

**SCHEME OF AMALGAMATION
OF
HIM TEKNOFORGE LIMITED
(TRANSFEROR COMPANY)**

WITH

**GUJARAT AUTOMOTIVE GEARS LIMITED
(TRANSFeree COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS

**UNDER SECTIONS 230-232 READ WITH SECTION 66 AND OTHER APPLICABLE
PROVISIONS OF THE COMPANIES ACT, 2013**

1. Preamble

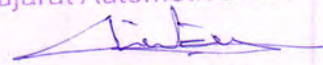
This Scheme of Amalgamation between Him Teknoforge Limited with Gujarat Automotive Gears Limited (hereinafter referred to as "Scheme" or "the Scheme" or "this Scheme") provides for the amalgamation of Him Teknoforge Limited with Gujarat Automotive Gears Limited pursuant to Section 230-232 of the Companies Act, 2013 read with Section 66 and other applicable provisions of the Companies Act, 2013 on a going concern basis in the manner provided for in the Scheme. This Scheme also provides various other matters consequential or otherwise integrally connected herewith.

(A) This Scheme is divided into the following parts:

- (a) Part I, which deals with the background, and rationale of the Scheme;
- (b) Part II, which deals with the definitions;
- (c) Part III, which deals with the amalgamation of Him Teknoforge Limited into Gujarat Automotive Gears Limited and reduction of capital of Transferee Company pursuant to Section 230-232 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;
- (d) Part IV, which deals with the accounting treatment of Transferor and Transferee Company under this Scheme; and

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Company Secretary

- (e) Part V, which deals with the general terms and conditions as applicable to this Scheme.

PART- I

(A) Background

1. **Him Teknoforge Limited** (hereinafter referred to as "HTL" or the "Transferor Company") was incorporated as a Private Limited Company under the provisions of Companies Act, 1956 on 11th January, 1989 in the State of Himachal Pradesh. Further, the Company has been converted from Private Limited to Public Limited pursuant to Section 31 of the Companies Act, 1956 with effect from 26th November, 1993 vide orders dated 6th December, 1993. The Registered Office of the Transferor Company is situated in the State of Himachal Pradesh.

The main objects of the Transferor Company are as follows:

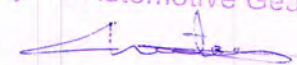
1. To carry on in India or elsewhere the business of manufacturing, designing, assembling, importing, exporting, buying, selling, transporting, distributing and dealing in:
 - a) Automobile parts, forgings, castings, stampings, fabrications, assembly of components and foundry items of all kinds made from ferrous or non-ferrous metals.
 - b) All kinds of iron & steel, ingots, billets, plates, pipes, pipe fittings, re-rolled sections and non-ferrous metals of all types and grades.
2. To carry on business as tool makers, iron and brass founders, metal workers, boiler makers, mill wrights, machinists, iron and steel convertors, smiths, galvanizers, enamellers, electroplaters and re-rollers.
3. To carry on work of mechanical engineers and to run a workshop to undertake and execute all types of mechanical and structural jobs of manufacture, fabrication and erection and to do various types of sheet metal work including manufacture and construction of storage tanks, buckets, drums and various types of containers.

- ii. **Gujarat Automotive Gears Limited** (hereinafter referred to as "GAGL" or the "Transferee Company") was originally incorporated as a Public Limited Company under the provisions of Companies Act, 1956 on 27th March, 1971 in Ahmedabad. The present Registered Office of Transferee Company is situated in the State of Himachal Pradesh. The Equity Shares of Transferee Company are listed on BSE Limited ('BSE').

The main objects of Transferee Company are as follows:

1. To carry on the business of designing, manipulating, fabricating, die-sinking, processing, producing and manufacturing of and dealing in all

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types, kinds and varieties of automotive and industrial gears and also to carry on the business of importing, exporting, buying, selling, indenting and otherwise dealing in such gears.

2. To carry on the business of manufacturing, designing, fabricating, grinding, buying, selling, importing, exporting, exchanging, altering, remodeling, improving, caliberating and manipulating all kinds, types and varieties of electrical, electronical, atomic, and /or mechanical, industrial and automotive plants, machineries, machine tools and engines, and all types, kinds and varieties of apparatuses, appliances, tools, jigs, fixtures, accessories, components, articles and things necessary or convenient for running such plants, machineries, machine tools and engines.
3. To carry on in India or elsewhere all or any of the business of mechanical and electrical engineers and contractors, and to carry on all or any of the businesses of tool makers, brass founders, iron founders, metal workers, mill wrights, machinists, iron and steel workers, smiths, metal-lurgists; and to buy, sell, manufacture, excavate, refine, repair, convert, alter, let on hire, and deal in metals, machinery, implements, rolling-stock and hardware of all kinds.

(B) Rationale for the Scheme of Amalgamation

The amalgamation of Transferor Company with Transferee Company is being proposed for the following purposes:

- i. Enable both the companies to consolidate their business operations and provide significant impetus to their growth since both the companies are engaged in the similar areas of business enabling the amalgamated entity to reach at higher orbit;
- ii. Result in enhancing the scale of operations and reduction in and / or optimization in overheads costs, administrative, managerial and other expenditure, operational rationalization, organizational efficiency, and optimal utilization of various resources and also benefiting from economies of scale;
- iii. Result in improved shareholder value benefiting all shareholders investors of both the companies as the combined amalgamated Company will have improved financial structure, larger cash flows and stronger consolidated revenue and profitability;
- iv. Consolidate the managerial expertise of the companies' involved thereby giving additional strength to the operations and management of the amalgamated Company resulting into expansion of the existing business; and

v. Simplification of group structures

In consideration of the above mentioned business rationale and related benefits, this Scheme of Amalgamation between Transferor Company with Transferee Company is being proposed in accordance with the terms set out hereunder.

PART - II

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context the following expressions shall have the following meanings:

- 1.1 **"Act" or "The Act"** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment or amendment thereof for the time being in force, except to the extent the provision which are still applicable as per the Companies Act, 1956 and/ or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 **"Appointed Date"** means the 1st day of April, 2016 or such other date as may be fixed or approved by the National Company Law Tribunal (NCLT) or such other competent authority.
- 1.3 **"Board of Directors" or "Board"** means the Board of Directors of Transferor Company or Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, includes a committee of directors or any person authorized by the Board of Directors or such committee of directors;
- 1.4 **"Tribunal"** means the National Company Law Tribunal and the National Company Law Appellate Tribunal as constituted and authorised as per the provisions of the Companies Act, 2013 for approving any Scheme of arrangement, compromise or reconstruction of companies under section 230 to 240 of the Companies Act, 2013.
- 1.5 **"Effective Date"** means the later of the dates on which certified copies of the order of the Tribunal sanctioning the Scheme, with or without modification, under Section 232 of the Act are filed with the concerned Registrar of Companies, Himachal Pradesh by Transferor and Transferee Company. References in this Scheme to the words **"coming into effect of this scheme"** or **"effectiveness of this scheme"** shall mean Effective date;
- 1.6 **"Record Date"** means the date to be fixed by the Board of Directors of Transferor Company in consultation with the Transferee Company for determining names of the equity shareholders of the Transferor Company,

who shall be entitled to receive the equity shares of the Transferee Company, as specified under Clause 6 of this Scheme.

- 1.7 **“Stock Exchanges”** shall have the same meaning as ascribed to it under the Securities Contracts (Regulation) Act, 1956, where the shares of the Transferee Company are listed.
- 1.8 The **“Scheme”** means this Scheme of Amalgamation in its present form submitted to the National Company Law Tribunal, with such modification(s), if any, as may be approved or imposed or directed by the said Tribunal.
- 1.9 **“Transferee Company”** or **“Transferee”** or **“GAGL”** means Gujarat Automotive Gears Limited, a Company incorporated under the provisions of Companies Act, 1956 and having its registered office at Village Billanwali, Baddi Solan, Himachal Pradesh -173205, India.
- 1.10 **“Transferor Company”** or **“HTL”** means Him Teknoforge Limited, a Company incorporated under the provisions of Companies Act, 1956 and having its registered office at Village Billanwali, Labana, Baddi, Himachal Pradesh – 173205, India.
- 1.11 **“Undertaking”** means and includes:
- a. all the assets and properties of the Transferor Company as on the Appointed Date i.e. all the undertakings, the entire business, all the properties (whether movable or immovable – freehold or leasehold, tangible or intangible), including the land and other properties, belonging to the Special Economic Zones and Free Zones, whether in India or elsewhere, plant and machinery, buildings and structures, offices, residential and other premises, capital work in progress, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, stocks, assets, investments of all kinds and in all forms including but not limited to securities, securitized assets, receivables and security receipts, cash balances with banks, loans, advances, contingent rights or benefits, agreements, rights, contracts / agreements with Clients, entitlements, permits, licences including branch or other licences and those belonging to the Special Economic Zones and Free Zones, whether in India or elsewhere, quotas, approvals, consents, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, special status, engagements, arrangements and all other privileges and benefits of every kind, nature and description whatsoever enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to business activities and operations of the Transferor Company, including but not limited to the past track record related clients and

/ or suppliers, Qualification Requirements, Turnover History, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permissions, permits, quotas, rights, entitlements, guarantees, authorizations, approvals, agreements, contracts, leases, registrations, tenancies, benefits of all taxes including but not limited to Minimum Alternate Tax ("MAT") paid under Section 115JA/115JB of the Income Tax Act, 1961 ("IT Act"), advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, MAT credit under the provisions of the IT Act, right to claim deductions under Section 80-IA and Section 80-IC of the IT Act including its continuing benefits; engagements, arrangements of all kinds, exemptions, benefits, incentives, privileges and rights under State tariff regulations and under various laws; loan agreements, titles, interests, trade and service names and marks, patents, copyrights, and other intellectual property rights to use and avail of telephones, telexes, facsimile, email, interest, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company or which have accrued to the Transferor Company as on the Appointed Date, whether in India or abroad, of whatsoever nature and wherever situated, (hereinafter referred to as the "Assets");

- b. all the debts, liabilities, contingent liabilities, duties and obligations and guarantees of the Transferor Company as on the Appointed Date (hereinafter referred to as the "Liabilities");
- c. without prejudice to the generality of sub-Clause (a) above, the Undertaking of the Transferor Company shall include all the Transferor Company's Reserves, the movable and immovable properties, assets, consents, registrations, agreements, contracts, engagements, arrangements of all kinds, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in ownership, power or possession or in control of or vested in or granted in favour of or enjoyed by the Transferor Company or to which the Transferor Company may be

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entitled and include but without being limited to trade and service names and service marks and other intellectual property of any nature whatsoever, permits, approvals, authorizations, rights to use and avail of telephone, telex, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, all necessary records, files, papers, computer programs, lease and hire purchase contracts, lease-hold rights, tenancy rights, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities, rights and benefits of all agreements, guarantees including guarantees given by the State Government(s), deeds, bonds, insurance policies and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever situate, belonging to or in the ownership, power or possession or in the control of or vested in or granted in favor of or enjoyed by the Transferor Company whether in India or abroad, as on the Appointed Date;

- d. all permanent employees directly or indirectly engaged by the Transferor Company at various locations;
- e. all earnest monies and/or security deposits paid by the Transferor Company.

1.12 **"Venture Funds"** means collectively IFCI Venture Capital Funds Limited, a company registered under Companies Act, 1956 having its principal place of business at IFCI Tower, 61, Nehru Place, New Delhi -110019 through its 'India Automotive Component Manufacturers Private Equity Fund -I-Domestic', and Canbank Venture Capital Fund Limited, a company incorporated under the provisions of the Companies Act, 1956, having its registered office situated at VI Floor, Naveen Complex, No.14, M.G.Road, Bangalore - 560001, Karnataka and acting in its capacity as an Investment Manager and Trustee of Emerging India Growth Fund of Canbank Venture Capital Fund.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulations) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case maybe, including any statutory modification(s) or re-enactment(s) thereof from time to time.

2. **SHARE CAPITAL**

- 2.1 The Authorised, Issued, Subscribed and Paid-up share capital of the Transferor Company as on 31st March, 2016 and as on date is as under : -

Particulars	Amount (Rs.)
Authorized Capital	
300,00,000 Equity shares of Rs. 10/- each	30,00,00,000
Total	30,00,00,000
Issued and Subscribed Capital & Paid up Capital	
2,89,52,307 Equity shares of Rs. 10/- each	28,95,23,070
Total	28,95,23,070

There has been no change in the authorized, issued, subscribed and paid up share capital of Transferor Company from 31st March, 2016 to the present date.

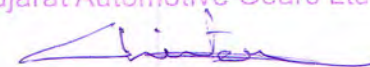
- 2.2 The Authorised, Issued, Subscribed and Paid-up share capital of Transferee Company as on 31st March, 2016 and as on date is as under:

Particulars	Amount (Rs)
Authorized Capital	
21,25,000 Equity shares of Rs. 2/- each	42,50,000
7,500 9.5% Cumulative Redeemable Preference shares of Rs.100/- each	7,50,000
5,00,000 Unclassified Shares of Rs. 10/- each	50,00,000
Total	1,00,00,000
Issued, subscribed and paid up capital	
17,50,000 Equity shares of Rs. 2/- each	35,00,000
Total	35,00,000

There has been no change in the authorized, issued, subscribed and paid up share capital of Transferee Company from 31st March, 2016 to the present date.

- 2.3 The equity shares of Transferee Company are listed on BSE Limited. The equity shares of the Transferor Company are not listed on any Stock Exchanges.

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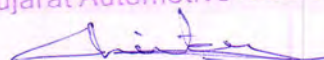


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PART - III

3. TRANSFER AND VESTING

- 3.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Transferor Company shall stand amalgamated with and be vested in the Transferee Company, as a going concern, without any further act or instrument and pursuant to the provisions of Section 230 to 232 of the Act, together with all the properties, assets, rights, liabilities including contingent liabilities, benefits and interest therein, as more specifically described in the subsequent clauses of this Scheme.
- 3.2 With effect from the Appointed Date, the entire business and the whole of the Undertaking of the Transferor Company shall, without any further act or deed, be and shall stand transferred to and vested in or deemed to have been transferred to or vested in Transferee Company as a going concern, pursuant to the provisions of Section 230-232 and other applicable provisions of the Act. PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in Transferee Company by virtue of this amalgamation and Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise. The transfer/vesting as aforesaid shall be subject to the existing charges/hypothecation over or in respect of the Assets or any part thereof of the Transferor Company. Further, Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed /to be availed by the Transferor Company or Transferee Company. Similarly, the promoters shall not be required to provide additional collateral security by way of pledge of their shareholding in the Transferor Company/ Transferee Company.
- 3.3 Any legal or other proceedings by or against Transferor Company pending on the Effective Date and relating to the Undertaking (including property rights, powers, liabilities, obligations and duties) of Transferor Company shall be continued and enforced by or against Transferee Company, in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company.
- 3.4 It is expressly provided that in respect of such of the assets of the Transferor Company as are moveable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company by physical delivery and shall become the property of Transferee Company pursuant to the provisions of Section 232 of the Act.



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- 3.5 In respect of such of the Assets other than those referred to in sub-Clause 3.4 above, they shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in Transferee Company pursuant to the provisions of Section 230-232 of the Act and shall form an integral part of the Undertaking.
- 3.6 The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company are 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, 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.
- 3.7 Upon the coming into effect of the Scheme, benefits of all taxes paid including but not limited to MAT paid under Section 115JA/115JB of the IT Act, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, MAT credit under the provisions of the Income Tax Act, right to claim deductions under Section 80-IA and Section 80 IC of the Income Tax Act including its continuing benefits, by the Transferor Company from the Appointed Date, regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of Transferee Company as effectively as if Transferee Company had paid the same and shall be deemed to be the rights/claims of Transferee Company. All unavailed credits, set offs, claims for refunds under any State VAT Acts, CST Acts, Central Excise and Service Tax provisions or any other State or Central statutes regardless of the period to which they may relate, shall stand transferred to the benefit of and shall be available in the hands of Transferee Company without restrictions under the respective provisions.
- 3.8 All secured and unsecured debts, (whether in Rupees or in foreign currency), all liabilities whether provided for or not in the books of the Transferor Company, duties and obligations of the Transferor Company alongwith any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall be and stand transferred to and vested in or deemed to have been transferred to and vested in Transferee Company pursuant to the applicable provisions of the Act, so as to become on and from the Appointed Date the debts, liabilities, duties and obligations of Transferee 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. It is clarified that in so far as the assets of the Transferor Company is concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which the Transferor Company and Transferee Company are parties, and consistent with the joint obligations assumed by them under such arrangement.

- 3.9 All the properties including freehold & leasehold properties, leases, estates, assets, rights, titles, interests, benefits, licenses, approvals, permissions and authorities etc. as described in Clause 1.11 accrued to and/or acquired by the Transferor Company after the Appointed Date, shall have been and deemed to have accrued to and/or acquired for and on behalf of Transferee Company and shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 232 of the Act and without any further act, instrument or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in Transferee Company to that extent and shall become the properties, leases, estates, assets, rights, titles, interests, benefits, licenses, approvals, permissions and authorities etc. of Transferee Company.
- 3.10 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and to the extent they are outstanding on the Effective Date upon the coming into effect of the Scheme shall be and stand transferred to or vested in or be deemed to have been transferred to and vested in Transferee Company pursuant to the provisions of Section 232 of the Act and without any further act, instrument or deed, and shall become the debt, duties, undertakings, liabilities and obligations of which shall meet, discharge and satisfy the same.
- 3.11 All inter party transactions between the Transferor Company and Transferee Company as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due inter-se i.e. between the Transferor Company and Transferee Company as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.

- 3.12 Upon the coming into effect of the Scheme, the guarantee provided by any of the Transferor Company would be continued and deemed to be provided by Transferee Company limited to the extent and subject to the same terms and conditions as the guarantee provided by the Transferor Company.
- 3.13 Upon the coming into effect of the Scheme, the guarantor of any loan taken by the Transferor Company would be deemed to be guarantor of Transferee Company to the extent of the loan due to the Transferor Company and subject to the terms and conditions of the guarantee provided to the Transferor Company. Provided that the guarantor is informed regarding the merger of the Transferor Company by way of a notice prior to filing of the same in the Tribunal.
- 3.14 Upon the coming into effect of this Scheme, the resolutions, and other actions undertaken by the Transferor Company including the approvals that may have been obtained by the Transferor Company from its shareholders under provisions of Section 180, Section 186 and Section 188 approvals that may be obtained under the Act and which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.
- 3.15 Upon the coming into effect of this Scheme, the borrowing limits of Transferee Company in terms of Section 180(1)(c) of the said Act, shall without further act or deed stand enhanced by an amount equivalent to the authorised borrowing limits of the Transferor Company, such limits being incremental to the existing limits of Transferee Company. These limits as enhanced may be increased from time to time by Transferee Company in accordance with the compliance of provisions of the said Act.

4. REDUCTION OF SHARE CAPITAL OF THE TRANSFEEE COMPANY:

- 4.1 Upon the Scheme becoming effective, paid up Equity Share Capital of Transferee Company shall stand cancelled and reduced upto the extent of 5,65,285 (Five Lakh Sixty Five Thousand Two Hundred Eighty Five) Equity Shares of the face value of Rs. 2/- (Rupees Two Only) each or such other equity shares held on the Effective Date by Transferor Company without any further act or deed on a proportionate basis.
- 4.2 Such reduction of Equity Share Capital of Transferee Company as provided in Clause 4.1 above shall be effected as an integral part of the Scheme and the Orders of the Tribunal sanctioning the Scheme shall be deemed to be an

Order under Section 66 of the Act, confirming the reduction and no separate sanction under section 66 of the Act will be necessary. The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

5. **ALTERATIONS/ AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE TRANSFEREE COMPANY**

5.1 CAPITAL CLAUSE

5.1.1 Upon the Scheme becoming effective, the Authorised Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed and without payment of any fees, stamp duty, etc on part of the Transferee Company, by the authorised share capital of the Transferor Company, amounting in aggregate to Rs 31,00,00,000 (Rupees Thirty One Crores Only) divided into 15,21,25,000 (Fifteen Crore Twenty-One Lakhs and Twenty Five thousand) Equity Shares of Rs. 2/- (Rupees Two) each, 7,500 (Seven Thousand Five Hundred) 9.5% Cumulative Redeemable Preference shares of Rs. 100/- (Rupees Hundred) each and 5,00,000 (Five Lakhs) Unclassified Shares of Rs. 10/- (Rupees Ten) each and consequently, Clause V of the Memorandum of Association and Article 4 of the Articles of Association of Transferee Company (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified, amended, pursuant to Section 230-232, 13, 14 and 61 of the Companies Act, 2013 and applicable provisions of the Act, as the case may be and for this purpose the stamp duties and the fees paid on the authorised capital of the Transferor Company shall be utilised and applied to the above referred increased authorised share capital of the Transferee Company and no payment of any extra stamp duty and/or fee shall be payable by the Transferee Company for increase in its authorised share capital to that extent.

5.1.2 Upon this Scheme coming into effect, Clause V of the Memorandum of Association of the Transferee Company, being the Capital clause of the Transferee Company shall be without any further act or deed, be amended, restated and replaced as under:-

"V. *The Authorised Share Capital of the Company is Rs. 31,00,00,000/- (Rupees Thirty One Crores Only) divided into 15,21,25,000 (Fifteen Crore Twenty-One Lakhs and Twenty Five thousand) Equity Shares*

of Rs. 2/- (Rupees Two) each, 7,500(Seven Thousand Five Hundred) 9.5% Cumulative Redeemable Preference shares of Rs. 100/- (Rupees Hundred)each and 5,00,000 (Five Lakhs) Unclassified Shares of Rs. 10/-(Rupees Ten) each and with a power of increase or reduce the capital of the Company in accordance with the provisions of Companies Act, 1956 and/or Companies Act, 2013.”

5.1.3 Upon this Scheme coming into effect, Article 4 of the Articles of Association of the Transferee Company shall be without any further act or deed, be amended, restated and replaced as under:-

“4. The Authorised Share Capital of the Company is Rs. 31,00,00,000/- (Rupees Thirty One Crores Only) divided into 15,21,25,000 (Fifteen Crore Twenty-One Lakhs and Twenty Five thousand) Equity Shares of Rs. 2/- (Rupees Two) each, 7,500(Seven Thousand Five Hundred) 9.5% Cumulative Redeemable Preference shares of Rs. 100/- (Rupees Hundred)each and 5,00,000 (Five Lakhs) Unclassified Shares of Rs. 10/-(Rupees Ten) each and with a power of increase or reduce the capital of the Company in accordance with the provisions of Companies Act, 1956 and/or Companies Act, 2013.”


5.1.4 Without prejudice to the aforesaid, Transferee Company shall be entitled to take steps for further increase of its Authorized Share Capital to the extent required, consequent to the Scheme being effective and/or pursuant to any existing obligation of Transferee Company or otherwise.

5.2 NAME CLAUSE

Consequent to the amalgamation and upon the Scheme becoming effective, the name of Transferee Company shall be changed from “**Gujarat Automotive Gears Limited**” to “**Him Teknoforge Limited**” without following any further procedure or doing any further act or thing as may be required under the provisions of the Act as Transferee Company shall carry on the entire business of the Transferor Company. The Transferee Company shall take necessary steps to give effect to such change of name.

5.3 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations viz. Changes in the Capital Clause and Name Clause referred above, shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of Transferee Company approving the Scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 13, 14, 61 and 64 of the Companies Act, 2013 or any other provisions of the Act

For Gujarat Automotive Gears Ltd.


Chintan Doshi
Company Secretary

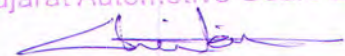
and the Company shall not be required to pass separate resolutions as required under the Act.

6. ISSUE AND ALLOTMENT OF SHARES BY TRANSFEREE COMPANY

- 6.1 Upon the Scheme coming into effect and in consideration of the transfer of all the assets and liabilities of the Transferor Company to Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders (except the Transferee Company) of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company on the Record Date, or his/her legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value of Rs 2/- (Rupee Two) each credited as fully paid up of the Transferee Company in the ratio of 3(Three) fully paid up Equity Shares of face value Rs 2/- (Rupees Two only) each of the Transferee Company for every 13 (Thirteen) fully paid up Equity Share of face value of Rs 10/- (Rupees Ten Only) each held in the Transferor Company.
- 6.2 The ratio in which the new equity shares of the Transferee Company are to be issued and allotted to the equity shareholders of the Transferor Company is herein referred to as "Share Exchange Ratio". The aforesaid share exchange ratio has been approved by the Board of Directors of Transferor Company and Transferee Company as being a fair share exchange ratio as recommended by a reputed independent firms of Chartered Accountants viz. M/s R.J.Rathi & Co, Chartered Accountants, vide their Valuation Report dated 20th December, 2016.
- 6.3 In case of any member's shareholding in the Transferor Company is such that on the basis of the aforesaid share exchange ratio, the member is entitled to a fraction of share, such fraction shall be rounded off to the nearest integer.
- 6.4 The New Equity Shares issued in terms of the Scheme shall, in compliance with the applicable regulations, be listed and/or admitted to trading on the relevant stock exchange(s) in India where the equity shares of Transferee Company are listed and admitted to trading. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of such stock exchanges. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depository system till the relevant directions in relation to listing/trading are provided by the relevant stock exchanges.

- 6.5 Upon the coming into effect of the Scheme, the new Equity Shares of Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company in terms of the Scheme shall be subject to the provisions of Memorandum of Association and Articles of Association of the Transferee Company and shall rank pari passu from the date of allotment in all respects, including dividend declared, with the existing Equity Shares of Transferee Company.
- 6.6 The issue and allotment of new equity shares by Transferee Company to the shareholders of the Transferor Company as provided in the Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62(1)(c) and any other applicable provisions of the Act were duly complied with. The resolution/consent of the shareholders approving the Scheme shall be treated as due compliance of the procedure laid down in Section 62(1)(c) and any other applicable provisions of the said Act.
- 6.7 Upon this Scheme becoming effective, all the Shareholders of the Transferor Company who exercise the option to receive shares in dematerialized form, shall be issued new shares of Transferee Company in dematerialized form, provided all details relating to their depository account with the depository participant are made available to Transferee Company, who shall issue and directly credit the dematerialized securities account of such Shareholder with the equity shares of Transferee Company and all the shareholders of the Transferor Company holding shares in physical form, if so required by Transferee Company shall surrender their share certificates for cancellation thereof to Transferee Company. Notwithstanding anything to the contrary, upon the new shares in Transferee Company being issued and allotted by it to the shareholders of the Transferor Company whose names shall appear on the Register of Members of the Transferor Company on such Record Date fixed as aforesaid, the share certificates in relation to the shares held by them in the Transferor Company in physical form shall be deemed to have been automatically cancelled and be of no effect, on and from such Record Date, and Transferee Company may at its sole discretion, instead of requiring the surrender of the share certificates, as above, directly issue and dispatch the new share certificates of Transferee Company in lieu thereof.
- 6.8 In terms of the provisions of the Listing Regulations and other applicable SEBI Regulations, including any Circulars issued therein, new Shares to be issued pursuant to this Scheme to the promoters of the Transferor Company, may be placed, to the extent applicable under lock-in by the Stock Exchange or SEBI / any other competent authority. However, the Promoters may enter into inter-se transfer amongst themselves during such lock-in period.

For Gujarat Automotive Gears Ltd.



Chintan Doshi
Company Secretary

It is clarified that pre-merger shares held by Venture Funds in the Transferor Company shall not be deemed to be Promoter holding and accordingly, new shares issued to the Venture Funds pursuant to this Scheme shall not be subject to any lock-in.

7. DIVIDEND AND PROFITS

- 7.1 The Transferor Company shall not declare any dividend for the period commencing from and after appointed date without written consent of Transferee Company. The Transferor Company shall obtain the consent of the Board of Directors of Transferee Company before declaration of any dividend. The Transferor Company and Transferee Company shall not transfer any amount from the reserves or amount lying in credit to the Profit & Loss Account on the Appointed Date for the purpose of payment of dividend.
- 7.2 Subject to the provisions of the Scheme, the profits of the Transferor Company for the period beginning from the Appointed Date shall belong to and be the profits of Transferee Company and will be available to Transferee Company for being disposed off in any manner as it thinks fit including declaration of dividend by Transferee Company in respect of its financial year ending on 31st March, 2017 or any year thereafter.
- 7.3 The Equity Shares of Transferee Company to be issued and allotted to the shareholders of the Transferor Company as provided in Clause 6.1 herein before shall rank pari passu in all respects with the equity shares of Transferee Company including proportionate entitlements to dividend in respect of dividends declared after the Effective Date. The holders of the Shares of the Transferor Company and Transferee Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights, voting rights and in all other respects under their respective Articles of Association including the right to receive dividends from the respective Company of which they are members till the Effective Date.
- 7.4 It is clarified, however, that the aforesaid provisions in respect of declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor and Transferee Company to demand or claim any dividend which shall be entirely at the discretion of the Board of Directors and subject to the provisions of the said Act.
8. Upon the Scheme coming into effect, the Board of Directors of the Transferee Company shall take necessary steps to reconstitute its Board, if required and the Venture Funds shall have the right to appoint one Nominee

Director each on the Board of the Transferee Company as their representative.

9. Upon the Scheme becoming effective and if so required by the Venture Funds, the Board of the Transferee Company shall take necessary steps to reconstitute its Board committees so as to include one representative of each of the Venture Funds on the Board committees of the Transferee Company.

10. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE

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

10.1.1 the Transferor Company shall carry on and be deemed to have been carrying on and shall carry on all business and activities relating to the Undertaking and stand possessed of the properties so to be transferred, for and on account of and in trust for Transferee Company, including but without limitation to payment of advance income tax and subsequent installments of income tax, sales tax, excise and other statutory levies, etc;

10.1.2 all incomes, profits, benefits and incentives accruing to the Transferor Company and the expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by them relating to the Undertaking shall, for all purposes, be treated as the incomes, profits, benefits and incentives or losses, as the case may be, of Transferee Company;

10.1.3 The Transferee Company shall have the right to claim refund of payment of the taxes arising on account of transactions entered into between the Transferor Company and Transferee Company between the Appointed Date and the Effective Date.

10.2 The Transferor Company hereby undertakes, from the Appointed Date upto and including the Effective Date-

10.2.1 to carry on the business of the Undertaking with reasonable diligence and business prudence and not to borrow, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Undertaking or any part thereof, nor to undertake any new business or a substantial expansion of its existing business except with the prior written consent of the Board of Directors of Transferee Company;

For Gujarat Automotive Loans Ltd.



General Director
Executive Secretary

- 10.2.2 not to utilise the profits, if any, relating to the Undertaking for the purposes of declaring or paying any dividend in respect of the period falling on and after the Appointed Date without obtaining the prior approval of Transferee Company;
- 10.2.3 not to issue or allot any rights or bonus shares out of its authorised or unissued share capital for the time being.
- 10.3 Save as provided in Sub-clause 10.4 below, neither the Transferor Company nor the Transferee Company shall make any change in their Capital Structure (Paid-up Capital), other than changes pursuant to commitments, obligations or arrangements subsisting prior to the Appointed Date, except by the mutual consent of the Board of Directors of both the Transferor Company and Transferee Company.;
- 10.4 The restrictions in sub-clauses 10.2.1, 10.2.2 and 10.2.3 of 10.2 above shall be applicable from the date of acceptance of the present Scheme by the respective Board of Directors of all the Company and not from the Appointed Date.

11. TRANSFER OF EMPLOYEES OF TRANSFEROR COMPANY

On and from the Effective Date:

- 11.1 All employees of the Transferor Company on the rolls of the Transferor Company on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favourable than those on which they are respectively engaged by the Transferor Company as on the Effective Date.
- 11.2 The accumulated balances standing to the credit of the employees of the Transferor Company on the Effective Date in the Provident Fund, Gratuity Fund, Superannuation Fund and/or other Funds and including any surplus in any such Funds created or existing for the benefit of the employees of the Transferor Company shall be identified, determined and transferred to the corresponding funds of Transferee Company in due course.
- 11.3 The Transferee Company shall not vary the terms and conditions of the employment of its employees, except in the ordinary course of business.

12. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 12.1 Subject to other provisions of this Scheme, the Transferee Company shall accept all acts, deeds and things relating to the Undertaking of the Transferor Company done and executed by and/or on behalf of the

Transferor Company on or after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of Transferee Company.

- 12.2 Subject to other provisions of this Scheme, all contracts including commercial and technical, deeds, bonds, agreements, Memorandum of Understanding ("MoU"), awards, rights and concessions, insurance policies and other instrument of whatsoever nature relating to the Undertaking to which the Transferor Company is a party and subsisting or having effect on or before the Effective Date shall be in full force and effect against or in favour of Transferee Company and may be enforced as fully and effectually, as if, instead of the Transferor Company, Transferee Company had at all material times been a party thereto.
- 12.3 The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangement or confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Clause, if so required or if it becomes necessary.
- 12.4 On this Scheme finally taking effect, all the agreements, guarantees, approvals, consents, permissions, licenses, sanctions, leases and the like entered into with and/or given by, as the case may be, the various State Governments, statutory or regulatory body or agencies or third parties with respect to the Transferor Company shall, without any further act, deed, matter or thing, stand transferred to and vested in Transferee Company.

13. LEGAL PROCEEDINGS

Upon the coming into effect of this Scheme, if any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company, in its own name.

PART-IV

14. ACCOUNTING TREATMENT

- 14.1 On the Scheme becoming effective, with effect from the Appointed Date, the Transferee Company would follow 'pooling method' as prescribed in the

Accounting Standard 14: "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India.

- 14.2 The Transferee Company shall credit to its Share Capital account, the aggregate face value of the equity shares issued pursuant to clause 6.1 of this Scheme.
- 14.3 The Transferee Company shall record all assets and liabilities recorded in the Books of Account of the Transferor Company, which are transferred to and vested in the Transferee Company pursuant to the Scheme at their book values as on the Appointed Date.
- 14.4 If there is a surplus arising as a result of the difference, if any, of the value of the assets over the value of the liabilities and the amount of share capital to be issued and allotted by the Transferee Company pursuant to clause 6.1 of this Scheme to the shareholders of the Transferor Company as reduced by the amount of share capital of the Transferee Company held by the Transferor Company and cancelled in accordance with this Scheme, the same shall be credited to the Capital Reserve Account of the Transferee Company and in the event of deficit, if any, the same shall be debited to the Reserve Account of the Transferee Company. Inter-company balances, investments, loans & advances and any other transactions, if any, till the effective date will stand cancelled.
- 14.5 The Shares held by the Transferor Company in the transferee shall stand cancelled as per Clause 4.1 of the Scheme.
- 14.6 In case of any differences in the accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date of amalgamation will be quantified and adjusted in the Free/ General Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policies.
- 14.7 Notwithstanding anything stated above, the Transferee Company will give accounting treatment of this Scheme in its books of accounts post amalgamation as per the applicable accounting standard.
- 14.8 Notwithstanding the above, the Board of Directors of the Transferee Company is authorized to account any of these balances in any manner whatsoever as may be deemed fit in accordance with the law and applicable Accounting Standards.
15. The Transferee Company shall be entitled to revise its Income Tax returns and other statutory returns, if required and related TDS certificates and the right to claim refund, advance tax credits etc. upon this Scheme becoming

effective and have expressly reserved the right to make such revisions in the Income Tax returns and related TDS certificates and the right to claim refund, advance tax, withholding tax, or such other tax credits of the Transferor Company, pursuant to the sanction of this Scheme. It is clarified that all taxes payable by the Transferor Company from the Appointed Date onwards, including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of Transferee Company. Accordingly, upon the Scheme becoming effective, with effect from the Appointed Date, Transferee Company, if required, is expressly authorized to revise its service tax returns and other tax returns, and to claim refunds and/or credits, pursuant to the provisions of this Scheme.

16. The Transferee Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, the Transferor Company under applicable laws, including income tax, minimum alternate tax, sales tax, value added tax, service tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed limits for claiming refunds or credits have lapsed.
17. This Scheme has been drawn up to comply and come within the definition and conditions relating to "Amalgamation" as specified under Section 2(1B) and Section 47 of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Sections of the Income-tax Act, 1961, at a later date, including resulting from an amendment of law or for any other reason whatsoever, the Scheme shall stand modified/ amended to the extent determined necessary to comply and come within the definition and conditions relating to "Amalgamation" as specified in the Income-tax Act, 1961. In such an event, the clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.
18. Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements. The order of the Tribunal sanctioning the Scheme shall be deemed to be order of the National Company Law Tribunal permitting the Transferee Company to revise its financial statements and books of accounts and no further act shall be required to be undertaken by the Transferee Company.

PART-V

19. APPLICATION TO TRIBUNAL

The Transferor Company and Transferee Company, shall respectively with all reasonable dispatch, make applications/petitions under Section 230-232

and other applicable provisions of the Act to the Tribunal of their respective jurisdiction for sanctioning this Scheme under Section 230-232 of the Act and for an order or orders under Section 232 of the Act for carrying this Scheme into effect.

20. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

For the purpose of giving effect to this Scheme or to any modifications or amendments thereof, that Board of Directors of the Transferor and Transferee Company or any person authorised by the Board in that behalf may give and is authorised to give all such directions as are necessary or desirable including directions for settling or removing any question of doubt or difficulty that may arise with regard to the issue and allotment of the said shares, as they may think fit 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.

In the event any of the conditions that may be imposed by the Tribunal while sanctioning the Scheme, which the Board of directors of the Transferor and Transferee Company may find unacceptable for any reason, then the Transferor and Transferee Company are at liberty to withdraw from the Scheme.

21. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional upon and subject to:

- 21.1 The Scheme being agreed to by the requisite majorities of the members and creditors of the Transferor and Transferee Company as may be directed by the Hon'ble Tribunal or any other competent authority, as may be applicable;
- 21.2 the requisite approvals or consents being obtained or requisite resolutions under the applicable provisions of the said Act being passed by the shareholders and creditors (where applicable) of the Transferor Company and Transferee Company for any of the matters provided for or relating to the Scheme as may be required or be necessary;
- 21.3 the requisite sanctions or approvals including but not limited to in-principle approvals, sanctions of Central Government or any government authority or any other agency or department or authorities concerned being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required under any law;
- 21.4 Approval of the Scheme by the public shareholders of the Transferee Company in accordance with the provisions of the SEBI Circulars. Such approvals will be obtained through resolution passed through the postal ballot and e-voting and the Scheme shall be acted upon only if the votes cast

by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

- 21.5 the Scheme being approved by the Stock Exchanges under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015;
- 21.6 the sanction of the Scheme by the Hon'ble Tribunal under Section 230 - 232 and to the necessary Order under Section 232 of the Act on behalf of the Transferor and Transferee Company being obtained; and
- 21.7 certified copies of the orders of the Hon'ble Tribunal sanctioning the Scheme, being filed with Registrar of Companies, Himachal Pradesh by the transferor and transferee Company.

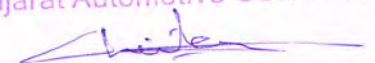
22. SCHEME RENDERED NULL AND VOID

- 22.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 20 above not being obtained and/or the Scheme not being sanctioned by the Tribunal and/or the order or orders not being passed as aforesaid before 31st December, 2017 or within such further period or periods as may be agreed upon between the Transferor Company and Transferee Company, through and by its Board of Directors (and which Board of Directors of each of the Company are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligations which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as specifically provided in the Scheme or as may otherwise arise in law and in that event each party shall bear their respective costs.
- 22.2 In the event of this Scheme failing to take effect, it becomes null and void and in that event no rights and liabilities of whatsoever nature shall accrue to or be incurred inter-se to or by the parties or any of them.

23. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

For Gujarat Automotive Gears Ltd.



Chintan Doshi
Company Secretary

24. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up in accordance with the provisions of Section 230 to 232.

25. COSTS/EXPENSES CONNECTED WITH THE SCHEME

- 25.1 Save and except as provided elsewhere in the Scheme, all costs, charges and expenses of the Transferor Company and Transferee Company respectively in relation to or in connection with this Scheme and incidental to the completion of the amalgamation between the Transferor Company with the Transferee Company in pursuance of this Scheme, shall be borne and paid by Transferee Company.
- 25.2 In the event that this Scheme fails to take effect within such period or periods as may be decided by the Transferor Company (by its Board of Directors) and Transferee Company (by its Board of Directors), or the Scheme is rendered null and void in terms of Clause 21 above of this Scheme then, the Transferor Company and Transferee Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

26. GENERAL TERMS AND CONDITIONS

- 26.1 The Transferor Company and Transferee Company shall, with all reasonable dispatch, make all applications / petitions under Section 230 and 232 and other applicable provisions of the Act to the Tribunal for the sanctioning of the Scheme and obtain all approvals and consents as may be required under the law or any agreement.
- 26.2 The respective Board of Directors of the Transferor Company and Transferee Company may empower any Committee or any individual director or officer of the Company to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.
- 26.3 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferor Company and Transferee Company and their respective members and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 26.4 Notwithstanding anything stated herein or elsewhere, the Board of Directors of the Transferor Company and Transferee Company shall always have a power to revoke / withdraw this Scheme at any time before the same finally takes effect on any substantial ground in the best interest of

shareholders and creditors of respective Transferor Company and Transferee Company and as may be mutually agreed between the Board of Directors of the Transferor Company and Transferee Company and for this purpose, it shall not be necessary for either the Transferor Company or Transferee Company to obtain any further consent of any of their respective shareholders or any other person. The consents given by such shareholders of the Transferor Company and Transferee Company shall be deemed to include their consent authorizing to the Board of Directors of the respective Company to withdraw the Scheme at any time before the same finally takes effect.

- 26.5 If any part of this Scheme is invalid, ruled illegal by any Tribunal or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that the Board of Directors of the Transferor Company and the Transferee Company shall take necessary decision so as to sever such part of the Scheme from the remainder of this Scheme which decision shall be binding on the respective companies, its shareholders and creditors and this 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 a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.

For Gujarat Automotive Gears Ltd.



Chintan Doshi
Company Secretary