



PRATIBHA INDUSTRIES LIMITED

Regd. Office: Shrikant Chambers, Phase – II, 5th Floor,
Sion - Trombay Road, Chembur, Mumbai – 400071.

NOTICE TO THE EQUITY SHAREHOLDERS

A. Court Convened Meeting of the Equity Shareholders

B. Extra Ordinary General Meeting of the Equity Shareholders

Date : Tuesday, June 5th, 2012

Venue : Natraj Avenues, Next to R. K. Studio, Sion Trombay Road,
Chembur, Mumbai-400071.

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 288 OF 2012**

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

AND

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited ('PPSL') and Pratibha Industries Limited ('PIL') and Pratibha Heavy Engineering Limited ('PHEL') and their respective Shareholders

PRATIBHA INDUSTRIES LIMITED, a Company
incorporated under the Companies Act, 1956 and having
its Registered Office at Shrikant Chambers, Phase – II, 5th
Floor, Sion- Trombay Road, Near R. K. Studio, Chembur,
Mumbai – 400071.

).....Applicant Company

**NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF
PRATIBHA INDUSTRIES LIMITED, THE APPLICANT COMPANY**

To,
The Equity Shareholders of
Pratibha Industries Limited ("the Applicant Company"),

TAKE NOTICE that by an Order made on **27th April, 2012**, in the above Company Summons for Direction, the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of Pratibha Industries Limited, the Applicant Company, be convened and held at Natraj Avenues, Next to R. K. Studio, Sion Trombay Road, Chembur, Mumbai – 400 071, on **Tuesday, the 5th day of June, 2012 at 3:00 p.m.** for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited and Pratibha Industries Limited and Pratibha Heavy Engineering Limited and their respective Shareholders ('Scheme').

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Pratibha Industries Limited, the Applicant Company, will be convened and held at Natraj Avenues, Next to R. K. Studio, Sion Trombay Road, Chembur, Mumbai – 400 071, on **Tuesday, the 5th day of June, 2012 at 3:00 p.m.** at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorized representative, is deposited at the Registered Office of the Applicant Company at Shrikant Chambers, Phase – II, 5th Floor, Sion Trombay Road, Next to R.K. Studio, Chembur, Mumbai – 400 071, not later than 48 hours before the said meeting.

The Hon'ble High Court has appointed Mr. Ajit B. Kulkarni, Managing Director or failing him, Mrs. Usha B. Kulkarni, Chairperson, or failing her, Mr. Vinayak B. Kulkarni, Whole Time Director of Applicant Company, to be the Chairperson of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, Scheme of Arrangement, Form of Proxy and Attendance Slip are enclosed.

Sd/-
Mr. Ajit B. Kulkarni
(Managing Director)
Chairperson appointed for the meeting

Dated this **30th April, 2012**

Registered Office:

Shrikant Chambers, Phase – II,
Sion – Trombay Road, 5th Floor,
Next to R.K. Studio, Chembur,
Mumbai - 400071.

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative under Section 187 of the Companies Act, 1956) at the Equity Shareholders meeting. The representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the said meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the said meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.

Encl.: As above

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 288 OF 2012**

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

AND

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited ('PPSL') and Pratibha Industries Limited ('PIL') and Pratibha Heavy Engineering Limited ('PHEL') and their respective Shareholders.

PRATIBHA INDUSTRIES LIMITED, a Company incorporated under the Companies Act, 1956 and having its Registered Office at Shrikant Chambers, Phase – II, 5th Floor, Sion- Trombay Road, Near R.K. Studio, Chembur, Mumbai – 400071.

).....Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated **27th April, 2012** passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, the meeting of the Equity Shareholders of Pratibha Industries Limited, the Applicant Company is being convened and held at Natraj Avenues, Next to R. K. Studio, Sion Trombay Road, Chembur, Mumbai -400 071 on **Tuesday, the 5th day of June, 2012 at 3:00 p.m.** for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited and Pratibha Industries Limited and Pratibha Heavy Engineering Limited and their respective Shareholders ('the Scheme' or 'this Scheme').
2. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, inter alia, providing for the merger of Pratibha Pipes and Structural Limited with Pratibha Industries Limited and after giving effect to the merger, slump sale of the Manufacturing Undertaking from Pratibha Industries Limited into Pratibha Heavy Engineering Limited which has been approved by Board of Directors of the Applicant Company at its meeting held on 3rd February, 2012, is attached to this explanatory statement.
3. In this statement, PRATIBHA INDUSTRIES LIMITED is hereinafter referred to as 'PIL' or 'the Applicant Company'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
4. The background of all the three companies involved in the Composite Scheme of Arrangement is as under:
 - 4.1 Pratibha Industries Limited
 - (a) The Applicant Company was incorporated in the State of Maharashtra on 19th day of July, 1995. The shares of the Applicant Company are listed on the BSE Limited and the National Stock Exchange of India Limited.
 - (b) The Registered Office of the Applicant Company is situated at Shrikant Chambers, Phase II, Sion - Trombay Road, 5th Floor, Next to R.K. Studio, Chembur, Mumbai – 400071.
 - (c) The Authorized, Issued, Subscribed and Paid-up share capital of the Applicant Company as on March 31st, 2011 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
12,50,00,000 Equity Shares of Rs. 2/- each	25,00,00,000
16,31,000 Compulsorily Convertible Participatory Preference Shares of Rs. 92 each	15,00,52,000
TOTAL	40,00,52,000
Issued, Subscribed and Paid-up Share Capital	
9,94,24,957 Equity Shares of Rs. 2/- each, fully paid up	19,88,49,914
16,30,435 Compulsorily Convertible Participatory Preference Shares of Rs. 92 each	15,00,00,020
TOTAL	34,88,49,934

Subsequent to the above balance sheet date, there has been no change in the Issued, Subscribed and Paid up share capital of PIL.

- (d) The Objects of the Applicant Company are set out in its Memorandum of Association. Some of the objects of the Applicant Company are as follows:-
1. To construct, build, develop, maintain, operate, own and transfer infrastructure facilities including housing, industrial parks, commercial complexes, road, highways, expressways, bridges, flyover, airports, ports, rail systems, inland container depot and central freight station, water supply projects, irrigation projects, inland waterways and inland ports, water treatment systems, solid waste management systems, sanitation and sewerage systems or any other public facilities of a similar nature, any project for generation and/or distribution of electricity or any other form of power and any project for providing telecommunication facilities, or any other facility that may be notified or identified as an infrastructure facility either by the state governments and/or the Government of India or any other appropriate authority or body, all either individually or as joint venture or by means of a collaboration with any company/firm/individual/consultant whether local or foreign and to undertake and carry on the business of identifying infrastructure facilities, project ideas to prepare project profiles project reports, market research studies and report, pre-investment studies at micro and macro level, act as an adviser in management of undertaking business enterprises, technical process, sources of plant and machinery and other utilities for business entrepreneurs.
 2. To construct, erect, build, repair, remodel, demolish, develop, improve, grade, curve, pave, macadamize, cement and maintain buildings, structures, houses, apartments, townships, multistoried complexes, multiplex theatres, cinema, stadiums, landscapes, hospitals, schools, places of worship, shopping malls, hotels, highways, roads, paths, streets, side ways, car and other parking, refueling pumps or centers, sea ports, airports, bridges, flyovers, subways alleys, tunnels, pavements, and to do other similar constructions, leveling or paving work and to build construct and repair railways, waterways, electrical works, tunnels, canals, wharves, ports, piers, docks, water-works, drainage works, light house, power house, and floor and to do all kinds of excavating, dredging and digging work, to make all kinds of iron, wood, glass, machinery and earth construction, to design, devise, decorate plan, model and to furnish labour and all kinds of material to supervise construction or other work, to act as valuers, appraisers referees and assessors to investigate into the conditions of buildings and other structures of all kinds.
 3. To carry on the business of any or all the objects of the company as contractor or by way of special purpose vehicle or by way of entering into an agreement with the Central Government or State Government or local authority or any other statutory or other body on Build-Operate-Transfer (BOT) or on Build-Own-Operate-Transfer (BOOT) basis or on deferred payment basis or on any other system of payment, Build-Own-Lease-Transfer (BOLT) scheme wherein the company will provide the necessary and crucial components of infrastructure system, own them for a stipulated period and may or may not maintain or operate the same. Also the company will lease the assets of all or necessary and crucial components of the Infrastructure project for maintenance and operation and shall ultimately transfer to the Government bodies or authorities.
- (e) PIL is engaged in execution / construction of complex & integrated water transmission & distribution projects, water treatment plants, elevated and underground reservoirs, mass housing projects, commercial complexes, pre-cast design & construction, road construction and urban infrastructure.

4.2 Pratibha Pipes and Structural Limited

- (a) Pratibha Pipes and Structural Limited ('PPSL') was incorporated on 22nd day of May, 1996 under the provisions of Companies Act, 1956, under the name and style 'Pratibha Pipes and Structural Private Limited'. The Company was converted into Public Company and accordingly name of the Company has changed to 'Pratibha Pipes and Structural Limited' with effect from the 21st day of December, 2006.
- (b) The Registered Office of PPSL is situated at 101, Usha Kamal, 574, Chembur Naka, Chembur, Mumbai- 400071.
- (c) The authorised, issued, subscribed and paid-up share capital of PPSL as on March 31st, 2011 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
TOTAL	10,00,00,000
Issued, Subscribed and Paid-up Share Capital	
21,02,112 Equity Shares of Rs. 10/- each, fully paid up	2,10,21,120
TOTAL	2,10,21,120

Subsequent to the above balance sheet date, there has been no change in the Issued, Subscribed and Paid up share capital of PPSL.

- (d) The objects of PPSL are set out in its Memorandum of Association. Some of the main objects are as follows:
1. To manufacture, produce, repair, alter, convert, fabricate, manipulate, recondition, improve, exchange, partner, prepare for sale, buy, sell, hire, import, export, let out on hire, trade, to act as agents and representatives and deal in all kinds of machinery, plant, accessories, apparatuses, fittings, engineering goods, substances, utensils, buildings, materials, implements, tools, trailers, forgings, casting, rolling, stock, stores and hardware for industrial, agricultural, building, construction, mining, traffic, sporting, military or for any other purposes or for mechanical, electrical or other appliances.
 2. To manufacture, sale, purchase, import, export, or otherwise deal in tubes and pipes of all sizes, shapes, description and dimension of all kinds made from metal whether ferrous or non ferrous of all kinds of plastics, cement and pre stressed pipes.
- (e) PPSL is primarily engaged in the business of manufacturing of LSAW pipes and custom built structural steel sections and pre-cast elements.

4.3 Pratibha Heavy Engineering Limited

- (a) Pratibha Heavy Engineering Limited ('PHEL') was incorporated on the 15th day of February, 2012 under the provisions of the Companies Act, 1956 under the name and style 'Pratibha Heavy Engineering Limited'.
- (b) The Registered Office of PHEL is situated at 101, Usha Kamal, 574, Chembur Naka, Chembur, Mumbai- 400071, Maharashtra.
- (c) The authorised, issued, subscribed and paid-up share capital of PHEL as on February 29th, 2012 is as under:

Particulars	Amount in Rs.
Authorized Share Capital	
50,000 Equity Shares of Rs. 10/-each	5,00,000
TOTAL	5,00,000
Issued, Subscribed and Paid-up Share Capital	
50,000 Equity Shares of Rs. 10/-each, fully paid up	5,00,000
TOTAL	5,00,000

Subsequent to the above balance sheet date, there has been no change in the Issued, Subscribed and Paid up share capital of PHEL. PIL, directly as well as through its nominee shareholders, holds the entire paid up share capital of PHEL.

- (d) The objects of PHEL are set out in its Memorandum of Association. Some of the main objects are as follows:
1. To manufacture, produce, repair, alter, convert, construct, develop, build, erect, fabricate, design or otherwise deal in with regard to structures and shelters required for residential, commercial, industrial and/or other purposes and to equip the same or part thereof and further to prepare, construct, reconstruct, erect, alter, improve and maintain structures, shelters for the same and to manufacture, construct and erect complex to common custom built structures for various industries and other establishments and to trade, sell, purchase, lease, hire, exchange or otherwise deal in structures and shelters based on steel or otherwise and to carry on and operate workshop and foundries for casting Iron, steel and stainless steel, copper, aluminum brass and otherwise deal in metals and any other substances, in relation to such structures and shelters or otherwise.
 2. To manufacture, process by melting steel, alloy steel, carbon steel and stainless steel in the form of blooms, billets, ingots, slabs on any type of furnace and by any route and process them by hot and cold process for manufacturing of HR coils, sheets, plates CR coils sheets and plates and manufacture welded tubes and/ or pipes of all sizes of steel, stainless steel, carbon steel, alloy steel by resistance welding, spiral welding or longitudinal welding i.e. Sub-merged Arc welded galvanized coated by any material inside and outside black, To manufacture and process seamless tubes and/or pipes of all sizes of steel, stainless steel, carbon steel, alloy steel and non-ferrous, fin tubes for percussive finish, by extrusion, hot and cold drawing, peeling grinding, honing stretching and spheroids annealing and manufacturing for specific end use for transportation of water, gas, oil for use in auto industries, hydraulic equipments, special purpose heat exchanges for chemical, dally, fertilizer and sugar industries, petrochemicals, pharmaceuticals power plants, thermal plants, boilers, refineries, oil extrusion plants from oil seeds, rice bran and for machines tools, steel plant and other industrial establishments, also to trade, sell, purchase, deal import export convert treat and to act as indenters agents distributors of above product.
- (e) PHEL is yet to commence any business operations till date.

5. The Composite Scheme of Arrangement is proposed for consolidation of Manufacturing Undertaking of PIL with PPSL. It is proposed that through this Composite Scheme of Arrangement, PPSL would be merged with PIL and the Manufacturing Undertaking of PIL (post merger of PPSL with PIL) would be transferred from PIL to PHEL for the purpose of better and efficient control and for further development and growth of business. The proposed Composite Scheme of Arrangement would result in the following benefits:

- (a) Consolidation of Manufacturing Undertaking operations - The consolidation of activities by way of merger of PPSL into PIL and transfer of Manufacturing Undertaking from PIL to PHEL will lead to synergies of operations and would enable it to participate more vigorously and profitably in an increasingly competitive and liberalized market;
 - (b) Enhancing the scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of various resources;
 - (c) Improved shareholder value for the companies. The greater revenue inflow would be to the benefit of all the stakeholders of the companies;
 - (d) Enabling fund raising for the manufacturing business; and
 - (e) Greater management focus for the manufacturing business.
6. The proposed arrangement was placed before the Board of Directors of the Applicant Company and PPSL on February 3rd, 2012, wherein the Share Allotment Report of M/s. SSPA & Co., Chartered Accountant and Fairness Opinion on the said Share Allotment Report issued by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker were also placed before the respective Boards.
7. The Valuation Report of M/s. SSPA & Co, Chartered Accountants recommended the following share exchange ratio: "6 (Six) fully paid up Equity Shares of Rs. 2 (Rupees Two) each of PIL shall be issued and allotted for every 1 (One) fully paid Equity Shares of Rs. 10 (Rupees Ten) each held in PPSL."
8. M/s. Keynote Corporate Services Limited, a Category I Merchant Banker has independently vetted the fairness of valuation and have furnished a 'Fairness Opinion' on the share exchange ratio recommended in the Valuation Report of M/s. SSPA & Co, Chartered Accountants from a financial point of view.
9. The Boards of Directors of PIL, PPSL and PHEL, based on and relying upon the aforesaid valuation report, fairness opinion, and on the basis of their independent evaluation and judgment, came to the conclusion that the proposed share exchange ratio is fair and reasonable and decided to incorporate the same in the Scheme which was approved by them at their respective meetings on 3rd day of February 2012 (in case of PIL and PPSL) and 16th day of February, 2012 (in case of PHEL).
- In the said meetings of the Board of Directors, the consideration for the slump sale of Manufacturing Undertaking (post merger of PPSL with PIL) to PHEL was proposed at Rs. 139.10 crores.
10. The salient features of the Scheme are as follows:
- (a) This Composite Scheme of Arrangement (the 'Scheme' or 'the Composite Scheme') is presented under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, for merger of PPSL with PIL and subsequent slump sale of the Manufacturing Undertaking of PIL (after giving effect to the merger) to PHEL.
 - (b) **"Appointed Date"** means the April 1st, 2012 or such other date as may be approved by the High Court of Judicature at Bombay or any other appropriate authority.
 - (c) **"Effective Date"** means the last of the dates on which the certified copy of the Order of the High Court sanctioning the Scheme of Arrangement is filed by PPSL, PIL and PHEL with Registrar of Companies, Mumbai.
 - (d) Pursuant to the Scheme coming into effect and upon the entire businesses and the whole of the undertaking of PPSL being transferred to and vested in PIL, PIL shall issue and allot to the shareholders of PPSL, whose names appear in the Register of Equity Shareholders of PPSL on the Merger Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:
 "6 (Six) fully paid Equity Shares of Rs. 2 (Rupees Two) each of PIL shall be issued and allotted for every 1 (One) fully paid Equity Shares of Rs. 10 (Rupees Ten) each held in PPSL."
 - (e) The consideration for the sale of Manufacturing Undertaking would be on lump sum basis equal to Rs139.10 crores.
 - (f) The Scheme is conditional upon and subject to:
 - The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which, by law, may be necessary for the implementation of this Scheme.
 - The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective equity shareholders and/or creditors of PPSL, PIL and PHEL as may be directed by the High Court.
 - The sanction of the High Court under Sections 391 to 394 read with Sections 78, 100 to 103 of the said Act in favour of PPSL, PIL and PHEL under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.

- Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by PPSL, PIL and PHEL, as may be applicable.

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

11. The pre and post Scheme (expected) shareholding pattern of the Applicant Company i.e. PIL based on shareholding pattern as on March 31st, 2012 is as under:

Sr. No.	Category of Shareholder	Pre- arrangement Equity Share Capital		Post arrangement Equity Share Capital	
		No. of Shares	% of Share holding	No. of Shares	% of Share holding
(A)	Shareholding of Promoter and Promoter Group				
1.	Indian Individuals/ Hindu Undivided Family	5,21,34,829	52.44	6,26,34,829	55.91
	Sub – Total (A) (1)	5,21,34,829	52.44	6,26,34,829	55.91
2	Foreign (A) (2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) +(A) (2)	5,21,34,829	52.44	6,26,34,829	55.91
(B)	Public Shareholding				
1	Institutions				
	Mutual Funds	51,80,624	5.21	51,80,624	4.62
	Financial Institutions, Banks	2,000	0.00	2,000	0.00
	Insurance Companies	84,989	0.09	84,989	0.08
	Foreign Institutional Investors	1,59,19,955	16.01	1,59,19,955	14.21
	Sub – Total (B) (1)	2,11,87,568	21.31	2,11,87,568	18.91
2	Non - Institutions				
	Bodies Corporate	85,88,196	8.64	1,07,00,868	9.55
	Individuals	1,26,79,822	12.75	1,26,79,822	11.32
	Others:				
	1. Foreign Company	38,04,348	3.83	38,04,348	3.40
	2. Clearing members	2,77,366	0.28	2,77,366	0.25
	3. Trusts	18,110	0.02	18,110	0.02
	4. Non Resident Indians (Repatriable)	6,51,108	0.65	6,51,108	0.58
	5. Non Resident Indians (non repatriable)	83,610	0.08	83,610	0.07
	Sub Total (B) (2)	2,61,02,560	26.25	2,82,15,232	25.18
	Total Public Shareholding (B) = (B) (1) + (B) (2)	4,72,90,128	47.56	4,94,02,800	44.09
	TOTAL (A) + (B)	9,94,24,957	100.00	11,20,37,629	100.00
(C)	Shares held by Custodians against which Depository Receipts have been issued	-	-	-	-
	Grand Total (A) + (B)+ (C)	9,94,24,957	100.00	11,20,37,629	100.00

12. The pre-scheme shareholding pattern of PPSL based on shareholding pattern as on March 31st, 2012 is as under:

Category	Equity Shares	%
Promoters Holding		
Indian Promoters	17,50,000	83.25%
Foreign Promoters	-	0.00%
(A)	17,50,000	83.25%
Non-Promoters Holding	(B)	3,52,112
Grand Total (A + B)	21,02,112	100.00%

13. The pre and post Scheme (expected) shareholding pattern of PHEL based on shareholding pattern as on March 31, 2012 is as under:

Sr No.	Category of Shareholder	Pre- arrangement Equity Share Capital		Post arrangement Equity Share Capital	
		No. of Shares	% of Share holding	No. of Shares	% of Share holding
(A)	Shareholding of Promoter and Promoter Group				
1.	Indian				
	Individuals / Corporate	50,000	100.00	50,000	100.00
	Foreign	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)	50,000	100.00	50,000	100.00
(B)	Public Shareholding	-	-	-	-
	Total Shareholding of Public (B)	-	-	-	-
	Grand Total (A) + (B)	50,000	100.00	50,000	100.00

The Directors of the Applicant Company, PPSL and PHEL may be deemed to be concerned and/ or interested in the Composite Scheme of Arrangement only to the extent of their shareholding in the Applicant Company or to the extent they may be allotted shares as a result of the Composite Scheme of Arrangement. Save as aforesaid, none of the directors of the Company has any interest in the proposed Composite Scheme of Arrangement.

14. (a) The extent of the shareholding of the Directors of PIL in PIL, PPSL and PHEL as on March 31st, 2012 either singly or jointly or as nominee is as under:

Sr. No.	Name of the Director	Designation	Equity shares in PIL	Equity shares in PPSL	Equity shares in PHEL
1	Mrs. Usha B. Kulkarni	Chairperson	1,30,02,500	2,33,300	10
2	Mr. Ajit B. Kulkarni(*)	Managing Director	1,61,53,604	6,61,500	10
3	Mr. Vinayak B. Kulkarni(*)	Whole Time Director	98,37,050	3,11,350	10
4	Mr. Rohit R. Katyal	Whole Time Director	1,22,250	44,350	10
5	Mr. Awinash Arondekar	Independent Director	Nil	Nil	Nil
6	Mr. S. T. Gadre	Independent Director	Nil	Nil	Nil
7	Mr. V. Sivakumaran	Independent Director	Nil	Nil	Nil
8	Dr. S. L. Dhingra	Independent Director	Nil	Nil	Nil
9	Mr. Vilas B. Parulekar	Independent Director	Nil	Nil	Nil

(*) Includes shareholding as Karta of Hindu Undivided Family.

- (b) The extent of the shareholding of the Directors of PPSL in PIL, PPSL and PHEL either singly or jointly or as nominee as on March 31st, 2012 is as under:

Sr. No.	Name of the Director	Designation	Equity shares in PIL	Equity shares in PPSL	Equity shares in PHEL
1	Mrs. Usha B. Kulkarni	Chairperson	1,30,02,500	2,33,300	10
2	Mr. Ajit B. Kulkarni(*)	Managing Director	1,61,53,604	6,61,500	10
3	Mr. Vinayak B. Kulkarni(*)	Director	98,37,050	3,11,350	10
4	Mr. Rohit R. Katyal	Director	1,22,250	44,350	10
5	Mr. Rahul R. Katyal	Director	-	33,500	10
6	Mr. Ajay V. Kulkarni	Whole Time Director	30,000	-	-

(*) Includes shareholding as Karta of Hindu Undivided Family.

- (c) The extent of the shareholding of the Directors of PHEL in PIL, PPSL and PHEL either singly or jointly or as nominee as on March 31, 2012 is as under:

Sr. No.	Name of the Director	Designation	Equity shares in PIL	Equity shares in PPSL	Equity shares in PHEL
1	Mrs. Usha B. Kulkarni	Chairperson	1,30,02,500	2,33,300	10
2	Mr. Ajit B. Kulkarni(*)	Director	1,61,53,604	6,61,500	10
3	Mr. Vinayak B. Kulkarni(*)	Director	98,37,050	3,11,350	10

(*) Includes shareholding as Karta of Hindu Undivided Family.

15. The Applicant Company has obtained the approval to the Scheme in the terms of Clause 24(f) of the Listing Agreement of BSE Limited and the National Stock Exchange of India Limited vide their letters dated 30th day of March, 2012 and 15th day of March, 2012 respectively.
16. The financial position of the Applicant Company will not be adversely affected by the Composite Scheme of Arrangement. The rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Composite Scheme as the Applicant Company, post the Composite Scheme will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the Applicant Company will not be prejudicially affected by the Composite Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
17. No investigation proceedings are pending or are likely to be pending under Sections 235 to 251 of the Companies Act, 1956 in respect of the Applicant Company.
18. In the event of any of the said sanctions and approvals referred to in the Composite Scheme not being obtained and / or the Composite Scheme not being sanctioned by the High Court or such other competent authority and / or the order or orders not being passed as aforesaid before December 31st, 2012 or such other date as may be agreed by the respective Board of Directors of PIL, PPSL and PHEL may determine, the Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme as mutually agreed by the Board of Directors of PIL, PPSL and PHEL.
19. Inspection of the following documents can be made by the equity shareholders of the Applicant Company at the Registered Office of PIL up to one day prior to the date of the meeting between 11:00 am and 1:00 pm on all working days (except Saturdays, Sundays and Public holidays).
 - (a) Copy of the Order dated 27th April, 2012 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No.288 of 2012 directing the convening of the meeting of the Equity shareholders of the Applicant Company.
 - (b) Composite Scheme of Arrangement.
 - (c) Memorandum and Articles of Association of the Applicant Company, PPSL and PHEL.
 - (d) The Audited Financial Statements of the Applicant Company and PPSL for last three financial years ended March 31st, 2011, March 31st, 2010 and March 31st, 2009.
 - (e) The Unaudited Financial Statements of the Applicant Company and PPSL as on December 31st, 2011 and PHEL as on February 29th, 2012.
 - (f) Copy of No Objection Certificate to the Composite Scheme received from BSE Limited and the National Stock Exchange of India Limited vide their letters dated 30th day of March, 2012 and 15th day of March, 2012 respectively.
 - (g) Valuation Report of M/s. SSPA & Co., Chartered Accountants on share exchange ratio.
 - (h) Fairness Opinion issued by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker.

A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Applicant Company and / or at the office of the Advocates M/s. HEMANT SETHI & CO, 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai- 400071.

Sd/-
Mr. Ajit B Kulkarni
Chairperson appointed for the meeting

Dated this 30th April 2012

Registered Office:
Shrikant Chambers, Phase – II,
5th Floor, Sion - Trombay Road,
Chembur, Mumbai - 400071

**COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
PRATIBHA PIPES AND STRUCTURAL LIMITED
AND
PRATIBHA INDUSTRIES LIMITED
AND
PRATIBHA HEAVY ENGINEERING LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS**

This Composite Scheme of Arrangement is presented under Sections 391 to 394, read with Sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956 for merger of Pratibha Pipes and Structural Limited (the "Transferor Company 1" or "PPSL") into Pratibha Industries Limited ("the Transferor Company 2" or "PIL") and sale of Manufacturing Undertaking (as defined hereinafter), after giving effect to the merger of PPSL with PIL, to Pratibha Heavy Engineering Limited (the "Transferee Company" or ("PHEL")), pursuant to the relevant provisions of the Companies Act, 1956. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(A) Rationale of Scheme

- (i) PIL is a company incorporated under the provisions of the Companies Act, 1956 (the "Act" which word shall include any statutory re-enactment or modification thereof, or amendment thereof, from time to time) and has its registered office at Shrikant Chambers, Phase – II, 5th Floor, Sion- Trombay Road, Next to R.K.Studio, Chembur, Mumbai – 400071. PIL, a public listed company, is the flagship company of the Pratibha Group. PIL is engaged in execution / construction of complex & integrated water transmission & distribution projects, water treatment plants, elevated and underground reservoirs, mass housing projects, commercial complexes, pre-cast design & construction, road construction and real estate.
- (ii) PPSL is a company incorporated under the provisions of the Act and has its registered office at 101, Usha Kamal, 574 Chembur Naka, Chembur, Mumbai 400071. PPSL is a closely held company and is, inter alia, engaged in the business of manufacturing. It is a part of the multifaceted Pratibha Group which has a well recognized and acknowledged presence in the area of infrastructural development.
- (iii) PHEL is a 100% subsidiary of PIL incorporated under the provisions of the Act and has its registered office at 101, Usha Kamal, 574 Chembur Naka, Chembur, Mumbai 400 071.
- (iv) A consolidation of Manufacturing Undertaking of PIL and PPSL is being envisaged. It is proposed that through this Composite Scheme of arrangement, PPSL would be merged with PIL and the Manufacturing Undertaking would be transferred from PIL to PHEL (post merger of PPSL with PIL), for the purpose of better and efficient control and for further development and growth of business. The proposed scheme would result in the following benefits:
 - (a) Consolidation of Manufacturing Undertaking operations- The consolidation of activities by way of merger of PPSL into PIL and transfer of Manufacturing Undertaking from PIL to PHEL will lead to synergies of operations and would enable it to participate more vigorously and profitably in an increasingly competitive and liberalized market.
 - (b) Enhancing the scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of various resources.
 - (c) Improved shareholder value for the companies. The greater revenue inflow would be to the benefit of all the stakeholders of the companies.
 - (d) Enabling fund raising for the manufacturing business.
 - (e) Greater management focus for the manufacturing business.
- (v) PPSL, PHEL and PIL have their registered offices situated within the jurisdiction of the Hon'ble High Court of Bombay. The companies shall therefore make appropriate applications before the Hon'ble High Court of Bombay under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 for appropriate orders.
- (vi) Upon the sanction of the Scheme by the Hon'ble High Court of Bombay and the Scheme becoming effective with the filing of the orders of the Hon'ble High Court with the Registrar of Companies, PPSL shall stand merged into PIL and the Manufacturing Undertaking of PIL consisting of assets, liabilities, proceedings and personnel relating to such Manufacturing Undertaking shall stand transferred to and be vested in PHEL on and from the Appointed Date for all intent and purposes.

- (vii) The Merger of PPSL into PIL under this Scheme of Arrangement shall be compliant with the provisions of Section 2(1B) of the Income Tax Act, 1961.

(B) **Parts of the Scheme:**

This Composite Scheme of Arrangement is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with the merger of PPSL into PIL;
- (iii) **PART III** deals with the Slump Sale of Manufacturing Undertaking of PIL to PHEL;
- (iv) **PART IV** deals with General Terms and Conditions.

PART I
DEFINITIONS AND SHARE CAPITAL

1 DEFINITIONS

In this Composite Scheme of Arrangement (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1. "Act" or "The Act"** means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force;
- 1.2. "Appointed Date"** would mean 1st day of April, 2012 or such other date as the Court may decide;
- 1.3. "Court" or "High Court" or "High Courts"** means the Bombay High Court shall include the National Company Law Tribunal, if and when applicable;
- 1.4. "Effective Date"** means the last of the dates on which the certified copy of the Order of the High Court sanctioning the Scheme of Arrangement is filed by PPSL, PIL and PHEL with Registrar of Companies, Mumbai;
- 1.5. "Manufacturing Undertaking"** shall mean the entire Manufacturing Undertaking carried on by PIL in the ordinary course of business, as a going concern including the manufacturing undertaking acquired from PPSL pursuant to merger of PPSL with PIL, together with all requisite utilities and connections, all of which are necessary for the conduct and the business of Manufacturing Undertaking and shall include (without limitation) the following:
- (a) All the investments, assets and properties pertaining to the Manufacturing Undertaking as on the Appointed Date (hereinafter referred to as "the said assets");
 - (b) All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Manufacturing Undertaking as on the Appointed Date (hereinafter referred to as "the said liabilities");
 - (c) Without prejudice to the generality of sub-clause (a) above, the Manufacturing Undertaking of PIL shall include the movable and immovable properties including land and building, plant and machinery, equipments, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks to the credit of PIL, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required by law, goodwill, other intangibles, permits, authorisations, trademarks including but not restricted to "PRATIBHA" Trade Mark no. 1411761 registered under Class 6 and "CBS", Trade Mark No. 1653899 registered under Class 6, trade names, brands, patents including but, patent rights, copyrights, logos, designs, pre-bid qualifications and other industrial and intellectual properties and rights of any nature whatsoever including designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, unutilised deposits or credits, remittances under income tax, minimum alternate tax, fringe benefit tax, etc., benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilised MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by PIL and pertaining to the Manufacturing Undertaking as on the Appointed Date.
- For the purpose of this Scheme, it is clarified that liabilities pertaining to the Manufacturing Undertaking include:
- (i) The liabilities, which arise out of the activities or operations of the Manufacturing Undertaking.
 - (ii) Specific loans and borrowings, both secured and unsecured, raised, incurred and utilised solely for the activities or operation of the Manufacturing Undertaking.
- Liabilities other than those referred to in sub-clauses (i) and (ii) above, being the amounts of general or multipurpose borrowings of PIL, allocated to the Manufacturing Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of PIL after giving effect to the Part 1 of the Scheme;
- 1.6. "Merger Record Date"** means such date to be fixed by the Board of Directors of PIL or any committee / person duly authorized by the Board of Directors of PIL in this regard, after the Effective Date, to determine the members of PPSL to whom equity shares of PIL will be allotted pursuant to this Scheme becoming effective;

- 1.7. “PIL” or “the Transferor Company 2”** is a public listed company incorporated under the Companies Act, 1956, and having its registered office at Shrikant Chambers, Phase – II, 5th Floor, Sion- Trombay Road, Next to R.K.Studio, Chembur, Mumbai – 400071;
- 1.8 “PHEL” or the “Transferee Company”** is a 100% subsidiary of PIL having its registered office at 101, Usha Kamal, 574 Chembur Naka, Chembur, Mumbai 400 071;
- 1.9 “PPSL” or “the Transferor Company 1”** is a company incorporated under the Companies Act, 1956, and having its registered office at 101, Usha Kamal, 574 Chembur Naka, Chembur, Mumbai 400071;
- 1.10 “Scheme” or “the Scheme”** or “this Scheme” means this Composite Scheme of Arrangement in its present form as submitted to the Bombay High Court or this Scheme with such modification(s), if any made, as per Clause 23 of the Scheme;
- 1.11** 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 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2 SHARE CAPITAL

- 2.1** The authorized, issued, subscribed and paid-up share capital of PPSL as on March 31, 2011 is as under:

ShareCapital	Amount in Rs.
Authorized Share Capital	
100,00,000 Equity Shares of Rs. 10 each	100,000,000
TOTAL	100,000,000
Issued, Subscribed and Paid-up Share Capital	
21,02,112 Equity Shares of Rs. 10 each, fully paid up	21,021,120
TOTAL	21,021,120

Subsequent to the above date, there has been no change in authorized, issued, subscribed and paid up share capital of PPSL.

- 2.2** The authorized, issued, subscribed and paid-up share capital of PIL as on March 31, 2011 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
125,000,000 Equity Shares of Rs. 2 each	250,000,000
1,631,000 Compulsorily Convertible Participatory Preference Shares of Rs.92 each	150,052,000
TOTAL	400,052,000
Issued, Subscribed and Paid-up Share Capital	
99,424,957 Equity Shares of Rs. 2 each, fully paid	198,849,914
1,630,435 Compulsorily Convertible Participatory Preference Shares of Rs. 92 each fully paid up	150,000,020
TOTAL	348,849,934

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid up share capital of PIL.

- 2.3** The authorized, issued, subscribed and paid-up share capital of PHEL as on 29th February, 2012 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
50,000 Equity Shares of Rs. 10 each	500,000
TOTAL	5,00,000
Issued, Subscribed and Paid-up Share Capital	
50000 Equity Shares of Rs. 10 each, fully paid up	500,000
TOTAL	500,000

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid up share capital of PHEL.

3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date, but shall be operative from the Effective Date.

PART II
AMALGAMATION OF PRATIBHA PIPES AND STRUCTURAL LIMITED
WITH PRATIBHA INDUSTRIES LIMITED

4 MERGER OF PRATIBHA PIPES AND STRUCTURAL LIMITED WITH PRATIBHA INDUSTRIES LIMITED

- 4.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the business, assets, (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible including trademarks, intellectual property rights, copyrights etc) properties and liabilities of PPSL shall pursuant to the provisions contained in Sections 391 to 394 read with Sections 78, 100 to 103 and all other applicable provisions, if any, of the Act and without any further act or deed shall stand transferred to and vested in and / or be deemed to be transferred to and vested in PIL so as to vest in PIL all rights, title and interest pertaining to PPSL.
- 4.2. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of PPSL shall also, under the provisions of Sections 391 to 394 read with Sections 78, 100 to 103 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to PIL, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of PIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.3. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents relating to and or held by PPSL required to carry on business of PPSL shall stand vested in or transferred to PIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of PIL. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to PIL pursuant to the Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by PPSL are concerned, the same shall vest with and be available to PIL on the same terms and conditions.
- 4.4. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by PPSL after the Appointed Date, over the assets of PPSL transferred to PIL shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of PIL.
- 4.5. Without prejudice to Sub-clause 4.1 to 4.4 above, in respect of such of the assets of the PPSL as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same may be so transferred by PPSL, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of PIL by way of physical delivery or novation. In so far as the immovable properties of PPSL are concerned, PIL shall register the true copy of the order of the High Court approving the Scheme with the offices of the relevant sub-registrar of assurance or similar registering authority in Maharashtra. All the rights of PPSL in the immovable properties shall stand transferred to PIL automatically without requirement of execution of any further documents for registering the name of PIL as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, etc. may rely on the Scheme along with the copy of the Order passed by the High Court, to make necessary mutation entries and changes in the land or revenue records to reflect the name of PIL as owner of the immovable properties.
- 4.6. The entitlement to various benefits under incentive schemes and policies of PPSL shall stand transferred to, and be vested in, and/or be deemed to have been transferred to, and vested in, PIL together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income-tax, unexpired credit for minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs and other and incentives to be claimed by PIL with effect from the Appointed Date for Amalgamation as if PIL was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by PIL of all the terms and conditions subject to which the benefits under such incentive schemes were made available to PPSL.
- 4.7. Since each of the permissions, approvals, consents, sanctions, remissions (including remittance under income-tax, minimum alternate tax, fringe benefit tax, sales tax, value added tax, turnover tax, excise duty, service tax, customs), special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations of PPSL, shall stand transferred under this Scheme to PIL, PIL shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect.
- 4.8. This Part of the Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income Tax Act, 1961, 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 Income Tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income Tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

5 ISSUE OF SHARES BY PIL

- 5.1. Pursuant to the Scheme coming into effect and upon the entire businesses and the whole of the undertaking of PPSL being transferred to and vested in PIL, PIL shall issue and allot to the shareholders of PPSL, whose names appear in the Register of Members of PPSL on the Merger Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

“6 (Six) fully paid Equity Shares of Rs. 2 (Rupees Two) each of PIL shall be issued and allotted for every 1 (One) fully paid Equity Shares of Rs. 10 (Rupees Ten) each held in PPSL.”

- 5.2. The equity shares to be issued to the members of PPSL as above shall be subject to the Memorandum and Articles of Association of PIL and shall rank *pari passu* with the existing equity shares of PIL in all respects including dividends.
- 5.3. The equity shares shall be issued in dematerialized form to those shareholders who hold shares of PPSL in dematerialized form, in to the account in which PPSL shares are held or such other account as is intimated by the shareholders to PPSL and / or its Registrar before the Merger Record Date. All those shareholders who hold shares of PPSL in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with any Depository Participant are intimated in writing to PPSL and / or its Registrar before the Merger Record Date. Otherwise, they would be issued equity shares in physical form only.
- 5.4. The Board of Directors of PIL shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares to the members of PPSL pursuant to clause 5.1 of the Scheme.
- 5.5. The equity shares to be issued by PIL to the members of PPSL pursuant to clause 5.1 of this Scheme, in respect of any shares in PPSL which are held in abeyance under the provisions of Section 206A of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by PIL.
- 5.6. PIL shall, if necessary and to the extent required, increase its authorized share capital to facilitate issue of equity shares under this Scheme.
- 5.7. Approval of this Scheme by the shareholders of PIL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by PIL to the shareholders of PPSL, as provided in this Scheme.
- 5.8. The new equity shares of PIL, issued pursuant to this Scheme shall be listed and/or admitted to trading on all the Stock Exchanges on which the shares of PIL are listed as on the Effective Date. The new equity shares shall however be listed subject to PIL complying with all the applicable regulations and obtaining the requisite approvals from all the relevant regulatory authorities pertaining to the listing of new equity shares.
- 5.9. The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 read with Sections 78, 100 to 103 of the Act shall be deemed to have the approval under Sections 16, 31 and other applicable provisions of the Act and any other consents and approvals required in this regard.

6 AGGREGATION OF AUTHORISED CAPITAL

- 6.1. The provisions of this Clause 6 shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.
- 6.2. Upon sanction of this Scheme, the authorized share capital of PIL shall automatically stand increased without any further act, instrument or deed on the part of PIL including payment of stamp duty and fees payable to Registrar of Companies, by the authorized share capital of PPSL as on the Effective Date and the Memorandum of Association and Articles of Association of PIL (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by PPSL on its authorized share capital shall be utilized and applied to the increased share capital of PIL, and shall be deemed to have been so paid by PIL on such combined authorized share capital and accordingly, PIL shall not be required to pay any fees / stamp duty on the authorized share capital so increased.

7 ACCOUNTING TREATMENT

- 7.1. On the Scheme becoming effective, PIL shall account for the amalgamation in its books as under:
- (a) All the assets and liabilities as on the Appointed Date, recorded in the books of PPSL shall stand transferred to and vested in PIL pursuant to the Scheme and shall be recorded by PIL at their respective fair values determined after the Effective Date by the Board of Directors of PIL;
 - (b) PIL shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 5.1 of this Scheme.
 - (c) Inter-company balances and investments, if any, will stand cancelled;

- (d) The difference between the excess of the Net Assets Value of PPSL transferred and recorded by PIL as per Sub-Clause (a) above after considering the adjustments mentioned in Sub-Clause (b) and (c), would be recorded as Securities Premium Account. The shortfall if any shall be recorded as Goodwill in the books of PIL.

Explanation:

"Net Assets Value" shall be computed as the fair value of the assets of PPSL transferred to PIL less the fair value of the liabilities of PPSL becoming liabilities of PIL."

- (e) If considered appropriate for the purpose of application of uniform accounting methods and policies between PPSL and PIL, PIL may make suitable adjustments and reflect the effect thereof in the Securities Premium Account of PIL.

8 CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

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

- 8.1. PPSL shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets for and on account of and in trust for PIL. PPSL undertakes to hold its said assets with utmost prudence until the Effective Date.
- 8.2. PPSL shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of PIL, alienate charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.
- 8.3. All the profits or income accruing or arising to PPSL or expenditure or losses arising or incurred or suffered by PPSL shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of PIL.
- 8.4. PPSL shall not vary the terms and conditions of employment of any of the employees of PPSL except in the ordinary course of business or without the prior consent of PIL or pursuant to any pre-existing obligation undertaken by them, as the case may be, prior to the Appointed Date.
- 8.5. PPSL and PIL shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

9 EMPLOYEES

- 9.1. On the Scheme becoming operative, all staff, workmen and employees of PPSL, who are in service as on the Effective Date shall become staff, workmen and employees of PIL, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PIL shall not be less favorable than those applicable to them with reference to their employment with PPSL on the Effective Date. PIL agrees that the services of all such employees with PPSL, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to PPSL, shall be mutually decided by Board of Directors of PPSL and PIL or committee(s) thereof.
- 9.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employees of PPSL shall, with the approval of the concerned authorities, become Funds of PIL, or shall be transferred to or merged with other similar funds of PIL for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of PPSL in relation to such Funds shall become those of PIL. It is clarified that the services of the staff, workmen and employees will be treated as having been continuous for the purpose of the said Funds.

10 LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against PPSL is pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against PIL, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against PPSL as if this Scheme had not been made.

11 CONTRACTS, DEEDS, ETC.

- 11.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to PPSL, which is subsisting as on the Effective Date, shall be in full force and effect against or in favour of PIL, and may be enforced by or against PIL as fully and effectually as if, instead of PPSL, PIL had been a party thereto.

11.2. PIL and PPSL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations in order to give formal effect to the provisions of this Scheme. PIL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of PPSL and to implement or carry out all formalities required on the part of PPSL to give effect to the provisions of this Scheme.

12 SAVING OF CONCLUDED TRANSACTIONS

The merger of PPSL into PIL and the continuance of proceedings by or against PPSL shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that PIL accept and adopts all acts, deeds and things done and executed by or on behalf of PIL.

13 WINDING UP OF PPSL

On the amalgamation Scheme becoming effective, PPSL shall stand dissolved automatically without being wound up.

PART III
SLUMP SALE OF MANUFACTURING UNDERTAKING OF PIL

14 SLUMP SALE OF MANUFACTURING UNDERTAKING

- 14.1. With effect from the Appointed Date and after giving effect to Part II of the Scheme, the Manufacturing Undertaking of PIL, shall, pursuant to the provisions of Sections 391 to 394 read with Sections 78, 100 to 103 and all other applicable provisions, if any, of the Act, without any further act or deed, be deemed to be sold to PHEL so that PHEL will possess all the rights, title and interest of PIL therein, subject to subsisting encumbrances, if any.
- 14.2. After the Effective Date, the Manufacturing Undertaking of PIL would be transferred to PHEL and the same would be deemed to have been sold on the Appointed Date, after giving effect to Part II of the Scheme.
- 14.3. With effect from the Appointed Date, the whole of the undertaking and assets and properties of the Manufacturing Undertaking, shall, under the provisions of Sections 391 to 394 read with Sections 78, 100 to 103 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in PHEL, so as to vest in PHEL all the rights, title and interest pertaining to the Manufacturing Undertaking subject however to the existing / subsisting mortgages, charges, encumbrances, guarantees and securities / security interest. In so far as the immovable properties of the Manufacturing Undertaking are concerned, PHEL shall register the true copy of the Order of the High Court approving the Scheme with the offices of the relevant sub-registrar of assurance or similar registering authority in Maharashtra. All the rights, liabilities and obligations of PIL in or in relation to the movable / immovable properties or tangible / intangible properties or assets pertaining to the Manufacturing Undertaking shall stand transferred to PHEL automatically without requirement of execution of any further documents for registering the name of PHEL as owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, MMRDA, etc. may rely on the Scheme along with the copy of the Order passed by the High Court, to make necessary mutation entries and changes in the land or revenue records to reflect the name of PHEL as owner of the immovable properties. The Manufacturing Undertaking of PIL, as defined in clause 1.5, shall stand transferred to and vested in or deemed to be transferred to and vested in PHEL, as a going concern.
- 14.4. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of PIL relating to the Manufacturing Undertaking shall also, under the provisions of Sections 391 to 394 read with Sections 78, 100 to 103 and all other applicable provisions, if any, of the Act, and without any further act or deed, shall be transferred to and vested in and / or deemed to be transferred to and vested in PHEL, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of PHEL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 14.5. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents relating to and or held by PIL required to carry on operations of the Manufacturing Undertaking shall stand vested in or transferred to PHEL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of PHEL. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to PHEL pursuant to the Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by PIL relating to the Manufacturing Undertaking, are concerned, the same shall vest with and be available to PHEL on the same terms and conditions.
- 14.6. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by PIL after the Appointed Date, over the assets comprised in the Manufacturing Undertaking transferred to and vested in and / or deemed to be transferred to and vested in PHEL by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Manufacturing Undertaking, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to PHEL and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of PHEL.
- 14.7. Any existing encumbrances over the assets and properties of PHEL or any part thereof which relate to the liabilities and obligations of PHEL prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Manufacturing Undertaking sold to PHEL by virtue of this Scheme.
- 14.8. Without prejudice to Sub-clause 14.1 to 14.7 above, in respect of such of the assets of the Manufacturing Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same may be so transferred by PIL, and shall, upon such transfer, become the property, estate, assets, rights, title, interest and authorities of PHEL by way of physical delivery or novation.

15 CONSIDERATION

- 15.1. The consideration, for the slump sale of Manufacturing Undertaking referred to in Clause 1.5, would be on lump sum basis equal to Rs.139.10 crores.
- 15.2. The consideration would be discharged by PHEL in Cash or can be kept outstanding for a period as may be decided mutually by the board of directors of PIL and PHEL.

16 ACCOUNTING TREATMENT IN THE BOOKS OF PIL AND PHEL.

16.1. IN THE BOOKS OF PIL

- 16.1.1. Upon the Scheme becoming effective, PIL shall reduce the book value of assets and liabilities pertaining to the Manufacturing Undertaking transferred to PHEL.
- 16.1.2. The difference, being the excess of the book value of assets transferred over the book value of liabilities transferred as adjusted by consideration mentioned in clause 15.1 shall be adjusted against the Securities Premium Account of PIL.
- 16.1.3. The reduction of Securities Premium Account of PIL as mentioned above shall be effected as an integral part of this Scheme without having to follow the process under Section 78 read with provisions of Sections 100 to 103 of the Act separately. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the Act will not be applicable and accordingly the Order under Section 102 of the Act shall not be required.

16.2. IN THE BOOKS OF PHEL

- 16.2.1. As on the Appointed Date, PHEL shall allocate the consideration mentioned in clause 15.1 amongst the assets and liabilities of the Manufacturing Undertaking transferred by PIL to PHEL.
- 16.2.2. The Board of PHEL shall have the powers to determine the allocation of consideration mentioned in clause 15.1 amongst the assets and liabilities of the Manufacturing Undertaking transferred by PIL to PHEL.

17 CONDUCT OF BUSINESS TILL THE EFFECTIVE DATE

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

- 17.1. PIL shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets in relation to Manufacturing Undertaking for and on account of and in trust for PHEL. PIL undertakes to hold its said assets with utmost prudence until the Effective Date.
- 17.2. PIL shall carry on its business and activities in relation to Manufacturing Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of PHEL, alienate charge, mortgage, encumber or otherwise deal with or dispose of any business or part thereof.
- 17.3. All the profits or income accruing or arising to PIL in relation to Manufacturing Undertaking or expenditure or losses arising or incurred or suffered by PIL in relation to Manufacturing Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of PHEL.
- 17.4. PIL shall not vary the terms and conditions of employment of any of the employees of PIL in relation to Manufacturing Undertaking except in the ordinary course of business or without the prior consent of PHEL or pursuant to any pre-existing obligation undertaken by them, as the case may be, prior to the Appointed Date.
- 17.5. PIL and PHEL shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

18 EMPLOYEES

- 18.1. On the Scheme becoming operative, all staff, workmen and employees of PIL, in relation to Manufacturing Undertaking, who are in service as on the Effective Date shall become staff, workmen and employees of PHEL, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with PHEL shall not be less favorable than those applicable to them with reference to their employment with PIL on the Effective Date. PHEL agrees that the services of all such employees with PIL, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to PIL, in relation to Manufacturing Undertaking, shall be mutually decided by Board of Directors of PIL and PHEL or committee(s) thereof.
- 18.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff, workmen and employees of PIL, in relation to Manufacturing Undertaking, shall, with the approval of the concerned authorities, become Funds of PHEL, or shall be transferred to or merged with other similar funds of PHEL for all purposes whatsoever in relation to the administration or operation of such Funds

or in relation to the obligation to make contributions to the said Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of PIL in relation to such Funds shall become those of PHEL. It is clarified that the services of the staff, workmen and employees will be treated as having been continuous for the purpose of the said Funds.

19 LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against PIL in relation to Manufacturing Undertaking is pending on the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against PHEL, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against PIL as if this Scheme had not been made.

20 CONTRACTS, DEEDS, ETC.

- 20.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to PIL in relation to Manufacturing Undertaking, which is subsisting as on the Effective Date, shall be in full force and effect against or in favour of PHEL, and may be enforced by or against PHEL as fully and effectually as if, instead of PIL, PHEL had been a party thereto.
- 20.2. PIL and PHEL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations in order to give formal effect to the provisions of this Scheme. PIL, in relation to Manufacturing Undertaking shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of PHEL and to implement or carry out all formalities required on the part of PIL to give effect to the provisions of this Scheme.

21 SAVING OF CONCLUDED TRANSACTIONS

The transfer of Manufacturing Undertaking of PIL to PHEL and the continuance of proceedings by or against PIL in relation to Manufacturing Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that PHEL accept and adopts all acts, deeds and things done and executed by or on behalf of PHEL.

PART IV
GENERAL TERMS AND CONDITIONS

22 APPLICATION TO HIGH COURT

PPSL, PIL and PHEL shall as may be required make applications and / or petitions under Sections 391 to 394 read with Sections 78, 100 to 103 and other applicable provisions of the Act to the High Court or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

23 MODIFICATION OR AMENDMENTS TO THE SCHEME

PPSL, PIL and PHEL by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other Authority 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). PPSL, PIL and PHEL 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, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

24 CONDITIONALITY OF THE SCHEME

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

- 24.1. The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 24.2. The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of PPSL, PIL and PHEL as may be directed by the High Court.
- 24.3. The sanction of the High Court under Sections 391 to 394 read with Sections 78, 100 to 103 of the said Act in favour of PPSL, PIL and PHEL under the said provisions and to the necessary Order under Section 394 of the said Act being obtained.
- 24.4. Certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by PPSL, PIL and PHEL, as may be applicable.
- 24.5. Each Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. Each Section is independent of each Section and is severable. The Scheme shall be effective upon sanction of the High Court. However, failure of any one part of one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities or for any other reason that the Board of Directors may deem fit than this shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

25 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2012 or within such further period or periods as may be agreed upon between PPSL, PIL and PHEL by their respective Board of Directors (and which the Board of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

26 COSTS, CHARGES & EXPENSES

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

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 288 OF 2012**

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

AND

In the matter of Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited ('PPSL') and Pratibha Industries Limited ('PIL') and Pratibha Heavy Engineering Limited ('PHEL') and their respective Shareholders

PRATIBHA INDUSTRIES LIMITED, a Company
incorporated under the Companies Act, 1956 and having
its Registered Office at Shrikant Chambers, Phase – II, 5th
Floor, Sion- Trombay Road, Near R.K. Studio, Chembur,
Mumbai – 400071.

).....Applicant Company

FORM OF PROXY

I/We, _____, the undersigned, being the equity shareholder(s) of Pratibha Industries Limited, the Applicant Company do hereby appoint Mr./Ms. _____ of _____ or failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the equity shareholders to be held at Natraj Avenues, Next to R.K.Studio, Sion Trombay Road, Chembur, Mumbai-400071, on **Tuesday, the 5th day of June 2012 at 3.00 p.m.** for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited and Pratibha Industries Limited and Pratibha Heavy Engineering Limited and their respective shareholders and at such meeting and any adjournment / adjournments thereof, to vote, for me/us and in my/ our name(s) _____ (herein, if for insert '**FOR**', if against insert '**AGAINST**' and in the later case strike out the words "either with or without modifications" before the word "arrangement") the said Composite Scheme of Arrangement either with or without modifications as my / our proxy may approve.

*Strike out what is not necessary

Dated this _____, 2012

Name _____

Address _____

Reg. Folio No. _____

Client ID No. _____

DP ID No. _____

No. of equity shares: _____

Affix
revenue
stamp

Signature of Equity Shareholder(s)

Sole / First Holder: _____

Second Holder: _____

Third Holder: _____

Signature of Proxy: _____

Notes:

- (1) Proxy need not be Equity Shareholder of the Company.
- (2) The Proxy must be deposited at the Registered Office of the Company at Shrikant Chambers, Phase – II, 5th Floor, Sion-Trombay Road, Chembur, Mumbai – 400071 at least 48 hours before the time for holding the meeting.
- (3) All alterations made in the form of Proxy should be initialed.
- (4) In case of multiple proxies, the proxy later in time shall be recognized.



PRATIBHA INDUSTRIES LIMITED

Regd. Office: Shrikant Chambers, Phase – II, 5th Floor, Sion - Trombay Road,
Chembur, Mumbai – 400 071.

ATTENDANCE SLIP

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS ON TUESDAY, 5TH DAY OF JUNE, 2012

I/We hereby record my/our presence at the Meeting of the Equity shareholders of the Company, convened pursuant to the Order dated 27th April 2012 of the Hon'ble High Court of Judicature of Bombay, held at Natraj Avenues, Next to R. K. Studio, Sion Trombay Road, Chembur, Mumbai-400071, on **Tuesday, the 5th day of June, 2012 at 3.00 p.m.**

Name and Address of Equity Shareholder **(IN BLOCK LETTERS)**:

Signature : _____

Reg.Folio No. : _____

Client ID : _____

D.P. I.D. : _____

No. of Equity Shares : _____

Name of the Proxy : _____

Signature : _____

NOTE:

Equity shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

NOTICE OF THE EXTRA ORDINARY GENERAL MEETING



PRATIBHA INDUSTRIES LIMITED

Regd. Office: Shrikant Chambers, Phase – II, 5th Floor, Sion - Trombay Road,
Chembur, Mumbai – 400 071.

NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the equity shareholders of Pratibha Industries Limited ('PIL' or 'the Company' or 'Applicant Company') will be held at Natraj Avenues, Next to R.K.Studio, Sion Trombay Road, Chembur, Mumbai-400071 on **Tuesday, 5th day of June 2012 at 3:30 p.m.** or immediately after the conclusion of the Court Convened Meeting of the Equity shareholders, whichever is later, to be held on the directions of the Hon'ble Bombay High Court for approving the Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited and Pratibha Industries Limited and Pratibha Heavy Engineering Limited and their respective shareholders under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 ('Composite Scheme of Arrangement' or 'Scheme') for the purpose of transacting the following Special Business:

To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to the provisions of Sections 78 read with Sections 100 to 103 and other applicable provisions, if any, of the Companies Act, 1956, Article 9 of the Articles of Association of the Company and subject to the sanction of Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited ('PPSL') and Pratibha Industries Limited ('PIL') and Pratibha Heavy Engineering Limited ('PHEL') and their respective shareholders by the Hon'ble High Court of Judicature at Bombay under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956, the difference being excess of the book value of assets of the Manufacturing Undertaking of PIL (post the merger of PPSL with PIL) over the book value of liabilities as adjusted by the consideration for such slump sale to PHEL shall be adjusted against the Securities Premium Account of PIL.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee or person, which the Board may constitute/ nominate to exercise its powers conferred under this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper."

By order of the Board of Directors
For **Pratibha Industries Limited**

Mr. Ajit B. Kulkarni
(Managing Director)

Dated this 30th day of April, 2012

Registered Office:

Shrikant Chambers,
Phase II, 5th Floor,
Sion Trombay Road,
Next to R.K. Studio,
Chembur, Mumbai – 400071.

NOTE:

- (a) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business set out above is annexed hereto.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- (c) All the documents referred to in the Notice and Explanatory Statement are open for inspection by the Equity Shareholders at the Registered Office of the Company on any working day (except Saturdays, Sundays and Public Holidays) prior to the date of Meeting between 11:00 a.m. and 1:00 p.m.

EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 ("the Act"), for the accompanying notice is as under:

1. The Board of Directors of Pratibha Industries Limited ('PIL' of 'the Company') in their meeting 3rd February 2012 have approved the Composite Scheme of Arrangement between Pratibha Pipes and Structural Limited ('PPSL' or 'the Transferor Company') and Pratibha Industries Limited and Pratibha Heavy Engineering Limited ('PHEL' or 'the Resulting Company') and their respective shareholders ('the Scheme' or 'the Composite Scheme').
2. The proposed Composite Scheme provides for the merger of PPSL with PIL and slump sale of the Manufacturing Undertaking from PIL (post merger of PPSL with PIL) to PHEL for a lump sum consideration of Rs.139.10 crs.
3. Since the Composite Scheme provides for adjustment of the excess of the book value of assets of PIL transferred to PHEL over the book value of liabilities transferred pursuant to Slump Sale, duly adjusted by the consideration payable for the slump sale against the balance in the Securities Premium Account of PIL, the approval of the equity shareholders by a Special Resolution would be required in terms of Section 78 read with Section 100 of the Companies Act, 1956.
4. The proposed restructuring will not cause any prejudice to the creditors of the Company since it does not involve any financial outlay/outgo on the part of the Company. For the sake of clarity, it is specified that the reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. Further, the proposed restructuring would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business.
5. The above restructuring will have no impact on the shareholding pattern and the capital structure of the Company. The pre and post restructuring capital structure and shareholding pattern of the Company is as under:

Sr. No.	Category of Shareholder	Pre- arrangement Equity Share Capital		Post arrangement Equity Share Capital	
		No. of Shares	% of Share holding	No. of Shares	% of Share holding
(A)	Shareholding of Promoter and Promoter Group				
1.	Indian				
	Individuals/ Hindu Undivided Family	5,21,34,829	52.44	6,26,34,829	55.91
	Sub – Total (A) (1)	5,21,34,829	52.44	6,26,34,829	55.91
2	Foreign (A) (2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A) (1) +(A) (2)	5,21,34,829	52.44	6,26,34,829	55.91
(B)	Public Shareholding				
1	Institutions				
	Mutual Funds	51,80,624	5.21	51,80,624	4.62
	Financial Institutions, Banks	2,000	0.00	2,000	0.00
	Insurance Companies	84,989	0.09	84,989	0.08
	Foreign Institutional Investors	1,59,19,955	16.01	1,59,19,955	14.21
	Sub – Total (B) (1)	2,11,87,568	21.31	2,11,87,568	18.91
2	Non - Institutions				
	Bodies Corporate	85,88,196	8.64	1,07,00,868	9.55
	Individuals	1,26,79,822	12.75	1,26,79,822	11.32
	Others:				
	1. Foreign Company	38,04,348	3.83	38,04,348	3.40
	2. Clearing members	2,77,366	0.28	2,77,366	0.25
	3. Trusts	18,110	0.02	18,110	0.02
	4. Non Resident Indians (Repatriable)	6,51,108	0.65	6,51,108	0.58
	5. Non Resident Indians (non repatriable)	83,610	0.08	83,610	0.07
	Sub Total (B) (2)	2,61,02,560	26.25	2,82,15,232	25.18

Sr. No.	Category of Shareholder	Pre- arrangement Equity Share Capital		Post arrangement Equity Share Capital	
		No. of Shares	% of share holding	No. of Shares	% of Share holding
	Total Public Shareholding (B) = (B) (1) + (B) (2)	4,72,90,128	47.56	4,94,02,800	44.09
	TOTAL (A) + (B)	9,94,24,957	100.00	11,20,37,629	100.00
(C)	Shares held by Custodians against which Depository Receipts have been issued	-	-	-	-
	Grand Total (A) + (B)+ (C)	9,94,24,957	100.00	11,20,37,629	100.00

6. The Directors recommend the resolution for acceptance by the Shareholders.
7. None of the Directors of the Company are interested in the proposed Resolutions.

By order of the Board of Directors
For **Pratibha Industries Limited**

Mr. Ajit B. Kulkarni
(Managing Director)

Dated this 30th day of April, 2012

Registered Office:
Shrikant Chambers,
Phase II, 5th Floor,
Sion Trombay Road,
Next to R.K. Studio,
Chembur, Mumbai – 400071.



PRATIBHA INDUSTRIES LIMITED

Regd. Office: Shrikant Chambers, Phase – II, 5th Floor, Sion-Trombay Road,
Chembur, Mumbai – 400 071.

FORM OF PROXY

I/We, _____, the undersigned, being the equity shareholder(s) of Pratibha Industries Limited, the Applicant Company do hereby appoint Mr./Ms. _____ of _____ or failing him/her _____ of _____ as my/our proxy, to act for me/us at the extra-ordinary meeting general meeting of the equity shareholders to be held at Natraj Avenues, Next to R. K. Studio, Sion -Trombay Road, Chembur, Mumbai – 400 071, on **Tuesday, the 5th day of June 2012 at 3.30 p.m.** or immediately after the conclusion of the Court Convened Meeting of the equity shareholders of the Company, whichever is later for the purpose of considering, and, it thought fit, approving with or without modification, the resolutions as set forth in the Notice and at such meeting and at any adjournment or adjournments thereof, to vote for me/us and in my/our name _____, (here if for , insert “for” if against, insert “against” and in the latter case, strike out the words either ‘with or without modification’ before the word resolutions), the said resolutions as my/ our proxy may approve.

*Strike out what is not necessary

Dated this _____, 2012

Name _____

Address _____

Reg. Folio No. _____

Client ID No. _____

DP ID No. _____

No. of equity shares: _____

Signature of Equity Shareholder(s)

Sole / First Holder: _____

Second Holder: _____

Third Holder: _____

Signature of Proxy: _____

Notes:

- (1) Proxy need not be Equity Shareholder of the Company.
- (2) The Proxy must be deposited at the Registered Office of the Company at Shrikant Chambers, Phase – II, 5th Floor, Sion-Trombay Road, Chembur, Mumbai – 400071 at least 48 hours before the time for holding the meeting.
- (3) All alterations made in the form of Proxy should be initialed.
- (4) In case of multiple proxies, the proxy later in time shall be recognized.



PRATIBHA INDUSTRIES LIMITED

Regd. Office: Shrikant Chambers, Phase – II, 5th Floor, Sion-Trombay Road,
Chembur, Mumbai – 400 071.

ATTENDANCE SLIP

EXTRA-ORDINARY GENERAL MEETING OF EQUITY SHAREHOLDERS ON TUESDAY, 5TH DAY OF JUNE, 2012

I/We hereby record my/our presence at the extra-ordinary general meeting of the Equity Shareholders of the Company, held at Natraj Avenues, Next to R.K.Studio, Sion Trombay Road, Chembur, Mumbai - 400071, on **Tuesday, the 5th day of June, 2012 at 3.30 p.m.** or immediately after the conclusion of the Court Convened Meeting of the shareholders of the Company, whichever is later.

Name and Address of Equity Shareholder **(IN BLOCK LETTERS)**:

Signature : _____

Reg.Folio No. : _____

Client ID : _____

D.P. I.D. : _____

No. of Equity Shares : _____

Name of the Proxy : _____

Signature : _____

NOTE:

Equity shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

NOTE

[illegible]

