

**RICO AUTO INDUSTRIES LIMITED**

REGD. & CORP. OFFICE : 38 K.M. STONE, DELHI-JAIPUR HIGHWAY, GURUGRAM -122001, HARYANA (INDIA)
EMAIL : rico@ricoauto.in WEBSITE : www.ricoauto.in TEL.: +91 124 2824000 FAX : +91 124 2824200
CIN : L34300HR1983PLC023187

RAIL:SEC:2018

January 11, 2018

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001 Scrip Code - 520008	National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No.C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400051 Scrip Code – RICO AUTO
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Sub: **Order on Scheme of Amalgamation of Uttarakhand Automotives Limited (Wholly Owned Subsidiary) with Rico Auto Industries Limited**

Dear Sir/Madam,

In continuation to our letter dated 23rd December, 2017 regarding captioned subject and pursuant to Regulation 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed certified copy of the formal order passed by the Hon'ble National Company Law Tribunal Chandigarh Bench, Chandigarh for Amalgamation of Uttarakhand Automotives Limited, wholly owned subsidiary (Transferor Company) with Rico Auto Industries Limited (Transferee Company).

This is for your information and record.

Thanking you,

Yours faithfully,
for **Rico Auto Industries Limited**

BM Jhamb
Company Secretary
FCS No. 2446

Encl : As above



**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH
CORPORATE BHAWAN, PLOT NO. 4-B
GROUND FLOOR, SECTOR 27-B, MADHYA MARG,
CHANDIGARH-160019**

1698
9/1/18

**CP No.240/2016
RT CP (CAA) No.118/Chd/Hry/2017**

To

1. Uttrakhand Automotives Limited,
having its registered office at 38 K.M.
Stone, Delhi-Jaipur Highway, Gurugram,
Haryana – 122001.
CIN: U29253HR2007PLC036910
PAN: AAACU9050D
Income Tax Jurisdiction: Ward 4 (4),
Gurugram – 122016, Haryana.
....Transferor Company/Petitioner No.1
2. Rico Auto Industries Limited,
having its registered office at 38 K.M.
Stone, Delhi-Jaipur Highway, Gurugram,
Haryana – 122001.
CIN: L34300HR1983PLC023187
PAN: AAACR8724R
Income Tax Jurisdiction: CIR I(1),
JCIT-I/CIT-1,LDH, Aayakar Bhawan,
Rishi Nagar, Ludhiana.
....Transferee Company/Petitioner No.2

Please find enclosed herewith formal order as per Form No. CAA 7 of Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 containing the directions of the Hon'ble National Company Law Tribunal, Chandigarh Bench, Chandigarh for compliance.


(Manjit Singh)
Registrar

FORM No. CAA.7

**(Pursuant to section 232 and rule 20)
Before the National Company Law Tribunal,
Chandigarh Bench, Chandigarh**

**CP No.240/2016
RT CP (CAA) No.118/Chd/Hry/2017**

**Under Sections 391 and 394 of
Companies Act, 1956**

In the matter of Scheme of Amalgamation between:

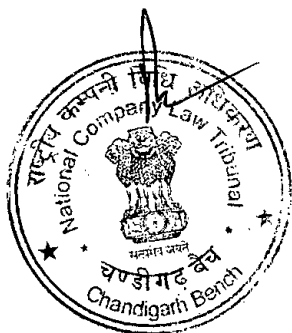
1. Uttrakhand Automotives Limited,
having its registered office at 38 K.M.
Stone, Delhi-Jaipur Highway, Gurugram,
Haryana – 122001.
CIN: U29253HR2007PLC036910
PAN: AAACU9050D
Income Tax Jurisdiction: Ward 4 (4),
Gurugram – 122016, Haryana.

....Transferor Company/Petitioner No.1

AND

2. Rico Auto Industries Limited,
having its registered office at 38 K.M.
Stone, Delhi-Jaipur Highway, Gurugram,
Haryana – 122001.
CIN: L34300HR1983PLC023187
PAN: AAACR8724R
Income Tax Jurisdiction: CIR I(1),
JCIT-I/CIT-1,LDH, Aayakar Bhawan,
Rishi Nagar, Ludhiana.

....Transferee Company/Petitioner No.2

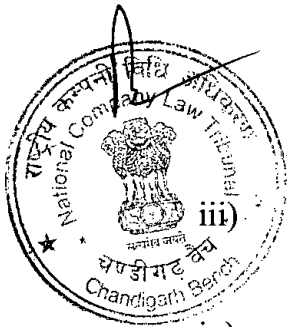


Upon the above petition coming up for further hearing on 14th December, 2017 and upon reading the said petition, Report of Official Liquidator, report by way of affidavit of the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi along with report of the Registrar of Companies, compliance affidavit filed by the authorized signatory of both the companies and hearing learned counsel for the petitioner company, the learned Official Liquidator for himself and also representing

the Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi and carefully perusing the records, the tribunal approved the 'scheme' of Amalgamation of Petitioner Company with Transferee Company with the clarification that this order should not be construed as an order in any way granting exemption from payment of any stamp duty, taxes or any other charges, if any, and payment in accordance with law or in respect of any permission/compliance with any other requirement which may be specifically required under any law. With the sanction of the Scheme, all the equity shares held by the Transferee Company and its nominees in the Transferor Company shall stand cancelled.

THIS TRIBUNAL DO FURTHER ORDER:

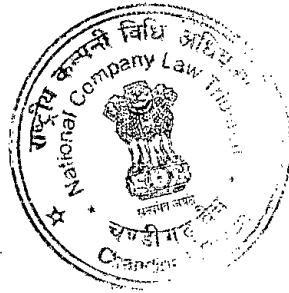
- i) That all the property, rights and powers of the Transferor Company stand transferred, without further act or deed to the Transferee Company and accordingly, the same shall pursuant to sections 230 to 232 of the Companies Act, 2013, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Company, but subject nevertheless to all charges now affecting the same; and
- ii) That all the liabilities and duties of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to sections 230 to 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company; and
- iii) That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
- iv) That all the employees of the Transferor Company shall be transferred to the Transferee Company in terms of the 'Scheme'; and
- v) That the fee, if any, paid by Transferor Company on its authorized capital shall be set off against any fees payable by the Transferee Company on its authorized capital subsequent to the sanction of the 'Scheme'; and
- vi) That the Petitioner Companies do, within 30 days after the date of receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the



Transferor Company shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file relating to the Transferee Company and the files relating to Transferor and Transferee Companies shall be consolidated accordingly, as the case may be; and

- vii) That the Transferee Company shall deposit an amount of ₹60,000/- (Rupees Sixty Thousand only) as cost with the Pay and Accounts Office in respect of office of Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi within a period of five weeks from the date of receipt of certified copy of this order.
- viii) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

Dated: 14.12.2017
(By the Tribunal)




(Manjit Singh)
Registrar
National Company Law Tribunal,
Chandigarh Bench

FREE OF COST COPY

SCHEDULE

(attached as supplied by the Transferor Company)

Annexure A

Part-I

(Short description of freehold property of Uttarakhand Automotives Limited
("Transferor Company") as on the Appointed Date)

Nil

Part-II

(Short description of Leasehold property of Uttarakhand Automotives Limited
("Transferor Company") as on the Appointed Date)

Land of 66,633.60 sqmt situated at Plot No. 9, Block-D, Phase-II at Eldeco Sidcul Industrial Park, Sitarganj, Uttarakhand

Part-III

(Short description of all stock, shares, debentures and other charges in action of
Uttarakhand Automotives Limited ("Transferor Company") as on the
Appointed Date)

1. Bank Accounts:

- i) Current Account no. 010581400000216 with Yes Bank Limited, Gurugram.
- ii) Following Fixed Deposit accounts and corresponding outstanding Bank Guarantees held in Yes Bank Limited, Gurugram.

Nil

2. Advances including Prepaid Expenses, Balance with concerned regulators/authorities such as DGFT/ Custom/Excise/Sales Tax/Income Tax etc, interest receivable and other advance receivable in cash or kind.

Nil

Short Term Loan - Rs. 13,26,50,313 (Unsecured Loan from Rico Auto Industries Limited)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
"CHANDIGARH BENCH, CHANDIGARH"**

**COMPANY PETITION NO.240/2016
RT CP (CAA) No.118/Chd/Hry/2017**

**Under Sections 391 to 394 of
Companies Act, 1956.**

In the matter of Scheme of Amalgamation between:



Uttarakhand Automotives Limited,
having its registered office at 38 K.M.
Stone, Delhi-Jaipur Highway, Gurugram,
Haryana – 122001.

CIN: U29253HR2007PLC036910

PAN: AAACU9050D

Income Tax Jurisdiction: Ward 4 (4),
Gurugram – 122016, Haryana.

....Transferor Company/Petitioner No.1

AND

Rico Auto Industries Limited,
having its registered office at 38 K.M.
Stone, Delhi-Jaipur Highway, Gurugram,
Haryana – 122001.

CIN: L34300HR1983PLC023187

PAN: AAACR8724R

Income Tax Jurisdiction: CIR I(1),
JCIT-I/CIT-1,LDH, Aayakar Bhawan,
Rishi Nagar, Ludhiana.

....Transferee Company/Petitioner No.2

Order delivered on: 14.12.2017

**Coram: Hon'ble Chief Justice (Retd) Shri M.M.Kumar, President, NCLT
Hon'ble Mr. Justice R.P.Nagrath, Member(Judicial)**

For the petitioner:

Mr. Atul V. Sood, Advocate

For Official Liquidator and
Regional Director, Northern
Region, MCA, New Delhi:

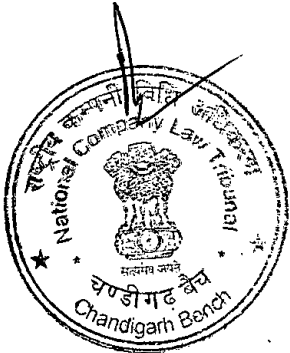
Mr. D.K.Singh, Official Liquidator

Atul V. Sood

Per: R.P.Nagrath Member (Judicial)

JUDGMENT

This is a joint Second Motion Petition filed by the petitioner companies for approval of the 'Scheme' of Amalgamation (for brevity the 'Scheme') of Uttrakhand Automotives Limited (for brevity P-1 Company/Transferor Company) with Rico Auto Industries Limited (for brevity P-2 Company/Transferee Company). The joint petition is maintainable in terms of sub-rule (2) of Rule 3 of the Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (for short to be referred here-in-after as the 'Rules').

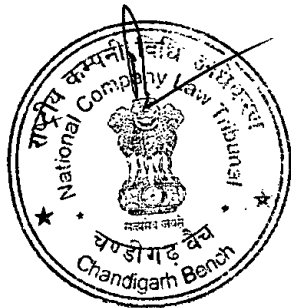


2. The petitioner companies filed CA No.132/2017 for amendment of the petition to correctly describe the ward numbers of the Income Tax Jurisdiction under which these companies are being assessed. The application has been allowed and the amended memo of parties was taken on record vide order dated 11.09.2017.

3. The petitioner companies filed First Motion Company Petition No.158/2016 in the Hon'ble Punjab and Haryana High Court with a prayer for dispensing with the meeting of equity shareholders, secured and unsecured creditors of petitioner companies in view of the fact that the Transferor Company is a wholly owned subsidiary of Transferee Company and also on account of consent letters of equity shareholders, secured and unsecured creditors of P-1 Company being placed on record. In view of the above, vide orders dated 07.11.2016 Annexure P-9, the said meetings were dispensed with. It was observed by the Hon'ble High Court as under:

Thus, in view of the consent given by all the Equity Shareholders and Unsecured Creditors of the Transferor Company/Petitioner Company-I convening of their meetings are hereby ordered to be dispensed with. There is 'Nil' Secured Creditor of the Transferor Company/Petitioner Company-I, therefore, there is nothing to convene their meeting.

Since the Transferor Company/Petitioner Company-I is wholly owned subsidiary of the Transferee Company/Petitioner Company-II and no new shares are being issued & rights of Equity shareholders are not being diluted and there is no compromise being entered with the Secured and Unsecured Creditors and also in terms of the judgment passed by this Court in CP No.153 of 2013 in the matter of "Liberty Retail Revolutions Limited with Liberty Shoes Limited", decided on 22.11.2013, convening of the meetings of the Equity shareholders, Secured and Unsecured Creditors of the Transferee Company/Petitioner Company-II are also ordered to be dispensed with."



4. Thereafter, the instant Second Motion Petition was filed under Sections 391 to 394 of the Companies Act, 1956 corresponding to Sections 230 and 232 of the Companies Act, 2013 for sanction of the 'Scheme' in the Hon'ble Punjab and Haryana High Court.

5. While the instant joint petition was still pending in the Hon'ble High Court, it was transferred to this Tribunal as per Section 3 of the Companies (Transfer of Pending Proceedings) Rules, 2016 in view of coming into force of the Rules, which came into effect from 15.12.2016.

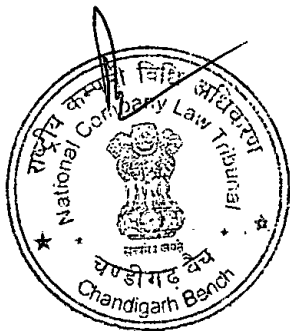
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6. Separate affidavits dated 19.04.2017 of the authorised representatives of both the companies were filed on 09.05.2017. It was stated that P-1 company has no other sectoral regulator and in respect of P-2 Company, which is a listed company whose shares are listed on BSE and NSE based on the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. It was further stated that there is no other Sectoral Regulator of P-2 Company.

7. When the matter was listed on 11.05.2017, notice was directed to be issued to the Central Government through, Official Liquidator, Registrar of Companies, NCT of Delhi/ Haryana; Commissioners of Income Tax, Rewari, Ludhiana and Gurgaon; SEBI, NSE and BSE and other regulator(s), if any. Notice was also directed to be published in the 'Indian Express' (English) and 'Dainik Bhaskar' (Hindi), NCR/Haryana Edition.

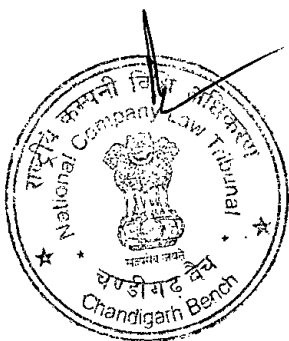
8. The affidavit of service/compliance was filed by the Authorised Signatory of both the companies. The notice was published on the website of the Transferee Company (Annexure 11). The notice was also served on the SEBI, NSE and BSE, the original acknowledgement receipt is also enclosed with the affidavit as Annexure 6, 7 and 8 respectively. The notice was published in 'Indian Express' (English Edition) and 'Dainik Bhaskar' (Hindi edition) dated 22.06.2017 (Annexure 9 and 10 respectively). Copies of the paper publications were also attached.

9. When the matter was listed on 31.08.2017, it was observed that notice to Income Tax Office of the Ward at Gurugram has been sent instead of Commissioner of Income Tax as directed in the order dated 11.05.2017. It was also submitted that the land situated at Uttrakhand



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relates to the transaction for which the company is assessed at Gurugram. The authorised representative of both the companies filed affidavit dated 06.10.2017 stating therein that the notice of petition along with Scheme and Report of Regional Director was sent to the Chief Commissioner of Income Tax, Gurugram within whose jurisdiction the transferor company is being assessed. The postal receipt along with tracking report is annexed as Annexure-1 (Colly) to suggest that service to Chief Commissioner of Income Tax was effected on 03.10.2017, with the affidavit dated 07.09.2017 in proof of service of Commissioner of Income Tax, Ludhiana (Annexure A-1) was filed in respect of Transferee Company. No representation has been received to the proposed Scheme from the Income Tax Department.



10. The learned counsel for the petitioner companies also filed certificate of Company's Auditors dated 29.06.2017 in order to comply with the provisions of proviso to sub-section (3) of Section 232 and proviso to sub-section (7) of Section 230 of the Companies Act, 2013, certifying that the accounting treatment adopted in the Scheme complies with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other generally accepted accounting principles.

11. We have heard the learned counsel for the petitioner companies, Official Liquidator for himself and the Regional Director, Ministry of Corporate Affairs and perused the record with their assistance.

12. The main objects of the Transferor Company are to carry on the business of manufacturing, assembling, buying, selling, exporting,

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importing and dealing in wholesale and in retail in Automobile Parts, Two Wheeler Parts, Passenger Car Parts, Tractor Parts, Auto Electronic and Electrical Parts and Engineering items and assemblies and also to carry on the business of designing and engineering of all kinds of automotive components for the Automobile Industry including computer aided designs and/or any other system of designing and research and development for the Automobile/Automotive Industry and/or any other industry etc.

13. The Transferor Company was incorporated on 04.06.2007 under the provisions of the Companies Act, 1956 as a private limited company in the name of 'Uttarakhand Automotives Private Limited' Subsequently, vide special resolution of the shareholders of the Transferor Company passed in its general meeting on 31.08.2007, the name of Transferor Company was changed to its present name i.e. 'Uttarakhand Automotive Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana dated 29.09.2007.

14. As on 31.03.2016, the authorised, issued, subscribed and paid-up share capital of the Transferor Company is as follows:

Particulars	(In Rs.)
AUTHORISED SHARE CAPITAL	
2,40,00,000 equity shares of ₹10/- each	₹24,00,00,000/- (Rupees Twenty Four Crores only)
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
4,10,000 equity shares of ₹10/- each, fully paid-up	₹41,00,000/- (Rupees Forty One Lakhs only)



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15. The main objects of the Transferee Company are to carry on the business of manufacturing, buying, selling, exporting, importing & dealing in whole sale and in retail in automobile parts, tractor parts and auto electrical parts, and also to carry on the business as exporters/importers, trader & dealers of articles, whether industrial, commercial or domestic etc.

16. The Transferee Company was incorporated on the 07.03.1983 in the name of 'Rico Auto Industries Private Limited' with registered office situated in the State of Punjab. Subsequently, the Transferee Company was converted into public limited company and its name was changed to its present name i.e. 'Rico Auto Industries Limited' with effect from 10.04.1985. Subsequently, the registered office of the Transferee Company was shifted from the State of Punjab to the State of Haryana and Transferee Company was given a fresh Certificate of Incorporation by the Registrar of Companies, National Capital Territory of Delhi and Haryana on 28.01.1986. The registered office of the Transferee Company was again shifted to 38 K.M. Stone, Delhi-Jaipur Highway, Gurgaon, Haryana-122001 with effect from 30.01.2017. The Transferee Company is a listed Company.

17. As on 31.03.2016, the authorised, issued, subscribed and paid-up share capital of the Transferee Company is as follows:

Particulars	(In Rs.)
AUTHORISED SHARE CAPITAL	
25,00,00,000 Equity Shares of ₹1/- each	₹25,00,00,000/- (Rupees Twenty Five Crores only)

50,00,000 Redeemable Preference Shares of ₹10/- each	₹5,00,00,000/- (Rupees Five Crores only)
Total	₹30,00,00,000/- (Rupees Thirty Crores only)
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
13,52,85,000 equity shares of ₹1/- each, fully paid-up	₹13,52,85,000/- (Rupees Thirteen Crores Fifty Two Lakhs Eighty Five Thousands only)

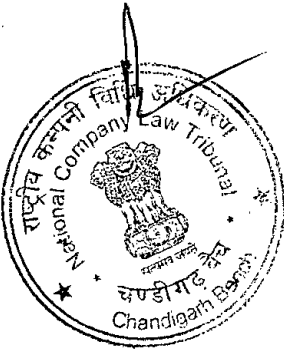
18. The audited financial statements of the petitioner companies as on 31.03.2016 are at Annexure P-3 and P-5 (Colly) respectively.

19. It is stated that there has been no change in the share capital of both the companies subsequent to 31.03.2016.

20. The registered office of both the companies is situated at Gurugram in the State of Haryana and therefore, the matter falls within the territorial jurisdiction of this Tribunal.

21. The Scheme (Annexure P-1) was approved by the Board of Directors of the Transferor Company vide resolution dated 04.02.2016 and that of Transferee Company on 05.02.2016 copies of which are at Annexures P-6 and P-7 respectively. The rationale behind the proposed Scheme is as follows:

"Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, amalgamation contemplated in the present Scheme will ensure optimized legal structure, more aligned with the business of the Transferee Company and will also reduce the number of legal entities within the group so as to achieve significant



cost savings and other administrative benefits, few of which are stated hereunder:

- a) The significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and Transferee Company;
- b) Concentrated effort and focus by the senior management to grow the business by elimination of duplicative communication and burdensome coordination efforts across multiple entities;
- c) Elimination of administrative functions and multiple record-keeping, thus resulting in reduced expenditure;
- d) Creation of a focused platform for future growth of the Transferee Company being engaged, amongst other things, in the business of manufacturing auto components.
- e) Improvement in competitive position of the Transferee Company as a combined entity and also achieving economies of scale."



22. The interest of the employees has also been taken care of and it is laid down in Clause 3.22 of the Scheme as under:

"3.22 Upon coming into effect of the Scheme:

- a) All the employees (if any) in the service of the Transferor Company immediately preceeding the Effective Date shall become employees of the Transferee Company on the basis that:
 - (i) their services shall be deemed to have been continuous and not been interrupted by reasons of the said transfer.

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(ii) *The terms and conditions of their services after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.*

(b) *It is expressly provided that as far as the provident fund, employee state insurance plan, scheme, gratuity scheme, superannuation scheme, compensated absences scheme or any other special scheme(s) or fund(s) created or existing, (if any), for the benefit of the employees of the Transferor Company is concerned, upon coming into effect of the Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, related to the administration or operation of such schemes and intent that all the rights, duties, powers and obligation of the Transferor Company in relation to such schemes shall become those of the Transferee Company. It is clarified that the services of the employees (if any) of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes."*

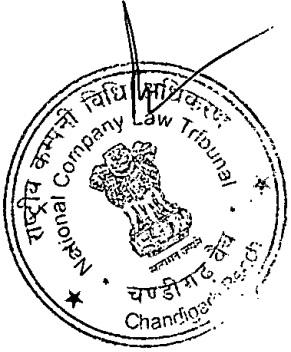


23. The report of the Official Liquidator was filed along with forwarding letter dated 06.07.2017 wherein it was stated that the net profit of Transferor Company in its Balance Sheet as on 31.03.2016 has been shown as ₹8,62,88,746/- as compared to ₹1,70,53,857/- for the year ending 31.03.2015. It is admitted that with effect from 01.12.2007, the Transferor Company is the wholly owned subsidiary of Transferee Company.

24. In the report by way of affidavit dated 07.07.2016 of Mr. Mahesh Kumar, Regional Director (In-charge), Northern Region, Ministry of Corporate Affairs, New Delhi, it was stated that there is no foreign/non-

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resident interest in the Transferor Company. The Transferee Company is listed company and it has NRI shareholders holding 2.24% in the shareholding pattern as on 31.03.2017. In this regard, we would say that as per Balance Sheet for the year ending 31.03.2016, the Transferee Company holds 100% of the shareholding of the Transferor Company and even in the event of amalgamation, the shares of Transferor Company shall stand cancelled without any allotment. The petitioner companies in any case shall have to comply with the provisions of FEMA/RBI Regulations. In the reply by way of affidavit of the authorised representative of the petitioners, it is stated that no prosecution proceedings have been instituted before any court on account of the violation of the Companies Act, FEMA/IPC/SEBI Act/RBI Act against either of the Companies or its Directors.



25. Report of the Registrar of Companies also filed in the instant case with the forwarding letter dated 31.08.2017 and taking into account the report of the Registrar of Companies, the Regional Director has filed his affidavit. The averment which was highlighted in the reply is that soon after incorporation of the Transferor Company, its entire share capital was acquired by the Transferee company. The Transferee Company has provided a loan of ₹13.25 crores to the Transferor Company, which was mainly utilized for the purchase of 16.65 acres of land owned by the Transferee Company for a sum of ₹12.66 crores.

26. It is further stated that post the appointed date, the Transferee Company has again purchased the land merely for consideration of ₹4.60 crores and accordingly unsecured loan of ₹8.67

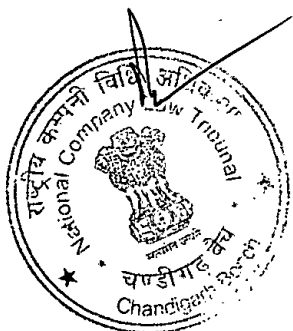
crores has been proposed to be adjusted/waived as per the Balance Sheet as on 31.03.2016. The only observation of the Regional Director is that the above adjustment/waiver of loan and interest thereon may be clarified by the Company.

27. In response thereto, the authorised representative of the petitioner companies filed reply by way of affidavit dated 24.08.2017 in response to the observations of the Regional Director stated as under:

"(b) Both the Transferor and Transferee Company acknowledge and confirm that the effect of transfer of land held for sale by the Transferor Company, as appearing in the books of accounts of the Company as at 31st March, 2015 to the Transferee Company after the Appointed Date but before the approval of this Scheme by the Board of Directors of both the Transferor and Transferee Company and adjustment of the sale consideration of the said land against the loan outstanding payable by the Transferor Company to the Transferee Company, shall accrue to the Transferee Company as if the same was carried on account and in trust for the Transferee Company after the Appointed Date."

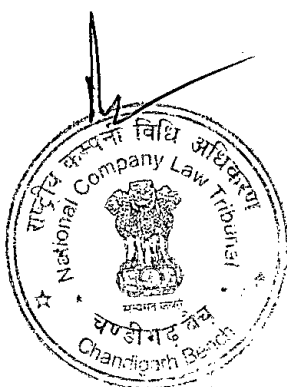
28. It was further stated as under:

*"(iv) That during the year 2006, the Transferee Company enticed by various benefits in the offerings, though of setting up a greenfield project ("**Project**") in Uttarakhand for manufacturing and assembling of automobile parts, two wheeler parts, passenger car parts, tractor parts, auto electronic and electric parts and engineering items and assemblies. There was an anticipation by the board of directors of the Transferee Company that tax incentives*



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offered by the Government of Uttarakhand will lead to development of more industries in the region of Sitarganj, Uttarakhand which will improve the availability of raw material, cheap labour etc. for manufacturing of auto components at low operating costs. It was also anticipated that leading vehicle manufacturing companies will set up units in Uttarakhand and the auto components manufactured by Transferee Company can be supplied to such vehicle manufacturing companies in Uttarakhand itself. The Transferee Company, in view of the above anticipation, applied for and was thereafter, in June, 2006 allotted an industrial land situated at Plot No.9, Block D, Eldeco SIDCUL, Industrial Park, Sitarganj (Uttarakhand) ("Land").



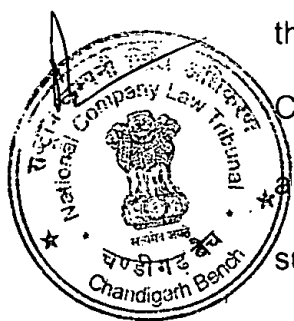
(v) That in order to have a more focused approach and for optimum utilization of resources for development of the Project, the Transferee Company in July, 2007 thought it appropriate to transfer the said land in favour of Transferor Company, its wholly-owned subsidiary at the market price of the land prevailing at that time. A board resolution dated 24.07.2007 in this regard was passed by the Transferee Company. A copy of the said board resolution dated 24.07.2007 is annexed herewith as Annexure 1. A board resolution was also passed by the Transferor Company, the wholly-owned subsidiary of Transferee Company for purchase of land from its parent company i.e. Transferee Company on 01.12.2007. A copy of the said board resolution dated 01.12.2007 is annexed herewith as Annexure 2.

(vi) Since Transferor Company had not commenced any business activity and did not have adequate resources and funds to develop the Project, the Transferee Company transferred the said land to the Transferor Company and

Overpage

the sale consideration of ₹12,66,00,000/- (Rupees Twelve Crore and Sixty Lakh only) was treated as interest bearing loan granted to the Transferor Company in the books of both the petitioner companies."

29. Regarding the lesser amount of consideration for re-purchase of the land, it is stated that the value of the industrial land in Uttarakhand as prevailed in the year 2014 had substantially fallen from the value of the land it could fetch in the year 2007-08. The substantial fall in value was because of many factors including withdrawal of the facilities given to the industries by the Government of Uttarakhand and the slow development of the industries in the said region. Thereafter in December, 2014, the said land was agreed to be transferred from Transferor Company, the wholly-owned subsidiary of Transferor Company to the Transferee Company almost at the prevailing market value of ₹4,59,77,187/-. It was also agreed between the Transferor Company (i.e. wholly owned subsidiary) and the Transferee Company (i.e. holding company) that the said sale consideration of ₹4,59,77,187/- shall be adjusted against the outstanding loan payable by the Transferor Company (wholly-owned subsidiary) to the Transferee Company (holding company). Consequent to such transfer of land, the Transferee Company i.e. holding company also decided to waive off the remaining amount of loan of ₹8,66,73,126/- recoverable along with interest accrued from its wholly owned subsidiary i.e. Transferor Company as the Transferor Company and no resources to pay the loan and interest. The said amount of waiver of liability was duly considered as income in the books of the Transferor Company.

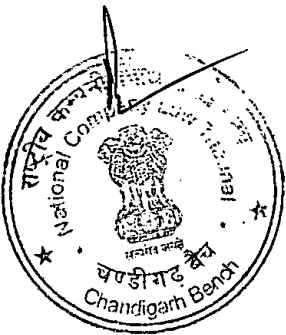


30. In terms of the aforesaid assertions, it is stated that the above facts are related to the notes of the financial statements for the financial year ending 31.03.2015 and to the notes of financial statements for the next financial year.

31. It was stated that there was no active business of the Transferor Company and consequent upon the Transfer of the land, there is no plan to pursue in business activities separately.

32. Learned counsel for the petitioner companies contended and rightly so that this is easy transfer of the land by way of subsidiary and wholly-owned company, which should have no adverse impact on the process of amalgamation. We are of the view that if there was any tax evasion on that account, it was for the Income Tax Department to file representation or raise objections. Copy of the report of Regional Director was sent to the concerned Commissioner of Income Tax and no representation was filed in this Tribunal to the proposed Scheme. In any case, if any such liability is found and in case of any individual liability, the proceedings in that connection may, however, still continue despite the approval of the Scheme.

33. In view of the above, there is no impediment in the sanction of the Scheme. The Scheme (Annexure P-1) is approved. While approving the 'Scheme' as above, it is clarified that this order should not be construed as an order in any way granting exemption from payment of any stamp duty, taxes or any other charges, if any, and payment in accordance with law or in respect of any permission/compliance with any other requirement which



Signature

may be specifically required under any law. With the sanction of the Scheme, all the equity shares held by the Transferee Company and its nominees in the Transferor Company shall stand cancelled and the Transferor Company shall stand dissolved with the process of winding up.

THIS TRIBUNAL DO FURTHER ORDER

- (i) That all the property, rights and powers of the Transferor Company stand transferred, without further act or deed to the Transferee Company and accordingly, the same shall pursuant to sections 230 to 232 of the Companies Act, 2013, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Company, but subject nevertheless to all charges now affecting the same; and
- (ii) That all the liabilities and duties of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly the same shall pursuant to sections 230 to 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company; and
- (iii) That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
- (iv) That all the employees of the Transferor Company shall be transferred to the Transferee Company in terms of the 'Scheme'; and



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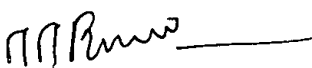
- (v) That the fee, if any, paid by Transferor Company on its authorized capital shall be set off against any fees payable by the Transferee Company on its authorized capital subsequent to the sanction of the 'Scheme'; and
- (vi) That the Petitioner Companies do, within 30 days after the date of receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered, the Transferor Company shall be dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Company registered with him on the file relating to the Transferee Company and the files relating to Transferor and Transferee Companies shall be consolidated accordingly, as the case may be; and
- (vii) That the Transferee Company shall deposit an amount of ₹60,000/- (Rupees Sixty Thousand only) as cost with the Pay and Accounts Office in respect of office of Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi within a period of five weeks from the date of receipt of certified copy of this order.
- (viii) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.

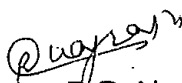


(w) [Signature]

34. As per the above directions and Form No.CAA 7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, formal orders be issued on the Applicants on filing of the Schedule of Property i.e. (i) freehold property of the Transferor Company; and (ii) leasehold property of the Transferor Company by way of affidavit of the Transferor Company.

**CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL**


(Chief Justice M.M.Kumar)
President, NCLT


(Justice R.P. Nagrath)
Member(Judicial)



December 14, 2017
Ashwani


9/1/18
MANJIT SINGH
Designated Registrar
National Company Law Tribunal
Chandigarh Bench

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9/1/18
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National Company Law Tribunal
Chandigarh Bench

SCHEME OF AMALGAMATION
AMONGST
UTTARAKHAND AUTOMOTIVES LIMITED
AND
RICO AUTO INDUSTRIES LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

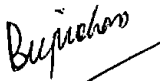
PART I – GENERAL, DEFINITIONS & INTERPRETATIONS

1.1 INTRODUCTION

A. This Scheme of Amalgamation (“Scheme”) provides for the amalgamation of Uttarakhand Automotives Limited (“Transferor Company”) with Rico Auto Industries Limited (“Transferee Company”) and their respective shareholders and creditors. The Scheme is made pursuant to the provisions of sections 391 to 394A and other relevant provisions of the Companies Act, 1956 read with applicable provisions of the Companies Act, 2013 to the extent notified and made effective (including any statutory modification(s) of re-enactment thereof for the time being in force) and Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Transferor Company was incorporated as a private limited company on June 04, 2007 under the provisions of the Companies Act, 1956 vide corporate identity number U29253HR2007PLC036910 and was formerly known as Uttarakhand Automotives Private Limited and subsequently, it was converted into a public limited company with effect from September 29, 2007. The Transferor Company became subsidiary of the Transferee Company with effect from 09th July, 2007.

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and a wholly owned subsidiary of the Transferee Company with effect from 01 December, 2007.

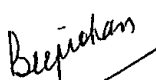
C. Transferee Company was duly incorporated as a private limited company under the provisions of the Companies Act, 1956 on March 07, 1983 *vide* corporate identity number L34300HR1983PLC023187 with its registered office in the state of Punjab. The Company was subsequently converted into a public company with effect from 10th April, 1985 and the registered office of the Company was also transferred from the state of Punjab to the state of Haryana with effect from January 28, 1986. Presently, the Company is a listed public company and is engaged in the business of manufacturing and sale of auto components and supplies a broad range of high-precision and fully machined components & assemblies to leading original equipment manufacturers across the globe. Shares of the Transferee Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") [hereinafter collectively referred to as the ("Stock Exchanges")].

D. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall be operational with effect from the Appointed Date and shall be subject to the provisions of section 2(1B) of the Income Tax Act, 1961 and the rules made thereunder (*including any statutory modification or re-enactment thereof for the time being in force*).

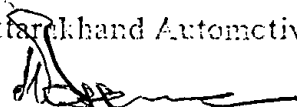
1.2 RATIONALE FOR THE SCHEME:

1.2.1 Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company, amalgamation contemplated in the present Scheme will ensure optimized legal structure, more aligned with the business of the Transferee Company and will also reduce the number of legal entities within the group so as to achieve significant cost savings and other administrative benefits, few of which are stated hereunder:

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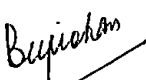
- a) Significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Company and Transferee Company;
- b) Concentrated effort and focus by the senior management to grow the business by elimination of duplicative communication and burdensome coordination efforts across multiple entities;
- c) Elimination of administrative functions and multiple record-keeping, thus resulting in reduced expenditure;
- d) Creation of a focused platform for future growth of the Transferee Company being engaged, amongst other things, in the business of manufacturing auto components; and
- e) Improvement in competitive position of the Transferee Company as a combined entity and also achieving economies of scale.

1.3 DEFINITIONS

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

- (a) “Act” means the Companies Act, 1956 and shall include any statutory modifications or amendments or re-enactment thereof for the time being in force.
- (b) “Amalgamation” means the amalgamation of the Transferor Company with the Transferee Company in terms of the Scheme in its present form or with any modification(s) as approved for sanction by the Hon’ble High Court or any other authority concerned.
- (c) “Appointed Date” for the purposes of this Scheme means April 01, 2015, from which the assets and liabilities, described hereinafter, of the Transferor Company shall stand transferred to and vested in or shall be deemed to stand transferred to or vested in the Transferee Company without any further act, instrument, deed or thing;

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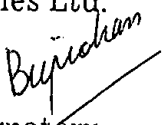

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- (d) **"Board of Directors"** means the Board of Directors of Transferor Company and/or Transferee Company, as the case may be, and shall, unless it is repugnant to the context, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- (e) **"Companies"** means the Transferor Company and the Transferee Company, referred collectively;
- (f) **"Companies Act, 2013"** means Companies Act, 2013 and shall include any statutory modifications or amendments or re-enactments thereof from time to time;
- (g) **"Effective Date"** shall be the last of the following dates:
- (i) the date on which certified copy of the order of High Court, under section 394 of the Act, sanctioning the Scheme is filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana; or
 - (ii) the date on which last of the consents, approvals, sanctions and/or orders as are hereinafter referred to in clause 4.6 of this Scheme have been obtained.

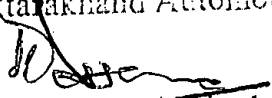
References in this Scheme to the date of the "upon coming into effect of the Scheme" or the "upon the scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date;

- (h) **"High Court"** means the Hon'ble High Court of Punjab and Haryana at Chandigarh or National Company Law Tribunal ("NCLT") or any other relevant authority empowered to consider and approve the Scheme as per the law for the time being in force;
- (i) **"Listing Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (j) **"ROC" or "Registrar of Companies"** means the Registrar of Companies, National Capital Territory of Delhi and Haryana;

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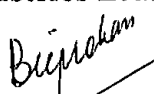

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administrative, local or supervisory body or banking authority or agency or commission, quasi-regulatory agency or body or board, bureau, judicial or arbitral body having jurisdiction in India or any part thereof, including but not limited to the stamp, authorities, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India ("SEBI"), BSE and NSE, along with the authorities before which appeals against the decisions made by any of the foregoing may be brought;

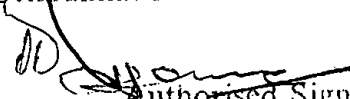
- (l) **"Scheme"** or **"this Scheme"** or **"the Scheme"** means this Scheme of Amalgamation in its present form as submitted to the Hon'ble High Court or this Scheme with such modification(s), if any, as may be made by the members and the creditors of the Transferor Company and/or the Transferee Company or such modifications(s) as may be imposed by any Relevant Authority and/or directed to be made by the Hon'ble High Court while sanctioning the Scheme and accepted by the respective Board of Directors.
- (m) **"Transferor Company"** means Uttarakhand Automotives Limited, a company duly incorporated under the provisions of the Act and having its registered office at 38, K.M. Stone, Delhi Jaipur Highway, Village Khandsa, Gurgaon -122001, Haryana.
- (n) **"Transferee Company"** means Rico Auto Industries Limited, a company duly incorporated under the provisions of the Act and having its registered office at 69, K.M. Stone Delhi Jaipur Highway, Dharuhera - 122106, District- Rewari, Haryana.

All terms and words not defined but used in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and other applicable laws, rules, regulations, bye-laws, as the case may be including any statutory amendments thereto or re-enactment thereof for the time being in force.

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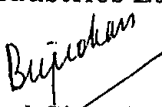

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2.1 The authorized, issued, subscribed and paid up share capital of Transferor Company and Transferee Company as on March 31, 2015 is as under:

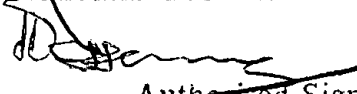
Name of the Company	Authorized Share Capital	Issued, subscribed and paid up share capital
Uttarakhand Automotives Limited (Transferor Company)	Rs. 24,00,00,000/- (<i>Rupees Twenty Four Crores only</i>) divided into 2,40,00,000 equity shares of Rs.10/- each	Rs. 41,00,000/- (<i>Rupees Forty One Lacs only</i>) divided into 4,10,000 equity shares of Rs.10/- each
Rico Auto Industries Limited (Transferee Company)	Rs. 30,00,00,000/- (<i>Rupees Thirty Crores Only</i>) 25,00,00,000 equity shares of Re. 1 each aggregating to Rs. 25,00,00,000/- (<i>Rupees Twenty Five Crores only</i>) 50,00,000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.5,00,00,000 (<i>Rupees Five Crores only</i>)	Rs. 13,52,85,000/- (<i>Rupees Thirteen Crores Fifty Two Lacs Eighty Five Thousand only</i>) divided into 13,52,85,000 equity shares of Rs.1 each.

2.2 There has been no change in the aforesaid share capital structure of the Transferor Company and the Transferee Company till the approval of the Scheme by the Board of Directors in its meeting held on February 04, 2016 and February 05, 2016 respectively.

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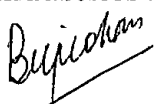

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Transferor Company and Transferee Company are however free to alter their authorized, issued, subscribed or paid up share capital as required for their respective business requirements, subject to the necessary approvals from their respective Board and members, if required.

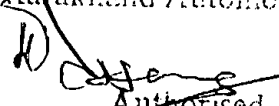
PART-III: TRANSFER AND VESTING

- 3.1 Upon coming into effect of the Scheme and with effect from the Appointed Date, the entire business and undertaking(s) of the Transferor Company including all movable and immovable properties (*if any*), assets including but not limited to bank balances (including deposits with banks), cash & cash equivalents, loans and advances, interest free deposits, tangible assets, fixed assets, prepaid expenses, advances, advance income tax, income tax receivables, other current assets (including but not limited to minimum alternate tax [MAT] credit entitlements), trade receivables, (*if any*), intellectual property rights of any nature whatsoever (*if any*), permits, approvals, authorizations, rights to use telephones, telexes, facsimile connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interests, air conditioner, investments of all kinds, computers, software, furniture & fixtures, vehicles (*if any*), office equipment, licensing arrangements, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements, and privileges, (*if any*) of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company (hereinafter referred to as "said Assets") shall be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company pursuant to the provisions of section 391 to 394A of the Act and all other applicable provisions of the Act read with applicable provisions of the Companies Act, 2013 so as to become on, and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company.

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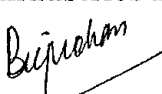
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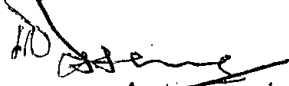
respect of such of the said Assets of the Transferor Company as are movable in nature and are capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred to the Transferee Company and shall upon such transfer become the property and an integral part of the Transferee Company. In respect of such of the said Assets other than those referred hereinabove, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in the Transferee Company pursuant to an order being made thereof under section 394 of the Act.

- 3.3 All the licenses, permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, and other benefits or privileges, *(if any)*, enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued, which may accrue to the Transferor Company shall, pursuant to the provisions of section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the licenses, permits, quotas, approvals, permissions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, and other benefits or valid, effective and enforceable on the same terms and conditions to the extent permissible under law and shall be duly and appropriately mutated or endorsed by the appropriate authorities concerned therewith in favor of the Transferee Company.
- 3.4 The tax deducted at source (TDS)/advance tax, *(if any)*, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from Appointed date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such TDS/advance tax/ MAT shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.

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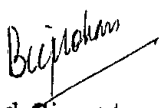

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by the Transferor Company on or after the Appointed Date, in respect of income assessable from that date, shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date notwithstanding that the period for filing such return may have elapsed. Further, Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, *(if any)*, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme; notwithstanding that the time prescribed for such revision may have elapsed.

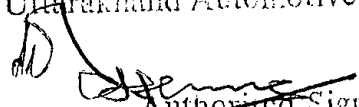
3.6 Similarly, any other taxes including but not limited to service tax, value added tax, sales tax, *(if any)*, paid by the Transferor Company on or after the Appointed Date, in respect of the period after such date shall be deemed to have been paid by or for the benefit of the Transferee Company. The Transferee Company shall, after the Effective Date, be entitled to file the relevant returns with the authorities concerned for the period after the Appointed Date, notwithstanding that the time prescribed for filing such return may have elapsed. Further the Transferee Company shall, after the Effective Date, be entitled to revise the relevant returns, *(if any)*, filed by the Transferor Company for any year, if so necessitated or consequent to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.

3.7 Without prejudice to generality of the aforesaid, any concessional or statutory forms under the laws of the Central or State Sales Tax or Value Added Tax (VAT), or local levies issued or received by the Transferor Company, *(if any)*, in respect of period commencing from the Appointed Date shall be deemed to be issued or received in the name of the Transferee Company and benefit of such forms shall be allowable to the Transferee Company in the same manner and to the same extent as would have been available to the Transferor Company.

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3.9 Upon coming into effect of the Scheme, motor vehicle(s), *(if any)*, of any nature whatsoever comprised in or relatable to the Transferor Company (as the case may be), shall vest in the Transferee Company and appropriate governmental and registration authorities shall mutate and register the said vehicles in the name of Transferee Company as if the vehicles had originally been registered in the name of Transferee Company;

3.11 The Transferee Company, at any time upon coming into effect of the Scheme, may execute deeds of confirmation in favor of any party to any contract or arrangement or memorandum of understanding, to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme and/ or subject to necessary approvals, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above on the part of the Transferor Company to be carried out or performed.

(a) All secured and unsecured liabilities, *(if any)*, including contingent liabilities and statutory liabilities or any other advances received, whether disclosed or undisclosed, duties, trade payables, statutory dues whether disputed or undisputed, expenses payable, taxes and obligations of the Transferor Company,

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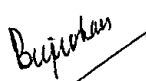
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(if any), along with any charges, ...
(hereinafter referred to as the "said Liabilities") shall also be vested or be deemed to be and stand vested, without any further act, instrument or deed, to the Transferee Company, pursuant to the provisions of section 394 of the Act so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further, it shall not be necessary to obtain separate consent of any third party or any 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. It is clarified that insofar as the said Assets of the Transferor Company are concerned, the security or charge over the said Assets or any part thereof (if any), relating to any loans or borrowing or any other obligations of the Transferor Company, shall, without any further act or deed continue to relate to such said Assets or any part thereof, after the Effective Date in the Transferee Company. However, any such security or charge shall not be entered to as security in relation to any other assets of the Transferee Company, save to the extent as may be warranted by the terms of the existing security arrangements to which the Transferor Company and the Transferee Company are party, and consistent with the joint obligations assumed by them under such arrangement, or otherwise as may be agreed to by the Board of the Transferee Company.

- (b) With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall take all steps as may reasonably be necessary to enter into new or amended loan or security agreements or instruments and the like as may be necessary with the lenders (if any), such that the Transferee Company shall assume the sole responsibility for repayment of the borrowings.

3.13 Where any of the liabilities and obligations, (if any), of the Transferor Company, as on the Appointed Date, transferred to the Transferee Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been made by the Transferor Company for and on

account of the Transferee Company.
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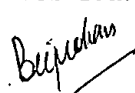
liabilities and obligations, (if any), incurred or undertaken by the Transferor Company after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon coming into effect of the Scheme, pursuant to the provisions of section 394(2) of the Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to and vested in the Transferee Company and shall become the debt, duties, undertakings, liabilities and obligations of the Transferee Company.

3.15 (a) With effect from the Appointed Date up to and including the Effective Date, the Transferor Company shall carry on and shall be deemed to have carried on all its business, transactions and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the said Assets for and on account of, and in trust for, the Transferee Company.

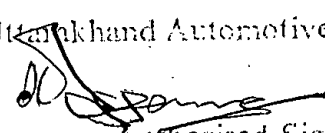
(b) Both the Transferor and Transferee Company acknowledge and confirm that the effect of transfer of land held for sale by the Transferor Company, as appearing in the books of accounts of the Company as at 31st March, 2015, to the Transferee Company after the Appointed Date but before the approval of this Scheme by the Board of Directors of both the Transferor and Transferee Company and adjustment of the sale consideration of the said land against the loan outstanding payable by the Transferor Company to the Transferee Company, shall accrue to the Transferee Company as if the same was carried on account of and in trust for the Transferee Company after the Appointed Date.

(c) All profits or incomes including interest on deposits with banks, interest income etc., accruing or arising to the Transferor Company or expenditure, or losses arising or incurred (including the effect of taxes, if any) of Transferor Company on and after the Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be.

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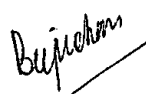
by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and/or arising by or against the Transferee Company.

(b) The Transferee Company undertakes to have all legal or other proceedings (*if any*) initiated by or against the Transferor Company referred to in sub-clause (a) above transferred to its name and shall have the same continued, prosecuted and enforced.

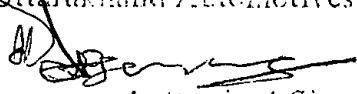
3.17 Upon coming into effect of the Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, licenses and other assurances, (*if any*), in favor of the Transferor Company or powers or authorities granted by or to it) of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of the Transferee Company as the case may be and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Transferee Company shall, wherever necessary, enter into and/or issue and/or execute deeds, writings or confirmations, enter into any tripartite arrangements, confirmations or novations to which the Transferor Company will, if necessary, also be a party in order to give formal effect to the provisions of this clause. Upon coming into effect of the Scheme, any inter-se contracts between the Transferor Company and the Transferee Company which are subsisting shall stand cancelled and shall have no effect on and from the Appointed Date.

3.18 Without prejudice to the provisions of the foregoing clauses, and upon the Scheme becoming effective, Transferor Company and Transferee Company shall execute any instruments or documents or do all the acts and deeds as may be required, including filing

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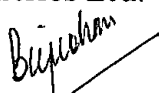
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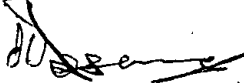
the ROC to give formal effect to this Scheme.

- 3.19 If and to the extent there are loans, deposits, payables, receivables, or balances inter-se (along with the interest arising thereupon) between the Transferor Company and the Transferee Company, the obligations in respect thereof shall, on and from the Appointed Date, come to an end and suitable effect shall be given in the books of the Transferee Company. For removal of doubts, it is hereby clarified that with effect from the Effective Date, there would be no accrual of interest or other charges in respect of any such loans, deposits or balances inter-se between the Transferor Company and the Transferee Company from the Appointed Date.
- 3.20 Upon the Effective Date and until the licenses, permit, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, schemes, special status, *if any*, are transferred, vested, recorded, effected in the record of the appropriate authority, in favor of the Transferee Company, the Transferee Company is authorized to carry on business in the name and style of Transferor Company and under the relevant license and or permit and/or approval, as the case may be, and the Transferee Company shall keep a record and/or account of such transactions.
- 3.21 Transferee Company may, at any time after effectiveness of the Scheme in accordance with the provisions this Scheme, if so required, under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company.

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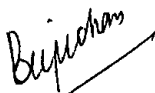

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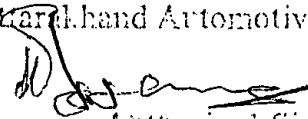

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- (a) All the employees (if any) in the service of the Transferor Company immediately preceding the Effective Date shall become the employees of the Transferee Company on the basis that:
- (i) their services shall be deemed to have been continuous and not been interrupted by reasons of the said transfer.
 - (ii) the terms and conditions of their services after such transfer shall not in any way be less favorable to them than those applicable to them immediately preceding the transfer.
- (b) It is expressly provided that as far as the provident fund, employee state insurance plan scheme, gratuity scheme, superannuation scheme, compensated absences scheme or any other special scheme(s) or fund(s) created or existing, *(if any)*, for the benefit of the employees of the Transferor Company is concerned, upon coming into effect of the Scheme, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever, related to the administration or operation of such schemes and intent that all the rights, duties, powers and obligation of the Transferor Company in relation to such schemes shall become those of the Transferee Company. It is clarified that the services of the employees *(if any)* of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid schemes.
- (c) The Transferee Company will file the relevant intimations to the statutory authorities concerned who shall take the same on record and endorse the name of the Transferee Company for the Transferor Company.

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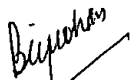
Since, the Transferor Company is the wholly owned subsidiary of the Transferee Company, all the equity shares as held by the Transferee Company and its nominees in Transferor Company shall stand cancelled pursuant to the amalgamation and there will be no issue and allotment of equity shares of the Transferee Company to the members of the Transferor Company (being the Transferee Company itself) upon coming into effect of the Scheme.

3.24 ACCOUNTING TREATMENT

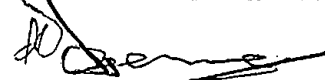
Upon coming into effect of the Scheme, the Transferee Company shall account for amalgamation in its books, as per the applicable Accounting Standards and other Generally Accepted Accounting Principles with effect from the Appointed Date, and to the extent permitted, as under:

- a) All the assets and liabilities (including reserves, surplus, credit entitlement of MAT or any other entitlement) as on the Appointed Date, recorded in the books of Transferor Company, shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book value.
- b) As on the Appointed Date, pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances or investments appearing in the books of the Transferee Company in or with the Transferor Company shall stand cancelled. Further, if any investments are acquired or purchased by the Transferee Company in the Transferor Company after the Appointed Date and up to the Effective date, the investments held by the Transferee Company in the Transferor Company as on the Effective date shall stand cancelled.
- c) The excess or shortfall, if any, between the value of the assets over the value of the liabilities of the Transferor Company, as recorded above under Clause 3.24 (a), pursuant to this Scheme after taking into consideration cancellation of the value of investments in the

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of inter-company balances between Transferor Company and Transferee Company shall be adjusted against the reserves of the Transferee Company in terms of the applicable Accounting Standards and other Generally Accepted Accounting Principles.

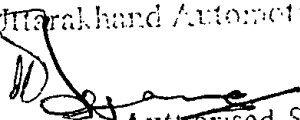
PART IV: GENERAL TERMS AND CONDITION APPLICABLE TO THE SCHEME

- 4.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of the Transferor Company as on the Effective Date shall stand transferred to and be added with the authorized share capital of Transferee Company, without any liability for payment of any additional fees or other fees or stamp duty or any other charges to any authority (including registrar of companies of competent jurisdiction) under any law for time being in force.
- 4.2 Consequent to transfer of the existing authorized share capital as on the effective date of the Transferor Company in accordance with clause 4.1 above, clause V of the Memorandum of Association of the Transferee Company shall stand modified and reclassified as necessary.
- 4.3 It is hereby clarified that the consent of the shareholders of each of the Transferor Company and Transferee Company to the Scheme shall be sufficient for purposes of effecting the amendment in the memorandum of association and articles of association of the Transferee Company and that no further resolution under sections 13, 61 and section 14 of the Companies Act, 2013 and section 394 of the Companies Act, 1956 or any other applicable provisions of the Act would be required to be separately passed, nor any additional registration fee etc. be payable by Transferee Company.
- 4.4 The Transferor Company and the Transferee Company shall make all applications/petitions under sections 391 and 394 and other applicable provisions of the Act read with applicable provisions of the Companies Act, 2013 to the High Court for sanctioning of this Scheme

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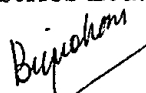
law, and obtain all approvals as may be required under law.

4.5 That the Transferee Company shall comply with the requirement of obtaining the approval of its public shareholders by way of postal ballot and e-voting, after giving due disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, in accordance with the provisions of para 9 (a) of Annexure-I to the circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, as issued by SEBI pursuant to regulations 11, 37 and 94 read with regulation 101(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is clarified that that the Scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favor of the proposal/Scheme are more than the number of votes cast by the public shareholders against it. It is also clarified that the term 'public' shall carry the same meaning as defined under rule 2 of Securities Contracts (Regulation) Rules, 1957.

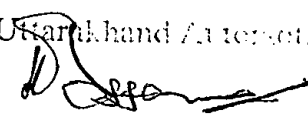
4.6 (a) Transferor Company and the Transferee Company (acting through their respective Boards) may assent from time to time on behalf of all persons concerned to any modifications or amendments or additions to this Scheme or to any conditions or limitations which either the Boards of Directors of the Transferor Company and the Transferee Company deem fit, and/or which the High Court and/or any other Relevant Authority under any applicable provisions of the law for the time being on force as may be deem fit to approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect, or to review the position relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permissible under law) for bringing this Scheme into effect.

(b) Transferor Company and the Transferee Company shall have the discretion to withdraw their application(s)/petition from the High Court, onerous terms or other terms not acceptable to them, in respect of sanctioning of this Scheme, as introduced in the Scheme

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whether at the meetings of shareholders/creditors or at the time of execution

or as otherwise deem fit by the Board of the Transferor Company and the Transferee Company. They shall also be at liberty to render the Scheme ineffective by not filing the certified order of the sanctions of the Scheme with ROC. However, the necessary intimation may be filed by the Transferor Company and the Transferee Company before the High Court about their decision of not filing the Scheme and not making the same effective.

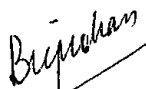
(c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferor Company and of the Transferee Company may give and are authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme and the same shall also be considered as deemed approval of the shareholders and creditors to any modification/amendment to the Scheme, which may be made or carried to and approved by the Board of Directors of Transferor Company as well as the Transferee Company.

4.7 This Scheme is conditional upon and subject to:

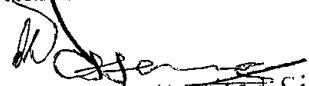
(a) The sanction or approval under any applicable provisions of the law for the time being in force of any Relevant Authority, department, authority (statutory or regulatory) etc. of competent jurisdiction being obtained or granted in respect of any matters in respect of which such sanction or approval is required pertaining to implementation of the Scheme.

(b) This being agreed to by the respective requisite majorities of the members and creditors, as the case may be, of the Transferor Company and Transferee Company if the respective meetings of the member and creditors, as the case may be, is convened

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meeting of members and/or creditors is obtained from the Hon'ble High Court.

(c) This Scheme is passed by the public shareholders of the Transferee Company based on the requirement of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as mentioned under para 4.5 (supra).

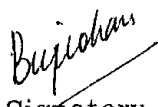
(d) Filing the certified copy of the formal order of the High Court with ROC.

4.8 In the event this Scheme fails to take effect, then it shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each company shall bear its own costs or as may be mutually agreed.

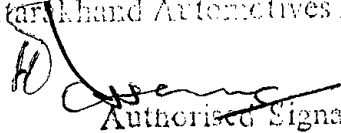
4.9 If any part of this Scheme is ruled illegal or invalid by, or is not sanctioned by the High Court, or is unenforceable under present or future laws, or which otherwise is considered unnecessary, undesirable or inappropriate at any stage by the Board of Directors of the Transferor Company and the Transferee Company, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about such suitable modification in the Scheme as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

4.10 Transferor Company shall be dissolved without winding up with effect from the date on which the certified copy of the order, under section 394 of the Act, of the High Court sanctioning the Scheme is filed by the Transferee Company and Transferor Company with the ROC.

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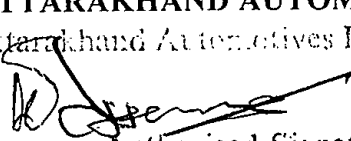

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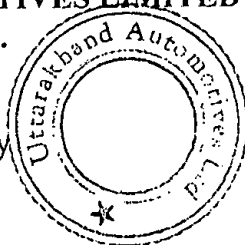
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connection with this Scheme and incidental to the completion of the amalgamation of the Transferor Company in pursuance of this Scheme shall be borne by the Transferee Company.

For **UTTARAKHAND AUTOMOTIVES LIMITED**
For Uttarakhand Automotives Ltd.

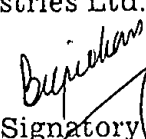

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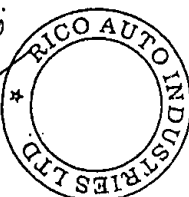


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