Prakash Industries Limited

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

PIL/SE/Notice/2018

1st May, 2018

Listing Department .
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Company Code : 506022

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1
G Block,Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051

Company Symbol : PRAKASH

Sub: Notice of the Convened Meetings of Prakash Industries Ltd.

Dear Sir/Madam

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, We wish to inform you that a meeting of the equity shareholders, unsecured creditors and secured creditors of Prakash industries Ltd. (the Company) has been convened and will be held at its Registered office at 15 Km. Stone, Delhi Road, Hissar - 125044 on Saturday, the 2nd day of June, 2018 at 11.30 A.M., 1.30 P.M and 3.30 P.M. respectively for the purpose of considering, and if thought fit, approving with or without modification, the proposed scheme of demerge between Prakash Industries Ltd. and Prakash Pipes Ltd. and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013. This is as per an order of the Hon'ble Bench of National Company Law Tribunal (NCLT) at Chandigarh on Wednesday, the 11th day of April, 2018,

The Company is providing E-voting facility to enable the shareholders to vote on the resolutions proposed in the aforesaid notice of the NCLT Convened meeting of the equity shareholders. The Company has engaged CDSL for the purpose of providing e-voting facility to all of its shareholders.

The E-voting in connection with the resolutions proposed in the Notice, will commence on and from 9.00 A.M on Wednesday, May 3, 2018 and ends on 5.00 P.M on Friday, June 1, 2018. The Company is also providing facility for voting by way of polling papers at the meeting of members attending the meeting who have not cast their vote by e-voting.

We are enclosing herewith the copy of the notices of the aforesaid meetings. The said Notice is also available on the Company's website www.prakash.com

Kindly take above on record.

Thanking you,

Yours faithfully,
For **Prakash Industries Limited**

Ashwini Kumar

Ashwini Kumar
Company Secretary

PRAKASH INDUSTRIES LIMITED NEW DELHI

Encls : as above

Prakash Industries Limited

CIN : L27109HR1980PLC010724
Registered Office : 15 Km. Stone, Delhi Road, Hissar – 125044 (Haryana)
E-mail: pilho@prakash.com Phone: 011-25305800 Fax: 011-28062119

MEETING OF EQUITY SHAREHOLDERS OF PRAKASH INDUSTRIES LIMITED

(convened pursuant to order dated April 11, 2018 passed by the National Company Law Tribunal, Chandigarh Bench (NCLT))

MEETINGS:

Day	Saturday
Date	June 02, 2018
Time	11:30 A.M.
Venue	15 Km Stone, Delhi Road, Hissar-125044

REMOTE E-VOTING

Start Date	09:00 A.M. on Thursday, 3rd May, 2018
End Date	05:00 P.M. on Friday, 1st June, 2018

INDEX

Sr. No.	Contents	Page No.
1.	Notice convening the meeting of the equity shareholders of Prakash Industries Limited under the provisions of Sections 230-232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	2-6
2.	Explanatory Statement under Section 230-232 and 102 of Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016	7-14
3.	**Annexure 1** Scheme of Arrangement between Prakash Industries Limited and Prakash Pipes Limited and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013	15-41
4.	**Annexure 2** Share entitlement Report dated August 24, 2017 issued by Price Waterhouse & Co LLP, Chartered Accountants	42-45
5.	**Annexure 3** Fairness Opinion dated August 24, 2017 from Finshore Management Services Limited, Merchant Banker	46-51
6.	**Annexure 4** Copy of Observation Letter dated January 15, 2018 from the Bombay Stock Exchange Limited (BSE) to Prakash Industries Limited conveying no objection for filing the scheme with NCLT	52-53
7.	**Annexure 5** Copy of Observation Letter dated January 12, 2018 from the National Stock Exchange Limited to Prakash Industries Limited conveying no objection for filing the scheme with NCLT	54-55
8.	**Annexure 6** Complaint Reports dated October 6, 2017 submitted to BSE and dated October 6, 2017 submitted to NSE	56-57
9.	**Annexure 7** Report adopted by the Board of Directors of Prakash Industries Limited pursuant to section 232(2)(c) of the Companies Act, 2013	58-61
10.	**Annexure 8** Accounting Statements of Prakash Industries Limited for the period ending 31st March, 2018	62-67
11.	Proxy Form	69-70
12.	Attendance Slip	71
13.	Route Map	73

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH, AT CHANDIGARH
CAA. NO. CA (CAA) No.07/Chd/Pb/2018OF 2018

In the matter of the Companies Act, 2013;
And
In the matter of application under section 230 to 232 of the Companies Act, 2013;
And
In the matter of Scheme of Arrangement between

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

……Applicant Company No. 1/ Demerged Company

AND

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

……Applicant Company No. 2/ Resulting Company

And

Their respective shareholders and creditors

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY NO. 1

To,

The Equity Shareholders of Prakash Industries Limited ("the Company"),

Notice is hereby given that by an order dated April 11, 2018, the Chandigarh Bench of the National Company Law Tribunal ("Tribunal") has directed a meeting to be held of the equity shareholders of the Company for the purpose of considering, and if thought fit, approving with or without modifications, the scheme of arrangement between Prakash Industries Limited ("PIL" or "Demerged Company" or "Applicant Company No. 1") and Prakash Pipes Limited ("PPL" or "Resulting Company") and their respective shareholders and creditors which, providing for transfer of the PVC Pipes Business Undertaking of the Applicant Company No. 1 as a going concern to its wholly owned subsidiary i.e. PPL under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the "Scheme").

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the equity shareholders of the Applicant Company No. 1 will be held at 15 Km Stone, Delhi Road, Hissar-125044 on Saturday, the 02nd Day of June, 2018 at 11.30 A.M. at which time and place the said equity shareholders are requested to attend.

Copies of the aforesaid Scheme of Arrangement and of the statement under Section 230 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 can be obtained free of charge at the registered office of the Company. Persons entitled to attend and vote at the meeting may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Company at 15 Km Stone, Delhi Road, Hissar, Haryana - 125044 not later than 48 hours before the meeting.

The Form of proxy can be obtained free of charge on any day (except Saturday, Sunday and public holidays from the registered office of the Company.

Take Further Notice that in compliance with the provisions of (i) Section 230(4) read with Section 108 of the Companies Act, 2013 (ii) Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rule, 2014; (iv) Regulation 44 and other applicable provision of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and (v) Circular No. CFD/DIL 3/CIR/2017/21 dated March 10, 2017 issued by the Securities and Exchange Board of India (referred to as SEBI Circular), the company has provided the facility of voting through E voting so as to enable the equity shareholders to consider and approve the Scheme by way of aforesaid resolution. Accordingly, voting by equity shareholders of the company to the Scheme shall be carried out through E voting system and by voting in person at the venue of the meeting to be held on June 02, 2018.

The Tribunal has appointed Shri B.C. Rajput, Retd. District & Sessions Judge (M) as a Chairperson and failing him Shri Keshav Pratap Singh, Advocate, Punjab and Haryana High Court as the Alternate chairperson of the said meeting. The above mentioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

This notice convening the Meeting alongwith the requisite documents is placed on the website of the company viz. www.prakash.com and is being sent to Securities and Exchange Board of India, BSE Limited and NSE of India Limited.

The Scrutinizer will submit his report to the designated Chairperson upon completion of scrutiny, in a fair and transparent manner, of voting through e-voting platform within stipulated time period. The Chairperson shall be responsible to report the result of the meeting to the Tribunal in Form No. CAA 4, as per Rule 14 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016 within 07 days of the conclusion of the meeting.

The Result will also be displayed at the notice board at Registered Office of the company and posted on the Company's website, besides communicating the same to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

Items of business requiring approval of shareholders as Special Business:

ITEM NO. 1

APPROVAL TO THE SCHEME OF ARRANGEMENT

To consider and if thought fit to pass, with or without modification(s) the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013 and applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactments thereof for the time being in force, and subject to the relevant provisions of the Memorandum & Articles of Association of the Company and subject to the approval of National Company Law Tribunal, Chandigarh Bench ("Tribunal") and subject to such requisite approvals of the concerned Stock Exchanges in accordance with the regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India or any other relevant authority from time to time to the extent applicable and subject to such approvals, consents, permissions and sanctions of the appropriate authorities as may be necessary/required and subject to such conditions as may be prescribed, directed or made by any of them while granting such approvals, consents and permissions, and further based on Share Entitlement Report dated August 24, 2017 from M/s Price Waterhouse & Co LLP, Chartered Accountants, Fairness Opinion dated August 24, 2017 from Finshore Management Services Limited, Merchant Banker and Certificate dated August 24, 2017 in accordance with Regulation 37 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 obtained from M/s Chaturvedi & Co., Statutory Auditors, regarding the accounting treatment being followed in the Scheme is in compliance with all the applicable Accounting Standards and on the recommendation of the Audit Committee and other relevant documents placed before it, the consent and approval of the Company be and is hereby accorded for the Demerger of PVC Pipes Business of Prakash Industries Limited ("Demerged Company") into Prakash Pipes Limited ("Resulting Company") with 1st April, 2018 as the Appointed Date.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."

For and on behalf of
Prakash Industries Limited

Dated this 1st day of May, 2018

Sd/-
P.L. Gupta
Whole Time Director & CFO
(Authorised Representative)

Registered office:
15Km Stone, Delhi Road,
Hissar, Haryana – 125044

NOTES:

1. Only registered equity shareholders of the Demerged Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Demerged Company) or in the case of a body corporate by a representative authorized under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Demerged Company. The authorized representative of a body corporate which is a registered equity shareholder of the Demerged Company may attend and vote at the meeting of the equity shareholders of the Demerged Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorizing such representative to attend and vote at the meeting of the equity shareholders of the Demerged Company, duly certified to be a true copy by a director, the manager, the secretary or other authorized officer of such body corporate/RFPI/FII is deposited at the registered office of the Demerged Company not later than 48 (forty eight) hours before the scheduled time of commencement of the meeting of the equity shareholders of the Demerged Company.
2. As per Section 105 of the Companies Act, 2013 and the rules made there under, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Demerged Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Demerged Company carrying voting right may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholders.
3. The form of proxy can be obtained free of charge from the registered office of the Demerged Company. A copy of Proxy Form is also enclosed with the notice.
4. Person desirous of voting at the meeting by proxy, should deposit the proxies in the prescribed form at the registered office of the Company at 15 Km Stone, Delhi Road, Hissar, Haryana - 125044 not later than 48 hours before the meeting.
5. All alteration made in the form of proxy should be initialed.
6. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Demerged Company, provided that not less than 3 (three) days of notice in writing is given to the Demerged Company.
7. NCLT by its Order has directed that a meeting of the equity shareholders of the Demerged Company shall be convened and held at the registered office of the Demerged Company on Saturday, the 02nd Day of June, 2018 at 11.30 A.M. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
8. In compliance with the provisions of (i) Section 230(4) read with Section 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 issued by the Securities and Exchange Board of India, the Demerged Company has provided the facility of e voting so as to enable the equity shareholders, which includes the Public Shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Demerged Company to the Scheme shall be carried out through e voting or ballot or polling paper at the venue of the meeting to be held on 02nd Day of June, 2018.
9. The quorum of the meeting of the equity shareholders of the Demerged Company shall be 300 in number and 25% in value.
10. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
11. The registered equity shareholders who hold shares in dematerialized from and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
12. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Demerged Company/list of beneficial owners as received from National Securities Depository Limited ("NSDL")/ Central Depository services (India) Limited ("CDSL") in respect of such joint holding, will be entitled to vote.
13. The document referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Demerged Company between 10.30 A.M. and 05.30 P.M. on all days (except Saturdays, Sundays and Public holidays) up to the date of the meeting.
14. Equity shareholders (which includes Public Shareholders) holding equity shares as on January 31, 2018 being the cut off date, will be entitled to exercise their right to vote on the above resolution.
15. The notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by registered post or speed post/airmail or by courier service or electronically by e mail to those equity shareholders who have registered their e mail ids with the Demerged Company/registrar and share transfer agents/NSDL/CDSL, whose names appear in the register of members/list of beneficial owner as received from NSDL/CDSL as on January 31, 2018. The notice will be displayed on the website of the Demerged Company www.prakash.com.
16. A person whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/CDSL as on the cut off date i.e January 31, 2018 shall not be entitled to avail the facility of e voting or voting at the meeting to be held on 02nd Day of June, 2018. Voting right shall be reckoned on the paid up value of the shares registered in the names of equity shareholders (which include Public Shareholders) as on January 31, 2018. Persons who are not equity shareholders of the Demerged Company as on the cut off date i.e. January 31, 2018 should treat this notice for information purpose only.
17. The Voting by the equity shareholders (including the Public Shareholders) through e voting shall commence at 09.00 A.M. on 3rd May, 2018 and shall close at 05.00 P.M. on 01st June, 2018.

18. The notice convening the meeting will be published through advertisement in (i) " Statesman" (English, Haryana Edition) in the English Language; and (ii) "Jansatta" (Hindi, Haryana Edition) in Hindi Language.

19. In accordance with the provisions of Section 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Demerged Company, voting in person or by proxy or e voting agree to the Scheme.

20. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through voting in person or e voting) in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.

21. The Demerged Company has engaged the services of Central Depository Services (India) Limited (CDSL) for facilitating e- voting for the said meeting to be held on 02nd Day of June, 2018. Equity shareholders desiring to exercise their vote by using e voting facility are requested to follow the instruction mentioned in the Note No.28 below.

22. Mr. H.S. Nanda, Company Secretary, [Membership No. F5199, CP No. 4293] has been appointed as the scrutinizer to conduct the e voting process and voting at the venue of the meeting in a fair and transparent manner.

23. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders.

24. The equity shareholders of the Applicant (which include Public shareholders) can opt only one mode for voting i.e. by e voting or voting at the venue of the meeting.

25. The equity shareholders of the Demerged Company attending the meeting who have not cast their vote through e voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through e voting may also attend the meeting but shall not be entitled to cast their vote again.

26. The e voting period will commence at 09.00 A.M. on 3rd May, 2018 and shall end at 05.00 P.M. on 01st June, 2018. During this period the equity shareholders of the Demerged Company holding shares either in physical or in dematerialized form, as on the cut off date i.e January 31, 2018 may cast their votes electronically.

27. Any queries/grievances in relation to the e voting may be addressed to Mr. Ashwini Kumar, Company Secretary cum Compliance Officer of the Demerged Company at Srivan, Near IOCL Petrol Pump, Najafgarh-Bijwasan Road, Bijwasan, New Delhi-110061 or through email to pilho@prakash.com.

28. Voting through Electronic Means

A. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the Meeting of Shareholders. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.

B. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. It is hereby clarified that it is not mandatory for a Member to vote using the e-voting facility. A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

Instructions:

The instructions for members voting electronically are as under:

(i) The voting period begins on 09.00 A.M. on 3rd May, 2018 and shall close at 05.00 P.M. on 01st June, 2018. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 31st January, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The members should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders / Members.

(v) Now Enter your User ID

  a. For CDSL: 16 digits beneficiary ID,

  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next Enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. (Applicable for both demat shareholders as well as physical shareholders)Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of name in CAPITAL letters. Eg. If your name is RAMESH KUMAR with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of "Prakash Industries Limited".

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phones users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

D. Shri H.S. Nanda, Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting through Ballot paper in the meeting, in a fair and transparent manner.

E. The Scrutinizer, after scrutinizing the votes cast at the meeting through ballot paper and through remote e-voting, will not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.

F. In the event of poll, please note that the members who have exercised their right to vote through electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon shall be prepared in accordance with Section 109 of the Act read with relevant rules. In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s). No voting by show of hands will be allowed at the Meeting.

G. Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the Shareholders Meeting of the Company scheduled to be held on 02nd Day of June, 2018. The Results shall be declared within 48 Hours from the conclusion of the meeting. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website, www.prakash.com and on CDSL's website, www.cdslindia.com/ www.evotingindia.com within 48 hours of passing of the Resolution(s) at the meeting and communicated to the Stock Exchanges.

29. Members are requested to bring their duly filled Attendance Slip enclosed herewith to attend the meeting along with their copy of Notice.

30. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" and allowed Companies to send documents through electronic mode to its members. As per Regulation 36(1) (a) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Companies shall send soft copies of Annual Report and other notices to all those members who have registered their email id's for the said purpose. Members are requested to support this Green Initiative by registering/updating their email id's for receiving electronic communications.

    Members holding shares in electronic mode are requested to update their email id's with their respective DP's and those holding shares in physical mode are requested to update their email id's with the company at SRIVAN, Najafgarh-Bijwasan Road, Bijwasan, New Delhi-110061.

31. A route map to the venue of the EGM alongwith prominent landmark for easy location is enclosed.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENCH, AT CHANDIGARH
CAA. NO. CA (CAA) No.07/Chd/Pb/2018 OF 2018

In the matter of the Companies Act, 2013;
And
In the matter of application under section 230 to 232 of the Companies Act, 2013;
And
In the matter of Scheme of Arrangement between

Prakash Industries Limited, a public company incorporated under the provision of Companies Act, 1956, Having its Registered Office at 15 Km Stone Delhi Road, Hissar – 125044 (Haryana).

……Applicant Company No. 1/ Demerged Company

AND

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

……Applicant Company No. 2/ Resulting Company

And

Their respective shareholders and creditors

EXPLANATORY STATEMENT UNDER SECTIONS 230 to 232 AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

1. In this statement Prakash Industries Limited is referred to as the "Demerged Company" and Prakash Pipes Limited is referred to as the "Resulting Company". The other definitions contained in the Scheme of Arrangement between the Demerged Company and the Resulting Company and their respective shareholders and creditors (hereinafter referred to as the **"Scheme"**) will also apply to this statement under the aforesaid provisions of the Companies Act, 2013 (**"Explanatory Statement"**).
2. A copy of the Scheme between the Demerged Company and the Resulting Company setting out the terms and conditions of the Scheme is attached to this Explanatory Statement as **Annexure 1**.
3. Pursuant to the Order dated the April 11, 2018 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench in Company Application referred to above, a meeting is being convened on, Saturday, the 02nd Day of June, 2018 at 11.30 A.M. at 15 Km Stone, Delhi Road, Hissar-125044, of the Equity Shareholders of the Demerged Company for the purpose of considering and, if thought fit, approving, the Scheme between the Demerged Company and the Resulting Company and their respective shareholders and creditors.

OVERVIEW

4. The proposed Scheme envisages the transfer of the PVC Pipes Undertaking (as defined under the Scheme) of the Demerged Company as a going concern to the Resulting Company and the consequent issuance of equity shares on a proportionate basis as consideration by the Resulting Company to the shareholders of Demerged Company under Sections 230–232 and other applicable provisions of the Act with effect from April 1, 2018 (the **"Appointed Date"**).

PARTICULARS OF THE DEMERGED COMPANY

5. The Demerged Company is a public limited company and was incorporated on 31st July, 1980 under the Companies Act, 1956.
6. The registered office of Demerged Company is at 15 Km Stone, Delhi Road, Hissar, Haryana – 125044. The email address of Demerged Company is pilho@prakash.com.
7. The equity shares of Demerged Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").
8. The Corporate Identity Number of Demerged Company is L27109HR1980PLC010724. Demerged Company along with its nominees hold 100% of the paid-up equity share capital of the Resulting Company.
9. The Permanent Account Number of Demerged Company is AABCP6765H.
10. The objects for which the Demerged Company has been established are set out in its Memorandum of Association. The same are briefly set out hereunder:
    1. *"To manufacture, produce, process, design, buy, sell, import, export or otherwise deal in all kinds of tubes, pipes, pipe fittings, components, accessories and all kinds of hardware items whether made of steel, alloys, stainless steel, P.V.C., plastics, or any other metal (ferrous or non-ferrous) or substance or material, to act*

as and/or carry on the business of galvanisers, jappaners, re-rollers, annealors, enamellers, electroplators and to manufacture, produce, process, design, repair, convert, buy, sell, import export, or otherwise deal in such products, their bye-products and commodities, raw-materials, stores, packing materials, tools, plant and machineries whether in India or abroad either on its own account or on account of its constituents and either solely or in conjunction with others.

2. *To carry on business, whether in India or abroad, either on its own account or on account of constituents solely or in conjunction with others as manufacturers, producers, processors, dealers, importers, exporters, buyers, sellers, distributors, stockists, agents and/or suppliers of tubes and pipes and poles made partly or wholly of steel, P.V.C. plastic; any other metal, cement, concrete, stones, clay, timber, teak, board, Fibre, Fibreglass, Ferrous, Nonferrous Alloys, Strips, Sheets, paper, glass, rubber, any other natural or synthetic substance or compound and various types of fittings, accessories, gadgets, parts, machinery, plants, tools, packing materials, compounds, chemicals, formulations and otherItems required for or used with such pipes and tubes and tubular structures and furniture made of pipes or tubes."*

11. The Demerged Company is primarily engaged in the business of manufacturing and production of Steel and PVC Pipes and power generation.

12. The Demerged Company was incorporated on 31st July, 1980 in the name of Prakash Pipes and Industries Limited. Said name was subsequently changed to 'Prakash Industries Limited' with effect from 1st November, 1990.

    The registered office of the demerged company was changed from S-34, Model Town, Hissar-125005 (Haryana) to 15 Km. Stone, Delhi Road, Hissar-125044 (Haryana) with effect from 22nd December, 1998.

13. The capital structure of the Demerged Company as on 31st March, 2017 is as under:

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

Post March 31, 2017, there has been a change in the capital structure of the Demerged Company. The capital structure of Demerged Company as on the date of this notice is as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
20,00,00,000 Equity Shares of INR 10 each	2,00,00,00,000
Total	**2,00,00,00,000**
Issued, Subscribed and Paid Up Share Capital	
15,68,83,536 Equity Shares of INR 10 each fully paid up	1,56,88,35,360
Total	**1,56,88,35,360**

As on the date of this notice, the Demerged Company has outstanding FCCBs amounting to USD 1,84,50,000. Out of such FCCBs, USD 6,50,000 are due on 1st October, 2020 and USD 1,78,00,000 are due on January, 2023. On their due date, such FCCBs holders have an option to convert them into equity shares or get it redeemed.

14. Detail of Promoters of Demerged Company

S. No.	Name Of Promoter	Address Of Promoter
1.	Shri Ved Prakash Agarwal	Golak Farms, Srivan, Najafgarh Gurgaon Road, Bijwasan, New Delhi - 110061
2.	Shri Ved Prakash Agarwal HUF	36/78, Punjabi Bagh West, New Delhi- 110026
3.	Smt Mohini Agarwal	36/78, Punjabi Bagh West, New Delhi- 110026
4.	Shri Vikram Agarwal	36/78, Punjabi Bagh West, New Delhi- 110026
5.	Shri Kanha Agarwal	36/78, Punjabi Bagh West, New Delhi- 110026
6.	Aircon Systems (India) Pvt Ltd	A-2/40 F/F, Safdar Jung Development Area, New Delhi 110016
7.	Ambrosia Commerce Pvt Ltd	N-2/6,DLF Phase- II, Gurgaon, Haryana - 122008
8.	Chaibasa Steel LLP (Formerly Known as Chaibasa Steel Pvt Ltd)	Srivan, Near Iocl Petrol Pump Main Najafgarh - Bijwasan Road, Bijwasan New Delhi 110061
9.	Dhruv Commerce LLP (Formerly Known as Dhruv Commerce Pvt Ltd)	303, Himland House, D-5, New Delhi 110015
10.	Essential Electronics Pvt Ltd	303 Himland House D-5 Karampura Commercial Complex, New Delhi 110015

S. No.	Name Of Promoter	Address Of Promoter
11.	Evershine Mercantile Llp (Formerly Known as Evershine Mercantile Pvt Ltd)	N-2/6, DLF Phase -II, Gurugram Haryana-122008
12.	Excel Fincap LLP (Formerly Known as Excel Fincap Pvt Ltd)	303, Himland House, D-5, Karampura Commercial Complex, New Delhi-110015
13.	Focus Securities & Credits Pvt Ltd	N-2/6, DLF Phase- II, Gurgaon, Haryana-122008
14.	Four Wings Marketing LLP (Formerly Known as Four Wings Marketing Pvt Ltd)	303, Himland House, D-5, Karampura Commercial Complex, New Delhi-110015
15.	GMK Builders Pvt Ltd	N-2/6, DLF Phase - II, Gurgaon, Haryana-122002
16.	Goel Containers Pvt Ltd	303, Himland House, D- 5, Karampuracomm Complen, New Delhi-110015
17.	Hissar Tubes LLP (Formerly Known as Hissar Tubes Pvt Ltd)	N-2/6, DLF Phase - II, Gurugram, Haryana-122008
18.	Hi-Tech Mercantile (India) Pvt Ltd	N-2/6, DLF Phase-II, Gurgaon, Haryana-122008
19.	New Era Commerce and Securities Pvt Ltd	Srivan Farms Near Indian Oil Petrol Bijwasan New Delhi-110061
20.	Ocean Ispat Pvt Ltd	N-2/6, DLF Phase - II, Gurgaon, Haryana-122008
21.	Pareek Overseas Pvt Ltd	N- 2/6, DLF Phase- II, Gurgaon, Haryana-122008
22.	Prakash Capital Services Ltd	303, Himland House, D-5, Karampura Commercial Complex, New Delhi-110015
23.	Prakash Industrial Finance Ltd	104, C Benhur, Lokhandwala Complex, Andheri (W), Mumbai Maharashtra-400053
24.	Premier Fincap LLP (Formerly Known as Premier Fincap Pvt Ltd)	N-2/6, DLF Phase II,Gurgaon Haryana-122018
25.	Primenet Global Ltd	25business Park Shivaji Marg Delhi-110015
26.	Prime Mercantile Pvt Ltd	N-2/6, DLF Phase - II, Gurgaon Haryana-122002
27.	Prospero Securities Pvt Ltd	303 Himland House D 5karampura Commercial Complex, New Delhi-110015
28.	Rourkela Steel Pvt Ltd	303 Himland Housed 5 Karampura Commercial Complex, New Delhi -110015
29.	Shikha Mercantile Pvt Ltd	303 Himland Housed 5 Karampura Comm Complex, New Delhi-110015
30.	Shree Labh Lakshmi Capital Services Pvt Ltd	302,Shivlok House-II, Karampura Commercial Complex, Karampura, Delhi-110015
31.	Spring Mercantile LLP (Formerly Known as Spring Mercantile Pvt Ltd)	303, Himland House, D-5, Karampura Commercial Complex, New Delhi-110015
32.	Style Leasing and Finance Pvt Ltd	303,Himland House D-5,Karampura Commercial Complex, New Delhi-110015
33.	Sunvin Trading and Investment LLP (Formerly Known as Sunvin Trading and Investment Pvt Ltd)	303,Himland House, D-5, Karampura Commercial Complex, New Delhi-110026
34.	Suvarna Marketing LLP (Formerly Known as Suvarna Marketing Pvt Ltd)	303, Shivlok House-11, Karam Pura Commercial Complex, New Delhi-110015
35.	Techdrive Software Ltd	301, 3rd Floor, 131,Dyvtha Plaza Residency Road Banglore, Karnataka-560025
36.	Tools India Pvt Ltd	303, Himland House, D-5, Karampura Communication Comple, New Delhi-110015
37.	Unity Mercantile Pvt Ltd	302 Shivlok House-11 Karampura ,Commercial New Delhi 110015
38.	Vanshi Farms Pvt Ltd	N-2/6, DLF Phase - II, Gurgaon Haryana-122008
39.	Vision Mercantile Pvt Ltd	N- 2/6, DLF Phase - II, Gurgaon Haryana-122008
40.	Welter Securities Ltd	91, Netaji Subhash Road, Kolkata West Bengal-700001
41.	Samyak Securities LLP (Formerly Known as Samyak Securities Pvt Ltd)	N-2/6, DLF Phase - II, Gurugram Haryana-122008

15. Detail of Directors of Demerged Company

Sr. No.	Name	Designation	Address
1.	Mr. Pancham Lal Gupta	Whole Time Director	G-6, Nice Apartments, 17/41, Punjabi Bagh (West), New Delhi – 110026
2.	Mr. Ved Prakash Agarwal	Whole Time Director	Golak Farms, Srivan, Najafgarh Gurgaon Road, Bijwasan, New Delhi – 110061
3.	Mr. Vikram Agarwal	Managing Director	36/78, Punjabi Bagh (W), New Delhi - 110026
4.	Mr. Kailash Chandra Mehra	Director	44, DDA SFS Flats, Kailash Kunj, Greater Kailash – I, New Delhi – 110048
5.	Mr. Mamraj Agarwal	Director	10159, Padam Singh Road, Karol Bagh, New Delhi – 110005
6.	Mr. Sunil Kumar	Independent Director	Nearmata Mandir, Samaspur, Sector-51, Near Sector-45,Gurugram-122003
7.	Mr. Mangi Lal Pareek	Whole Time Director	A-110, Meera Bagh, New Delhi – 110087
8.	Mr. Yoginder Nath Chugh	Director	H.No. 1264, Sector-7, Urban Estate, Karnal – 132001 (Haryana)
9.	Mr. Kanha Agarwal	Managing Director	36/78, West Punjabi Bagh, New Delhi – 110026
10.	Ms. Purnima Gupta	Director	2/121, First Floor, Paschim Vihar, Sunder Vihar, New Delhi - 110087

PARTICULARS OF THE RESULTING COMPANY

16. The Resulting Company is a public limited company and was incorporated on June 29, 2017 under the Companies Act, 2013.

17. The registered office of Resulting Company is at Darjiyan Wali Gali, Rayya Teh-Baba Bakala, Amritsar-143112 (Punjab). The email address of Resulting Company is pplho@prakash.com.

18. The Corporate Identity Number of Resulting Company is U25209PB2017PLC046660. The Resulting Company is the wholly owned subsidiary of the Demerged Company.

19. The Permanent Account Number of Resulting Company is AAJCP2761K.

20. The objects for which the Resulting Company has been established are set out in its Memorandum of Association. The same are briefly set out hereunder:

    1. *To establish, own, run, manage and to carry on the business as manufacturers, producers, developers, traders, buyers, sellers, exporters, importers, operators, engineers, fabricators, contractors, sub contractors, brokers, assemblers, packers, re-packers, jobbers, designers, laminators, merchants, resellers, dealers, distributors, converters, recyclers of all kinds of goods used for the purpose of irrigation, water transportation, sanitary systems, drainage system, cable ducting, or for any other purpose wherein it can be used conveniently such as pipes, tubes, hoses, sprinklers, polyethylene pipes for sprinkler irrigation system, drippers, accessories, fittings HDPE, PP, LLDPE, plastic resins, plastic granules, polymers, monomers, polypropylene, thermoplastics, foam, adhesive, synthetic resins, emulsions, fibre glass, PVC compound, PVC Dryblend, PVC premix and the like whatever name called or their derivatives/ mixtures and to do all incidental acts and things necessary for the attainment of the above project.*

    2. *To construct, build, develop, maintain, operate, own, and transfer, infrastructure facilities including water supply projects, irrigation projects, inland waterways and inland ports, water treatment system, solid waste management system, sanitation and sewerage system, or any other public facilities of a similar nature; any projects for providing telecommunications services.*

    3. *To manufacturing, spinning, processing, weaving, selling, buying, importing, exporting or otherwise to deal in low and high density polythene, polypropylene high molecular, high density polythene films, sacks, Woven sacks, bags, HDPE bags, sheeting, laying off flat tubing and to convert, any of the polythene polypropylene HM/HDPE products into any size or shape for use in packing and wrapping of all varieties of goods and to print all plastics, high density/ low density polythene, polypropylene HM/HDPE products whether rigid or flexible for packing, wrapping, and for use as stationary articles, publicity and display and for daily domestics or commercial/industrial use.*

    4. *To carry on the business as manufacturers, imports, exporters, dealers, (both wholesaler and retailer) processors, stockists, agents, distributors, traders, in all kind of PVC, HDPE, LLDPE, PLB, Cable, Duct pipe, Hose pipe, PVC pipe fittings, sanitary items, tiles made from granite, marbles, ceramics, partition, panel rods, plywood doors, windows made from aluminium, PVC wood, rails, grills, door closures,*

mirrors, fitting glasses, sanitary fittings, basin, shower, commode, pipe fittings, tap fittings, geysers, water filters, electric fittings and accessories, fans, lamps, security items, and sanitary items.

21. The Resulting Company is primarily engaged in the business of manufacturing and production of PVC Pipes.

22. There has been no change in the name, registered office address and objects of the Resulting Company in the last 5 years.

23. The capital structure of the Resulting Company as on June 29, 2017 (date of incorporation) is as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
10,000 Equity Shares of INR 10 each	1,00,000
Total	**1,00,000**
Issued, Subscribed and Paid Up Share Capital	
10,000 Equity Shares of INR 10 each fully paid up	1,00,000
Total	**1,00,000**

Post June 29, 2017, there has been no change in the capital structure of the Resulting Company.

24. Detail of Promoters of Resulting Company

S. No.	Name Of Promoter	Address Of Promoter
1.	Shri Ved Prakash Agarwal	Golak Farms, Srivan, Najafgarh Gurgaon Road, Bijwasan, New Delhi-110061
2.	Shri Vikram Agarwal	36/78, Punjabi Bagh West, New Delhi-110026
3.	Shri Kanha Agarwal	36/78, Punjabi Bagh West, New Delhi-110026
4.	Prakash Industries Limited	15 KM Stone Delhi Road Hissar Haryana HR-125044

25. Detail of Directors of Resulting Company

Sr. No.	Name	Designation	Address
1.	Mr. Ved Prakash Agarwal	Director	Golak Farms, Srivan, Najafgarh Gurgaon Road, Bijwasan, New Delhi-110061
2.	Mr. Vikram Agarwal	Director	36/78, Punjabi Bagh (W), New Delhi-110026
3.	Mr. Kanha Agarwal	Director	36/78, West Punjabi Bagh, New Delhi-110026

CORPORATE APPROVALS

26. The proposed Scheme, was placed before the Audit Committee of the Demerged Company at its meeting held on August 24, 2017. The Audit Committee of the Demerged Company took into account the Share Entitlement Report, dated August 24, 2017 issued by Price Waterhouse & Co LLP, Chartered Accountants (the "Share Entitlement Report") and the fairness opinion, dated August 24, 2017, provided by Finshore Management Services Limited, Merchant Banker ("Fairness Opinion"), appointed for this purpose by the Demerged Company. A copy of the Share Entitlement Report is enclosed as **Annexure 2**. The Share Entitlement Report is also open for inspection. A copy of the Fairness Opinion is enclosed as **Annexure 3**. The Audit Committee based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Demerged Company for its approval.

27. The Scheme along with the Share Entitlement Report was placed before the Board of Directors of the Demerged Company, at its meeting held on August 24, 2017. The Fairness Opinion and the report of the Audit Committee was also submitted to the Board of Directors of the Demerged Company. Based on the aforesaid, the Board of Directors of the Demerged Company approved the Scheme.

The particulars of the meeting of the board of directors of Demerged Company are set out below:

Sr. No.	Particulars of meeting of Board of Directors of Demerged Company	Detail
1.	Name of Directors who voted in favour of the resolution	Mr. Ved Prakash Agarwal, Mr. Vikram Agarwal, Mr. Kanha Agarwal, Mr. Pancham Lal Gupta, Mr. Mangi Lal Pareek, Mr. Satram Lokumal Keswani, Mr. Yoginder Nath Chugh, Mrs Purnima Gupta, Mr. Mamraj Agarwal, Mr. Kailash Chandra Mehra
2.	Name of Directors who voted against the resolution	Nil
3.	Name of Directors who did not vote or participate on the resolution	Nil

28. The Scheme along with the Share Entitlement Report was placed before the Board of Directors of the Resulting Company, at its meeting held on August 24, 2017. Based on the aforesaid, the Board of Directors of the Resulting Company approved the Scheme.

The particulars of the meeting of the board of directors of Resulting Company are set out below:

Sr. No.	Particulars of meeting of Board of Directors of Demerged Company	Detail
1.	Name of Directors who voted in favour of the resolution	Mr. Ved Prakash Agarwal, Mr. Vikram Agarwal, Mr. Kanha Agarwal
2.	Name of Directors who voted against the resolution	Nil
3.	Name of Directors who did not vote or participate on the resolution	Nil

APPROVALS AND SANCTIONS IN RELATION TO THE SCHEME

29. NSE was appointed as the designated stock exchange by the Demerged Company for the purpose of coordinating with the Securities and Exchange Board of India ("SEBI"), pursuant to Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 (the "SEBI Circular") issued by SEBI. The Demerged Company has received observation letters regarding the Scheme from BSE and NSE, respectively on, January 15, 2018 and January 12, 2018. In terms of the observation letters of BSE and NSE, respectively dated January 15, 2018 and January 12, 2018, both BSE and NSE, inter alia, conveyed their no adverse observations/ no objection for filing the Scheme with the Hon'ble High Court. Copies of the observation letters, received from BSE and NSE, respectively, are enclosed as **Annexure 4** and **Annexure 5**. As required by the SEBI Circular, the Demerged Company had filed the complaint reports with BSE and NSE, both on October 6, 2017. These reports indicate that the Demerged Company received NIL complaints. Copy of the complaint reports submitted by the Demerged Company to BSE and NSE, both dated October 6, 2017 is enclosed as **Annexure 6**.

30. The Demerged Company and Resulting Company or any of them would obtain such necessary approvals/ sanctions/no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, if so required. The applications along with the annexures thereto (which includes the Scheme) were filed with the NCLT, Chandigarh Bench on February 27, 2018.

SALIENT FEATURES OF THE SCHEME

31. The salient features of the Scheme are as follows:

(a) The Scheme envisages demerger of the PVC Pipes Undertaking (as defined in the Scheme) of the Demerged Company into the Resulting Company.

(b) The appointed date of the Scheme is 1st April, 2018.

(c) Subject to the sanction of the Scheme, with effect from the Effective Date but on and from the Appointed Date, i.e., 1st April, 2018, the entire Undertaking of the Demerged Company including but not limited to all assets, properties, liabilities, contracts, employees, legal and other proceedings, shall be and stand transferred to and vested in and/ or be deemed to have been transferred to and vested in the Resulting Company on a going concern basis.

(d) In consideration for the same, the Resulting Company shall issue and allot to every equity shareholder of the Demerged Company, holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company as on the Record Date (as defined in the Scheme), 1 (one) fully paid up equity share of face value Rs.10/- each of the Resulting Company, for every 8 (eight) fully paid up equity share of face value Rs.10/- each, held by such member in the share capital of the Demerged Company.

(e) Rationale of the Scheme:

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

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

b) PIL as well as PPL would have its own management teams, Board of Directors, who can chart out their own independent strategies to maximize value creation for their respective stakeholders. Demerger shall enable enhanced focus to the operations of the PVC pipes undertaking by PPL and the remaining business by PIL.

c) The demerger will permit increased focus by PIL and PPL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

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

The transfer and vesting of the PVC pipes undertaking (hereinafter defined) into PPL would be in the best interests of the shareholders, creditors and employees of PIL and PPL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in

operation of the PVC pipes undertaking and the remaining business of the PIL. Pursuant to this Scheme all the shareholders of the PIL will get shares in PPL and there would be no change in the economic interest for any of the shareholders of PIL pre and post implementation of the Scheme. Holders of FCCB of PIL shall be eligible to receive shares of PPL upon conversion of FCCB subject to and in accordance with the Scheme.

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

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

The aforesaid are only the salient features of the Scheme. The members are requested to read the entire text of the Scheme annexed hereto and get fully acquainted with the provisions thereof.

SUMMARY OF SHARE ENTITLEMENT REPORT INCLUDING THE BASIS OF VALUATION AND FAIRNESS OPINION

32. Pursuant to the SEBI Circular, the Demerged Company has obtained a Share Entitlement Report dated August 24, 2017 from Price Waterhouse & Co LLP, Chartered Accountants and a fairness opinion from Finshore Management Services Limited, Merchant Banker dated August 24, 2017.

33. The Audit Committee of the Demerged Company had also recommended the Scheme based on the Share Entitlement Report and the fairness opinion for favourable consideration by the Stock Exchange(s) and the SEBI.

    A copy of the Share Entitlement Report is enclosed as **Annexure 2**. A copy of the Fairness Opinion is enclosed as **Annexure 3**.

EFFECT OF THE SCHEME

34. The Scheme does not affect the material interests of the Directors or Key Managerial Personnel (KMP) of the Demerged Company and the Resulting Company.

35. Upon the Scheme becoming effective, the promoter and non-promoter shareholders of the Demerged Company will be allotted equity shares on a proportionate basis by the Resulting Company as consideration for transfer of PVC Pipes Undertaking as per clause 12 of the Scheme. Thus, there is not impact on the interest of the shareholders of the Demerged Company and the Resulting Company.

36. The rights and interest of the creditors and debenture/ bond holders of the Transferor or Transferee will not be adversely affected by the Scheme since there would be no reduction or extinguishment in their claims/interest, and dues, if any, will be paid off in the ordinary course of business. FCCB holders that exercise the option of conversion ("Converting FCCB Holder") after the record date, Resulting Company shall issue corresponding number of equity shares, as per the share entitlement ratio, to such Converting FCCB Holders upon allotment of equity shares of Demerged Company.

37. There shall be no change in the terms of employment of the employees of the Demerged Company, to their prejudice, and all employees of the Demerged Company shall be deemed to be employees of Resulting Company, without any break in service, as per clause 9 of the Scheme.

38. There are no depositors or deposit trustee in the Demerged Company and Resulting Company and hence, there is no question of the Scheme affecting their interests.

GENERAL

39. The total amount due to the secured and unsecured creditors of the Demerged Company as on 31st January, 2018 is Rs. 434.99 Crore and Rs. 616.58 crore, respectively. Total amount due to the secured and unsecured creditors of the Resulting Company as on 31st January, 2018 is Nil.

40. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013 against the Demerged Company and against the Resulting Company.

41. No winding up proceedings are pending against the Company

42. The copy of the proposed Scheme has been filed by the Company before the concerned Registrar of Companies on April 24th, 2018.

43. The following documents will be open for inspection or for obtaining extracts of or making copies of, by the members and creditors of the Company between 10.30 A.M. and 05.30 P.M., on any working day (except Saturdays, Sundays and Public Holidays), at the Registered office of the Company:

    (a) Copy of the Order dated April 11, 2018 passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench in Company Application No. CA (CAA) No.07/Chd/Pb/2018, inter alia, directing Demerged Company and Resulting Company to convene/ dispense with the meeting of its equity shareholders and creditors along with a copy of the application;

    (b) Copy of the Scheme of Arrangement;

    (c) Certificate issued by the Auditor confirming that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

    (d) Annual Reports of the Demerged Company for FY2016-17 including audited financial statements;

    (e) Copy of accounting statement of the Demerged Company for the period ending March, 31st 2018

    (f) Copy of Memorandum and Articles of Association of the Demerged Company;

(g) Share Entitlement Report dated August 24, 2017, issued by Price Waterhouse & Co, LLP

(h) Fairness Opinion dated August 24, 2017, from Finshore Management Services Limited, Merchant Banker

(i) Copy of the complaints report, dated 06/10/2017 submitted to BSE and NSE

(j) Copy of Board resolution dated August 24, 2017 approving the Scheme

(k) Copy of the observation letter dated January 15, 2018 and January 12, 2018 issued by BSE and NSE respectively.

(l) A copy of the certificate issued by Chaturvedi & Co., Chartered Accountants for non-applicability of requirement prescribed in paragraph I(A)(9)(a) of Annexure 1 of SEBI Circular

For and on behalf of
Prakash Industries Limited

Dated this 1st day of May, 2018

Sd/-
P.L. Gupta
Whole Time Director & CFO
(Authorised Representative)

Registered office:
15Km Stone, Delhi Road,
Hissar, Haryana – 125044

Annexure-1

SCHEME OF ARRANGEMENT

BETWEEN

PRAKASH INDUSTRIES LIMITED (DEMERGED COMPANY)

AND

PRAKASH PIPES LIMITED (RESULTING COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

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

For Prakash Pipes Limited

Director

PRAKASH PIPES LIMITED NEW DELHI

For PRAKASH INDUSTRIES LTD

DIRECTOR

PRAKASH INDUSTRIES LTD. N. Delhi

PREAMBLE

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

A. Background

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

   PIL is primary engaged in the following businesses:

   a) Steel;

   b) Power ; and

   c) PVC pipes

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

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

B. Rationale for the Scheme of Arrangement

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

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

PRAKASH INDUSTRIES LTD. N. Delhi

b) PIL as well as PPL would have its own management teams, Board of Directors, who can chart out their own independent strategies to maximize value creation for their respective stakeholders. Demerger shall enable enhanced focus to the operations of the PVC pipes undertaking by PPL and the remaining business by PIL.

c) The demerger will permit increased focus by PIL and PPL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

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

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

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

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

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

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

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

PRAKASH INDUSTRIES LTD. N. Delhi

PRAKASH PIPES LIMITED DELHI

PART A deals with Definition and share capital of the companies

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

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

PART A - DEFINITION AND SHARE CAPITAL

1. DEFINITIONS

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

1.1 **"2013 Act" or "the Act"** means the Companies Act, 2013, as notified, and ordinances, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof.

1.2 **"1956 Act"** means the Companies Act, 1956 (as applicable) and ordinances, rules and regulations made thereunder and shall include any statutory modification, re-enactment or amendments thereof.

1.3 **"Appointed Date"** means 1st April, 2018 or such other date as may be decided by the Board of the Demerged Company and the Resulting Company with the consent or as per the direction by the Tribunal.

1.4 **"Board of Directors"** or **"Board"** means and includes the respective Boards of Directors of the Demerged Company and the Resulting Company or any committee constituted by such Board of Directors for the purposes of the Scheme.

1.5 **"PVC pipes business of PIL" or "PVC pipes undertaking"** means all, the businesses, undertakings, activities, properties and liabilities, whatsoever nature and kind and wheresoever situated, of PIL pertaining to the PVC pipes business, including specifically the following:

1.5.1 all immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) including assets situated at Sarbarkhera, Gangapur Rakba, Kudaiyonwala, District- Udham Singh Nagar (Uttarakhand) and Industrial Area No. 3. Tehsil- Dhar, Pithampur (M.P.), offices, structures, warehouses, workshop, sheds, stores, DG Room, roads, laboratory, boundary walls, soil filling works, benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are currently being used for the purpose of and in relation to the PVC pipes business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

1.5.2 all assets, as are movable in nature pertaining to and in relation to the PVC pipes business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities,

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

1.5.3 all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by relevant Pollution Control Boards and other licenses/permits granted/issued/ given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the PVC pipes business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the PVC pipes business;

1.5.4 all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the PVC pipes business;

1.5.5 all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the PVC pipes business;

1.5.6 all rights to use and avail telephones, telexes, facsimile, email, Internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all

PRAKASH INDUSTRIES LTD. N. Delhi

PRAKASH PIPES LIMITED NEW DELHI

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

1.5.7 all books, records, files, papers, engineering- and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the PVC pipes business;

1.5.8 all debts, liabilities including contingent liabilities, duties, taxes and obligations of PIL pertaining to the PVC pipes business and/or arising out of and/or relatable to the PVC pipes business including:

a) the debts, liabilities, duties and obligations of PIL which arises out of the activities or operations of the PVC pipes business;

b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the PVC pipes Business; and

c) liabilities other than those referred to in sub-clauses a) and b) above and not directly relatable to the Remaining Business of PIL, being the amounts of general and multipurpose borrowings of PIL shall be allocated to the PVC pipes undertaking in the same proportion which the value of assets transferred under this Scheme bears to the total value of PIL immediately before giving effect to Part II of the Scheme.

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

1.5.9 all employees of PIL employed/engaged in the PVC pipes business as on the Effective Date; and

1.5.10 all legal or other proceedings of whatsoever nature that pertain to the PVC pipes business.

1.6 **"Demerged Company"**: means Prakash Industries Limited (or **"PIL"**).

1.7 **"Effective Date"** means the date on which the last of the conditions mentioned in Clause 18 of Part C of the Scheme is fulfilled. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

PRAKASH INDUSTRIES LTD. New Delhi

PRAKASH PIPES LIMITED

1.8 **"National Company Law Tribunal" or "NCLT" or "Tribunal"** means the National Company Law Tribunal, Chandigarh Bench.

1.9 **"Record Date"** means the date fixed by the Board of Directors of the Resulting Company or any committee thereof in consultation with the Demerged Company, for the purpose of determining names of the equity shareholders of the Demerged Company, who shall be entitled to receive the equity shares in the Resulting Company pursuant to Clause 12.1 of the Scheme, upon coming into effect of this Scheme.

1.10 **"Remaining Business"** means all assets, liabilities, businesses, activities and operations of the Demerged Company other than the Demerged Undertaking.

1.11 **"Resulting Company"** means Prakash Pipes Limited (or **"PPL"**).

1.12 **"RoC"** means Registrar of Companies, Punjab and Chandigarh, and Registrar of Companies, Delhi and Haryana.

1.13 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement among the Demerged Company, the Resulting Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 of the Act read with section 66 of the Act, and other applicable provisions of the Act or the 1956 Act, as the case may be, in its present form or with any modification(s) made under Clause 17 of the Scheme by the Board of Directors of the Demerged Company and the Resulting Company, and/ or as approved or directed by the Tribunal, as the case may be.

1.14 **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.15 **"SEBI Circulars"** means Circular No. CFD/DIL3/CIR/CMD/2017/21 dated March 10, 2017, issued by SEBI and as amended from time to time or any other circulars issued by SEBI applicable to a scheme of arrangement.

1.16 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, SEBI Circulars and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or reenactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

3. CAPITAL STRUCTURE OF THE COMPANIES

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

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

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

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

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

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

The Company's remaining outstanding FCCBs have an option to convert into equity shares

which may result in an increase in the issued and paid up capital of PIL.

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

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

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

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

4. **MAIN OBJECTS**

4.1. The main objects of PIL are as follows:

1. *To manufacture, produce, process, design, buy, sell, import, export or otherwise deal in all kinds of tubes, pipes, pipes fittings, components, accessories and all kinds of hardware items whether made of steel, alloys, stainless steel, P.V.C., plastics, or any other metal (ferrous or non-ferrous) or substance or material, to act as and/or carry on the business of galvanisers, jappaners, re-rollers, annealors, enamellers, electroplators and to manufacture, produce, process, design, repair, convert, buy, sell, import export, or otherwise deal in such products, their bye-products and commodities, raw-materials, stores, packing materials, tools, plant and machineries whether in India or abroad either on its own account or on account of its constituents and either solely or in conjunction with others.*

2. *To carry on business, whether in India or abroad, either on its own account or on account of constituents solely or in conjunction with others as manufacturers, producers, processors, dealers, importers, exporters, buyers, sellers, distributors, stockists, agents and/or suppliers of tubes and pipes and poles made partly or wholly of steel, P.V.C. plastic; any other metal, cement, concrete, stones, clay, timber, teak, board, Fibre, Fibreglass, Ferrous, Nonferrous Alloys, Strips, Sheets, paper, glass, rubber, any other natural or synthetic substance or compound and various types of fittings, accessories, gudgets, parts, machinery, plants, tools, packing materials, compounds, chemicals, formulations and otherItems required for or used with such pipes and tubes and tubular structures and furniture made of pipes or tubes.*

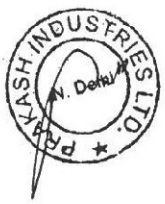
4.2. The main objects of PPL are as follows:

1. *To establish, own, run, manage and to carry on the business as manufacturers, producers, developers, traders, buyers, sellers, exporters, importers, operators, engineers, fabricators, contractors, sub contractors, brokers, assemblers, packers, re-packers, jobbers, designers, laminators, merchants, resellers, dealers, distributors, converters, recyclers of all kinds of goods used for the purpose of irrigation, water transportation, sanitary systems, drainage system, cable ducting, or for any other purpose wherein it can be used conveniently such as pipes, tubes, hoses, sprinklers, polyethylene pipes for sprinkler irrigation system, drippers, accessories, fittings HDPE, PP, LLDPE, plastic resins, plastic granules, polymers, monomers, polypropylene, thermoplastics, foam, adhesive, synthetic resins, emulsions, fibre glass, PVC compound, PVC Dryblend, PVC premix and the like whatever name called or their derivatives/ mixtures and to do all incidental acts and things necessary for the attainment of the above project.*

2. *To construct, build, develop, maintain, operate, own, and transfer, infrastructure facilities including water supply projects, irrigation projects, inland waterways and inland ports, water treatment system, solid waste management system, sanitation and sewerage system, or any other public facilities of a similar nature; any projects for providing telecommunications services.*

3. *To manufacturing, spinning, processing, weaving, selling, buying, importing, exporting or otherwise to deal in low and high density polythene, polypropylene high molecular, high density polythene films, sacks, Woven sacks, bags, HDPE bags, sheeting, laying off flat tubing and to convert, any of the polythene polypropylene HM/HDPE products into any size or shape for use in packing and wrapping of all varieties of goods and to print all plastics, high density/ low density polythene, polypropylene HM/HDPE products whether rigid or flexible for packing, wrapping, and for use as stationary articles, publicity and display and for daily domestics or commercial/industrial use.*

4. *To carry on the business as manufacturers, imports, exporters, dealers, (both wholesaler and retailer) processors, stockists, agents, distributors, traders, in all kind of PVC, HDPE, LLDPE, PLB, Cable, Duct pipe, Hose pipe, PVC pipe fittings, sanitary items, tiles made from granite, marbles, ceramics, partition, panel rods, plywood doors, windows made from aluminium, PVC wood, rails, grills, door closures, mirrors, fitting glasses, sanitary fittings, basin, shower, commode, pipe fittings, tap fittings, geysers, water filters, electric fittings and accessories, fans, lamps, security items, and sanitary items.*



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

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

5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the PVC pipes undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the PVC pipes undertaking) shall, without any further act, instrument, deed, matter or thing, be demerged from PIL and transferred to and vested in PPL or be deemed to have been demerged from PIL, and transferred to and vested in PPL as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of PPL, pursuant to Section 232 of the Act.

5.2. In respect of such of the assets of the PVC pipes undertaking as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by PIL to PPL upon the coming into effect of this Scheme pursuant to the provisions of Section 232 of the Act without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of PPL as an integral part of the PVC pipes undertaking.

5.3. In respect of the movable assets other than those dealt with in clause 5.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in PPL without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with other relevant provisions of the Act to the end and intent that the right of PIL to recover or realize the same stands transferred to PPL. PPL shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in PPL and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.

5.4. In respect of such of the assets belonging to the PVC pipes undertaking other than those referred to in clause 5.2 and 5.3 above, the same shall, as more particularly provided in clause 5.1 above, without an further act, instrument or deed, be demerged from PIL and transferred to and vested in and/or be deemed to be demerged from PIL and transferred to and vested in PPL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.

5.5. All assets, rights, title, interests and investments of PIL in relation to the PVC pipes undertaking shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in PPL upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.

PRAKASH INDUSTRIES LTD. New Delhi

PRAKASH PIPES LIMITED New Delhi

5.6. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of PIL in any leasehold/leave and licence/right of way properties of PIL in relation to the PVC pipes undertaking, shall, pursuant to Section 232 of the Act, without any further act or deed, be transferred to and vested in or be-deemed to have been transferred to or vested in PPL automatically and on the same terms and conditions.

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

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

5.8. In so far as various incentives, subsidies, exemptions, special status, service tax benefits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by PIL are concerned, the same shall, without any further act or deed, in so far as they relate to the PVC pipes undertaking, vest with and be available to PPL on the same terms and conditions, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to PPL.

5.9. Any claims due to PIL from its customers or otherwise and which have not been received by PIL as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the PVC pipes undertaking, shall also belong to and be received by PPL.

5.10. All assets, estate, rights, title, interest and authorities acquired by PIL after the Appointed

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

5.11. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of PIL relating to the PVC pipes undertaking shall without any further act, instrument or deed be and stand transferred to PPL and shall thereupon become the debts, duties, obligations and liabilities of PPL, which it undertakes to meet, discharge and satisfy to the exclusion of PIL and to keep PIL indemnified at all times from and against all such debts, duties, obligations and liabilities and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person, who is a party to an act or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen in order to give effect to the provisions of this clause.

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

5.13. Subject to clause 5.12 above, from the Effective Date, PPL alone shall be liable to perform all obligations in respect of the liabilities of the PVC pipes undertaking as the borrower/issuer thereof, and PIL shall not have any obligations in respect of the said liabilities.

5.14. Where any of the liabilities and obligations of PIL as on the Appointed Date deemed to be transferred to PPL, have been discharged by PIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of PPL and all liabilities and obligations incurred by PIL for the operations of the PVC pipes undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of PPL and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to PPL and shall become

PRAKASH INDUSTRIES LTD. N. Delhi

PRAKASH PIPES LIMITED NEW DELHI

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

5.15. Any claims, liabilities or demands arising on account of the PVC pipes undertaking of PIL which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by PPL. In the event that such liability is incurred by or such claim or demand is made upon PIL, then PPL shall indemnify PIL for any payments made in relation to the same.

5.16. Subject to the other provisions of this Scheme, in so far as the assets of the PVC pipes undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of PIL shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of PIL which are not transferred to PPL.

5.17. As per the terms and conditions as set out in the Offering Circulars dated April 26, 2010, September 30, 2015 and August, 2017 issued in respect of the FCCBs ("Offering Circular") for issue of FCCBs, by PPL, upon the coming into effect of this Scheme and subject to applicable law, PPL shall guarantee the due payment of all sums expressed to be payable by PIL to the outstanding FCCB holders and in this regard shall enter into such deed or document, as may be required, with the trustee of the outstanding FCCB holders to give effect to the aforesaid. In case of payment of any outstanding sum to the outstanding FCCB holder by PPL, as per the terms and conditions set out in the Offering Circular, PIL shall, without any further act, instrument, deed, matter or thing, make the payment to PPL within such period as may be mutually decided between PIL and PPL.

5.18. In so far as the assets of the Remaining Business of PIL are concerned, the security, pledge, existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the PVC pipes undertaking shall, without any further act, instrument or deed be released and discharged from such security, pledge, charges and mortgages. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.

5.19. In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of PIL are concerned, such security shall, without any further act, instrument or deed be continued with PIL only on the assets which are remaining with PIL.

5.20. Without any prejudice to the provisions of the foregoing clauses and upon the Scheme being effective, PIL, and PPL shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, Punjab and Chandigarh to give formal effect to the provisions of this clause and foregoing clauses, if required.

5.21. Upon the coming into effect of this Scheme, PIL alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of PIL and PPL shall not have any obligations in respect of the Remaining Business of PIL.

5.22. The foregoing provisions shall operate, notwithstanding anything to the contrary contained in

PRAKASH INDUSTRIES LTD. New Delhi

PRAKASH PIPES LIMITED DELHI

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

5.23. On and from the Effective Date, and thereafter, PPL shall be entitled to operate all bank accounts of PIL, in relation to or in connection with the PVC pipes undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of PIL, in relation to or in connection with the PVC pipes undertaking, in the name of PPL in so far as may be necessary until the transfer of rights and obligations of the PVC pipes undertaking to PPL under this Scheme have been formally given effect to under such contracts and transactions.

5.24. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of PIL, in relation to or in connection with the PVC pipes undertaking, have been replaced with that of PPL, PPL shall be entitled to operate the bank accounts of PIL, in relation to or in connection with the PVC pipes undertaking, in the name of PIL in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of PIL in relation to or in connection with the PVC pipes undertaking, after the Effective Date shall be accepted by the bankers of PPL and credited to the account of PPL, if presented by PPL. PPL shall be allowed to maintain bank accounts in the name of PIL for such time as may be determined to be necessary by PPL for presentation and deposition of cheques and pay orders that have been issued in the name of PIL, in relation to or in connection with the PVC pipes undertaking. It is hereby expressly clarified that any legal proceedings by or against PIL, in relation to or in connection with the PVC pipes undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of PIL shall be instituted, or as the case may be, continued by or against PPL after the coming into effect of this Scheme.

5.25. It is clarified that in order to ensure the smooth transition and sales of products and inventory of PIL, in relation to or in connection with the PVC pipes undertaking, manufactured and/or branded and/or labelled and/or packed in the name of PIL prior to the Effective Date, PPL shall have the right to own, use, market, sell, exhaust or to in any manner deal with any such products and inventory (including packing material) pertaining to the PVC pipes undertaking at manufacturing locations or warehouses or retail stores or elsewhere, without making any modifications whatsoever to such products and/or their branding, packing or labelling. All invoices/payment related documents pertaining to such products and inventory (including packing material) shall be raised in the name of PPL after the Effective Date.

5.26. It is hereby clarified that all assets and liabilities of the PVC pipes undertaking, which are set forth in the closing balance sheet of PIL as on the close of business hours on the date immediately preceding the Appointed Date, shall be transferred at values appearing in the books of account of PIL as on the Appointed Date.

PRAKASH INDUSTRIES LTD. New Delhi

PRAKASH PIPES LIMITED NEW DELHI

6. LEGAL PROCEEDINGS

6.1. Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against PIL, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each relating to the PVC pipes undertaking shall be continued and enforced by or against PPL after the Effective Date. In the event that the legal proceedings referred to herein require PIL and PPL to be jointly treated as parties thereto, PPL shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with PIL. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the PVC pipes undertaking or not, a decision jointly taken by the Board of Directors of PIL and PPL in this regard, shall be conclusive evidence of the matter.

6.2. If proceedings are taken against PIL in respect of the matters referred to in clause 6.1 above, it shall defend the same in accordance with the advice of PPL and at the cost of PPL, and the latter shall reimburse and indemnify PIL against all the liabilities and obligations incurred by PIL in respect thereof.

6.3. PPL shall have all legal or other proceedings initiated by or against PIL with respect to the PVC pipes undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against PPL to the exclusion of PIL.

7. CONTRACTS, DEEDS, ETC.

7.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the PVC pipes undertaking to which PIL is a party or to the benefit of which PIL may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of PPL, as the case may be, and may be enforced as fully and effectually as if, instead of PIL, PPL had been a party or beneficiary or obligee thereto.

7.2. Notwithstanding the fact that vesting of the PVC pipes undertaking occurs by virtue of this Scheme itself, PPL may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute such deeds (including deeds of adherence), confirmations or other Writings or tripartitents with any party to any contract or arrangement to which PIL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. PPL will, if necessary, also be a party to the above. PPL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of PIL and to carry out or perform all, such formalities or compliances referred to above on the part of PIL to be carried out or performed.

7.3. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the PVC pipes undertaking which PIL own or to which PIL is a party to, cannot be transferred to PPL for any reason whatsoever, PIL shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of

PPL, in so far as it is permissible so to do, till such time as the transfer is effected.

8. SAVING OF CONCLUDED TRANSACTIONS

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

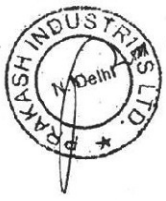
9. STAFF, EMPLOYEES & WORKMEN

9.1. Upon the coming into effect of this Scheme, all the employees relating to the PVC pipes undertaking that were employed by PIL, immediately before the Effective Date, shall become the employees of PPL without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the PVC pipes undertaking of PIL immediately prior to the demerger of the PVC pipes undertaking.

9.2. PPL agrees that the service of all employees pertaining to the PVC pipes undertaking with PIL up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in PIL up to the Effective Date. PPL further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with PIL, shall also be taken into account and agrees and undertakes to pay the same as and when payable.

9.3. Upon the coming into effect of this Scheme, PPL shall make all the necessary contributions for such transferred employees relating to the PVC pipes undertaking, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. PPL will also file relevant intimations in respect of the PVC pipes undertaking to the statutory authorities concerned who shall take the same on record and substitute the name of PPL for PIL.

9.4. In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by PIL for employees of the PVC pipes undertaking are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the PVC pipes undertaking as on the Effective Date, who are being transferred along with the PVC pipes undertaking in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of PPL and till the time such necessary funds, schemes or trusts are created by PPL, all contribution shall continue to be made to the existing funds, schemes or trusts of PIL.



10. CONDUCT OF BUSINESS

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

a) PIL undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the PVC pipes undertaking, for and on account of and in trust for PPL.

b) All profits accruing to the PIL and all taxes thereon or losses arising or incurred by it with respect to the PVC pipes undertaking shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of PPL.

c) All accretions and depletions in relation to the PVC pipes undertaking shall be for and on account of the PPL.

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

a) PIL shall carry on the business of the PVC pipes undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.

b) Except with the consent of their respective Board of Directors, PIL and PPL shall not make any change in its respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organization, or in any other manner effect the reorganization of capital of PPL.

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

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

11. TREATMENT OF TAX

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

11.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes,

PRAKASH INDUSTRIES LTD. Delhi

duties, cess, receivables/ payables by PIL relating to the PVC pipes undertaking including all or any refunds/ credits/ claims/ tax losses/ unabsorbed depreciation relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of PPL.

11.3. PIL and PPL are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/ returns and to claim refund, advance tax, credits, excise and service tax credits, set off etc. on the basis of the accounts of the PVC pipes undertaking as vested with PPL upon coming into effect of this Scheme.

11.4. Any refund, under the Income-tax Act, 1961, Goods & Service Tax, Service Tax laws, Excise Duty laws, Central Sales Tax, applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to PVC pipes undertaking of PIL consequent to the assessment made on PIL and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by PPL upon this Scheme becoming effective.

11.5. The tax payments (including, without limitation income tax, Goods & Service Tax, Service Tax, Excise Duty, Central Sales Tax, applicable State Value Added Tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the PIL with respect to the PVC pipes undertaking after the Appointed Date, shall be deemed to be paid by the PPL and shall, in all proceedings, be dealt with accordingly.

11.6. Further, any tax deducted at source by PIL / PPL with respect to PVC pipes undertaking on transactions with the PIL/ PPL, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the PPL and shall, in all proceedings, be dealt with accordingly.

11.7. Obligation for deduction of tax at source on any payment made by or to be made by PIL shall be made or deemed to have been made and duly complied with by PPL.

11.8. Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, Goods and Service Tax, Cenvat, Customs, VAT, Sales Tax, Service Tax etc. relating to the PVC pipes undertaking to which PIL is entitled to shall be available to and vest in PPL, without any further act or deed.

11.9. The Board of Directors of PIL shall be empowered to determine if any specific tax liability or any tax proceeding relates to the PVC pipes undertaking and whether the same would be transferred to PPL.

12. CONSIDERATION

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

the equity shareholders of PIL, in consideration for the transfer of the PVC pipes undertaking in the following proportion namely,:

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

12.2. In issue and allotment of such shares as aforesaid, the fractional entitlements of shares of any shareholders of PIL shall not be taken into account, but such shares representing fractional entitlements shall be allotted to Company Secretary of PPL upon trust/ or separate trustee nominated by PPL, who will sell them on the date of listing of PPL or within such period of listing of PPL as may be decided by the Board of Directors of PPL, and distribute their sale proceeds (less expenses, if any) to the shareholders of PIL, who are entitled to such fractional shares.

12.3. The new equity shares issued, pursuant to clauses 12.1 above, shall be issued and allotted in a dematerialized form to those equity shareholders who hold equity shares in PIL in dematerialized form, into the account with the depository participant in which the equity shares of PIL are held or such other account with the depository participant as is intimated by the equity shareholders of PIL to PPL before the Record Date. All those equity shareholders of PIL who hold equity shares of PIL in physical form shall also have the option to receive the new equity shares, as the case may be, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to PPL before the Record Date. In the event that PPL has received notice from any equity shareholder of PIL that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of PPL, then PPL shall issue new equity shares of PPL in accordance with clauses 12.1 above, as the case may be, in physical form to such equity shareholder.

12.4. The new equity shares of PPL to be issued to the shareholders of PIL in terms of this scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of PPL and shall rank pari-passu, in all respects with the then existing equity shares in PPL in all respects including dividends.

12.5. Where the new equity shares of PPL are to be allotted, pursuant to this scheme, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of PIL, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of PPL.

12.6. The new equity shares to be issued by PPL, pursuant to this scheme, in respect of any equity shares of PIL, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by PPL.

12.7. FCCB holders that exercise the option of conversion ("Converting FCCB Holder") after the record date, PPL shall issue corresponding number of equity shares, as per the share entitlement ratio mentioned in clauses 12.1 above, to such Converting FCCB Holders upon

allotment of equity shares of PIL.

12.8. The equity shares allotted by PPL to the Converting FCCB Holder in terms of clause 12.7 above, will be listed and admitted to trading on the BSE and NSE in terms of the provisions of applicable law.

12.9. The approval of this Scheme shall be deemed to be due compliance of the provisions of section 62 of the Act and other relevant and the Act and applicable provisions of the Act, for the issue and allotment of new equity shares by PPL to the shareholders and Converting FCCB Holder, as provided in this Scheme.

12.10. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of PIL, the Board of Directors of PIL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in PIL as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to PIL or PPL of equity shares in PPL issued by PPL upon the coming into effect of this Scheme.

12.11. PPL shall, if and to the extent required to, apply for and/or intimate and/or obtain any approvals from the concerned regulatory authorities. PPL shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable PPL to issue and allot new equity shares to the non-residents, if any.

12.12. The new equity shares to be issued by PPL, in terms of this Scheme, will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of PIL are listed and/or admitted to trading in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable regulations. PPL shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the aforesaid stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading. The new equity shares allotted by PPL, pursuant to this scheme, shall remain frozen in the depositories system till the listing/trading permission is given by the BSE and NSE.

13. ACCOUNTING TREATMENT

Accounting treatment in the books of the PIL

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

13.1. All the Assets and the liabilities of the PVC pipes undertaking shall be reduced at their Book Value.

PRAKASH INDUSTRIES LTD. New Delhi

PRAKASH PIPES LIMITED New Delhi

13.2. The difference between the book value of assets and book value of liabilities of the PVC pipes undertaking shall be adjusted first against the Capital Reserve and balance against the Securities Premium Reserve may be decided by the Board of Directors of PIL.

13.3. Upon the Scheme being effective, the investment of PIL in PPL shall stand cancelled. Upon cancellation, PIL shall credit its investment in PPL, the value of investment held by PIL in PPL, which stands cancelled and the same shall be debited to the reserves of PIL.

13.4. If considered appropriate for compliance with Accounting Standards, PIL may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of PIL.

Accounting treatment in the books of PPL

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

13.5. PPL shall record the assets and liabilities of the PVC pipes undertaking vested in it pursuant to this Scheme at the respective Book Values thereof.

13.6. PPL shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the members of PIL pursuant to Clause 12 of this Scheme.

13.7. In respect of cancellation of shares held by PIL, PPL shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by PIL in PPL with a corresponding credit to the Capital Reserves of PPL.

13.8. The difference between clause 13.5 and clause 13.6 above shall be recorded as capital reserve.

13.9. For issue of equity shares to the Converting FCCB Holder after the record date, PPL shall credit its Equity Share Capital Account the aggregate face value of the equity shares issued and allotted to the Converting FCCB Holder with a corresponding debit to the Capital Reserves of PPL.

13.10. If considered appropriate for the purpose of application of uniform accounting policies and method or for compliance with the applicable Accounting Standards, PPL may make suitable adjustment and adjust the effect thereof in the manner determined by the Board of Directors of PPL.

14. REDUCTION OF SHARE CAPITAL OF PPL and PIL

14.1. REDUCTION OF SHARE CAPITAL OF PPL

a) With the issue and allotment of the new equity shares by PPL to the equity shareholders of PIL in accordance with clauses 12 of the Scheme, in the books of

PPL, all the equity shares issued by PPL to PIL and held by PIL shall stand cancelled, extinguished and annulled on and from the Effective Date.

b) The cancellation, as aforesaid, which amounts to reduction of share capital of PPL, shall be effected as an integral part of this Scheme itself in accordance with the provisions of section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

c) Notwithstanding the reduction as mentioned above, PPL shall not be required to add "and reduced" as suffix to its name and PPL shall continue in its existing name.

14.2. REDUCTION OF SHARE CAPITAL OF PIL

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

b) Notwithstanding the reduction as mentioned above, PIL shall not be required to add "and reduced" as suffix to its name and PIL shall continue in its existing name.

15. REMAINING BUSINESS TO CONTINUE WITH PIL

15.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by PIL subject to the provisions of the Scheme.

15.2 All legal or other proceedings by or against PIL under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of PIL in respect of the Remaining Business) shall be continued and enforced by or against PIL. PPL shall in no event be responsible or liable in relation to any such legal or other proceedings by or against PIL.

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

a) PIL shall carry on and shall be deemed to have been carrying on all business and

PRAKASH INDUSTRIES LTD. New Delhi

FRAKASH PIPES LIMITED

activities relating to the Remaining Business for and on its own behalf;

b) all profits and income accruing or arising to PIL, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits income, losses or expenditure, as the case may be, of PIL; and

c) all employees relatable to the Remaining Business shall continue to be employed by PIL and PPL shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

PRAKASH INDUSTRIES LTD. N. Delhi

PRAKASH PIPES LIMITED

16. APPLICATION TO TRIBUNAL

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

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

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

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

18. CONDITIONALITY OF THE SCHEME

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

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

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

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

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

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

PRAKASH INDUSTRIES LTD. N. Delhi

PRAKASH PIPES LIMITED

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

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

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

20. **COSTS, CHARGES AND EXPENSES**

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

Annexure - 2

Price Waterhouse & Co LLP

Chartered Accountants

Private and Confidential

24 August 2017

Board of Directors
Prakash Industries Limited
15 KM Stone
Delhi Road
Hissar - 125044, India

Board of Directors
Prakash Pipes Limited
Darjiyan Wali Gali,
Rayya The-Baba Bakala,
Amritsar - 143112, India

Dear Sir,

Subject: Share Entitlement Ratio Report

1 CONTEXT AND PURPOSE

1.1. We refer to the engagement letter ('EL') dated 06 June 2017 and the subsequent discussions we had with you, wherein you have requested our report on the ratio of allotment of shares of the resultant company ('Resulting Company' or 'Prakash Pipes Limited' or 'PPL') to be issued to the shareholders of Prakash Industries Limited ('PIL' or the 'Company'), together referred to as the 'Specified Companies', in connection with the proposed demerger of the PVC pipes business ('Specified Business') of Prakash Industries Limited into Prakash Pipes Limited, with effect from 1 April 2018 ('Appointed Date').

2 BACKGROUND

2.1 Prakash Industries Limited ('PIL' or the 'Company') is a public limited company incorporated in India. The equity shares of PIL are listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE'). PIL is engaged in the production of ferro alloys, MS TMT/MS Coil and allied products, HB Wire Rod, and PVC Pipe and Sockets. PIL's key business segments include: a) Steel manufacturing, b) PVC pipe, and c) Power generation. Further, we understand that PIL's operational facilities are located at Champa, Raipur, Kashipur, Koira, Distt. Koenjhar and Muppandal.

2.2 The PVC pipes division ('Specified business') of PIL comprises manufacturing, processing and dealing of various kinds of tubes and pipes.

2.3 We understand that the Management of PIL ('Management') is contemplating a restructuring by de-merging the Specified Business into a newly incorporated wholly owned subsidiary of PIL, Prakash Pipes Limited ('PPL' or 'Resulting Company'), with effect from 1 April 2018 ('Appointed Date') (the 'Proposed Transaction' or the 'Demerger'). The Demerger is proposed to be carried out through a Scheme of Arrangement ('Scheme of Demerger') under the provision of Sections 230 to 232 of the Act read with section 66 of the Companies Act, 2013.

2.4 In connection with the Demerger, the management of PIL ('Management') has requested Price Waterhouse & Co LLP ('PW & Co'/ 'us'/ 'we') to provide a report on the ratio of allotment of shares of the Resulting Company to be issued to the shareholders of PIL ('the Services'). Such ratio of allotment is proposed by the Management of PIL.

CERTIFIED TRUE COPY

2.5 We understand that consequent to the Demerger there will be no impact on the economic beneficial interest of the shareholders of PIL.

For PRAKASH INDUSTRIES LTD.

DIRECTOR
P.L. GUPTA

3 PROCEDURES

3.1 The procedures used in our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Considered the audited financial statements of PIL for the year ended 31 March 2017, carved out financials of the Specified business for the year ended 31 March, 2017 which are based on the audited financials of PIL;
- Considered the number of equity shares of the Resulting Company proposed to be issued to the shareholders of PIL on the Demerger of the Specified business into the Resulting Company;
- Considered the draft Scheme of Arrangement for the Demerger ("Draft Scheme");
- Considered the existing shareholding pattern of PIL and the envisaged shareholding pattern of the Resulting Company;
- Interviews and correspondence with the Management, on which we have relied; and
- Such other analyses, reviews and inquiries, as we considered necessary.

4 RATIO OF ALLOTMENT

4.1 The Management has proposed the following Share Entitlement Ratio:

- 1 fully paid up equity share having face value of INR 10/- each of the Resulting Company for 8 fully paid up equity share of INR 10/- each in PIL.

4.2 We have considered the outstanding number of equity shares of PIL and the envisaged number of equity shares of the Resulting Company as follows:

- As of the Report Date, the issued, subscribed and paid up capital of PIL consists of 15,25,07,797 equity shares of INR 10/- each;
- As of the Report Date, the initial issued, subscribed and paid up capital of the Resulting Company is envisaged to comprise of 10,000 equity shares of INR 10/- each. The entire paid-up and issued capital of the Resulting Company is proposed to be held by PIL prior to the Demerger;
- As of the Report Date, PIL has outstanding Foreign Currency Convertible Bonds ('FCCBs') amounting to USD 25.15 million that have an option to convert into equity shares (based on their respective terms). Further, PIL has a foreign currency debt obligation of USD 17.85 million that PIL is in discussion with the respective Bond Holders to restructure into new FCCBs. As per the Management if all such FCCBs (including USD 17.85 million) are converted into equity shares it would result in an increase in the issued and paid up capital of PIL to 18,06,70,565 equity shares (i.e. on a fully diluted basis).

4.3 Pursuant to the Draft Scheme:

- The Resulting Company, in order to comply with the intent of maintaining the economic interest of the shareholders of PIL shall issue 1,90,63,475 equity shares of INR 10/- each to all the Equity Shareholders of PIL;
- the initial issued, subscribed and paid up capital of the Resulting Company consisting of 10,000 equity shares of INR 10/- each shall stand cancelled on the demerger being effective; and if any FCCBs holder exercises the option of conversion ('Converting FCCB Holder') even after the record date (as mentioned in the Draft Scheme), PPL shall issue corresponding number of equity shares, as per the Share Entitlement Ratio mentioned in clause 4.1 above, to such Converting FCCB Holder upon allotment of equity shares of PIL.

If all FCCBs (including USD 17.85 million) are converted into equity shares at the Record Date it would result in issuance of an additional 35,20,346 equity shares of PPL to such shareholders of PIL (i.e. 35,20,346 equity shares of PPL for the equity shares of PIL which may be issued to the FCCB holders of PIL post conversion).CERTIFIED TRUE COPY

For PRAKASH INDUSTRIES LTD

DIRECTOR
P.L.GUPTA

PRAKASH INDUSTRIES LTD. N. Delhi

Price Waterhouse & Co LLP Chartered Accountants Gurgaon

4.4 The Draft Scheme provides that in case any members' shareholding in the PIL is such that such member becomes entitled to a fraction of one equity share of the Resulting Company, the Resulting Company shall not allot fractional shares to such member but shall consolidate such fractions and issue consolidated equity shares to a separate trustee nominated by Resulting Company in that behalf, who shall sell such equity shares on the date of listing of PPL or within such period of listing of PPL as may be decided by the Board of Directors of PPL and distribute the net sale proceeds (less expenses as applicable) to the members of PIL, in proportion to their fractional entitlements.

4.5 Based on the aforementioned, in particular read with paragraphs 2 and 4.1 – 4.5 above and caveats below, and considering that all the current shareholders of PIL are and will, upon demerger, be the ultimate beneficial economic owners of the Resulting Company and that the upon allotment of equity shares by the Resulting Company in the proposed Share Entitlement Ratio, the beneficial economic interest of the shareholders in the equity of the Resulting Company will be the same[1] as it is in the equity of PIL; the above Share Entitlement Ratio is fair in relation to the Demerger.

5 CAVEATS

5.1. We have relied upon the information, data and explanations detailed in paragraphs 2 and 3 above, for the purpose of reporting on the ratio of allotment of the equity shares of the Resulting Company to the shareholders of PIL in connection with the proposed Demerger.

5.2. For the purpose of opining on the Share Entitlement Ratio we have used financial and other information provided by the Management, which we believe to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the financial and other information provided to us by the Management. We have, therefore, not carried out any due diligence review, independent audit or other test or validation of such financial and other information to establish the accuracy or sufficiency of the financial statements referred to above or of the information, explanations and representations provided to us. We have thus relied upon the audits carried out by Chaturvedi & Co. of the financials of PIL provided to us. Accordingly, we do not express any opinion or any other form of assurance thereon and accept no responsibility for the same.

5.3. We have made no investigation of, and assume no responsibility for the title to, or liabilities against, the equity of PIL.

5.4. The Business of PIL is proposed to be demerged into the Resulting Company with effect from the Appointed Date and we have considered the financial statements of PIL as at 31 March 2017. The Management has explained that the Business would be carried on in due course of business till the Appointed Date and subsequently, till the Scheme is approved. The Management has represented that financial statements of PIL as at 31 March 2017, provided to us, include all disclosures necessary for a fair presentation of its financial position and results of operations in accordance with generally accepted accounting principles in India consistently applied, and disclosures otherwise required by the laws and regulations to which they are subject. The Management has further represented that the Management does not anticipate any changes in the financial position of the Specified business, other than that in ordinary course of business till the Appointed Date.

CE T

For PRAKASH INDUSTRIES LTD.

PRAKASH INDUSTRIES LTD. N. Delhi

DIRECTOR
P. L. GUPTA

[1] Since upon allotment of equity shares by the Resulting Company in the proposed Share Entitlement Ratio, the beneficial economic interest of the Shareholders of PIL in the equity of the Resulting Company will be the same, as such no valuation is undertaken for the Specified Business or the Resulting Company or of PIL.

Price Waterhouse & Co LLP LLP/W/AAC-2731 Chartered Accountants PRW0408844N/N500015 Gurgaon

5.5. Our scope of work is limited to expression of our view on the proposed Share Entitlement Ratio and its impact on the economic interest of the shareholders of the Specified Companies. Our report is not, nor should it be construed as, our opining or certifying the compliance of the proposed demerger of the Demerged Undertaking with the provisions of any law including companies, FEMA and taxation related laws or as regards any legal implications or issues arising from such proposed demerger.

5.6. Valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no indisputable single Share Entitlement Ratio. While we have provided our view on the Share Entitlement Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. You acknowledge and agree that you have the final responsibility for determination of the Share Entitlement Ratio for the proposed Demerger and factors other than our report will need to be taken into account in determining such ratios; these will include your own assessment of the proposed Demerger and may include the input of other professional advisors

6 DISTRIBUTION OF OUR REPORT

6.1 This letter report is prepared for the Board of Directors of PIL and the Resulting Company and to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the Proposed Transaction.,

6.2 Further, it is clarified that once Resulting Company is incorporated, the Board of Directors of Resulting Company (as one of the Specified Companies) may rely on our report in terms of our EL dated June 06, 2017, subject to Resulting Company ratifying the terms of our EL. We shall provide you with a format recording such ratification when requested by PIL and the Resulting Company.

6.3 In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Specified Companies, their directors, employees or agents. In no circumstances shall the liability of Price Waterhouse & Co. LLP, its partners, directors or employees, relating to the services provided in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for these services.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work.

CERTIFIED TRUE COPY
For PRAKASH INDUSTRIES LTD.
DIRECTOR
P. L. GUPTA

PRAKASH INDUSTRIES LTD. N Delhi

Yours faithfully

Rajan Wadhawan
Partner
Membership Number: 090172
For and on behalf of
Price Waterhouse & Co LLP
ICAI Registration No 016844N/ N-500015

Annexure - 3

To,
The Board of Directors,
Prakash Industries Limited
15 Km Stone Delhi Road,
Hissar – 125 044 (Haryana)

Dated – 24th August, 2017

Sub: Opinion on the share entitlement ratio on the proposed scheme of arrangement for demerger of PVC Pipes Undertaking of Prakash Industries Limited and subsequent amalgamation with its wholly owned subsidiary, Prakash Pipes Limited.

Dear Members of the Board:

We understand that Board of Directors of Prakash Industries Limited (here in after referred as Demerged Company/ PIL) is considering scheme of arrangement for demerger of PVC Pipes Undertaking of the Company w.e.f. Appointed Date i.e. April 1, 2018 through a scheme of arrangement ('Scheme') under section 230 - 232 read with section 66 and other applicable provisions of the Companies Act, 2013.

The scheme of arrangement provides for -

a. Demerger of PVC Pipes Undertaking (Demerged Undertaking) of the Demerged Company into its wholly owned subsidiary, Prakash Pipes Limited (here in after referred as Resulting Company/ PPL), on a going concern basis, and
b. Issuance of equity shares by the Resulting Company to the shareholders of Prakash Pipes Limited in the ratio as provided in clause 12 of the scheme, as per the terms and conditions more fully set forth in the draft scheme of arrangement. The shares issued and allotted by Resulting Company shall be listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the Stock Exchanges, where the shares of Demerged Company are presently listed.
c. Cancellation of shares held by the Demerged Company in the Resulting Company. Accordingly post demerger there would be mirror image proportionate shareholding of Demerged Company and Resulting Company i.e. economic interest of shareholders shall remain intact and in the same ratio.
d. The Demerged Company has issued Foreign Currency Convertible Bonds (FCCBs). As per the scheme, all the FCCB holders, that exercise the option of conversion of FCCBs into equity shares post record date (as defined in scheme), shall also be issued equity shares by PPL in the ratio as provided in clause 12 of the Scheme, which shall be listed at BSE and NSE.

CERTIFIED TRUE COPY
For PRAKASH INDUSTRIES LTD
DIRECTOR
P. L. GUPTA

FINSHORE MANAGEMENT SERVICES LIMITED
(CIN : U74900WB2011PLC169377)
Registered Office : "Anandlok"
2nd Floor, Block-A, Room No. 207,
227, A.J. C. Bose Road, Kolkata-700 020 West Bengal, India
Ph. : 033 2289 5101
Website : www.finshoregroup.com

The share entitlement ratio for the proposed scheme of arrangement for demerger has been determined by M/s Price Waterhouse & Co LLP, Chartered Accountants; vide their valuation report dated August 24, 2017.

In terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR Regulations) read with SEBI Circular No. CFD/ DIL3/CIR/ 2017/21 dated March 10, 2017, the listed companies undertaking a scheme of arrangement is required to submit to stock exchange, copy of fairness opinion obtained from the Merchant Banker on the valuation of shares / assets of the companies done by the independent valuer.

With reference to above, we Finshore Management Services Limited, a SEBI Registered (Cat-I) Merchant Banker have been appointed by the demerged company to provide our fairness opinion on the same.

Brief Background of the Companies, our opinion and basis for forming an opinion and caveats is as hereunder -

1. **Background of companies:**

1.1. Prakash Industries Limited (Demerged Company)

Prakash Industries Limited is a public limited company incorporated under the provisions of Companies Act, 1956 on July 31, 1980 bearing Corporate Identification Number L27109HR1980PLC010724. The Registered Office of PIL is situated at 15 Km Stone Delhi Road, Hissar – 125044 (Haryana). The equity shares of PIL are listed on BSE and NSE. The Foreign Currency Convertible Bonds of the Company are listed on Singapore Exchange Securities Trading Limited.

PIL is primarily engaged in the following businesses:

a) Steel;
b) Power; and
c) PVC pipes

1.2. Prakash Pipes Limited (Resulting Company)

Prakash Pipes Limited is a public limited company incorporated under the provisions of the Companies Act, 2013 on June 29, 2017 bearing Corporate Identification Number U25209PB2017PLC046660. The registered office of PPL is situated at Darjiyan Wali Gali, Rayya Teh-Baba Bakala, Amritsar-143112 (Punjab). The equity shares of PPL are not listed on any stock exchange.

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

CERTIFIED TRUE COPY
For PRAKASH INDUSTRIES LTD
DIRECTOR
P. L. GUPTA

FINSHORE MANAGEMENT SERVICES LIMITED
(CIN : U74900WB2011PLC169377)
Registered Office : "Anandlok"
2nd Floor, Block-A, Room No. 207,
227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India
Ph. : 033 2289 5101
Website : www.finshoregroup.com

2. **Basis of our opinion**

2.1. Rationale of the draft scheme of arrangement (as per extract of draft scheme dated August 24, 2017)

The arrangement is aimed at demerger of "PVC pipes undertaking" of PIL into PPL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for PIL and PPL:

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

b) PIL as well as PPL would have its own management teams, Board of Directors, who can chart out their own independent strategies to maximize value creation for their respective stakeholders. Demerger shall enable enhanced focus to the operations of the PVC pipes undertaking by PPL and the remaining business by PIL.

c) The demerger will permit increased focus by PIL and PPL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

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

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

For PRAKASH INDUSTRIES LTD.

DIRECTOR

P.L. GUPTA

FINSHORE MANAGEMENT SERVICES LIMITED
(CIN : U74900WB2011PLC169377)
Registered Office : "Anandlok"
2nd Floor, Block-A, Room No. 207,
227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India
Ph. : 033 2289 5101
Website : www.finshoregroup.com

2.2. **Sources of Information**

i) Draft scheme of arrangement.

ii) Share Entitlement Ratio report dated August 24, 2017, issued by Price Waterhouse & Co LLP, Chartered Accountants.

iii) Audited Balance Sheet and Income Statement of the Demerged Company for the financial year ended March 31, 2017.

2.3. **Valuers Analysis**

Clause 4 of share entitlement ratio report provides that ratio of allotment for shares in PPL, shall be as follows -

1 (one) fully paid up equity share having face value of INR 10/- each of the Resulting Company for 8 (eight) fully paid up equity share of INR 10/- each in PIL

3. **Conclusion and Our Opinion**

3.1. With reference to above and based on information provided by the KMP's and after discussions with the Valuers, we understand that the present scheme of arrangement has been structured to enable PVC Pipes Undertaking to capitalize on growth opportunities and unlock the potential value of each business of the Demerged Company. Pursuant to scheme of arrangement the shares of the Resulting Company shall be listed on the same stock exchanges on which the shares of the Demerged company are listed.

3.2. We also understand that, the proposed cancellation and reduction of share capital of the Resulting Company to the extent held by the Demerged Company, should result in creation of mirror image proportionate shareholding of the Resulting Company as that of Demerged Company (i.e. economic interest of both companies shall remain intact in the hands of common shareholders and in the same ratio.) Thus, the interest of shareholders remains unaffected post demerger.

3.3. Further, in regards to FCCBs the scheme rightly provides that Resulting Company shall issue its equity shares to all the FCCB holders who exercise the option of conversion of FCCBs into equity shares post Record Date, in accordance with the share entitlement ratio as provided in clause 12 of the scheme. The equity shares allotted by the resulting company post conversion of FCCBs shall be listed at the Stock Exchanges.

CERTIFIED TRUE COPY

For PRAKASH INDUSTRIES LTD.

DIRECTOR

P.L. GUPTA

NSHORE MANAGEMENT SERVICES LIMITED
IN: U74900WB2011PLC169377)
gistered Office : "Anandlok"
d Floor, Block-A, Room No. 207,
7,A. J. C. Bose Road, Kolkata-700 020 West Bengal, India
:033 2289 5101
bsite : www.finshoregroup.com

"Considering above and subject to our caveats as provided in annexure, we as a Merchant Banker hereby certify that we have reviewed the share entitlement ratio report for the proposed scheme of arrangement for demerger of PVC Pipes Undertaking of Prakash Industries Limited and subsequent merger with its wholly owned subsidiary Prakash Pipes Limited and are of the opinion that share entitlement ratio of 1 (one) equity shares of face value of INR 10 (Rupees Ten) each at par in Resulting Company for every 8 (eight) equity shares of face value of INR 10 (Rupees Ten) held in demerged company, as fair and reasonable to the equity shareholders of Prakash Industries Limited."

Thanking You,

For Finshore Management Services Limited

Authorized Signatory

CERTIFIED TRUE COPY

For PRAKASH INDUSTRIES LTD

DIRECTOR

P. L. GUPTA

FINSHORE MANAGEMENT SERVICES LIMITED
(CIN : U74900WB2011PLC169377)
Registered Office : "Anandlok"
2nd Floor, Block-A, Room No. 207,
227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India
Ph. : 033 2289 5101
Website : www.finshoregroup.com

Annexure

Caveats

1. Our opinion and analysis is limited to the extent of review of documents as provided to us by the KMP's of Prakash Industries Limited including the share entitlement ratio report prepared by Price Waterhouse & Co LLP, Chartered Accountants and draft scheme of arrangement for demerger. We have relied on accuracy and completeness of all the information and explanations provided by the KMP's. We have not carried out any due diligence or independent verification or validation to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of demerged company/ resulting company or their subsidiaries, if any.
2. The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
3. We have no present or planned future interest in Prakash Industries Limited / Prakash Pipes Limited and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
4. Our fairness opinion is not intended to and does not constitute a recommendation to any shareholders as to how such holder should vote or act in connection with the scheme or any matter related thereto.
5. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the KMP's of Prakash Industries Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
6. Our report should not be construed as an opinion or certificate certifying the compliance of the proposed scheme of demerger with the provisions of any law including Companies Act, 2013, Income Tax Act, 1961 and capital market related laws or as regards any legal implication or issues arising from proposed demerger.

For PRAKASH INDUSTRIES LTD.

DIRECTOR
P.L.GUPTA

PRAKASH INDUSTRIES LTD. N. Delhi

Finshore Management Services Pvt. Ltd. KOLKATA

Annexure-4

BSE
EXPERIENCE THE NEW

DCS/AMAL/PB/R37/10289/2017-18 January 15, 2018

The Company Secretary
Prakash Industries Limited
15 Km. Stone, New Delhi Road,
Hisar , Haryana ,125044

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Prakash Industries Limited and Prakash Pipes Limited

We are in receipt of Draft Scheme of Arrangement between Prakash Industries Limited and Prakash Pipes Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 11, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company."**
- **"Company shall duly comply with various provisions of the Circulars."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

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

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- 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 NCLT.

However, the listing of equity shares of Prakash Pipes 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. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Prakash Pipes Limited 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 Prakash Pipes Limited is at the discretion of the Exchange. In addition to the above, the listing of Prakash Pipes Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

S&P BSE SENSEX
BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 E: corp.comm@bseindia.com www.bseindia.com
Corporate Identity Number : L67120MH2005PLC155188

1. To submit the Information Memorandum containing all the information about Prakash Pipes Limited 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 of Prakash Pipes Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. 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 Prakash Pipes Limited 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.

4. The following provisions shall be incorporated in the scheme:

iii. "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."

iv. "There shall be no change in the shareholding pattern of Prakash Pipes Limited between the record date and the listing which may affect the status of this approval."

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.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT. Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble NCLT, the listed company shall submit to the stock exchange the following:

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

Prasad Bhide
Assoc. Manager

Annexure-5

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/13124

January 12, 2018

The Company Secretary
Prakash Industries Limited
Srivan, Near IOCL Depot
Bijwasan
New Delhi – 110 061

Kind Attn.: Mr. Ashwini Kumar

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement between Prakash Industries Limited and Prakash Pipes Limited

We are in receipt of the draft scheme of arrangement between Prakash Industries Limited and Prakash Pipes Limited and their respective shareholders and creditors filed by Prakash Industries Limited vide application dated September 01, 2017.

Based on our letter reference no Ref: NSE/LIST/24889 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated January 11, 2018, has given following comments:

a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circulars.*

c. *The Company is advised that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

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 NCLT.

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, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 12, 2018, within which the scheme shall be submitted to NCLT. Further, pursuant to the above SEBI circular, upon sanction of the Scheme by the NCLT, you shall submit to NSE the following:

a. Copy of Scheme as approved by the NCLT;
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. Report on Complaints as per Annexure III of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

Yours faithfully,
For **National Stock Exchange of India Ltd.**

Hiren Shah
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

This Document is Digitally Signed
Signer: Hiren Narendra Shah
Date: Fri, Jan 12, 2018 18:57:39 IST
Location: NSE

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Cor NSE E), Mumbai 400 051, India
CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com