of additional fees payable to the Registrar of Companies or stamp duty, stand transferred to and be merged with the authorised share capital of the Transferee Company.
- 16. Clause V of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13 and 62 of the 2013 Act and Section 394 of the 1956 Act and other applicable provisions of the 1956 Act and 2013 Act, as the case may be and be replaced by the following clause:

*“The Authorized Share Capital of the Company is Rs.582,000,000 (Rupees Five hundred and eighty two million only) divided into 582,000,000 (Five hundred and eighty two million) equity shares of Re.1/- each.”*

- 17. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval for the increase of the authorized capital, amendment of the capital clause of the Memorandum of Association under the provisions of Section 13 and 62 of the 2013 Act and other applicable provisions of the 2013 Act and 1956 Act.

#### **Reduction of the Share Capital**

- 18. Upon allotment of shares by the Transferee Company in terms of Clause 14(a), the existing shareholding of the Transferor Company in the Transferee Company shall, without any consideration and without any further

act or deed, be cancelled as an integral part of this Scheme, in accordance with provisions of Sections 100 to 103 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable and the order of the High Court sanctioning the Scheme shall be deemed to be also the order under Section 102 of the 1956 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable, 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, and the provisions of Section 101 of the 1956 Act or the other relevant provisions of the 2013 Act will not be applicable. Notwithstanding the reduction in the equity share capital of the Transferee Company, the Transferee Company shall not be required to add "And Reduced" as suffix to its name.

#### **PART IV – DISSOLUTION OF THE TRANSFEROR COMPANY**

19. Upon the coming into effect of the Scheme, the Transferor Company shall, without any further act, instrument or deed, stand dissolved without winding-up.

#### **PART V – OTHER TERMS AND CONDITIONS**

20. Change of Name of Transferee Company

Upon this Scheme becoming effective, the name of the Transferee Company shall be deemed to have been changed from "Pricol Pune Limited" to "Pricol Limited" in accordance with Section 13 of the 2013 Act and other relevant provisions of the 1956 Act or the 2013 Act, as applicable. It is hereby clarified that for the purposes of this clause, the consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting the name change and that no further resolution under Section 13 of 2013 Act or any other applicable provisions of the 1956 Act or the 2013 Act, as applicable, would be required to be separately passed. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for change of the name of the Transferee Company.

21. Change in Object Clause of the Transferee Company

- (a) With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended.
- (b) All the objects described under the main object clause of the Memorandum of Association of the Transferor Company as detailed hereunder:
- A. To carry on the business of manufacturers and dealers in Speedometers, Pressure Gauges, Temperature Gauges, Ammeters, Vacuum Gauges, Fuel Gauges, Tank Units, Hour Meters, Tacho Meters, Electronic Speedometers and Gauges, Speedometer Cables and other Dash Board Instruments, Industrial Gauges and Meters required for other vehicles, automobiles, aircraft and any manufacturing industry.
- B. To carry on the business of Manufacturers, Importers, Exporters, Dealers in, Assemblers of, Hirers, Repairers, Cleaners, Storers, Warehouseers of all precision instruments and gauges including panel instruments for automobiles, aircraft, cycle and other garage industries, equipments, tools and machinery of all descriptions and ancillaries and components related to these items.
- C. (a) To establish, conduct and carry on agro research, to acquire, absorb and market technologies and consultancy services connected with growing, cultivating, producing, processing, setting up of green houses, nurseries, seed development of all kinds of plantation, horticulture and floriculture and establishing an in-house tissue culture lab using micro propagation techniques to specialize in clonal multiplication of selected genotypes and commercial propagation of a large varieties of horticultural, floricultural species and ornamental trees and to handle turnkey agro projects in horticulture, floriculture, tissue culture, green house and nurseries and in application of scientific cultivation methods.
- (b) To plant, grow, cultivate, produce, process or deal, distribute and market in any plantation, horticultural, floricultural and agricultural produce and culturing, growing, processing and end formulation preparations from Alga Spirulina and other water species both in India or elsewhere.

- (c) To carry on the business of preservation, dehydration, freezing, freeze-drying, canning, tinning, bottling, packing and marketing of all kinds of plantation, horticulture, floriculture and other agro products and to deal, export, import, handle as principal or as agents of all kinds of Agro produce, Agro waste, Agro products, any substance or material based on Agro produce.
- (d) To develop, purchase, import, produce, store, market, export and deal in seeds of any kind or variety including hybrids and to manipulate, extract or trade in India or elsewhere as wholesaler, retailer or in any other capacity.
- D. To carry on the business of leasing and hire purchase and to acquire to provide on lease or to provide on hire purchase basis all types of industrial and office plant, equipment, machinery, vehicles, buildings, and real estate required for manufacturing, processing, transportation, and trading businesses and other commercial and service businesses.
- E. To generate, consume, purchase, sell, supply and distribute Electricity by erection/installation of wind or hydel or thermal or solar or atomic or by any other power stations in India or elsewhere and to install/erect transmission equipments, feeder lines, sub-stations etc in connection therewith.
- F. To promote, establish, manage and carry on the business of travelling agent for booking and reserving accommodations of railways, airlines, ships, motor bus & omnibuses, to provide necessary services for passport & visa, to handle inward foreign tourist activities in India & abroad; to provide for guides, to arrange travelers cheques, coupons, drafts & other modes of foreign exchange for them; to own, engage, hire, let on hire, contract or arrange buses, coaches, bogies, charter flights, helicopters, motor launchers, boats, taxies and other vehicles for tourists & passengers and to provide such facilities for national & international tourists as may be incidental or necessary for the accomplishment of above objects.
- G. To carry on the business of manufacturers and dealers of all types of mechanical, electrical, electronic, digital, analogue products, ancillaries and components related thereto for automobiles, aircrafts, ships, railways, garage industries, equipments, devices, tools, machinery of all descriptions, communication systems or connected therewith.
- H. To undertake, participate, and aid in projects intended for the general welfare of the society including projects intended for the betterment of the environment.
- I. To carry on the business of Information Technology consulting and services including providing of managed software solutions & products to clients, systems integration, application development, maintenance, virtual product design, collaborative product design, product life cycle management, design optimization, design validation, tool design, geographical information services & products, turnkey solutions, electronic engineering solutions, web portal developments and to develop and process software and hardware in India and abroad and to do research in computer software and hardware.

or any other main object introduced/modified by the Transferor Company in between the appointment date and effective date shall be added /clubbed/included in addition to the main objects described under main object clause of the Memorandum of Association of the Transferee Company to enable the Transferee Company to continue the activities of the Transferor Company, as a going concern.

- (c) It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the 2013 Act or other relevant provision of 2013 Act, as applicable, for the amendments of the Memorandum of Association of the Transferee Company as above. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.

## 22. Accounting Treatment

- (a) The Transferee Company shall record the assets (including intangible assets, if any, whether or not recorded in the books of Transferor Company) and liabilities of the Transferor Company vested in it

pursuant to the Scheme at their respective fair values as per purchase method in accordance with Accounting Standard - 14 notified under the 1956 Act and/or 2013 Act. Equity shares of the Transferee Company held by Transferor Company shall not be recorded by the Transferee Company as assets and shall be cancelled pursuant to Clause 18 above.

- (b) The Transferee Company shall record issuance of shares at fair value and accordingly credit to its Share Capital Account the aggregate face value of the equity shares issued on Amalgamation. The excess, if any, of the fair value of the equity shares over the face value of the shares issued shall be credited to Securities Premium Reserve. The Securities Premium Reserve so credited shall be available for issuance of bonus shares and / or any other usage as permitted under 1956 Act and / or 2013 Act.
- (c) To the extent that there are inter-company loans, advances, deposits, balances unpaid dividend or other obligations as amongst the Transferor Company and the Transferee Company, the obligation in respect thereof will come to an end and corresponding effect shall be given in the books of account and records of the Transferee Company as well as Transferor Company for the reduction of any assets or liabilities as the case may be and there would be no accrual of interest or any other charges in respect of such inter-company loans, deposits or balances, with effect from the Appointed Date.
- (d) Excess, if any, of the consideration, viz., fair value of new shares issued over the fair value of Net Assets (including identifiable intangible assets, if any, whether or not recorded in the books of accounts) taken over and recorded and the face value of the equity shares of the Transferee Company cancelled in terms of Clause 14(a) will be recognized as goodwill in accordance with Accounting Standard- 14. In the event the result is negative, it shall be credited as Capital Reserve in the books of account of the Transferee Company.
- (e) The Transferee Company shall record in its books of account, all transactions of the Transferor Company in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.
- (f) All costs and expenses incurred as per Clause 29 below as well as other costs incidental with the finalization of this Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme, shall be charged to Profit and Loss Account or capitalized in terms of the relevant accounting standards as may be applicable.
- (g) The intangible assets and/or goodwill (if any) transferred/arising on Amalgamation, as aforesaid, shall be amortized in the books of the Transferee Company over the useful life.
- (h) The Board of Directors may adopt any other accounting treatment for the Amalgamation which is in accordance with Accounting Standards notified under the 1956 Act and / or 2013 Act.

23. Conditions to effectiveness of the Scheme

- (a) The Scheme is conditional upon and subject to:
  - (i) this Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, as applicable, of the Transferor Company and the Transferee Company as required under the 1956 Act or the 2013 Act, as applicable, and/or the SEBI Circulars and the requisite order of the High Court being obtained, or dispensation having been received from the High Court in relation to obtaining such consent from the shareholders and/or creditors, as applicable;
  - (ii) such other approvals and sanctions including sanction of any Governmental Authority including the RBI, as may be required by law or contract in respect of the Scheme;
  - (iii) the High Court having accorded sanction to the Scheme and if any modifications have been prescribed the same being acceptable to both the Transferor Company and the Transferee Company; and
  - (iv) such certified/authenticated copy of the Order of the High Court being filed with the Registrar of Companies.
- (b) In case any of the conditions in the Scheme are not satisfied or waived, then the Transferor Company and/or the Transferee Company shall be at liberty to withdraw the Scheme.

24. Dividend

- (a) The Transferee Company and the Transferor Company shall be entitled to declare and pay dividends, whether interim and/or final, to their members in respect of the accounting period prior to the Effective Date.
- (b) The holders of the shares of the Transferee Company and the Transferor Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.
- (c) It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the 1956 Act or the 2013 Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company, and subject to the approval, if required, of the members of the Transferor Company and the Transferee Company respectively.

25. Applications

- (a) The Transferor Company and the Transferee Company shall make necessary applications before the High Court for the sanction of this Scheme under Sections 391 to 394, Section 100 and other applicable provisions of the 1956 Act or relevant provision of 2013 Act, as applicable, seeking orders for dispensing with or convening, holding and/or conducting of the meetings of the classes of their respective shareholders and/or creditors and for sanctioning this Scheme with such modifications, as may be approved by the Court.
- (b) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Transferee Company may require to carry on the business of the Transferor Company.

26. Modifications to the Scheme

The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), may, in their full and absolute discretion, jointly and as mutually agreed in writing:

- (a) assent to any alteration(s) or modification(s) to this Scheme which a High Court and/or any other Governmental Authority may deem fit to approve or impose, and/or effect any other modification or amendment jointly and mutually agreed in writing, including, without limitation, any modifications to the accounting treatment set out in the Scheme due to the Indian Accounting Standards being made applicable to the Company or to the matters set forth in this Scheme, and to do all acts, deeds and things as may be necessary, desirable or expedient for the purposes of this Scheme;
- (b) give such directions (acting jointly) as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation hereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to any of those (to the extent permissible under law);
- (c) modify or vary this Scheme prior to the Effective Date in any manner at any time; or
- (d) If any part of this Scheme is found to be unworkable for any reasons whatsoever withdraw this Scheme prior to the Effective Date in any manner at any time; or
- (e) determine jointly whether any asset, liability, employee, legal or other proceedings pertains to the Transferor Company or not, on the basis of any evidence that they may deem relevant for this purpose.

27. When the Scheme comes into operation

- (a) The Scheme shall come into operation from the Appointed Date, but the same shall become effective on and from the Effective Date.
- (b) With effect from the Effective Date, the Transferee Company shall carry on and shall be authorized to carry on the businesses of the Transferor Company. For the purposes of giving effect to the order of the High Court under Section(s) 391 to 394, Section 100 and other applicable provisions of the 1956 Act or

relevant provision of 2013 Act as applicable, approving the Scheme, the Transferee Company shall at any time pursuant to such orders be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Transferor Company in accordance with the provisions of the Section(s) 391 to 394 of the 1956 Act or the relevant provision of the 2013 act as applicable. The Transferee Company is and shall always be deemed to have been authorized to execute any pleadings, applications, forms etc. as may be required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of the Scheme.

- (c) The Transferee Company shall be entitled to, amongst other, file/ or revise its income tax returns, TDS/TCS returns, wealth tax returns, service tax, excise duty, sales tax, value added tax, entry tax, professional tax or any other statutory returns, if required, claim credit for advance tax paid, tax deducted at source, claim for deduction of sum prescribed under Section 43B of the Income Tax Act on payment basis, claim for deduction of provisions written back by Transferee Company previously disallowed in the hands of Transferor Company under the Income Tax Act, credit of tax under Section 115JB read with Section 115JAA of the Income Tax Act, credit of foreign taxes paid/ withheld etc., if any, pertaining to the Transferor Company as may be required consequent to implementation of this Scheme and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. The Transferee Company shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from Appointed Date. The taxes or duties paid by, for, or on behalf of, the Transferor Company relating to the period on or after Appointed Date shall be deemed to be the taxes or duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit or refund for such taxes or duties.
- (d) Any advance tax, self-assessment tax, minimum alternate tax and/or TDS credit available or vested with the Transferor Company, including any taxes paid and taxes deducted at source and deposited by the Transferor Company on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company on transactions other than inter se transactions during the period between Appointed Date and the Effective Date shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of, the Transferor Company on inter se transactions will be treated as tax deposited by the Transferee Company.
- (e) Transfer and vesting of assets and liabilities and the entire business of the Transferor Company (including intangible assets, whether or not recorded in the books) in terms of Clauses 3, 4 and 5 of Part II is not a sale in the course of business or otherwise.

28. Severability

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

In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

29. Costs

All costs, charges and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of /payable by the Transferor Company and the Transferee Company in relation to or in connection with the Scheme and incidental to the completion of the amalgamation of the Transferor Company with the Transferee Company in pursuance of the Scheme shall be borne by the Transferor Company and/or Transferee Company as the case may be.

\*\*\*\*\*



DCS/AMAL/AM/24(f)/362/2015-16  
April 8, 2016

The Company Secretary  
Pricol Ltd.  
CPM Towers, 109 Race Course,  
Coimbatore - 641018

**Sub: Observation letter regarding the Draft Scheme of Arrangement between Pricol Ltd and Pricol Pune Ltd.**

We are in receipt of Draft Scheme of Arrangement between Pricol Ltd and Pricol Pune Ltd.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated April 7, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***“Company shall duly comply with various provisions of the Circulars.”***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

However, the listing of equity shares of Pricol Pune Ltd. on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, Pricol Pune Ltd. shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Pricol Pune Ltd is at the discretion of the Exchange. In addition to the above, the listing of Pricol Pune Ltd. pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Pricol Pune Ltd. in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information Pricol Pune Ltd. in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about Pricol Pune Ltd. to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.



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Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
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Corporate Identity Number : U67120MH2005PLC155188

4. The following provisions shall be incorporated in the scheme:
  - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
  - ii. "There shall be no change in the shareholding pattern of Pricol Pune Ltd. between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

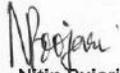
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
**Nitin Pujari**  
**Manager**

Ref: NSE/LIST/69002

April 11, 2016

The Company Secretary  
Pricol Limited  
CPM Towers,  
109 Race Course,  
Coimbatore - 641018

**Kind Attn.: Mr. T. G. Thamizhanban**

Dear Sir,

**Sub: Observation letter for draft Scheme of Amalgamation between Pricol Limited (“Transferor Company”) and Pricol Pune Limited (“Transferee Company”) and their respective shareholders**

This has reference to draft Scheme of Amalgamation between Pricol Limited (“Transferor Company”) and Pricol Pune Limited (“Transferee Company”) and their respective shareholders submitted to NSE vide your letter dated February 23, 2015.

Based on our letter reference no Ref: NSE/LIST/68510 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015, SEBI has vide letter dated April 07, 2016, has given following comments on the draft Scheme of Amalgamation:

“The Company shall duly comply with various provisions of the Circulars.”

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our ‘No-objection’ in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon’ble High Court.

However, the listing of equity shares of Pricol Pune Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Pricol Pune Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Pricol Pune Limited is at the discretion of the Exchange.

The listing of Pricol Pune Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Pricol Pune Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.



2. To publish an advertisement in the newspapers containing all the information about Pricol Pune Limited in line with the details required as per SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Pricol Pune Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
  - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
  - (b) "There shall be no change in the shareholding pattern or control in Pricol Pune Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (LODR) Regulations 2015, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from April 11, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circular upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015.

Yours faithfully,  
For National Stock Exchange of India Limited

Kautuk Upadhyay  
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL  
[http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

This Document is Digitally Signed



Signer : Kautuk Rohit Upadhyay  
Date: Mon, Apr 11, 2016 16:37:38 GMT+05:30  
Location: NSE



**PRICOL LIMITED**  
Passion to Excel

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CIN:L33120TZ1972PLCO0841

▲ CUSTOMERS ▲ EMPLOYEES ▲ SHAREHOLDERS ▲ SUPPLIERS

BSE -

**Complaints Report**

For the period from 12<sup>th</sup> February 2016 to 3<sup>rd</sup> March 2016

**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
		N.A.	

For Pricol Limited

  
(T.G. Thamizharban)  
Company Secretary

Date: 4<sup>th</sup> March 2016  
Place: Coimbatore



**PRICOL LIMITED**  
Passion to Excel

CPM Towers, 109, Race Course,  
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CIN:L33120TZ1972PLCO0841

▲ CUSTOMERS ▲ EMPLOYEES ▲ SHAREHOLDERS ▲ SUPPLIERS

NSE -

**Complaints Report**

For the period from 1<sup>st</sup> March 2016 to 21<sup>st</sup> March 2016

**Part A**

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	N.A.
5.	Number of complaints pending	N.A.

**Part B**

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
		N.A.	

For Pricol Limited

  
(T.G. Thamizharban)  
Company Secretary

Date: 22<sup>nd</sup> March 2016  
Place: Coimbatore



January 25, 2016

The Board of Directors  
Pricol Limited  
CPM Towers,  
109, Race Course,  
Coimbatore - 641 018

Dear Members of the Board

Centrum Capital Ltd have been informed that the Board of Directors of Pricol Ltd and Pricol Pune Ltd are considering amalgamation of Pricol Limited ("Pricol") into Pricol Pune Limited ["Pricol Pune"] (hereinafter jointly referred to as "Companies") with effect from the Appointed Date of 1<sup>st</sup> April, 2015.

This Scheme of Amalgamation provides for:

- (i) Amalgamation of Pricol with Pricol Pune pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956
- (ii) Subject to satisfactory fulfilment and accomplishment of (i) above, reduction in the share capital of Pricol Pune under the provisions of Sections 100-104 of the Companies Act, 1956.
- (iii) Subject to satisfactory fulfilment and accomplishment of (i) and (ii) above, change of name of Pricol Pune Limited to Pricol Limited.

In consideration of amalgamation of Pricol into Pricol Pune, the shareholders of Pricol will receive "1 (One) Equity Share of the face value of Re.1/- each of Pricol Pune, for every 1 (One) Equity Share of the face value of Re.1/- each held in Pricol"

In connection with the aforesaid Pricol has appointed Centrum Capital Ltd ("Centrum") to provide fairness opinion on the share exchange ratio to the equity shareholders of Pricol.

#### BACKGROUND

Pricol, a listed public limited company, incorporated in 1972, is engaged in the business of manufacturing automobile parts and equipment. It serves the Original Equipment Manufacturers across different market segments such as 2 and 3 wheelers, Personal Passenger Vehicle, Utility Vehicle and Vans, Commercial Vehicles, Tractors, Off-Road Vehicles, Railways and Industrial with a wide range of products including the following:

- **Driver Information System Products** – Instrument Clusters, Round Gauges and Driver Information System Display.
- **Power Train Products** – Oil and Water Pumps, Valves Regulators and Hydraulic Systems
- **Sensors, Actuators and Switches** – Temp. Pressure Level, Speed, Switches, Sockets and Actuators.
- **Fleet Management, Asset Monitoring and Tracking** – Road Speed Limiters, Vehicle Tracking Systems, Centralized Lubrication Systems and Fare Meters.

Pricol Pune, a limited non-listed company, was incorporated in 2011 as a wholly owned subsidiary of Pricol with its registered office in Pune, Maharashtra engaged in the business of supplying Instrument Clusters to several Personal Passenger Car and Utility Vehicles manufacturers.



Centrum Capital Limited, (CIN No.: L65990MH1977PLC019986)

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## RATIONALE OF THE PROPOSED AMALGAMATION

The Amalgamation is expected to enable greater realisation of potential of the businesses of the Companies and have beneficial results and enhanced value creation for the Companies, their respective shareholders, their respective lenders and employees. It is considered desirable and expedient to amalgamate Pricol with Pricol Pune with a view to achieve the following:

- The Amalgamation will consolidate the business. Further, the Amalgamation will provide a high level of synergistic integration to Companies operations, better operational management and provide value addition to existing and future orders of Companies by integrating the respective technical, financial and other expertise and resources.
- Synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and reflection of true net-worth in the financial statements, improved alignment of debt and enhancement in earnings and cash flow.
- Pricol Pune would be able to better leverage on its large capital base, comprehensive suite of products and services, extensive corporate customer relationships, strong brand and vast talent pool. Pricol Pune would have enhanced businesses potential and increased capability to offer a wider portfolio of products and services with a diversified resource base and deeper client relationships.
- Amalgamation shall lead to greater efficiency in management of the businesses, simplicity and reduction in regulatory compliances, cost and operational efficiencies as well as optimum utilization of resources which will help Pricol Pune in keeping its business competitive in the long run and enhance the value of stakeholders.
- The Amalgamation will provide greater internal control and functional integration at various levels of the organisation such as Information Technology, human resources, finance, legal and general management leading to an efficient organisation capable of responding swiftly to volatile and rapidly changing market scenarios.
- The Amalgamation will facilitate debt consolidation of Pricol in Pricol Pune, which will improve the debt servicing abilities through improved cash flows and simplified administration of debt both for Pricol Pune and Pricol and for the lenders.

## BASIS OF OPINION

The scheme provides for amalgamation of Pricol into Pricol Pune, a wholly owned subsidiary of Pricol.

- Upon the scheme becoming effective all the assets and liabilities will stand transferred from Pricol to Pricol Pune
- As a consideration for the transfer, equity shares of Pricol Pune shall be issued to the equity shareholders in Pricol and the same shall rank pari-passu
- The existing equity share capital of Pricol Pune shall be cancelled and the shareholders of Pricol will become the only shareholders of Pricol Pune, thus Pricol Pune will then get a mirror reflection in the capital structure as that of Pricol

The exchange ratio is based on the Valuation report dated January 25, 2016 submitted by M/S Sharp and Tannan Chartered Accountants ("Valuer") an Independent Chartered Accountant.

Centrum has taken the foregoing facts (together with the other facts and assumptions set forth in the section Limitation of Scope and Review) into account when determining the meaning of "fairness" for the purpose of this opinion.





#### LIMITATION OF SCOPE AND REVIEW

The Fairness Opinion only aims to represent that the Swap Ratio as contained in the Opinion is fair and further that the Fairness Opinion shall be valid only for a limited period of time post Centrum's assessment of the relevant information. The Fairness Opinion may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. Fairness Opinion assessment and the Opinion are specific to the date of this report. As such, the Opinion is, to a significant extent, subject to continuance of current trends beyond the date of the report.

Centrum's opinion and analysis is limited to the extent of review of documents as provided to Centrum by Pricol and Pricol Pune including the Valuation report dated January 25, 2016, submitted by the Valuer and the draft scheme of Amalgamation

Centrum has relied upon the accuracy and completeness of all information and documents provided including Audited Annual Accounts of Pricol and Pricol Pune for period FY 2012-13 to FY 2014-15, Un-audited financial results of Pricol and Pricol Pune for half-year ended September 30, 2015 and Financial Projections as provided by Pricol without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. Centrum has not conducted any independent valuation or appraisal of any of the assets or liabilities of Pricol and/or its subsidiaries. In particular Centrum does not express any opinion as to the value of any asset of Pricol and/or its subsidiaries whether at current prices or in the future.

No investigation of the Companies claim to title of assets has been made for the purpose of the exercise and the Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. No due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims.

Centrum's opinion is not and should not be construed as Centrum's opining or certifying the compliance of the proposed merger with the provisions of any law including companies, taxation and related laws or as regards any legal implications or issues arising from such proposed amalgamation

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Centrum does not express any opinion as to the price at which shares of Pricol may trade at any time, including subsequent to the date of this opinion. In rendering the opinion Centrum has assumed that the Scheme will be implemented on the terms describe therein, without any waiver or modification of any material terms or conditions and that in course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have adverse effect on Pricol and/or its subsidiaries and their respective shareholders.

Centrum has also not opined on the fairness of any terms and conditions of the scheme of amalgamation other than the fairness, from financial point of view, of the share exchange ratio. We acknowledge that this Fairness Opinion will be shared to the extent as may be required, with relevant High Court/Tribunal, stock exchanges, advisors of the Companies as well as with statutory authorities in relation to the proposed scheme.

Centrum assume no responsibility for updating or revising its opinion based on circumstances or events occurring after the date hereof. Centrum's opinion is specific to amalgamation of Pricol into Pricol Pune as contemplated in the scheme as provided to Centrum and is not valid for any other purpose. It is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.





Save and except for Pricol, Centrum owes no responsibility to any person in connection with this Fairness Opinion. It may be noted that Centrum's liability in connection with this Fairness Opinion shall be limited only to the extent of fees received for the purpose of this engagement. Centrum does not accept any liability to any third party in relation to the issue of this Fairness Opinion. Neither this Fairness Opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without Centrum's prior written consent. Centrum retains the right to deny permission for the same.

In the ordinary course of business, Centrum and its affiliates are engaged in securities trading, securities brokerage and investment activities as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Centrum and its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the proposed scheme.

**VALUER'S RECOMMENDATION**

As per the Valuer's recommendation, the holders of equity shares of Pricol will receive 1 (One) fully paid-up equity share of Pricol Pune with the face of Re. 1 (One) each for every 1 (One ) fully paid-up equity share of Pricol with face value of Re. 1 (One) each.

**OPINION**

Having regard to all relevant factors, on the basis of information provided and explanations given to Centrum by the Companies and Valuer, Centrum is of the opinion on the date hereof to the best of its knowledge and belief, that the above share entitlement ratio as recommended by M/S Sharp & Tannan Chartered Accountants is fair considering that all shareholders of Pricol are and will upon the amalgamation be the ultimate beneficial owners of Pricol Pune in exactly the same ratio as they hold in Pricol.

Yours truly,  
For Centrum Capital Limited

  
Gaurav Saravgi  
Senior Vice President

  
Aanchal Wagle  
Vice President