AUTOLINE INDUSTRIES LIMITED

MEETING OF THE SECURED CREDITORS

Date : 1st March, 2011

Time : 12.00 p.m.

Venue : Survey No. 291-295, Nanekarwadi,
Chakan, Tal.: Khed, Dist.: Pune-410501

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 50 OF 2011

In the matter of the Companies Act, 1956

And

In the matter of Section 391 to 394 of the Companies Act, 1956

And

In the matter of Autoline Industries Limited

And

In the matter of Scheme of Arrangement in the form of Amalgamation between Nirmiti Autocomponents Private Limited and Western Pressing Limited with Autoline Industries Limited

Autoline Industries Limited, a Company incorporated under the Companies Act, 1956, and having its registered office at Survey Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan Taluka : Khed, Dist : Pune-410501) ..... **Applicant Company**

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS OF AUTOLINE INDUSTRIES LIMITED

To,

The Secured Creditors of Autoline Industries Limited (the **"Applicant Company"**)

TAKE NOTICE that by an Order made on Friday, 21st day of January, 2011, the High Court of Judicature at Bombay in the above Company Summons for Direction, has directed that a meeting of the Secured Creditors of the Applicant Company be convened and held at Survey No. 291-295, Nanekarwadi, Chakan, Tal.: Khed, Dist.: Pune-410501 **on Tuesday, the 1st day of March, 2011 at 12.00 p.m.** for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Arrangement in the form of Scheme of Amalgamation between Nirmiti Autocomponents Private Limited and Western Pressing Limited (the Transferor Companies) with Autoline Industries Limited (the Applicant / Transferee Company).

TAKE FURTHER NOTICE that in pursuance of the aforesaid Order and as directed therein, a meeting of the Secured Creditors of the Applicant Company will be convened & held at Survey No. 291-295, Nanekarwadi, Chakan, Tal.: Khed, Dist.: Pune-410501 on **Tuesday, 1st day of March, 2011 at 12.00 p.m.,** at which time and place 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 authorised representative, is deposited at the Registered Office of the Applicant Company, at Survey Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan, Taluka : Khed, Dist : Pune-410501, not later than 48 hours before the commencement of the said meeting.

The High Court of Judicature at Bombay has appointed Mr. Manavazhi Venugopal Radhakrishnan, Jt. Managing Director of the Applicant Company and failing him, Mr. Shivaji T. Akhade, Managing Director of the Applicant Company and failing him, Mr. Sudhir Mungase, Wholetime Director of the Applicant Company to be the Chairman of the said meeting.

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

Sd/-
(M Radhakrishnan)
Chairman appointed for the Meeting

Dated this 31st day of January, 2011

Registered Office:
Survey Nos. 313, 314, 320 to 323
Nanekarwadi, Chakan, Taluka: Khed, Dist: Pune-410501

Notes:

1. All alterations made in the Form of Proxy should be initialled.
2. Only Secured Creditors of the Applicant Company may attend and vote (either in person or by proxy) at the Secured Creditors' meeting. The representative of a body corporate which is a Secured Creditor of the Applicant Company may attend and vote at the Secured Creditors' meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting authorising such representative to attend and vote at the Secured Creditors' meeting.

Enclosed : as above

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 50 OF 2011

In the matter of the Companies Act, 1956

And

In the matter of Section 391 to 394 of the Companies Act, 1956

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In the matter of Scheme of Arrangement in the form of Amalgamation between Nirmiti Autocomponents Private Limited and Western Pressing Limited with Autoline Industries Limited

Autoline Industries Limited, a Company incorporated under the Companies Act, 1956, and having its registered office at Survey Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan Taluka : Khed, Dist : Pune-410501) **... Applicant Company**

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. The accompanying Notice is being sent to you pursuant to the Order dated 21st Day of January, 2011, passed by the Hon'ble Bombay High Court in the Summons for Direction referred to above, the meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company are being convened and held for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between Nirmiti Autocomponents Private Limited and Western Pressing Limited (the Transferor Companies) with Autoline Industries Limited (the "Applicant Company" or the "Transferee Company")

2. A copy of the Scheme of Amalgamation setting out in detail the terms and conditions of the amalgamation of the Transferor Companies with the Applicant Company, which has been approved by the Board of Directors of the Transferor Companies and the Applicant Company at their respective meetings held on 14th August, 2010 is attached to this Explanatory Statement.

3. The Applicant Company was incorporated on 16th December, 1996 by name AUTOLINE STAMPINGS PRIVATE LIMITED. The name of the Company was changed to AUTOLINE INDUSTRIES PRIVATE LIMITED on 10th January, 2006 and subsequently the Company was converted from Private Limited Company to Public Limited Company on 13th January, 2006 and consequently the name of the Company was changed to AUTOLINE INDUSTRIES LIMITED and accordingly a certificate of change of name was issued by the Registrar of Companies, Pune, Maharashtra on 13th January, 2006. The Registered Office of the Applicant Company is situated at Survey Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka: Khed, Dist: Pune-410501 in the State of Maharashtra.

4. The object for which the Applicant Company has been established are set out in its Memorandum of Association, the main object, are set out hereunder :

a. To carry on the business in India and/or abroad as manufacturers, processors, designers, shapers, fitters, fabricators, converters, importers, exporters, factors, agents, buyers sellers, distributors, stockists of and dealers in automobile parts, ancilliaries, components, stamping and pressing, packaging or otherwise in any metallic or non metallic materials, electrical, electronic and mechanical machineries and parts thereof.

5. NIRMITI AUTOCOMPONENTS PRIVATE LIMITED, **("The Transferor Company-1")** was incorporated on 15th April, 1993 by name NIRMITI TOOL ROOM PRIVATE LIMITED. On 30th December, 2003 name of the Company was changed to NIRMITI AUTOCOMPONENTS PRIVATE LIMITED and in consequence thereof a certificate of change of name was issued by the Registrar of Companies, Pune, Maharashtra on 30th December, 2003.

The Registered Office of the Transferor Company-1 is situated at E-12-17 (8), MIDC, Bhosari, Pune 411 026 in the State of Maharashtra.

6. The object for which the Transferor Company - 1 has been established are set out in the Memorandum of Association, the main objects, are set out hereunder:

a. To carry on the business of manufacturing, trading of, Press Tools, Dies, Plastic Injection Moulds, Die Casting, Dies, Jigs & Fixtures, Rubber Moulds, Pressed Components, Plastic Moulded Components, Die Cast Components, Machined Components, Rubber Components, required for all kinds of industries.

7. The pre-amalgamation share capital structure of the Transferor Company-1 is as follows :

Equity Share Capital	Amount (in ₹)
Authorized Share Capital* (2,00,000 Equity Shares of ₹ 100/- each)	2,00,00,000/-
Issued, Subscribed and Paid up Capital (1,92,062 Equity Shares of ₹ 100/- each)	1,92,06,200/-

*The authorized share capital (nominal value) of Transferor Company-1 merged with Applicant Company shall be changed from ₹ 100/- each to ₹ 10/- each on and from the effective date.

8. WESTERN PRESSING LIMITED, (**"Transferor Company-2"**) was incorporated on 7th May, 1985 by name WESTERN PRESSING PRIVATE LIMITED. The registered office of the Company was shifted from West Bengal to Maharashtra and a certificate to that effect was issued by the West Bengal. Registrar of Companies on 26th February 1987 and by the Bombay Registrar of Companies on 21st June, 1987. The Company was converted from Private limited to Public limited Company on 14th November, 2006 and in consequence thereof the certificate of change of name was issued by the Registrar of Companies, Pune, Maharashtra on 14th November, 2006.

The Registered Office of the Transferor Company-2 is situated at F-II PLOT NO. 25 MIDC, PIMPRI, Pune - 411018 in the State of Maharashtra.

9. Objects for which the Transferor Company-2 has been established are set out in the Memorandum of Association, the main objects are set out hereunder:

(a) To carry on all or any of the business of manufacturers, assemblers, repairers, exporters, importers, distributors, suppliers, hirers, traders and dealers of all kinds of automobiles parts and accessories for Scooters Mopeds, Motorcycle, Motor car, Commercial Vehicles, By-cycles, Earthmoving equipment, Air crafts, ships, Railways, Electronic goods such as Computers, T.V. Sets VCR's Microwaves, Ferries, Calculators, transmission sets, software equipments, Computer stationeries and all kind of electronic goods and parts and accessories thereof, all kinds of machine tools and implements, ferrous and non ferrous castings. Defense equipments, electrical machine, cables and wires, leather, rubber and plastic equipments, insulating materials, refractories and ceramic products,

abrasives, industrial oils, gases and lubricants, household and office equipments, glass and glassware, hardware mill stores, prefabricated and other building materials mining, engineering and other industrial products and components, ferrous and nonferrous metals and alloys and, all other tools, raw materials, stores, products, by-products and other goods required in connection therewith.

(b) To carry on all or any of the business of buyers, sellers, suppliers, merchants, importers and exporters, indentors, brokers, agents, processors, re-rollers, refiners, smelters, convertors in all kinds and forms of steel including mild, high carbon, spring, high speed, tool, alloy, stainless and special steel, iron, metals and alloys, ingots, billets, bars, joists, rods, squares, structurals, tubes poles, pipes, sheets, castings wire, rails, rolling materials, rollers, other materials made wholly or partly of iron, steel, alloys and metals required in or used for industrial, agricultural, transport, commercial, domestic, building, power transmission and/ or construction purposes.

(c) To carry on all or any of the business of buyers, sellers, commission agents, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assemblers, packers, stockists, distributors and dealers of and in jute and jute products, commercial and manmade fibre and products made of the same, cotton and other textiles of all kinds , all kinds of agricultural produces, food articles, including packed ones, forest produces, minerals, metals, industrial and other wastes and bye products, alcohol, wines and beverages, edible and non-edible oils and fats, consumer goods, chemicals of all kinds, all kinds of building materials, vehicles, bullion, shares & securities, all kinds of machinery and other things required in connection therewith.'

10. The pre-amalgamation share capital structure of the Transferor Company-2 is as follows :

Equity Share Capital	Amount (in ₹)
Authorised Share Capital (25,00,000 Equity shares of ₹ 10/- each)	2,50,00,000/-
Issued, Subscribed and Paid up Capital (13,00,000 Equity shares of ₹ 10/- each)	1,30,00,000/-

11. a) The pre and post amalgamation capital structure of the Applicant Company is and will be as follows:

Equity Share Capital	Pre Amalgamation Amount (in ₹)	Post Amalgamation Amount (in ₹)
Authorised Share Capital (2,50,00,000 Equity shares of ₹ 10/- each)	25,00,00,000	
(2,95,00,000 Equity shares of ₹ 10/- each)		29,50,00,000
Issued, Subscribed and Paid up (1,22,04,969 Equity share of ₹ 10/- each)	12,20,49,690	12,20,49,690

b) Transferor Company- 1 is a Wholly Owned Subsidiary of the Applicant Company. Applicant Company is holding directly or indirectly the entire issued, subscribed and paid up equity share capital of Transferor Company- 1 together with its nominees. The pre amalgamation shareholding pattern of the Transferor Company-1 as on 31st December, 2010 is as follows:

Sr. No.	Category	Position	No. of Equity shares held in Transferor Company-1
1.	Autoline Industries Limited	Shareholder	1,92,056
2.	Linc wise Software Pvt. Ltd.	Shareholder	1
3.	Mr. Vilas V Lande	Shareholder	1
4.	Mr. Shivaji T.Akhade	Director & Shareholder	1
5.	Mr. Sudhir V.Mungase	Director & Shareholder	1
6.	Mr. M Radhakrishnan	Director & Shareholder	1
7.	Mr. Prakash B. Nimbalkar	Shareholder	1
		TOTAL	**1,92,062***

* All the shares issued as above, are held by the Applicant Company and its Nominees. Accordingly, the Transferor Company -1 is wholly Owned Subsidiary of the Applicant Company.

c) Transferor Company- 2 is a Wholly Owned Subsidiary of the Applicant Company. The Applicant Company is holding directly or indirectly the entire issued, subscribed and paid up equity share capital of Transferor Company-2 together with its nominees. The Pre amalgamation shareholding pattern of Transferor Company-2 as on 31st December, 2010 is as follows:

Sr. No.	Category	Position	No. of Equity shares held in Transferor Company-2
1.	Mr. Shivaji T. Akhade	Director & Shareholder	10
2.	Mr. Sudhir V. Mungase	Director & Shareholder	10
3.	Mr. Vilas V. Lande	Shareholder	10
4.	Mr. M Radhakrishnan	Director & Shareholder	10
5.	Lincwise Software Private Limited	Shareholder	10
6.	Mrs. Rema Radhakrishnan	Shareholder	10
7.	Autoline Industries Limited	Shareholder	12,99,940
		TOTAL	**13,00,000***

*All the shares issued as above, are held by the Applicant Company and its Nominees. Accordingly, the Transferor Company -2 is Wholly Owned Subsidiary of the Applicant Company.

d) The pre and post amalgamation Shareholding Pattern of the Applicant Company is and will be as follows:

Sr. No.	Category	Pre Amalgamation As on 31st December, 2010		Post Amalgamation (Expected)	
		No. of shares held	% of holding	No. of shares held	% of holding
(A)	**Shareholding of Promoter & Promoter group**				
I	**Indian**				
A	Individuals	24,31,567	19.93	24,31,567	19.93
B	Bodies Corporate	10,00,000	8.19	10,00,000	8.19
II	**Foreign**	----	----	----	----
	Total shareholding of promoter and promoter group - (A)	**34,31,567**	**28.12**	**34,31,567**	**28.12**
(B)	Public shareholding				
I	**Institution**				
A	Mutual funds	1,45,000	1.19	1,45,000	1.19
B	Banks, Financial Institutions	1,350	0.01	1,350	0.01
C	FIIs	3,79,341	3.10	3,79,341	3.10
	Sub total B (I)	**5,25,691**	**4.30**	**5,25,691**	**4.30**
II	**Non Institutions**				
A	Bodies corporate	13,44,520	11.02	13,44,520	11.02
B	Individuals holding nominal capital up to ₹ 1 Lac	31,43,364	25.76	31,43,364	25.76
C	Individuals holding nominal capital in excess of ₹ 1 Lac	16,14,710	13.23	16,14,710	13.23
D	Clearing member	1,66,386	1.37	1,66,386	**1.37**
E	Foreign national	11,163	0.09	11,163	0.09
F	Non-resident Indian (Repat)	3,37,166	2.76	3,37,166	2.76
G	Non Resident Indian (Non Repat)	2,34,652	1.92	2,34,652	1.92
H	Foreign Companies	1,43,323	1.17	1,43,323	1.17
I	Other Directors and relatives	12,52,427	10.26	12,52,427	10.26
	Sub total B (II)	**82,47,711**	**67.58**	**82,47,711**	**67.58**
	Total Public shareholding B(I) + B(II)	**87,73,402**	**71.88**	**87,73,402**	**71.88**
(C)	Shares held by custodians against which Depository receipts have been issued	--	--	--	--
	TOTAL - (A) +(B)+(C)	**1,22,04,969**	**100.00**	**1,22,04,969**	**100.00**

e) The Details of present Directors of the Applicant Company and their shareholding in the Applicant Company and the Transferor Companies either singly or jointly as on 31st December, 2010 are as follows:

Sr. No.	Name of Director	Applicant Company		Transferor Company - 1		Transferor Company - 2	
		Position	No. of Equity shares held	Position	No. of Equity shares held	Position	No. of Equity shares held
1	Mr. Prakash B. Nimbalkar	Chairman - Independent & Non-Executive	325	Shareholder	1*	Nil	Nil
2	Mr. Shivaji T. Akhade	Managing Director & Chief Executive Officer	5,91,181	Director & Shareholder	1*	Director & Shareholder	10*
3	Mr. M. Radhakrishnan	Jt. Managing Director	1,04,953	Director & Shareholder	1*	Director & Shareholder	10*
4	Mr. Sudhir V. Mungase	Wholetime Director	5,58,458	Director & Shareholder	1*	Director & Shareholder	10*
5	Mr. Rakesh Jhunjhunwala	Non-Executive Director	5,20,000	Nil	Nil	Nil	Nil
6	Prof. Abraham Koshy	Independent & Non-Executive Director	Nil	Nil	Nil	Nil	Nil
7	Cmde. N. Ravindranathan	Independent & Non-Executive Director	619	Nil	Nil	Nil	Nil
8	CA. Vijay K. Thanawala	Independent & Non-Executive Director	50	Nil	Nil	Nil	Nil
9	Mr. Ajit B. Karnik	Independent & Non-Executive Director	175	Nil	Nil	Nil	Nil

Note - * The Directors are holding shares in capacity of a nominee of the Applicant Company.

BACKGROUND AND RATIONALE FOR THE AMALGAMATION

12. Transferor Companies and the Applicant Company pursue the similar activities, which if integrated, will provide synergies of integration and consolidation of the business operations. The amalgamation of Transferor Companies into Applicant Company would lead to a more efficient utilization of the capital and create a stronger base for future growth of the amalgamated entity.

13. The proposed amalgamation, in addition to offering a strong financial structure to all creditors including the creditors of the Applicant Company, would lead to greater cohesiveness in gaining market share, increased brand and customer recognition, more efficient utilisation of the resources resulting in cost and operational efficiencies and create a stronger base for the future growth of the amalgamated entity which will be beneficial for all its stakeholders. It will economize the scales of operation of all the three entities.

14. In the opinion of the Board of Directors of the Applicant Company, the Scheme of Amalgamation is in the interest of the Applicant Company and neither the rights and interests of the Applicant Company nor the rights and interests of its members and creditors are likely to be prejudicially affected in any manner whatsoever by the proposed Scheme of Amalgamation.

SALIENT FEATURES OF THE SCHEME

15. The salient features of the Scheme are as under:

(a) The Scheme provides that the **"Appointed date"** shall be 1st April, 2010.

(b) On and from the Effective Date the transfer referred above shall be carried out and that the Scheme also provides for: -

(i) **"Effective Date"** means the date on which authenticated copy or certified copy of the Order of the Bombay High Court, vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Companies in the Applicant Company, is filed with the office of Registrar of Companies, Pune, in the State of Maharashtra after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions, and orders necessary there for.

(ii) **Undertaking of the Transferor Companies** shall mean and include :

1. The entire business of the Transferor Companies as a going concern along with the Transferor Companies' all assets, estates, reserves, security deposits, funds, claims, whether provided in the books of accounts or not, fixed assets, capital work-in-progress, current assets including cash and bank balances, all earnest moneys, margin money, tax Credits, investments of all kinds, rights and privileges, powers and authorities, and all properties, movable and immovable, tangible or intangible, real or corporeal, in possession or reversion, present or contingent, of whatsoever nature and wheresoever situated including in particular all licenses, registration, contracts, permits, quotas, exemptions, incentives, subsidies, approvals, rights, claims, leases, tenancy rights, liberties, easements, including but without being limited to industrial rights of any nature whatsoever, liberties, patents, trade marks, designs, copyrights, logos, drawings, specifications, documents, and such other intellectual property rights whether registered or not and all necessary records, papers, computer programs, manuals, data, catalogues, sales and advertising materials, customer pricing information, industrial and software products of any nature or whatsoever, purchase orders, letters of intent, pending orders, documents and records in physical and electronic form, authorisations, right to use and avail of telephones, telexes, facsimile connections and other communication facilities and equipments, installations, utilities, electricity and other services and deposits given for obtaining and continuing such utilities and import quotas held by the Transferor Companies or to which the Transferor Companies are entitled to, contracts including hire purchase and rights arising out of lease contracts and leave and license agreements and other rights, title, interest, benefits of any security arrangements, powers, authorities, allotments, consents, engagements, arrangements of all kind, title, interests, benefits and advantages of whatsoever nature including any and all other interests wheresoever situated, belonging to or in the ownership, power or possession of or vested in or granted in favour of or enjoyed by or arising to the Transferor Companies as on the Appointed Date ("the Assets").

2. All secured, unsecured debts (whether in rupee or foreign currency), liabilities, duties, and other obligations of the Transferor Companies along with any charge, encumbrance, lien or security thereon as on the Appointed Date whether provided for or not in the books of accounts ("the Liabilities").

(iii) All the tangible movable assets of the Transferor Companies including all the Quoted and Unquoted investments and cash in hand shall be transferred by physical delivery to the Applicant Company to the end and intent that the property therein passes to the Applicant company upon such delivery.

(iv) In respect of movable assets, other than those specified in clause above, including sundry debtors, outstanding loans recoverable in cash or in kind or value to be received, bank balances and deposits the following procedure shall be followed:

The Transferor Companies shall give notice in such form as it may deem fit and proper to each party, debtor or depositor as the case may be, that pursuant to the said Scheme, the said debt, loan, advances, etc. to the extent to which the property is to pass to the Applicant Company, be paid or made good or held on account of the Applicant Company as the persons entitled thereto. The Applicant Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor, that pursuant to the Scheme the said person, debtor or depositor, should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Applicant Company to recover or realize the same is in substitution of the right of the Transferor Companies.

(v) The logos, designs, drawings, specifications, documents, patents and such other intellectual property rights whether registered or not under any law in force in the name of the Transferor

Companies shall be physically handed over by manual delivery to the Applicant Company to the end and intent that the property therein passes to the Applicant Company upon such delivery and that in respect of the registered intangible assets and intellectual property rights, such as brands, trademarks, logos, patents, etc. the Transferor Companies shall do and carry out all such acts and perform such deeds including but not limited to filing of applications and/or petitions before the relevant registering authorities under the applicable laws, to the end and intent of effectively transferring the ownership and registration of such intangible assets in favour of the Applicant Company.

(vi) With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Companies shall, pursuant to the Order under Section 394 of the Act and without any further act or deed be and stand transferred to and vested in the Applicant Company so as to become the liabilities of the Applicant Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

(vii) The registrations in the name of the Transferor Companies like, Profession Tax, Value Added Tax registration, Permanent Account No, Tax Account No, Shop Act License, as a manufacturer under the Central Excise Act, 1944, as importer or exporter under the Foreign Trade (Development and Regulation) Act 1992, Any other registrations under any other statute, Law, enactment, Act shall, if permitted by law and unless otherwise directed by the court, without any further act, deed, matter or thing be transferred in the name of the Applicant Company from the Effective Date.

(viii) The Electricity Meter and Water connections in the name of the Transferor Companies shall, if permitted by law and unless otherwise directed by the court, without any further act, deed, matter or thing be transferred in the name of the Applicant Company from the Effective Date.

(ix) All the interest in immovable assets of the Transferor Companies including land and building, fixtures etc. shall be transferred to the Applicant Company by handing over physical possession thereof and keys of the lock thereto, if any.

(x) Loans, debt securities or other obligations, if any, due between or amongst the Transferor Companies and the Applicant Company shall stand discharged and there shall be no liability in that behalf with effect from Appointed Date.

(xi) Transfer of Assets subject to Charge-

The transfer as aforesaid shall be subject to charges / hypothecations / mortgages over the assets or any part thereof provided, however, that any reference in any security document or any arrangements to which the Transferor Companies are a party, to the assets or properties of the Transferor Companies offered as security for any financial assistance or obligations to the secured creditor/s of the Transferor Companies, shall be construed only to be to the respective Assets or Properties pertaining to the Undertaking of the Transferor Companies as are vested in the Transferor Companies by virtue of this clause to the end and intend that such security, mortgage and charge shall not extend or be deemed to extend to any Assets or any other units or divisions of the Applicant Company unless specifically agreed to by the Applicant Company with such secured creditor/s and subject to consents and approvals of the existing secured creditors of the Applicant Company, if any. This Scheme shall not operate to enlarge / enhance any security created by the Applicant Company.

(xii) Transfer of Assets & Liabilities at Book Value

All the assets and liabilities of the Transferor Companies as appearing in its books of accounts shall be incorporated and dealt with in books of the Applicant Company at book value.

(xiii) It is clarified that the Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Companies or be deemed to be prejudicial to their interests.

(xiv) for the accounting treatment in the books of the Transferor Companies and Applicant Company.

(xv) the Loans and Investments transactions between the Transferor Companies and the Applicant Company.

(xvi) The Transferor Companies being a wholly owned subsidiaries of the Applicant Company, there will be no further issue and allotment of shares by the Applicant Company to the Shareholder of the Transferor Companies, nor any increase in the Share Capital of the Applicant Company, since entire shares of the Transferor Companies are proposed to be cancelled. Therefore, there will be no share exchange ratio issue or valuation of the shares by any Valuer.

(xvii) The Transferor Companies will, after the Appointed Date and up to the Effective Date, carry on its business with reasonable diligence and shall not, without the written consent of the Applicant Company alienate charge, mortgage or encumber or otherwise deal with the Undertakings or any part thereof except in the ordinary course of Business.

(xviii) On the Scheme becoming operative, all staff, workmen and employees of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Applicant Company with effect from the Appointed Date without any break in their service and their service shall have been continuous and shall not have been interrupted by reason of the transfer of Undertaking. The terms and conditions of their employment with the Applicant Company shall not be less favorable than those applicable to them with reference to the Transferor Companies immediately preceding the transfer.

(xix) Upon the coming into effect of the Scheme, all legal proceedings by or against the Transferor Companies shall be continued and be enforced by or against the Applicant Company.

(xx) the manner of vesting and transfer of the assets of the Transferor Companies in the Applicant Company.

(xxi) the manner of transfer of Provident Fund, Gratuity Fund, superannuation Fund and other Funds of the Transferor Companies.

16. The Scheme also provides for :

(a) the transfer of contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature relating to the Transferor Companies;

(b) the transfer of all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Companies;

(c) the transfer of all liabilities, duties, and obligations of the Transferor Companies;

17. The Scheme is conditional on and subject to:

(a) Approval of and agreement to the Scheme by the requisite majority of the respective shareholders and creditors of the Transferor Companies and the Applicant Company as may be directed by the High Court of Judicature of Bombay on the Summons made for directions under Section 391 of the Companies Act, 1956.

(b) Sanctions and necessary Orders under the provisions of Section 391 read with Section 394 and other applicable provisions of the Companies Act, 1956, if so required, obtained by the Transferor Companies and the Applicant Company from the High Court of Judicature at Bombay.

(c) Certified copies of the orders of the High Court of Judicature at Bombay sanctioning this Scheme being filed with the Registrar of Companies, Pune, in the State of Maharashtra by the Transferor Companies and the Applicant Company.

(d) Approvals from Bankers and other financial institutions who have financed Transferor Companies and the Applicant Company.

(e) All other sanctions and approvals of the appropriate authorities concerned as may be required by law to be granted / obtained under any contract in respect of this Scheme being obtained / granted or the obtaining of any approvals or consent required under any contract.

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

18. There is no likelihood that any Creditor of the Applicant Company would lose or be prejudiced as a result of the Scheme being passed since no sacrifice or waiver is at all being called for from any Creditor or are any other rights of any Creditors sought to be modified in any manner. Further, the Applicant Company which is in a sound financial position and has sufficient funds, as can be seen from the Audited Accounts of the Applicant Company as at 31st March, 2010, would be able to meet the liabilities as they arise in the ordinary course of business.

19. No investigation proceeding have been instituted or are pending in relation to the Applicant Company under Section 235 to 250A of the Companies Act, 1956.

20. The rights and interests of the members and the creditors of the Applicant Company will not be prejudicially affected by the Scheme.

21. The Applicant Company has received no objection letters from Bombay Stock Exchange Limited dated 20th October, 2010 and National Stock Exchange of India Limited dated 24th September, 2010 for filing the Scheme with the High Court of Judicature at Bombay.

22. On the Scheme being approved as per the requirements of Sections 391 to 394 of the Act, the Applicant Company and the Transferor Companies will seek the sanction of the High Court of Judicature at Bombay to the Scheme. The Transferor Companies shall also make application for dissolution of the Transferor Company without winding up under the provisions of law, and obtain all approvals as may be required under law and pursuant thereto. Upon the coming into effect of the Scheme, the Transferor Companies shall stand dissolved, without winding up and the Board of Directors or any committee thereof, of the Transferor Companies shall automatically and without any further act, instrument or deed, be and stand dissolved.

23. Disclosure of interest of Directorship and Shareholding of Directors of the Applicant Company, Transferor Company - 1 and Transferor Company - 2 have been provided in Clause No. 11, in this Explanatory Statement. The directors of the Applicant Company and the Transferor Companies may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent the said directors are common directors in the companies.

Save as aforesaid, none of the Directors of the Transferor Companies and Applicant Company have any material interest in the Scheme.

24. The following documents will be open for inspection by the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company up to one day prior to the date of the Meetings at its Registered Office between 11:00 a.m. to 1:00 p.m. on all working days, except Thursdays :

(a) Certified copy of the Order of the Hon'ble High Court of Judicature at Bombay in the Company summon for Direction No. 50 of 2011, directing convening of the meetings;

(b) Copy of the Company Summon for Direction No. 50 of 2011, and the affidavit in support thereof;

(c) Memorandum and Articles of Association of the Applicant Company and the Transferor Companies;

(d) Annual Reports of the Applicant Company and the Transferor Companies for the financial year ended 31st March, 2010;

(e) Unaudited financial results of the Applicant Company for the six months ended 30th September, 2010 and the Disclosures in accordance with the Listing Agreement;

(f) Unaudited financial results of the Transferor Companies for the six months ended 30th September, 2010;

(g) Copies of the no objection letters dated 20th October, 2010 and 24th September, 2010 received respectively from Bombay Stock Exchange Limited and National Stock Exchange of India Limited;

(h) Scheme of Amalgamation alongwith Explanatory Statement under Section 393 of the Companies Act, 1956.

This statement may be treated as the statement under Section 173 and also Section 393 of the Companies Act, 1956. A copy of the Scheme and this statement may also be obtained by Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company from the Registered Office of the Applicant Company during ordinary business hours on all working days, except Thursday.

Dated this 31st day of January, 2011

SD/-

(M. Radhakrishnan)

Chairman appointed for the meeting

SCHEME OF ARRANGEMENT
IN THE FORM OF AMALGAMATION
OF NIRMITI AUTO COMPONENTS
PRIVATE LIMITED
AND
WESTERN PRESSING LIMITED
WITH
AUTOLINE INDUSTRIES LIMITED

This Scheme of Amalgamation (hereinafter referred to as the **"Scheme"**) provides for the amalgamation of **NIRMITI AUTO COMPONENTS PRIVATE LIMITED** and **WESTERN PRESSING LIMITED** into **AUTOLINE INDUSTRIES LIMITED** pursuant to Sections 391 to 394 and other relevant provisions of the Act.

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context:

a. **`The Transferor Company-1'** or **`NAPL'** means Nirmiti Auto Components Private Limited, a Company incorporated under the Companies Act, 1956, having its registered office situated at E-12-17 (8), MIDC, Bhosari, Pune 411 026.

b. **`The Transferor Company- 2'** or **`WPL'** means Western Pressing Limited, a Company incorporated under the Companies Act, 1956, having its registered office situated at F-II, Plot No. 25, MIDC, Pimpri, Pune 411 018.

c. **'Transferor Companies'** means NAPL and WPL referred to jointly as the context may admit.

d. **`NAPL' Business** means business generated and invoiced during any financial year pursuant to the purchase orders from various customers, their subsidiaries, joint ventures, distributors, suppliers and customers which have been executed by Transferor Company-1.

e. **`WPL' Business** means business generated and invoiced during any financial year pursuant to the purchase orders from various customers, their subsidiaries, joint ventures, distributors, suppliers and customers which have been executed by Transferor Company-2.

f. **Transferor Companies Business** means and includes the business of NAPL and WPL as described in Definition (d) and (e) when referred jointly and collectively.

g. **`The Transferee Company'** or **`AIL'** means Autoline Industries Limited, a Company incorporated under the Companies Act, 1956, the holding company of the Transferor Companies having its registered office situated at Survey Nos. 313, 314, 320 To 323, Nanekarwadi, Taluka Khed, Chakan, Pune 410501.

h. **'AIL Business'** means Business executed in the Transferee Company and / or its Subsidiary Companies.

i. **'The Act'** means the Companies Act, 1956, including any statutory modifications or re-enactments and rules made there under and amendments thereto.

j. **`The Appointed Date'** means 1st April, 2010 or such other date as the Bombay High Court may direct.

k. **`The Effective Date'** means the date on which authenticated copy or certified copy of the Order of the Bombay High Court, vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Companies in the Transferee Company, is filed with the office of Registrar of Companies, Pune, in the State of Maharashtra after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions, and orders necessary there for.

l. **"Undertaking of the Transferor Companies i.e. NAPL and WPL** shall mean and include :

(I) "Undertaking of **Transferor Companies** shall mean and include the entire business of NAPL as a going concern and the entire business of WPL as a going concern along with Transferor Companies' all assets, estates, reserves, security deposits, funds, claims, whether provided in the books of accounts or not, fixed assets, capital work-in-progress, current assets including cash and bank balances, all earnest moneys, margin money, tax Credits, investments of all kinds, rights and privileges, powers and authorities, and all properties, movable and immovable, tangible or intangible, real or corporeal, in possession or reversion, present or contingent, of whatsoever nature and wheresoever situated including in particular all licenses, registration, contracts, permits, quotas, exemptions, incentives, subsidies, approvals, rights, claims, leases, tenancy rights, liberties, easements, including but without being limited to industrial rights of any nature whatsoever, liberties, patents, trade marks, designs, copyrights, logos, drawings, specifications, documents, and such other intellectual property rights whether registered or not and all necessary records, papers, computer programs, manuals, data, catalogues, sales and advertising materials, customer pricing information, industrial and software products of any nature or whatsoever, purchase orders, letters of intent, pending orders, documents and records in physical and electronic form, authorisations, right to use and avail of telephones, telexes, facsimile connections and other communication facilities and equipments, installations, utilities, electricity and other services and deposits given for obtaining and continuing such utilities and import quotas held by NAPL and WPL or to which NAPL and WPL are entitled to, contracts including hire purchase and rights arising out of lease contracts and leave and license agreements and other rights, title, interest, benefits of any security arrangements, powers, authorities, allotments, consents, engagements, arrangements of all kind, title, interests, benefits and advantages of whatsoever nature including any and all other interests wheresoever situated, belonging to or in the ownership, power or possession of or vested in or granted in favour of or enjoyed by or arising to NAPL and WPL as on the Appointed Date ("the Assets").

(II) All secured, unsecured debts (whether in rupee or foreign currency), liabilities, duties, and other obligations of NAPL and WPL along with any charge, encumbrance, lien or security thereon as on the Appointed Date whether provided for or not in the books of accounts ("the Liabilities").

m. **`The Scheme'** means this Scheme of Amalgamation in its present form submitted to the Hon'ble High Court of judicature at Bombay or with any modification(s) approved or imposed or directed by the Bombay High Court.

n. **"Financial Year"** means the period commencing from April 1st of each year and ending on March 31st of each year.

2. NATURE OF BUSINESS AND SHARE CAPITAL OF TRANSFEROR COMPANIES

2.1 NAPL was incorporated on 15th April, 1993. The Main Object of NAPL as per its Memorandum of Association is 'to carry on the business of manufacturing, trading of, Press Tools, Dies, Plastic Injection Moulds, Die Casting, Dies, Jigs & Fixtures, Rubber Moulds, Pressed Components, Plastic Moulded Components, Die Cast Components, Machined Components, Rubber Components, required for all kinds of industries.'

The company presently carries on the business as defined in the Main Object Clause as aforementioned.

2.2 The Share Capital of NAPL as on the appointed date is as under:

Equity Capital	Amount (in ₹)
Authorized Share Capital (2,00,000 Equity Shares of ₹ 100/- each)	2,00,00,000/-
Issued, Subscribed and Paid up Capital (1,92,062 Equity Shares of ₹ 100/- each)	1,92,06,200/-

2.3 NAPL is a wholly owned subsidiary of AIL. AIL is holding directly or indirectly the entire issued, subscribed and paid up equity share capital of NAPL together with its nominees. The shareholding pattern of NAPL is as follows:

Sr. No.	Name of shareholder	No. of Equity shares held
1.	Autoline Industries Limited	192056
2.	Linc wise Software Pvt. Ltd.	1
3.	Mr. Vilas Vithoba Lande	1
4.	Mr. Shivaji Akhade	1
5.	Mr. Sudhir Mungase	1
6.	Mr. M Radhakrishnan	1
7.	Mr. Prakash Nimbalkar	1
	TOTAL	**192062**

2.4 WPL was incorporated on 7th May, 1985. The Main Object of WPL as per its Memorandum of Association is:

'1. To carry on all or any of the business of manufacturers, assemblers, repairers, exporters, importers, distributors, suppliers, hirers, traders and dealers of all kinds of automobiles parts and accessories for Scooters Mopeds, Motorcycle, Motor car, Commercial Vehicles, By-cycles, Earthmoving equipment, Air crafts, ships, Railways, Electronic goods such as Computers, T.V. Sets VCR's Microwaves, Ferries, Calculators, transmission sets, software equipments, Computer stationeries and all kind of electronic goods and parts and accessories thereof, all kinds of machine tools and implements, ferrous and non ferrous castings. Defense equipments, electrical machine, cables and wires, leather, rubber and plastic equipments, insulating materials, refractories and ceramic products, abrasives, industrial oils, gases and lubricants, household and office equipments, glass and glassware, hardware mill stores, prefabricated and other building materials mining, engineering and other industrial products and components, ferrous and nonferrous metals and alloys and, all other tools, raw materials, stores, products, by-products and other goods required in connection therewith.

2. To carry on all or any of the business of buyers, sellers, suppliers, merchants, importers and exporters, indentors, brokers, agents, processors, re-rollers, refiners, smelters, convertors in all kinds and forms of steel including mild, high carbon, spring, high speed, tool, alloy, stainless and special steel, iron, metals and alloys, ingots, billets, bars, joists, rods, squares, structurals, tubes poles, pipes, sheets, castings wire, rails, rolling materials, rollers, other materials made wholly or partly of iron, steel, alloys and metals required in or used for industrial, agricultural, transport, commercial, domestic, building, power transmission and/ or construction purposes.

3. To carry on all or any of the business of buyers, sellers, commission agents, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assemblers, packers, stockists, distributors and dealers of and in jute and jute products, commercial and man made fibre and products made of the same, cotton and other textiles of all kinds, all kinds of agricultural produces, food articles, including packed ones, forest produces, minerals, metals, industrial and other wastes and bye products, alcohol, wines and beverages, edible and non-edible oils and fats, consumer goods, chemicals of all kinds, all kinds of building materials, vehicles, bullion, shares & securities, all kinds of machinery and other things required in connection therewith.'

The company presently carries on the business as defined in the Main Object Clause as aforementioned.

2.5 The Share Capital of WPL as on the appointed date is as under:

Equity Capital	Amount (in ₹)
Authorised Share Capital (25,00,000 shares of ₹ 10/- each)	2,50,00,000/-
Issued, Subscribed and Paid up Capital (13,00,000 shares of ₹10/- each)	1,30,00,000/-

2.6 WPL is a wholly owned subsidiary of AIL. AIL is holding directly or indirectly the entire issued, subscribed and paid up equity share capital of WPL together with its nominees. The shareholding pattern of WPL is as follows:

Sr. No.	Name of shareholder	No. of Equity shares held
1.	Mr. Shivaji Akhade	10
2.	Mr. Sudhir Mungase	10
3.	Mr. Vilas Lande	10
4.	Mr. M Radhakrishnan	10
5.	Lincwise Software Private Limited	10
6.	Mrs. Rema Radhakrishnan	10
7.	Autoline Industries Limited	12,99,940
	TOTAL	**13,00,000**

3. NATURE OF BUSINESS AND SHARE CAPITAL OF TRANSFEREE COMPANY:

3.1 AIL was incorporated on 16th December, 1996.

The Main Object of AIL as per its Memorandum of Association is:

To carry on the business in India and/or abroad as manufacturers, processors, designers, shapers, fitters, fabricators, converters, importers, exporters, factors, agents, buyers sellers, distributors, stockists of and dealers in automobile parts, ancilliaries, components, stamping and pressing, packaging or otherwise in any metallic or non metallic materials, electrical, electronic and mechanical machineries and parts thereof.'

The company presently carries on the business as defined in the Main Object Clause as aforementioned.

3.2 The Share Capital of AIL is as under:

Equity Capital	Amount (in ₹)
Authorised Share Capital (2,50,00,000 shares of ₹ 10/- each)	25,00,00,000
Issued, Subscribed and Paid up (1,22,04,969 share of ₹ 10/- each)	12,20,49,690

3.3 The shareholding pattern of AIL :

AIL is listed on the Bombay Stock Exchange Limited & National Stock Exchange of India Limited. The shareholding pattern of the Company as on 30th June 2010, was as under :

Sr. No.	Category	No. of shares held	% of holding
(A)	**Shareholding of Promoter & promoter group**		
I	**Indian**		
A	Individuals	2363067	19.36
B	Bodies Corporate	900000	7.37
II	**Foreign**	**----**	**----**
	Total shareholding of promoter and promoter group - (A)	**3263067**	**26.3**
(B)	**Public shareholding**		
I	**Institution**		
A	Mutual funds	----	----
B	Banks, Financial Institutions	700	0.01
C	FIIs	200000	1.64
	Sub total B (I)	**200700**	**1.65**
II	Non Institutions		
A	Bodies corporate	1905920	15.62
B	Individuals holding nominal capital up to ₹ 1 Lac	2869552	23.51
C	Individuals holding nominal capital in excess of ₹ 1 Lac	1026714	8.41
D	Clearing member	153761	1.26
E	Foreign national	10763	0.09
F	Non-resident Indian	632,717	5.18
G	Foreign Companies	888323	7.28
H	Other Directors and relatives	1252252	10.26
I	Trusts	1200	0.01
	Sub total B (II)	**8741202**	**71.62**
	Total Public shareholding B(I) + B(II)	**8941902**	**73.27**
(C)	**Shares held by custodians against which Depository receipts have been issued**	**--**	**--**
	TOTAL - (A) +(B)+(C)	**12204969**	**100.00**

4. BACKGROUND AND RATIONALE FOR THE SCHEME :

4.1 Transferor Companies and the Transferee Company pursue the similar activities, which if integrated will provide synergies of integration and consolidation of the business operations. The amalgamation of Transferor Companies into Transferee Company would lead to a more efficient utilization of the capital and create a stronger base for future growth of the amalgamated entity.

4.2 The proposed amalgamation, in addition to offering a strong financial structure to all creditors including the creditors of the Transferee Company, would lead to greater cohesiveness in gaining market share, increased brand and customer recognition, more efficient utilisation of the resources resulting in cost and operational efficiencies and create a stronger base for the future growth of the amalgamated entity which will be beneficial for all its stakeholders. It will economize the scales of operation of all the three entities.

5. TRANSFER OF UNDERTAKINGS

5.1 With effect from the Appointed Date, the Undertaking including all the movable, immovable, corporeal or non-corporeal Assets and the liabilities of NAPL and WPL, of whatsoever nature and wheresoever situated, shall under the provisions of Sections 391 and 394 of the Act and pursuant to the Orders of the Bombay High Court sanctioning this Scheme and without further act or deed, but subject to the changes and encumbrances existing thereon (if any) affecting the same as on the Effective Date shall be transferred and/or deemed to be transferred to and vested as a going concern in AIL so as to become the Undertaking and properties of AIL from the Appointed Date. However, all the movable assets of NAPL and WPL shall be transferred in the manner laid down herein below.

5.2 On and from the Effective Date the transfer referred above shall be carried out as follows: -

5.2.1 All the tangible movable assets of NAPL and WPL including all the Quoted and Unquoted investments and cash in hand shall be transferred by physical delivery to AIL to the end and intent that the property therein passes to AIL upon such delivery.

5.2.2 In respect of movable assets, other than those specified in clause 5.2.1 above, including sundry debtors, outstanding loans recoverable in cash or in kind or value to be received, bank balances and deposits the following procedure shall be followed:

NAPL and WPL shall give notice in such form as it may deem fit and proper to each party, debtor or depositor as the case may be, that pursuant to the said Scheme, the said debt, loan, advances, etc. to the extent to which the property is to pass to AIL, be paid or made good or held on account of AIL as the persons entitled thereto. AIL may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor, that pursuant to the Scheme the said person, debtor or depositor, should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of AIL to recover or realise the same is in substitution of the right of NAPL and WPL.

5.2.3 The logos, designs, drawings, specifications, documents, patents and such other intellectual property rights whether registered or not under any law in force in the name of the Transferor Companies shall be physically handed over by manual delivery to the Transferee Company to the end and intent that the

property therein passes to the Transferee Company upon such delivery and that in respect of the registered intangible assets and intellectual property rights, such as brands, trademarks, logos, patents, etc. the Transferor Companies shall do and carry out all such acts and perform such deeds including but not limited to filing of applications and/or petitions before the relevant registering authorities under the applicable laws, to the end and intent of effectively transferring the ownership and registration of such intangible assets in favour of the Transferee Company.

5.2.4 With effect from the Appointed Date the Liabilities shall, pursuant to the Order under Section 394 of the Act, and without any further act or deed be and stand transferred to and vested in AIL so as to become the liabilities of AIL and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this clause.

5.3 The registrations in the name of the NAPL and WPL like,

a. Profession Tax :
b. VAT registration;
c. PAN;
d. TAN;
e. Shop Act License;
f. as a manufacturer under the central excise Act, 1944;
g. as importer or exporter under the Foreign Trade (Development and Regulation) Act 1992
h. Any other registrations under any other statute, Law, enactment, Act.

Shall, if permitted by law and unless otherwise directed by the court, without any further act, deed, matter or thing be transferred in the name of the Transferee Company from the Effective Date.

5.4 The Electricity Meter and Water connections in the name of NAPL and WPL shall, if permitted by law and unless otherwise directed by the court, without any further act, deed, matter or thing be transferred in the name of the Transferee Company from the Effective Date.

5.5 All the interest in immovable assets of NAPL and WPL including land and building, fixtures etc. shall be transferred to AIL by handing over physical possession thereof and keys of the lock thereto if any.

5.6 Loans, debt securities or other obligations, if any, due between or amongst the Transferor Companies and the Transferee Company shall stand discharged and there shall be no liability in that behalf with effect from Appointed Date.

5.7 Transfer of Assets subject to Charge

The transfer as aforesaid shall be subject to charges / hypothecations / mortgages over the assets or any part thereof provided, however, that any reference in any security document or any arrangements to which the Transferor Companies are a party, to the assets or properties of the Transferor Companies offered as security for any financial assistance or obligations to the secured creditor/s of the Transferor Companies, shall be construed only to be to the respective Assets or Properties pertaining to the Undertaking of the Transferor Companies as are vested in the Transferor Companies by virtue of this clause to the end and intend that such security, mortgage and charge shall not extend or be deemed to extend to any Assets or any other units or divisions of the Transferee Company unless specifically agreed to by the Transferee Company with such secured creditor/s and subject to consents and approvals of the existing secured creditors of the Transferee Company, if any. This Scheme shall not operate to enlarge / enhance any security created by the Transferee Company.

5.8 Transfer of Assets & Liabilities at Book Value

All the assets and liabilities of the Transferor Companies as appearing in its books of accounts shall be incorporated and dealt with in books of the Transferee Company at book value.

5.9 It is clarified that the Scheme shall not in any manner affect the rights and interest of the creditors of the Transferor Companies or be deemed to be prejudicial to their interests.

6. ACCOUNTING TREATMENT

The Amalgamated Company shall account for the amalgamation as per Accounting Standard 14 (AS 14) - Accounting for Amalgamations as stated in the Companies (Accounting Standards) Rules, 2006 and such other applicable accounting standards specified under Section 211 (3C) of the Companies Act, 1956 and any amendment thereto.

Upon the Scheme becoming effective:

6.1 The items appearing as Reserves and Surplus in the books of NAPL and WPL as on the Appointed Date shall become the corresponding Reserves and Surplus of AIL.

6.2 All the profits or income accruing or arising to NAPL and WPL or expenditure or losses arising to or incurred by NAPL and WPL, with effect from the Appointed Date and up to and including Effective Date shall for all purposes and intents be treated and be deemed to accrue as the profits or income or expenditure or losses of AIL, as the case may be.

6.3 AIL shall record all the assets and liabilities recorded in the books of account of NAPL and WPL respectively and shall be transferred to and vested in AIL pursuant to this Scheme, at their respective book values as appearing in books of NAPL and WPL at the close of business of the day immediately preceding the Appointed Date.

6.4 Upon the Scheme coming into effect and in consideration of the transfer of Undertaking of the Transferor Companies, which are the wholly owned subsidiaries of the Transferee Company, AIL would not be required to issue and allot any shares to the shareholders of Transferor Companies. The shares so held by the Transferee Company shall stand cancelled and extinguished pursuant to the Scheme coming into effect.

6.5 An amount representing the excess of the value of assets over the liability of NAPL and WPL, the transferor companies, after making such adjustments as the Board of Directors of AIL may be reflected as the Capital Reserve in the books of AIL, the Transferee Company.

6.6 In case of any differences in the accounting policy between the Companies, the impact of the same till the amalgamation will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of the consistent accounting policy.

6.7 Notwithstanding the above, the board of directors of the Transferee Company, in consultation with its

Auditors, is authorised to account any of these or other balances or items in any manner whatsoever, as may be deemed fit and/or make such adjustments as may be necessitated by the accounting standards applicable to mergers and amalgamations.

7. INTER COMPANY LOANS AND INVESTMENTS:

7.1 On and from the Effective Date, any loans or other obligations due between or amongst Transferor Companies and AIL shall stand discharged and there shall be no liability in that behalf.

7.2 To the extent there are inter corporate investments between the Transferor Companies and the Transferee Company, the same shall stand cancelled and accordingly effect shall be given in the books of accounts of the Transferee Company for cancellation of investments.

7.3 On and from the Effective Date the amounts appearing as current assets and current liabilities in the books of accounts of the Transferor Companies and Transferee Company arising out of transaction of goods and services inter se shall stand cancelled.

8. TREATMENT OF TAXES

8.1 Any tax liabilities under the Income-tax Act, 1961, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, Service Tax, stamp laws or other applicable laws/ regulations [hereinafter in this Clause referred to as "Tax Laws"] dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

8.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by the Transferor Companies in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

8.3 Any refund under the Tax Laws received by / due to Transferor Companies consequent to the assessments made on Transferor Companies subsequent to the Appointed Date and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

8.4 Without prejudice to the generality of the above, all benefits including under the income tax, sales tax, excise duty, customs duty, service tax, VAT, etc., to which the Transferor Companies are entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.

8.5 The Transferor Companies shall pay all statutory dues (including advance tax) relating to the Transferor Companies' Undertaking for and on account of AIL.

9. LEGAL PROCEEDINGS

9.1 If any suit, appeal or other proceedings of whatever nature (hereinafter called `the proceedings') by or against the Transferor Companies be pending, the same shall not abate, or be discontinued or be in any way prejudicially affected by the reason of the transfer of the Undertakings of the Transferor Companies or of anything contained in the Scheme but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme has not been made.

9.2 On and from the Effective Date, the Transferee Company may initiate any legal proceedings for or on behalf of the Transferor Companies notwithstanding the fact that the Transferor Companies have been dissolved without winding up and can initiate legal action in Transferee Company's own name.

10. CONTRACTS, DEEDS, BONDS, AGREEMENTS AND OTHER INSTRUMENTS

10.1 Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Companies is a party and are subsisting or having effect immediately before the amalgamation shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and as effectively as if the Transferee Company had been a party thereto instead of the Transferor Companies.

10.2 The transfer and vesting of the properties, liabilities and legal proceedings under Clause 5 hereof and continuance of the proceedings by the Transferee Company under Clause 9 hereof shall not affect any transactions or proceedings already concluded by the Transferor Companies in the ordinary course of business on and after the Appointed Date to the end and intent that the Transferee Company accepts on behalf of itself all acts, deeds and things done and executed and all transactions or proceedings already concluded by the Transferor Companies.

11. BUSINESS AND PROPERTY IN TRUST FOR TRANSFEREE COMPANY:

11.1 During the period between the Appointed Date and the Effective Date:

a. The Transferor Companies shall carry on and be deemed to have carried on its businesses and activities in trust for Transferee Company and shall stand possessed of all assets and properties in trust for Transferee Company and shall account for the same to the Transferee Company. The Transferee Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.

b. All the profits or incomes accruing to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purposes and intents be treated, and be deemed to be and accrue as the income or profits or losses or expenditure, as the case may be, of AIL.

c. The Transferor Companies shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Transferee Company.

12. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

12.1 With effect from the Appointed Date until the Effective Date:

a. The Transferor Companies shall carry on their businesses and activities with the reasonable diligence, business prudence and shall not, without the prior written consent of the Transferee Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertakings or any part thereof except in the ordinary course of business nor shall it undertake any new business or a substantial expansion of its existing business.

b. With effect from the Appointed Date and upto the Effective Date, the Transferor Companies shall carry on and be deemed to be carried on all their business and activities and shall stand possessed of and shall deemed to have held and stood possessed of its properties and assets for and on account of and in trust for AIL and all the profits accruing to the Transferor Companies or losses arising or incurred by them shall, for all purposes, be treated as the profits or losses of AIL as the case may be. The Transferor Companies hereby undertake to carry on their business until the Effective Date with reasonable diligence and business prudence and shall not, except in the ordinary course of their business without the prior written consent of AIL, undertake any financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any guarantees, indemnities, letter of comfort or commitments either for itself or any third parties, alienate, charge or otherwise deal with the Undertaking or any part thereof. The Transferor Companies also undertake not to vary the terms and conditions of the employment of its employees except in the ordinary course of business and not without the prior written consent of AIL undertake any new business as contemplated under Section 149(2) (a) of the Act.

13. STAFF, WORKMEN AND EMPLOYEES

13.1 On the Scheme becoming operative, all staff, workmen and employees of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date without any break in their service and their service shall have been continuous and shall not have been interrupted by reason of the transfer of Undertaking. The terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them with reference to the Transferor Companies immediately preceding the transfer.

13.2 Transfer of Provident Fund, Gratuity Fund, Superannuation Fund and Other Funds

As far as Provident Fund, Gratuity Fund or any other Special Fund or schemes existing for the benefit of the employees of the Transferor Companies are concerned, upon the Scheme becoming effective, the Transferee Company shall be substituted for the Transferor Companies for all purposes whatsoever related to the administration / operation of such Funds or schemes or in relation to the obligation to make contribution to the said Funds or schemes in accordance with provisions of such Funds or Schemes according to the terms provided in the respective Trust Deeds or other documents. All the rights, duties, powers and obligations of the Transferor Companies in relation to such Funds or Schemes shall become those of the Transferee Company and all the rights, duties, benefits and privileges of the employees employed in different units of the Transferor Companies under such Funds or Trusts shall be protected. Further the services of the employees will be treated as being continuous for the purpose of the aforesaid Funds or Schemes.

14. CONSIDERATION

14.1 The entire share capital of the Transferor Companies (as wholly owned subsidiaries), as on the Appointed Date, is held by AIL (the Transferee Company). As a result, upon the Scheme coming into effect and in consideration of the transfer of Undertaking of the Transferor Companies, the Transferee Company would not be required to issue and allot any shares to the shareholders of the Transferor Companies. The shares so held by the Transferee Company shall stand cancelled and extinguished pursuant to the Scheme coming in to effect.

14.2 The Shares of the Transferor Companies, held by the Transferee Company on the date of sanctioning of the Scheme by the Hon'ble High Court shall be cancelled and shall be deemed to have been cancelled without any further act or deed, and no shares of the Transferee Company are required to be issued in lieu thereof.

14.3 The shares of Transferee Company held by the Transferor Companies, if any, on the date of sanctioning of the Scheme by the Hon'ble High Court shall be cancelled and shall deemed to have been cancelled without any further act or deed, and no shares of the Transferee Company are required to be issued in lieu thereof.

15. DISSOLUTION OF TRANSFEROR COMPANIES

15.1 The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date. On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up.

15.2 On and from the effective date the Main objects of the Transferor Companies would become main objects of the Transferee Company.

15.3 INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE TRANSFEREE COMPANY

On and from the Effective Date the Authorised capital of the Transferor Companies and the Transferee Company would be merged together and the Authorised capital of the Transferee Company will stand increased to ₹ 29,50,00,000/- consisting of

2,95,00,000 equity shares of ₹10/- each. The authorized share capital (nominal value) of NAPL merged with AIL shall be changed from ₹ 100/- each to ₹ 10/- each on and from the effective date.

16. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES

16.1 The Transferor Companies shall not declare any dividend for the period commencing from and after 1st April, 2010 without the prior written consent of AIL.

16.2 Subject to the provisions of the Scheme, the profits of the Transferor Companies for the period beginning from 1st April, 2010 shall belong to and be the profits of AIL and will be available to AIL for being disposed of in any manner as it thinks fit including declaration of dividend by AIL in respect of Financial Year ending 31st March, 2011, or any year thereafter.

16.3 The Transferor Companies shall not make any change in its paid- up share capital including issue or allotment of any Rights Shares or Bonus Shares, or any other security convertible into Equity out of its Authorised or Unissued Share Capital for the time being, or by capitalization of its reserves.

17. MATTERS RELATING TO SHARE CERTIFICATES

The Share Certificates held by the Shareholders of the Transferor Companies shall automatically stand cancelled as of the Effective Date without any necessity of them being surrendered to the Transferee Company.

18. APPLICATION TO THE HIGH COURT

NAPL, WPL and AIL shall, make and file applications / petitions under Section 391 and 394 and other applicable provisions of the Act to the High Court of Judicature at Bombay for seeking orders for convening and holding of the meetings of their respective equity shareholders and creditors, to be called, held and conducted in such manner as the Hon'ble High Court may direct; for seeking approval to the Scheme and for dissolution of NAPL and WPL without winding up under the provisions of the law, and obtain all approvals as may be required under the law.

19. MODIFICATION / AMENDMENT TO THE SCHEME

The Transferor Companies (through its Directors) and the Transferee Company (through its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/ or conditions which the Courts and/ or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question of doubt or difficulty that may arise for implementing and/ or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

20. GIVING EFFECT TO THE SCHEME

For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorized to give such directions and/ or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise and to do all acts, deeds and things necessary for carrying into effect the Scheme.

21. CONDITIONS:

The Scheme is conditional on and subject to:

21.1 Approval of and agreement to the Scheme by the requisite majority of the respective shareholders and creditors of NAPL, WPL and AIL as may be directed by the High Court of Bombay on the applications made for directions under Section 391 of the said Act

21.2 Sanctions and necessary Orders under the provisions of Section 391 read with Section 394 and other applicable provisions of the Act, if so required, obtained by NAPL, WPL and AIL from the High Court of Judicature at Bombay.

21.3 Certified copies of the orders of the High Court of Judicature at Bombay sanctioning this Scheme being filed with the Registrar of Companies, Pune, in the State of Maharashtra by NAPL, WPL and AIL.

21.4 Approvals from Bankers and other financial institutions who have financed NAPL, WPL and AIL.

21.5 All other sanctions and approvals of the appropriate authorities concerned as may be required by law to be granted / obtained under any contract in respect of this Scheme being obtained / granted or the obtaining of any approvals or consent required under any contract.

22. EFFECT OF NON RECEIPT OF APPROVALS:

In the event the Scheme is not sanctioned by the High Court of Judicature at Bombay, or in the event any of the approvals or conditions enumerated above not being obtained or complied, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and / or in relation to the Scheme.

23. PLACE OF VESTING

The vesting of Undertaking of the Transferor Companies shall by virtue of provisions of the Scheme, and the effect of the provisions of Section 394 of the said Act, take place at the registered office of the Transferee Company.

24. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Undertaking of the Transferor Companies to the Transferee Company and the continuance of the contracts or proceedings by or against the Transferee Company shall not affect any contract or proceedings relating to the said assets or the said liabilities already concluded by the Transferor Companies on or after the Appointed Date.

25. EXPENSES CONNECTED WITH THE SCHEME:

All the costs, charges and expenses of the Transferor Companies and the Transferee Company in connection with the implementation of the Scheme and/or incidental to the completion of amalgamation of the Undertaking in pursuance of this Scheme shall be borne and paid by the Transferee Company alone if the scheme is sanctioned by the Hon'ble High Court Judicature at Bombay and other concerned government authorities.

26. FILING OF THE ORDER.

A copy of the order of the High Court of Judicature at Bombay, sanctioning the Scheme of Amalgamation shall be filed by the Transferor Companies and the Transferee Company with the Registrar of Companies, Pune, within one month from the date the Order is received by the Transferor Companies and the Transferee Company.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 50 OF 2011

In the matter of the Companies Act, 1956

And

In the matter of Section 391 to 394 of the Companies Act, 1956

And

In the matter of Autoline Industries Limited

And

In the matter of Scheme of Arrangement in the form of Amalgamation between Nirmiti Autocomponents Private Limited and Western Pressing Limited with Autoline Industries Limited

Autoline Industries Limited, a Company incorporated under the Companies Act, 1956, and having its registered office at Survey Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan Taluka : Khed, Dist : Pune-410501 ..... **Applicant Company**

FORM OF PROXY

I / We, the undersigned Secured Creditor(s) of the Applicant Company hereby appoint Mr. / Ms._____ of _____and failing him / her, Mr. / Ms. _____ of _____ as my / our proxy to act for me/ us at the meeting of the Secured Creditor(s) of the Applicant Company to be held at Survey No. 291-295, Nanekarwadi, Chakan, Tal.: Khed, Dist.: Pune-410501 on **Tuesday the 1st Day of March, 2011 at 12.00 p.m.,** for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between Nirmiti Autocomponents Private Limited and Western Pressing Limited with Autoline Industries Limited and at such meeting and at any adjournment(s) thereof, to vote, for me/us and in my/our name(s)_____ _____ (here, if 'for', insert **'for'**, if 'against', insert **'against'** and in the latter case, strike out the words below after "Amalgamation") the said Scheme of Amalgamation, either with or without modification(s)* as my / our proxy may approve.

*(strike out what is not necessary)

Dated this _____day _____ of 2011

Name : _____

Address : _____

_____

_____

Please affix
₹ 1/-
Revenue Stamp

Signature of Secured Creditor (s) : _____

Signature (s)
across the Stamp

Signature of Proxy : _____

NOTES :

1. Please affix Revenue Stamp before putting Signature.
2. All alterations made in the Form of Proxy should be initialled.
3. Proxy must be deposited at the registered office of the Applicant Company, not later than FORTY EIGHT hours before the commencement of the meeting.
4. In case of multiple proxies, the proxy later in time shall be accepted.

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AUTOLINE INDUSTRIES LIMITED

Registered Office : S. Nos. 313, 314,320 to 323, Nanekarwadi, Chakan, Taluka : Khed,
Dist : Pune-410 501.

ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

NAME AND ADDRESS OF THE SECURED CREDITOR / PROXY HOLDER

_____

_____

_____

_____

I/We hereby record my/our presence at the meeting of the Secured Creditors of the Company convened pursuant to the Order dated 21st January, 2011 of the Hon'ble High Court of Judicature at Bombay on **Tuesday, the 1st day of March, 2011 at 12.00 p.m.** at Survey No. 291-295, Nanerkarwadi, Chakan, Tal:. Khed, Dist:. Pune - 410501.

SIGNATURE OF THE SECURED CREDITOR OR PROXY_____

Note:

Secured Creditors who come to attend the meeting are requested to bring with them copy of the Scheme of Amalgamation.

BOOK-POST

(Under Certificate of Posting)

If undelivered please return to :

AUTOLINE

Autoline Industries Limited
Regd.office - Survey Nos. 313, 314,
320 to 323 Nanekarwadi, Chakan
Taluka : Khed, Dist : Pune-410501

PRABODH
24477503