

Draft Scheme approved by Board of Directors of PI Industries Ltd in its meeting held on 12th February, 2014

**SCHEME OF AMALGAMATION**  
**BETWEEN**  
**PARTEEK FINANCE AND INVESTMENT COMPANY LIMITED**  
**AND**  
**PI INDUSTRIES LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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**PREAMBLE**

**(A) BACKGROUND AND DESCRIPTION OF COMPANIES WHO ARE PARTIES TO THE SCHEME**

1. **Parteek Finance and Investment Company Limited** (hereinafter called 'Parteek'), has its registered office at 145, Tribhuvan Complex, Ishwar Nagar, Mathura Road, Delhi – 110065. Parteek is the holding company of PI Industries Limited and it is not listed on any stock exchange. Entire share capital and management control of Parteek is with the promoters of PI Industries Limited.
2. **PI Industries Limited** (hereinafter called 'PIIL'), has its registered office at Udaisagar Road, Udaipur - 313 001, Rajasthan. PIIL is engaged in the business of Agri Inputs and Custom Synthesis & Contract manufacturing of agro chemicals, intermediates and other niche fine chemicals. The equity shares of PIIL are presently listed on the National Stock Exchange of India Limited (hereinafter called 'NSE') and the BSE Limited (hereinafter called 'BSE').

  
For PI Industries Ltd  
  
Company Secretary

**(B) PURPOSE AND RATIONALE OF THE SCHEME OF AMALGAMATION**

This Scheme of Amalgamation (hereinafter called 'Scheme') has been propounded under Sections 391 to 394 read with Section 100 to 103 and other applicable provisions, if any, of the Companies Act, 1956 and corresponding sections of the Companies Act, 2013 (as and when such corresponding sections are notified in the Official Gazette by the Central Government) for amalgamation of Parteeek having its registered office at 145, Tribhuvan Complex, Ishwar Nagar, Mathura Road, Delhi – 110065 with PIIL, having its registered office at Udaisagar Road, Udaipur - 313 001, Rajasthan.

Parteeek is the holding company of PIIL and forms part of its Promoter Group. It holds 7,38,51,390 equity shares in PIIL constituting 54.26% of PIIL's paid-up equity share capital. Pursuant to the proposed amalgamation, individual promoters of PIIL ('Promoters') would directly hold shares in PIIL and there would be no holding company of PIIL.

This amalgamation would not only lead to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with PIIL.

There would be no change in the promoter shareholding of PIIL. The promoters would continue to hold the same percentage of shares in PIIL, pre and post the amalgamation of Parteeek into PIIL.

All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Promoters and / or Parteeek. No cost, charges, taxes pertaining to the Scheme shall be borne by PIIL.

Further, the Scheme also provides that Promoters shall indemnify PIIL and keep PIIL indemnified for any contingent liabilities and obligations including all demands, claims, suits, proceedings and the like which may be made or instituted by any third party(ies) including Governmental authorities on PIIL, and are directly relatable to Parteeek or which may devolve on PIIL on account of this amalgamation.

  
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In consideration of the above mentioned rationale and related benefits, this Scheme between Parteek and PIIL is being proposed in accordance with the terms set out hereunder.

**(C) PARTS OF THE SCHEME OF AMALGAMATION:**

This Scheme of Amalgamation is divided into the following parts:

1. **PART I** - Definitions and Share Capital;
2. **PART II** – Amalgamation of Parteek Finance and Investment Company Limited with PI Industries Limited;
3. **PART III** – General Terms and Conditions.

  
For PI Industries Ltd  
  
Company Secretary


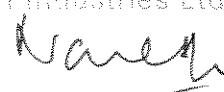
## PART – I

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned therein below:


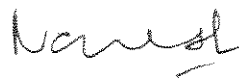
- 1.1 **“Act” or “The Act”** means the Companies Act, 1956, including the rules and regulations made thereunder and will include any statutory modifications, re-enactments and / or amendments thereof and also mean and refer to corresponding sections of the Companies Act, 2013 as and when such corresponding sections are notified in the Official Gazette by the Central Government.
- 1.2 **“Appointed Date”** means April 1, 2014 or such other date as may be fixed or approved by the Hon’ble High Court of Delhi at New Delhi and/or Hon’ble High Court of Rajasthan, Jodhpur or National Company Law Tribunal or any other appropriate authority.
- 1.3 **“Effective Date”** means the date on which certified copy(s) of the Order of the Hon’ble High Court of Delhi at New Delhi and Hon’ble High Court of Rajasthan, Jodhpur or National Company Law Tribunal or any other appropriate authority sanctioning this Scheme are filed with the Registrar of Companies, NCT of Delhi and Registrar of Companies, Jaipur and if filed on different dates, the last of such dates.
- 1.4 **“High Courts” or “Courts”** means the High Court of Delhi at New Delhi, High Court of Rajasthan, Jodhpur and shall include National Company Law Tribunal (“NCLT”), if applicable.
- 1.5 **“Parteek” or “the Amalgamating Company”** means Parteek Finance and Investment Company Limited, a company incorporated under the Act and having its registered office at 145, Tribhuvan Complex, Ishwar Nagar, Mathura Road, Delhi – 110065.

  
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- 1.6 **“PIIL” or “the Amalgamated Company”** means PI Industries Limited, a company incorporated under the Act and having its registered office at Udaisagar Road, Udaipur - 313 001, Rajasthan.
- 1.7 **“Record Date”** means the date to be fixed by the Board of Directors or its committee thereof of the Amalgamating Company and the Amalgamated Company for the purpose of determining the members of the Amalgamating Company to whom shares will be allotted pursuant to Clause 5.1 of this Scheme.
- 1.8 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation, in its present form or with any modification(s) made or to be made and approved under Clause 17 of this Scheme.
- 1.9 In this Scheme, unless the context otherwise requires:
- a) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
  - b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
  - c) words in the singular shall include the plural and vice versa;
  - d) any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date; and
  - e) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

## 2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

- 2.1 The Scheme set out herein in its present form or with any modification(s) approved or directed by the High Courts or NCLT or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

  
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### 3. SHARE CAPITAL



3.1 The Share Capital of Parteek as on December 31, 2013 is as under:

Particulars	As at December 31, 2013
	(Rs.)
<b>Authorized Share Capital</b>	
23,00,000 Equity Shares of Rs. 10/- each	2,30,00,000
<b>Total</b>	<b>2,30,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
10,00,757 Equity Shares of Rs. 10/-each fully paid up	1,00,07,570
<b>Total</b>	<b>1,00,07,570</b>

Subsequent to December 31, 2013, there has been no change in the issued, subscribed and paid-up capital of Parteek.

3.2 The Share Capital of PIIL as on December 31, 2013 is as under:

Particulars	As at December 31, 2013
	(Rs.)
<b>Authorized Share Capital</b>	
20,00,00,000 Equity Shares of Rs.1/- each	20,00,00,000
50,00,000 Preference Shares of Rs.100/- each	50,00,00,000
<b>Total</b>	<b>70,00,00,000</b>
<b>Issued</b>	
13,62,85,655 Equity Shares of Re.1/- each	13,62,85,655

  
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<b>Subscribed and Paid-up</b>	
13,61,09,080 Equity Shares of Rs.1/- each and Fully Paid up	13,61,09,080
<b>Total</b>	<b>13,61,09,080</b>

The difference between the issued and subscribed capital is on account of less number of shares allotted in right issue in earlier years.

Subsequent to December 31, 2013, there has been no change in the issued, subscribed and paid-up capital of PIIL.

## PART – II


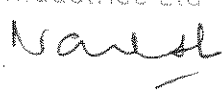
### AMALGAMATION OF PARTEEK WITH PIIL

#### 4. TRANSFER AND VESTING OF BUSINESS AND UNDERTAKING

4.1 With effect from the Appointed Date or such other date as may be fixed or approved by the High Courts or NCLT or any other appropriate authority and upon the Scheme becoming effective, the entire business and whole of the undertaking(s), property and liabilities of the Amalgamating Company shall, pursuant to the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, and pursuant to the order of the High Courts or NCLT or other appropriate authority, if any, sanctioning the Scheme, shall without any further act, deed, matter or thing, stand transferred to and vested in and / or deemed to be transferred to and vested in the Amalgamated Company, so as to become the properties and liabilities of the Amalgamated Company in accordance with Section 2(1B) of the Income Tax Act, 1961.

4.2 Without prejudice to the generality of the above said Clause:

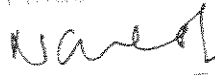
4.2.1 With effect from the Appointed Date, all the assets, rights and properties of the Amalgamating Company (whether movable or immovable, real or personal, in possession or reversion, corporeal or

  
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incorporeal, present or future, existing or contingent, tangible or intangible) of whatsoever nature and wheresoever situate, of or belonging to or in the possession or control of the Amalgamating Company, as on the Appointed Date including but not limited to data processing equipment, computers and servers, computer software, furniture and fixtures, investments, office equipment, electrical installations, telephones, telex, facsimile, other communication facilities, any registrations, copyrights, permits, approvals, all rights or title or interest in property(ies) by virtue of any court order or decree, contractual arrangement, allotment, grant, lease, possession or otherwise, memorandum of understandings, tenancy rights, hire purchase contracts, lending contracts, permissions, incentives, tax registrations, advance tax credit, contracts, engagements, arrangements of all kinds, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Amalgamating Company, industrial and other licenses, municipal and other statutory permissions, approvals including but not limited to right to use and avail electricity connections, water connections, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, all records, files, papers, computer programs, manuals, data, quotations, list of present and former vendors and suppliers, and all other rights, title, lease, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever, shall under the provisions of Sections 391 to 394 of the Act and any other applicable provisions of the Act, and pursuant to the order of the High Courts or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges, if any affecting the same, as on the Effective Date be transferred to and / or deemed to be transferred to and vested in the Amalgamated Company, so as to become the properties and assets of the Amalgamated Company.




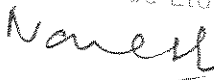
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- 4.2.2 With respect to such assets and properties of the Amalgamating Company as on the Effective Date, as are movable in nature and are capable of transfer by physical delivery or endorsement and delivery or novation and delivery, including cash in hand, the same shall be so transferred to the Amalgamated Company and deemed to have been handed over by physical delivery or by endorsement and delivery or novation and delivery, as the case may be, to the Amalgamated Company to the end and intent that the property and benefit therein passes to the Amalgamated Company with effect from the Appointed Date.
- 4.2.3 In respect of the movable assets owned by the Amalgamating Company as on the Effective Date, other than those mentioned in Clause 4.2.2 above, including actionable claims, sundry debtors, outstanding loans, advances, whether recoverable in cash or kind or for value to be received and deposits, if any, with the local and other authorities, body corporate(s), customers etc., the Amalgamating Company shall, if so required by the Amalgamated Company, and / or the Amalgamated Company may, issue notices or intimations in such form as the Amalgamated Company may deem fit and proper, stating that pursuant to the High Courts or NCLT having sanctioned this Scheme, the debt, loan, advance or other asset, be paid or made good or held on account of the Amalgamated Company, as the person entitled thereto, to the end and intent that the right of the Amalgamating Company to recover or realize the same stands transferred to the Amalgamated Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.2.4 All assets and properties which are acquired by the Amalgamating Company on or after the Appointed Date but prior to the Effective Date shall be deemed to be and shall become the assets and properties of the Amalgamated Company and shall under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and

  
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vested in or be deemed to be transferred to and vested in the Amalgamated Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of the Act, provided however that no onerous asset shall have been acquired by the Amalgamating Company after the Appointed Date without the prior written consent of the Amalgamated Company.

- 4.3 With effect from the Appointed Date, all reserves, debts, liabilities (including contingent liabilities), duties and obligations of every kind, nature and description of the Amalgamating Company shall be transferred or be deemed to have been transferred to the Amalgamated Company, to the extent they are outstanding on the Effective Date, without any further act, deed, matter or thing and the same shall be assumed by the Amalgamated Company so as to become, on and from the Appointed Date, the liabilities and obligations of the Amalgamated Company on the same terms and conditions as were applicable to the Amalgamating Company. The Amalgamated Company shall undertake to meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities and obligations have arisen in order to give effect to the provisions of this Clause.
- 4.4 Where any of the debt, liabilities (including contingent liabilities), duties and obligations of the Amalgamating Company as on the Appointed Date, deemed to be transferred to the Amalgamated Company, have been discharged by the Amalgamating Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Amalgamated Company, and all loans raised and used and all liabilities and obligations incurred by the Amalgamating Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Amalgamated Company, and to the extent they are outstanding on the Effective Date, shall also without any further act, deed, matter or thing shall stand transferred to the Amalgamated Company and shall become the liabilities and obligations of the Amalgamated Company on

  
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same terms and conditions as were applicable to the Amalgamating Company. The Amalgamated Company shall undertake to meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such loans and liabilities have arisen in order to give effect to the provisions of this Clause.

## 5. CONSIDERATION

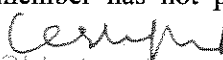
5.1 Upon this Scheme becoming effective and in consideration for the transfer and vesting of the undertaking comprising of assets and liabilities of the Amalgamating Company into the Amalgamated Company, the Amalgamated Company shall, without any further application or deed, issue and allot Equity Shares to Equity shareholders of the Amalgamating Company or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title, as may be recognized by the Board of Directors or its committee thereof of the Amalgamated Company and approved by them, and whose names appear in the Register of Members of the Amalgamating Company on the Record Date, equity shares in its share capital at par, (hereinafter referred as New Equity Shares) in the following proportion:

5.1.1 7,38,51,390 (Seven Crore Thirty Eight Lacs Fifty One Thousand Three Hundred and Ninety) fully paid up Equity Shares of the face value of Re. 1/- (Rupee One) each credited as fully paid up in the share capital of the Amalgamated Company in the proportion of the Equity Shareholders' holding in the Amalgamating Company .

5.1.2 The fractional entitlement, if any, to which shareholders of the Amalgamating Company may become entitled to upon issue of New Equity Shares pursuant to clause 5.1.1 above would be rounded off by the Amalgamated Company to the nearest integer. However, in no event, the number of New Equity Shares to be allotted by the Amalgamated Company to the shareholders of the Amalgamating Company shall exceed the total number of equity shares held by the Amalgamating Company in the Amalgamated Company.

  
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- 5.2 The New Equity Shares in the Amalgamated Company, to be issued to the members of the Amalgamating Company pursuant to Clause 5.1 above, shall be subject to the Memorandum and Articles of Association of the Amalgamated Company and shall rank pari passu, with the existing equity shares of the Amalgamated Company.
- 5.3 Upon New Equity Shares being issued and allotted by the Amalgamated Company to the shareholders of the Amalgamating Company, in accordance with clause 5.1 above, the investment held by the Amalgamating Company in the share capital of the Amalgamated Company shall, without any further application, act, instrument or deed stand cancelled. The shares held by the Amalgamating Company in dematerialized form shall be extinguished, on and from such issue and allotment of New Equity Shares.
- 5.4 Such reduction of share capital of Amalgamated Company as provided in Clause 5.3 above shall be effected as an integral part of the Scheme and the orders of the High Courts sanctioning the Scheme shall be deemed to be an order under Section 100-103 and any other applicable provisions of the Act confirming the reduction. The Amalgamated Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.
- 5.5 Upon New Equity Shares being issued and allotted by the Amalgamated Company to the members of the Amalgamating Company, in accordance with Clause 5.1, the share certificates in relation to the shares held by the said members in the Amalgamating Company shall be deemed to have been cancelled and extinguished and be of no effect on and from such issue and allotment.
- 5.6 New Equity Shares to be issued by the Amalgamated Company pursuant to Clause 5.1 above shall be issued in dematerialized form by the Amalgamated Company. In that relation, the members of the Amalgamating Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event any member has not provided the requisite details

  
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relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the Amalgamated Company, then the Amalgamated Company shall issue New Equity Shares in physical form to such member or members.

- 5.7 New Equity Shares of the Amalgamated Company issued in terms of Clause 5.1 of this Scheme will be listed and/ or admitted to trading on the NSE and BSE where the shares of the Amalgamated Company are listed and/or admitted to trading in terms of the Listing Agreement.
- 5.8 The Amalgamated Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities being fulfilled the said Stock Exchanges shall list and/or admit such New Equity Shares for the purpose of trading.
- 5.9 The issue and allotment of equity shares by the Amalgamated Company to the members of the Amalgamating Company pursuant to Clause 5.1 above is an integral part of this Scheme.
- 5.10 The approval of this Scheme by the members of the Amalgamated Company shall be deemed to be due compliance of the provision of Section 81 (1A) and other relevant and applicable provisions of the Act for the issue and allotment of Equity Shares by the Amalgamated Company to the members of the Amalgamating Company, as provided in this Scheme.

**6. INCREASE IN AUTHORISED SHARE CAPITAL OF THE AMALGAMATED COMPANY**

- 6.1 Upon the Scheme becoming effective, the authorized share capital of the Amalgamated Company in terms of its Memorandum of Association and Articles of Association shall automatically stand enhanced without any further act, instrument or deed on the part of the Amalgamated Company by the authorized share capital of the Amalgamating Company of Rs.2,30,00,000

  
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(Rupees Two Crore Thirty Lakhs) and the Memorandum of Association and Articles of Association of the Amalgamated Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 16, 31,94 and 394 and other applicable provisions of the Act, would be required to be separately passed and for this purpose the stamp duties and fees paid on the authorized share capital of the Amalgamating Company shall be utilized and applied to the increased authorized share capital of the Amalgamated Company and no payment of any extra stamp duty and / or fee shall be payable by the Amalgamated Company for increase in the authorized share capital to that extent.

- 6.2 Accordingly, in terms of the Scheme, the authorized share capital of the Amalgamated Company shall stand enhanced to an amount of Rs. 22,30,00,000/- (Rupees Twenty Two Crores Thirty Lakhs ) divided into 22,30,00,000 (Twenty Two Crores Thirty Lakhs) equity shares of Re. 1/- (Rupees One) each. The Capital clause being Clause 5 of the Memorandum of Association of the Amalgamated Company shall stand substituted to read as follows:

*"The Authorized Share Capital of the Company is Rs.72,30,00,000/- (Rupees Seventy Two Crores Thirty Lakhs only) divided in to 22,30,00,000 (Twenty Two Crores Thirty Lakhs) Equity Shares of Re.1/- (Rupee one only) each; 50,00,000 (Fifty lac) Preference Shares of Rs.100/- (Rupees Hundred only) each; with such rights, privileges and conditions attaching thereto as may for the time being be provided by the regulations of the Company. The Company shall have power to increase or reduce the capital or divide the capital for the time being in to several classes; to issue any shares with special rights or privileges as to voting, dividend (including rate of dividend of preference shares), repayment of capital or otherwise, or to subject the shares, to any restrictions, limitations and conditions and to vary, modify or abrogate any such rights, privileges, restrictions or conditions. The rights of the holders of*

  
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*any class of shares for the time being forming part of the capital of the Company may be modified, affected, varied, extended or surrendered in such manner as may for the time being be provided by the regulations of the Company.”*

- 6.3 Pursuant to this Scheme, the Amalgamated Company shall file the requisite forms with the Registrar of Companies, Jaipur or any other applicable authority for such increase of the authorized share capital.

## 7. ACCOUNTING TREATMENT

With effect from the Appointed Date and upon the Scheme becoming effective, the Amalgamated Company shall account for the amalgamation of the Amalgamating Company in its books of accounts as per the ‘Purchase Method’, as described in Accounting Standard – 14 “Accounting for Amalgamations” issued by the Institute of Chartered Accountants of India, such that:

- 7.1 The investments in the equity share capital of the Amalgamated Company as appearing in the books of accounts of the Amalgamating Company shall stand cancelled.
- 7.2 The Amalgamated Company shall, record all the assets and liabilities, of the Amalgamating Company, vested in the Amalgamated Company pursuant to this Scheme, at their existing carrying amounts
- 7.3 The Amalgamated Company shall credit the aggregate face value of equity shares issued by it to the members of the Amalgamating Company pursuant to Clause 5.1 of this Scheme to its Equity Share Capital Account in its books of accounts.
- 7.4 The difference between the excess of Net Assets of the Amalgamating Company as per clause 7.2 above over the amount credited by the Amalgamated Company to the Share Capital Account as per Clause 7.3 above and adjusted for cancellation of the investments in the equity share capital of the Amalgamated Company as mentioned in Clause 7.1 above, would be recorded as Capital Reserve. The shortfall, if any shall be debited to the Goodwill Account of the Amalgamated Company.

  
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7.5 In case of any difference in accounting policy between the Amalgamating Company and the Amalgamated Company, the accounting policies followed by the Amalgamated Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Capital Reserve / Goodwill Account to ensure that the financial statements of the Amalgamated Company reflect the financial position on the basis of consistent accounting policy.

## 8. STAFF, WORKMEN AND EMPLOYEES

8.1 On the Scheme becoming effective, all staff, workmen and employees of the Amalgamating Company in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Amalgamated Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Amalgamated Company shall be the same as their existing terms of employment in the Amalgamating Company, on the Effective Date.

8.2 It is expressly provided that, on the Scheme becoming effective, Provident Fund, Gratuity Account, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Amalgamating Company shall be transferred to and shall get consolidated with the corresponding funds or accounts of the Amalgamated Company. The Amalgamated Company shall have the obligation to make contributions to the said Fund or account or Funds or accounts in accordance with the provisions thereof or as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Amalgamating Company in relation to such Fund or account or Funds or accounts shall become those of the Amalgamated Company. It is clarified that the services of the staff, workmen and employees of the Amalgamating Company will be treated as having been continuous for the purpose of the said Fund or account or Funds or accounts. Until such time that the Amalgamated Company creates or arranges for its own funds or accounts,

  
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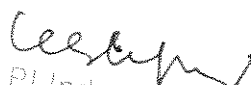

  
Company Secretary



the Amalgamated Company may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Amalgamating Company to the relevant fund or accounts of the Amalgamating Company. Such contributions and other balances pertaining to the employees of the Amalgamating Company shall be transferred to the funds or accounts created by the Amalgamated Company on creation of relevant funds or arrangements or accounts by the Amalgamated Company.

## 9. LEGAL PROCEEDINGS

- 9.1 All legal proceedings of whatsoever nature by or against the Amalgamating Company, pending and / or arising on or after the Appointed Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in the Scheme but shall be continued and enforced by or against the Amalgamated Company as the case may be, in the manner and to the same extent as would or might have been continued and enforced by or against the Amalgamating Company.
- 9.2 The Amalgamated Company undertakes to have all legal and / or other proceedings initiated by or against the Amalgamating Company referred to in Clause 9.1 above, transferred in its name and to have the same continued, prosecuted and enforced by or against the Amalgamated Company, to the exclusion of the Amalgamating Company.
- 9.3 After the Effective Date, the Promoters undertake to keep harmless and indemnify and keep indemnified from time to time the Amalgamated Company from and against any contingent liabilities and obligations relatable to the Amalgamating Company including all demands, claims, suits, proceedings and the like which have, shall or may be made or instituted by any person, authority, Government of India, firm, company, body corporate or organisation against the Amalgamated Company, directly relating to the Amalgamating Company and / or against any financial liability/claim that may arise against the Amalgamated Company by virtue of transfer and vesting of the Amalgamating Company into the Amalgamated Company under and pursuant to this Scheme.

  
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**10. CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC**

- 10.1 With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance policies, indemnities, guarantees and other instruments of whatsoever nature in relation to the Amalgamating Company, or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or having effect on or immediately before the Effective Date, shall be in full force and effect, on or against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto or thereunder.
- 10.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney, if any given by, issued to or executed in favour of the Amalgamating Company shall stand transferred to the Amalgamated Company, as if the same were originally given by, issued to or executed in favour of the Amalgamated Company, and the Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Amalgamated Company. The Amalgamated Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.
- 10.3 The Amalgamated Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Amalgamating Company to which the Amalgamating Company is a party in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Amalgamating Company and to carry out or perform

  
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all such formalities or compliances, referred to above, on behalf of the Amalgamating Company.

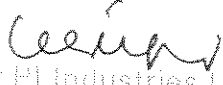
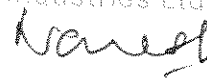
## 11. OTHER ENTITLEMENTS

- 11.1 All cheques and other negotiable instruments, payment orders received in the name of the Amalgamating Company after the Effective Date shall be accepted by the bankers of the Amalgamated Company and credited to the account of the Amalgamated Company. Similarly, the bankers of the Amalgamated Company shall honour cheques issued by the Amalgamating Company, which are presented after the Effective Date.

## 12. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 12.1 The Amalgamating Company undertakes to preserve and carry on the business with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:
- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the High Courts; or
  - (b) if the same is expressly permitted by this Scheme; or
  - (c) if prior written consent of the Board of Directors or its committee thereof of the Amalgamated Company has been obtained.
- 12.2 The Amalgamating Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of the Amalgamating Company for and on account of, and in trust for the Amalgamated Company.
- 12.3 All profits and cash accruing to or losses arising or incurred (including the effect of taxes, if any, thereon), by the Amalgamating Company, shall for all

  
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purposes, be treated as the profits or cash or losses, of the Amalgamated Company.

- 12.4 All accretions and depletions to the Amalgamating Company shall be for and on account of the Amalgamated Company.
- 12.5 Any of the rights, powers, authorities, privileges, attached, related or pertaining to or exercised by the Amalgamating Company shall be deemed to have been exercised by the Amalgamating Company for and on behalf of, and in trust for and as an agent of the Amalgamated Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Amalgamating Company that have been undertaken or discharged by the Amalgamating Company, shall be deemed to have been undertaken for and on behalf of and as an agent for the Amalgamated Company.
- 12.6 The Amalgamating Company shall not vary the terms and conditions of service of its employees except in the ordinary course of its business.

### **13. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the assets, liabilities and obligations of the Amalgamating Company, pursuant to this Scheme, and the continuance of the legal proceedings by or against the Amalgamated Company shall not affect any transactions or proceedings already completed by the Amalgamating Company, on and after the Appointed Date, to the end and intent that the Amalgamated Company accepts all acts, deeds and things done and executed by and / or on behalf of the Amalgamating Company, as acts, deeds and things done and executed by and / or on behalf of the Amalgamated Company.

### **14. DISSOLUTION OF THE AMALGAMATING COMPANY**

On the Scheme becoming effective, the Amalgamating Company shall without any further act or deed stand dissolved without being wound up.

  
For PI Industries Ltd.  
  
Company Secretary

**PART – III**  
**GENERAL TERMS AND CONDITIONS**

**15. APPLICATION TO THE HIGH COURT OR NCLT**

The Amalgamating Company and the Amalgamated Company shall, with all reasonable dispatch, make applications or petitions under Sections 391-394 and other applicable provisions of the Act to the High Court of Delhi at New Delhi and High Court of Rajasthan, Jodhpur or NCLT or any other appropriate authority, for sanction of this Scheme under the provisions of law.

**16. APPROVAL OF THE SCHEME THROUGH POSTAL BALLOT**

16.1 The approval of shareholders of the Amalgamated Company shall be obtained through a Special Resolution passed through Postal Ballot and e-Voting (after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution), The Scheme shall be acted upon only if the votes cast by public shareholders in favour of the proposal are more than the number of votes cast by public shareholders against it in accordance with the Securities and Exchange Board of India (“SEBI”) circular no. CIR/CFD/DIL/5/2013 issued on February 04, 2013 and SEBI circular no. CIR/CFD/DIL/8/2013 issued on May 21, 2013 subject to modification, if any, in accordance with any subsequent circulars and amendment that may be issued by SEBI from time to time.

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

17.1 The Amalgamating Company and the Amalgamated Company, by their respective Board of Directors (or committees of their respective Board of Directors) may assent to any modifications / amendments to the Scheme or to any conditions or limitations that the Court and / or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the their respective Board of Directors (or

  
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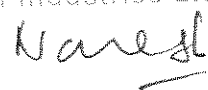
committees of their respective Board of Directors). The Amalgamating Company and the Amalgamated Company, by their respective Board of Directors (or committees of their respective Board of Directors), be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

- 17.2 The term 'any other Authority' referred to in the Clause 15 above, shall specifically include the Stock Exchanges with which the shares of the Amalgamated Company are listed and with which the Amalgamated Company will file a copy of the Scheme under sub-clause (f) of Clause 24 of the Listing Agreement of the respective Stock Exchanges.

## **18. CONDITIONALITY OF THE SCHEME**

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

- 18.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and / or creditors of the Amalgamating Company and the Amalgamated Company, as prescribed under the Act and as may be directed by the High Courts or NCLT or any other appropriate authority as may be applicable.
- 18.2 The sanction of this Scheme by the High Courts or NCLT or any other appropriate authority under Sections 391 to 394 and other applicable provisions, if any of the Act in favour of the Amalgamating Company and the Amalgamated Company.
- 18.3 Certified or authenticated copy of the orders of the High Courts or NCLT sanctioning the Scheme being filed with the Registrar of Companies, NCT of Delhi and Registrar of Companies, Jaipur by the Amalgamating Company and the Amalgamated Company, respectively.

  
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18.4 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

**19. SEVERABILITY**

If any provision of this Scheme is found to be unworkable for any reason whatsoever or unenforceable under the present or future Laws, then subject to the decision of the Amalgamating Company and the Amalgamated Company, such part shall be severable from the remainder of this Scheme and shall not affect the validity or implementation of the other parts and/or provisions of this Scheme.

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

In the event of any of the said sanctions and approvals referred to in Clause 18 not being obtained and / or the Scheme not being sanctioned by the High Courts or NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Promoters and / or the Amalgamating Company shall bear and pay costs, charges and expenses for and or in connection with the Scheme.

**21. SETTLEMENT OF DIFFERENCE OR ISSUE THROUGH ARBITRATION**

If any doubt or difference or issue arise between the parties hereto or any of their shareholders, creditors, employees and any other person as to the construction hereof or as to any account, valuation or apportionment to be

  
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taken or made of any asset or liability vested under this Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to arbitration of a sole arbitrator appointed by the consent of all the parties and law of arbitration, as in force shall apply.

**22. COSTS, CHARGES AND EXPENSES**

On sanction and approval of the Scheme by the High Courts or NCLT or such other appropriate authority, if any, all costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Amalgamating Company and the Amalgamated Company arising out of or incurred in carrying out and implementing this Scheme (including in relation to issuance of shares by the Amalgamated Company) and matters incidental thereto shall be borne by the Promoters and / or the Amalgamating Company.

  
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Company Secretary