



**SHRIRAM**

**NOTICE – UNSECURED CREDITORS**

**SHRIRAM PISTONS & RINGS LIMITED**

Registered Office	:	3 <sup>rd</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001
Tel. no.	:	011- 2331 5941-45
CIN	:	L29112DL1963PLC004084
Website	:	<a href="http://www.shrirampistons.com">http://www.shrirampistons.com</a>
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**HON'BLE NCLT CONVENED MEETING OF  
THE UNSECURED CREDITORS OF SHRIRAM PISTONS & RINGS LIMITED**

Day	Wednesday
Date	21 <sup>st</sup> day of November 2018
Time	02.00 p.m.
Venue	PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, 110016

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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,  
AT NEW DELHI**

**COMPANY APPLICATION NO. CA (CAA) 148 (PB) OF 2018**

**IN THE MATTER OF:**

**THE SCHEME OF AMALGAMATION OF:**

**SHRIRAM AUTOMOTIVE PRODUCTS LIMITED** having its registered office at 4<sup>th</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

... **TRANSFEROR COMPANY/ APPLICANT COMPANY NO. 1  
WITH**

**SHRIRAM PISTONS & RINGS LIMITED** having its registered office at 3<sup>rd</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

... **TRANSFeree COMPANY/ APPLICANT COMPANY NO. 2**

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF SHRIRAM PISTONS & RINGS  
LIMITED ( THE TRANSFeree COMPANY)**

**To,**

**All the Unsecured Creditors of Shriram Pistons & Rings Limited (the "Transferee Company"):**

**NOTICE** is hereby given that by an order dated 03.10.2018, the Hon'ble National Company Law Tribunal, New Delhi, Principal Bench at New Delhi ("NCLT") has directed a meeting to be held of the Unsecured Creditors of the Transferee Company for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between Shriram Automotive Products Ltd. and Shriram Pistons & Rings Ltd. and their respective shareholders ("**Scheme**").

In pursuance of the said orders and as directed therein further notice is hereby given that a meeting of the Unsecured Creditors of the Transferee Company will be held at PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, 110016., India on Wednesday, the 21<sup>st</sup> day of November 2018 at 02.00 p.m. (1400 hours) at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

**"RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March 2017, the Observation Letter dated 31st day of August 2018 issued by the National Stock Exchange of India Ltd. (NSE) and subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and subject to the approval of Hon'ble National Company Law Tribunal, Principal Bench at New Delhi ("NCLT") and subject to such other approval(s), permission(s) and sanction(s) of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Transferee Company (hereinafter referred to as the "**Board**"), ", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Amalgamation between Shriram Automotive Products Limited (hereinafter referred as Transferor Company) with Shriram Pistons & Rings Limited (hereinafter referred as Transferee Company) and their respective Shareholders and Creditors ("**Scheme**") placed before this meeting and initialed by the Chairperson of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things,

as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme of Amalgamation and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the Scheme of Amalgamation or by any of the authorities under law, as considered necessary in giving effect to the Scheme of Amalgamation, as the Board may deem fit and proper.”

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Transferee Company at **3<sup>rd</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001, India.**

Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form duly signed by you or your authorised representative is deposited at the registered office of the Transferee Company not later than 48 hours before the meeting.

Forms of proxy can be obtained free of charge at the registered office of the Transferee Company.

NCLT has appointed undersigned as Chairman and Ms. Prachi Johri, Advocate as Alternate Chairperson of the said meeting of Unsecured Creditors of the Transferee Company.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT. A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

  
(Rakesh Khanna)

Advocate

Chairman appointed for the Meeting

Dated: 13<sup>th</sup> day of October, 2018  
Place: New Delhi

Registered Office:  
3<sup>rd</sup> Floor, Himalaya House,  
23 Kasturba Gandhi Marg,  
New Delhi-110001

1. Please note that only creditor(s)/ proxies/ authorized representatives with attendance slips will be allowed in the area where EGM/ related functions will be held.
2. The creditors/ proxies/ authorized representatives are requested to carry their photo identity card recognized by Government Authorities (preferably Aadhar card) for easy identification.

**Notes:**

1. **Only registered Unsecured Creditors of the Transferee Company may attend and vote either in person or by proxy (a proxy need not be an Unsecured Creditor of the Transferee Company) or in the case of a body corporate, by an authorized representative (including proxy of such authorized representative), at the meeting of the Unsecured Creditor of the Transferee Company. The authorized representative (including proxy of such authorized representative) of a body corporate which is an Unsecured Creditor of the Transferee Company may attend and vote at the meeting of the Unsecured Creditors of the Transferee Company provided a copy of the resolution of the Board of Directors or other governing body of the body corporate or a power of attorney or an authority letter authorising such representative to attend and vote at the meeting of the Unsecured Creditors of the Transferee Company, duly certified to be a true copy by a Director, the Manager, the Secretary or other authorized officer of such body corporate, is deposited at the registered office of the Transferee Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the Unsecured Creditor of the Transferee Company.**
2. The form of proxy can be obtained free of charge from the registered office of the Transferee Company.
3. All alterations made in the form of proxy should be initialed.
4. NCLT, by its Order has directed that a meeting of the Unsecured Creditor of the Transferee Company shall be convened and held at PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, 110016., India on Wednesday, the 21<sup>st</sup> day of November 2018 at 02.00 p.m. (1400 hours) for the purpose of considering, and if thought fit, approving, with or without modification(s), the Scheme. Unsecured Creditors would be entitled to vote in the said meeting either in person or through proxy.
5. An Unsecured Creditor (or its authorised representative) or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
6. The Unsecured Creditors who are attending the meeting are requested to bring their ID Proof for easy identification, preferably Aadhar Card / Election Voter Id.
7. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditor at the registered office of the Transferee Company between 11.00 A.M. and 5.00 P.M. on all working days (Monday to Friday) up to the date of the meeting.
8. Unsecured Creditors of the Transferee Company, as on 31<sup>st</sup> July, 2018, being the cut-off date, will be entitled to exercise their right to vote on the above resolution
9. The Notice, together with the documents accompanying the same, is being sent to all the Unsecured Creditors either by registered post or speed post or by courier service or electronically by e-mail or by hand delivery or any other mode as directed by NCLT.
10. A person, whose name is not recorded as Unsecured Creditors as on the cut-off date i.e. 31<sup>st</sup> July, 2018 shall not be entitled for voting at the meeting by polling paper to be held on 21st November, 2018. Persons who are not Unsecured Creditors of the Transferee Company as on the cut-off date i.e. 31<sup>st</sup> July, 2018 should treat this notice for information purposes only.
11. The notice convening the meeting will be published through advertisement in (i) Business Standard (Delhi Edition) in the English Language; and (ii) Jansatta (Delhi Edition) in the Hindi language.
12. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Unsecured Creditors of the Transferee Company, voting in person or by proxy agree to the Scheme.
13. Further, in accordance with the rules, the Scheme shall be acted upon only if the votes cast by the Unsecured Creditors in favor of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the Unsecured Creditors against it.

14. NCLT has appointed Mr. Tejinder Parkash, Practicing Chartered Accountant (Mem. No.089388 and Firm Registration No.010726N, as Scrutinizer for conducting the voting by way of Ballot/Polling Paper at the venue of the meeting
  15. The Scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the unsecured creditors of the Transferee Company through ballot/polling paper done at the meeting. The Scrutinizer's decision on the validity of the vote shall be final.
  16. The results, together with the Scrutinizer's report, will be displayed at the registered office and on the website of the Transferee Company i.e., [www.shrirampistons.com](http://www.shrirampistons.com) besides being communicated to National Stock Exchange of India (NSE) on which the shares of the Transferee Company are listed.
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**BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,  
AT NEW DELHI**

**COMPANY APPLICATION NO. CA (CAA) 148 (PB) OF 2018**

**IN THE MATTER OF:**

**THE SCHEME OF AMALGAMATION OF:**

**SHRIRAM AUTOMOTIVE PRODUCTS LIMITED** having its registered office at 4<sup>th</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

**... TRANSFEROR COMPANY/ APPLICANT COMPANY NO. 1  
WITH**

**SHRIRAM PISTONS & RINGS LIMITED** having its registered office at 3<sup>rd</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

**... TRANSFEREE COMPANY/ APPLICANT COMPANY NO. 2**

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

1. Pursuant to Order dated 03.10.2018 passed by the Hon'ble National Company Law Tribunal, New Delhi, Principal Bench of the Hon'ble National Company Law Tribunal ('NCLT'/ 'Tribunal') at New Delhi in Company Application No. CA (CAA) 148/PB/2018, filed jointly by Shriram Automotive Products Limited (hereinafter referred as Transferor Company) and Shriram Pistons & Rings Limited (hereinafter referred as Transferee Company), a meeting of the Unsecured Creditors of Shriram Pistons & rings Limited, is being convened and held at PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi, 110016., India on Wednesday, the 21<sup>st</sup> day of November 2018 at 02.00 p.m. (1400 hours), for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation between Shriram Automotive Products Limited ("Transferor Company") and Shriram Pistons & Rings Limited ("Transferee Company") and their respective shareholders and Creditors ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 (the "Act") (including any statutory modification or re-enactment or amendment thereof) read with the rules issued thereunder. The Transferor Company and the Transferee Company are together referred to as the "Companies". Unsecured Creditors would be entitled to vote in the said meeting either in person or through proxy. A copy of the Scheme setting out details of parties involved in the proposed Scheme, appointed date, effective date, share exchange ratio etc. is attached herewith and forms a part of this Notice as well as the Explanatory Statement.
2. In terms of the said Order, NCLT has appointed Mr. Rakesh Khanna, Advocate as Chairman and Ms. Prachi Johri, Advocate as Alternate Chairperson of the said meeting of Unsecured Creditors of the Transferee Company.
3. A copy of the Scheme setting out in detail the terms and conditions, providing for the proposed Scheme of Amalgamation between Transferor Company and Transferee Company and their respective shareholders, which has been approved by the Board of Directors of the Transferee Company at its meeting held on 22.05.2018 is attached to this Notice and forms part of this explanatory statement.

## BACKGROUND OF THE COMPANIES

### Particulars of Shriram Pistons and Rings Limited (Transferee Company)

4. Shriram Pistons & Rings Limited (herein after referred to as 'SPRL' or 'Transferee Company') was incorporated on 9<sup>th</sup> day of December 1963 under Registration No. 4084 in accordance with the provisions of the Companies Act, 1956 under the name and style of Shama Pistons & Rings Limited and Certificate of Incorporation was obtained from Registrar of Companies, NCT of Delhi and Haryana. The certificate for commencement of business was received vide certificate dated 26.08.1964. On 19.10.1972, the name of the Transferee Company was changed to Shriram Pistons & Rings Ltd. and is continuing its existence under the said name having CIN L29112DL1963PLC004084. The Permanent Account Number of the Transferee Company is AAACS0229G. At present, the registered office of the Transferee Company, is situated at 3<sup>rd</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001. Email id of the Transferee Company is compliance.officer@shrirampistons.com.
  
5. The Transferee Company is widely held listed Company having its equity shares listed on National Stock Exchange of India Limited. The objects for which SPRL has been incorporated are set out in its Memorandum of Association. Some of the main objects of the Transferee Company as set out in its Memorandum of Association are as follows:
  - I. *"To carry on the business of designing, manufacturing, developing, improving, hiring, buying, selling and dealing in Pistons, Piston Rings, Piston Pins and all types of Pins, Piston Assemblies, Cylinder Liners, Valve Guides, thin and thick Wall Engine Bearings, Valves and Valve Tappets, Cylinder Blocks, Cylinder Heads, Gaskets, Hydro Dynamic Oil Seals, Dies, Cams, Jigs, Toolings, Fixtures, Flywheel, Rings Gears, Gears Shifter Forks, Yorks, Connecting Rod, Transmission Gears, Pivot Arm, Torque Link, Bell, Arm Knuckle, Steering Knuckle, Gear Pinion, Case Components, Bearing Plates, Gears of all types including in particular Spiral Bevel, Crown Wheel and Pinion and Spites Kit Assembly, Straight Bevel, Spur and helical and work gears, gears box, winches speed drivers, reduction gear boxes, power take offs, and all other components for all types of vehicles and engines including internal combustion engines operated by any type of fuel and/or gases including steam, compressors, pumps and any other machine whatsoever and also to carry on the business of engineers, whether general, consulting, mechanical, electrical and structural, marine or otherwise, general contractors, importers and exporters and dealers in plant and machinery articles, property and things of all kinds including ores, metals and hardware.*
  
  - II. *To carry on the business or business of manufacturers, importers and exporters of and dealers in ferrous and non-ferrous casting of all kinds and, in particular chilled and malleable castings, special alloy castings, steel castings, gun metal, copper, brass and aluminium and all types of casting by any Process and foundry work of all kinds.*
  
  - III. *To carry on the business of manufacturers and dealers in all type of castings, cylinders heads for internal combustion engines, rods and electrodes for welding and brazing, storage and chemical handling equipment, gasoline and oil tanks, screw machine parts and free machining stock, power shovel bails, aircraft fitting and structure and control parts, airplanes propellers, radial engine crank cases, aircraft fuel and oil liners, fuel tanks, miscellaneous naval marine and transportation applications, petroleum refining equipment, aircraft landing mats, cable sheathing, pontoon boats and canoes, valve bodies etc. and all types of thermal insulators.*
  
  - IV. *To carry on the business of manufacturers, dealers, importers and exporters and designers of all types of pressure casting extruded and spun equipment articles, parts etc., all types of parts for machines, automobile and all type of industries, beer barrels, furniture, ornamental grills for decorative purposes, miscellaneous thin and intricate castings, castings required for pressure tightness, washing machines, agitators, bushings and bearings, tapet guide clusters, pulleys, sheaves, flywheel and gear axle, housing compressor, connecting rods, bus and aircraft wheels, fuel pump bodies, typewriter frames and parts, piano plates, water jackets, liquid, aircooled cylinder heads and blocks and all types of goods which can be manufactured by any and all types of casting by various processes."*
  
6. Object Clause No. 31 of Memorandum of Association permits Transferee Company;
 

*"to acquire and undertake all or any part of the business, property and liabilities of any person or Company carrying on any business which this Company is authorised to carry on or to take possession of property suitable for the purpose of the Company or to amalgamate with any other Company."*



7. The Capital Structure of Transferee Company as on and immediately before the implementation of the Scheme are as under:

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b> 5,00,00,000 Equity Shares of Rs. 10/- each and 30,00,000 Preference Shares of Rs. 100 each.	80,00,00,000/-
<b>Issued, Subscribed and Paid-Up Share Capital</b> 2,23,74,912 Equity Shares of Rs. 10 /- each and NIL Preference Shares	22,37,49,120/-

8. The Post-Arrangement (expected) capital structure of Transferee Company will be as follows (assuming the continuing capital structure):

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b> 5,25,00,000 Equity Shares of Rs. 10/- each and 30,00,000 Preference Shares of Rs. 100 each.	82,50,00,000/-
<b>Issued, Subscribed and Paid-Up Share Capital</b> 2,23,74,912 Equity Shares of Rs. 10 /- each and 28,85,760 Preference Shares of Rs. 100/- each	22,37,49,120/- 28,85,76,000/-

9. There is no change in the Capital Structure of the Transferee Company since the Appointed Date.
10. During the last five years, there has been no change in the name, registered office and main objects (which are summarized above) of the Transferee Company.
11. The Pre & Post arrangement (Expected) shareholding pattern of Transferee Company is as per the table below:

**Transferee Company – Pre Arrangement as on 03<sup>rd</sup> August, 2018**

SI. No.	Category of Shareholders	No. of Equity Shares	Percentage (%) to Equity
(A)	<b>Promoter &amp; Promoter Group</b>		
(1)	<b>Indian</b>		
(a)	Individuals/Hindu Undivided Family	78,71,674	35.18
(b)	Body Corporate	27,75,857	12.41
	<b>Sub Total (A)(1)</b>	<b>1,06,47,531</b>	<b>47.59</b>
(2)	<b>FOREIGN</b>		
(a)	Body Corporate	-	-
	<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>1,06,47,531</b>	<b>47.59</b>
(B)	<b>Public Shareholding</b>		
(1)	<b>Institutions</b>		
(a)	Insurance Companies	23,18,758	10.36
	<b>Sub Total (B)(1)</b>	<b>23,18,758</b>	<b>10.36</b>
(2)	Central Government/ State Government(s)/ President of India	-	-
	<b>Sub Total (B)(2)</b>	<b>-</b>	<b>-</b>

Sl. No.	Category of Shareholders	No. of Equity Shares	Percentage (%) to Equity
(3)	Non Institutions		
(a)	i. Individual shareholders holding nominal share capital upto Rs. 2 lakhs.	1,77,441	0.79
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	54,986	0.25
(b)	Any Others	-	-
	Bodies Corporate	91,76,196	41.01
	<b>Sub Total (B)(3)</b>	<b>94,08,623</b>	<b>42.05</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>1,17,27,381</b>	<b>52.41</b>
	<b>Grand Total (A+B)</b>	<b>2,23,74,912</b>	<b>100.00</b>

12. Statement showing shareholding of persons belonging to the category "Promoter and Promoter Group"-

Sl. No.	Promoter & Promoter Group	No. of Equity Shares	Percentage (%) to Equity
1	Smt. Meenakshi Dass & Shri Luv D. Shriram*	33,35,668	14.91
2	Shri Luv D. Shriram & Smt. Meenakshi Dass#	33,35,668	14.91
3	Smt. Meenakshi Dass	11,99,395	5.36
4	Ms. Nandishi Shriram	943	0.004
5	Sarva Commercial Pvt. Ltd.	10,62,561	4.75
6	Sera Com Pvt. Ltd	9,46,040	4.23
7	Manisha Commercial Pvt. Ltd.	6,64,936	2.97
8	Shabnam Commercial Pvt. Ltd.	1,02,320	0.46
	<b>Total</b>	<b>1,06,47,531</b>	<b>47.59</b>
<b>Notes:</b>			
- * Smt. Meenakshi Dass & Shri Luv D. Shriram hold 33,35,668 Nos. shares on behalf of Deepak Shriram Family Benefit Trust.			
- # Shri Luv D. Shriram & Smt. Meenakshi Dass hold 33,35,668 Nos. shares on behalf of Deepak Shriram Family Benefit Trust.			

**Transferee Company – Post Arrangement (Expected)**

There will be no change in Equity Shareholding Pattern of the Transferee Company, Post-Merger, as merger consideration is being discharged partly by issuance of fully paid up Non-participating, Redeemable, Non-Convertible, Cumulative Preference Shares and balance by payment of cash consideration to the equity shareholders of the Transferor Company.

13. The list of Directors and KMP of the Transferee Company and their individual shareholding in the Transferee Company as on 03<sup>rd</sup> August, 2018 is as per the table below:

S.No	Name and Address of Director & KMP	Designation	DIN	Nos. Equity Share	% of Equity Shares
1	Shri Pradeep Dinodia A-9A, Maharani Bagh, New Delhi - 110065	Non-Executive Chairman	00027995	-	-
2	Shri Hari S. Bhartia 2, Amrita Shergill Marg, New Delhi - 110003	Non-Executive Director	00010499	-	-
3	Smt. Meenakshi Dass 27, Aurangzeb Road, New Delhi -110011	Non-Executive Director	00524865	45,35,063*	20.27*
4	Shri Ravinder Narain 55, Sunder Nagar, New Delhi -110003	Independent Director	00059197	-	-
5	Shri C.Y.Pal 11B Vaibhav Apartments, 80 Bhulabhai Desai Road, Mumbai 400026	Independent Director	00106536	-	-
6	Dr. Peter Neu Am Zuckerberg 40, Ludwigburg, Germany-71640	Non-Executive Director	00324469	-	-
7	Shri M. Sekimoto 4-3-2-406, Inagi City, Tokyo, Japan - 2060803	Non-Executive Director	00452082	-	-
8	Shri Inderdeep Singh 20-A, Aurangzeb Road, New Delhi - 110011	Independent Director	00173538	-	-
9	Shri Kiyoto Tone 2-1-40 Ishibotoke- Cho, Showa-Ku Nagoya-Shi, Aichi Japan	Independent Director	08154738	-	-
10	Shri A. K. Taneja C - 6 / 9, Safdarjung Development Area, New Delhi -110016	Managing Director	00124814	48	0.0002
11	Shri R. Srinivasan C-512, Sushant Lok 1, Gurgaon Haryana - 122002	Joint Managing Director	00124760	3,236	0.014
12	Shri Luv D. Shriram 26, Sardar Patel Road, New Delhi -110021	Whole-Time Director	00051065	33,35,668*	14.91*
13	Shri Noritada Okano Cosumo Kamagaya II 605, 633 Awano Kamagaya Shi, Chiba Ken, Japan -2730132	Alternate Director to Shri M. Sekimoto	02005759	-	-

S.No	Name and Address of Director & KMP	Designation	DIN	Nos. Equity Share	% of Equity Shares
14	Shri Naveen Agarwal 10/14, Jai Dev Park, East Punjabi Bagh, New Delhi-110026	Alternate Company Secretary	-	4	0.00002
15	Shri Vinod Raheja BE 181, Janakpuri, New Delhi-110058	Chief Financial Officer	-	-	-

**\* Notes:**

- i) Shareholding of Smt. Meenakshi Dass of 45,35,063 (20.27% of total paid-up share capital of the Company) Nos. shares is as under:
- Smt. Meenakshi Dass (First named shareholder) & Shri Luv D. Shriram (Second named shareholder) hold 33,35,668 Nos. shares (14.91% of total paid-up share capital of the Company) on behalf of Deepak Shriram Family Benefit Trust.
  - In addition to above, as on 3.08.2018, Smt. Meenakshi Dass also holds 11,99,395 Nos. shares (5.36% of total paid-up share capital of the Company) in her name.
- ii) Shri Luv D. Shriram (First named shareholder) & Smt. Meenakshi Dass (Second named shareholder) hold 33,35,668 Nos. shares (14.91% of total paid-up share capital of the Company) on behalf of Deepak Shriram Family Benefit Trust.

**Particulars of Shriram Automotive Products Limited (Transferor Company)**

14. **Shriram Automotive Products Limited (herein after referred to as 'SAPL' or 'Transferor Company')** was incorporated on 2<sup>nd</sup> September 1982, under the Companies Act, 1956 with the Registrar of Companies, Delhi and Haryana under the name and style of 'Canind Sales Pvt. Ltd.' having Registration No. 14285. On 28.10.1991, the name of the Company was changed to Shriram Automotive Products Pvt. Ltd. and with effect from 01.07.1997, it became a public limited company under the name "Shriram Automotive Products Ltd." and is continuing its existence under the said name having CIN U34300DL1982PLC014285.
15. At present, the registered office of the Transferor Company is situated at 4<sup>th</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001. Email id of the Transferor Company is [sapl@shriramautomotive.in](mailto:sapl@shriramautomotive.in). Further, the Permanent Account Number of Transferor Company is AAACS5118E.
16. The objects for which Transferor Company has been incorporated are set out in its Memorandum of Association. Some of the main objects of the Transferor Company as set out in its Memorandum of Association are as follows:
- I. *"To establish and carry on business as dealers in and to act as merchants, traders, commission agents, buying agents, selling agents, contractors, importers, exporters of all type of engineering goods, electrical appliances and goods, electrical motors, fans, sewing machines, knitting and embroidery machines, cooking ranges, refrigerators, sealed compressors, electrical devices, yarn, linen, cloth and ancillary goods and fabrics and readymade clothes made from cotton, jute, silk, help, wool hair, rayon goods, heavy and other chemicals intermediates, paper and paper products, minerals and salts, alcohol and alcoholic beverages, soap and soap preparations, confectionaries, sugar and sugar products, vegetables ghee, refined oils and vegetable products, food and all kinds beverages, shoes, leather goods, cars, automobile and trucks, auto tools and equipments, accessories, engines, pumps, agricultural produce and implements, ceramic goods, crockery, glass wares, vacuum flasks and cosmetics and toilet goods, things of art and beauty raw materials of or for marketing any of the above commodities or to undertake transport of and general trade in such goods and commodities in India or anywhere else in the world and particularly non-traditional commodities, goods and articles to non-traditional destinations.*
  - II. *To deal, develop and invest in real estate namely land, buildings, flats, farm houses.*

III. To carry on the business of hiring, buying, selling, and dealing in pistons, piston rings, pins and all types of pins, piston assemblies, cylinder liners and valve guides for any and all types of engines including internal combustion engines, operated by any type of fuel and/or gases including steam compressors, pumps and any other machines, whatsoever and also to carry on the business of engineers, whether general, consulting, mechanical, electrical and structural, marine or otherwise, general contractors, importers and exporters and dealers in plant and machinery articles, property and things of all kinds including ores, metals and hardware.”

17. Object Clause No. 5 of Memorandum of Association permits Transferee Company:

“amalgamate with any other Company having objects altogether or in part similar to those of this company.”

18. The Capital Structure of Transferor Company as on and immediately before the implementation of the Scheme is as under:

Particulars	Amount (Rs.)
<b>Authorized Share Capital</b> 2,50,000 Equity Shares of Rs 100 /- each	2,50,00,000/-
<b>Issued, Subscribed and Paid-Up Share Capital</b> 1,20,240 Equity Shares of Rs 100 /- each	1,20,24,000/-

There is no change in the Capital Structure of the Transferor Company since the Appointed Date.

19. During the last five years, there has been no change in the name, and main objects (which are summarized above) of the Transferor Company.
20. Post – Arrangement (Expected) Capital Structure of the Transferor Company - Since the Transferor Company is being merged with the Transferee Company and by virtue of the amalgamation, the Transferor Company shall stand dissolved without the process of winding up.
21. The pre arrangement shareholding list of Transferor Company as on 31<sup>st</sup> July, 2018 is as per the table below:

S. No.	Name & Address of Promoter Shareholders	Total Number of Equity Shares	% of total number of shares
1.	NAK Benefit Trust 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021	96,187	79.996
2.	Shri Kush D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021	1	0.001
3.	Shri Arjun D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021	1	0.001
4.	Ms. Meenakshi Dass 27 Aurangzeb Road, New Delhi - 110010	1	0.001
5.	Ms. Nandishi Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021	1	0.001
6.	Shri Luv D. Shriram 26 Sardar Patel Marg, Chanakya Puri, New Delhi -110021	1	0.001
7.	Mrs. Anita Taneja C - 6/9, Safdarjung Development Area, New Delhi -110016	13,234	11.006
8.	Ms. Anjali Taneja 211, Golf Links, New Delhi -110003	10,814	8.994
	<b>Total</b>	<b>1,20,240</b>	<b>100</b>

22. Subsequent to July 31, 2018 and till the date of this notice, there has been no change in the shareholding.
23. The list of Directors and KMP of the Transferor Company and their individual shareholding in respective Companies as on is as per the table below:

**Transferor Company**

S.No	Name and Address of Director & KMP	Designation	DIN	Nos. Equity Share	% of Equity Shares
1	Shri A. K. Taneja C-6/9, Sarfdarjung Development Area, New Delhi - 110016	Non-Executive Chairman	00124814	-	-
2	Shri Ramesh Ajit Vaswani M-155, 1 <sup>st</sup> Floor, Greater Kailash 2, New Delhi - 110048	Independent Director	00449428	-	-
3	Shri Narinder Pal Singh 78, Dream Vally, Beside O.U. Colony, Sheikhpeta, Golconda, Hyderabad - 500008	Independent Director	00023160	-	-
4	Shri Luv. D. Shriram 26, Sardar Patel Road, New Delhi -110021	Non-Executive Director	00051065	1	0.001
5	Shri Kush D. Shriram 26, Sardar Patel Road, New Delhi -110021	Whole-Time Director	00050036	1	0.001

**BOARD MEETING OF TRANSFEROR COMPANY AND TRANSFEREE COMPANY FOR APPROVAL OF SCHEME**

24. The Scheme has been unanimously approved by the Board of Directors of Transferee Company vide resolution passed in the meeting held on 22.05.2018.
25. The Scheme has been unanimously approved by the Board of Directors of Transferor vide resolution passed in the meeting held on 21.05.2018.

**26. RATIONALE OF THE SCHEME**

Both the companies are in similar line of business and consolidation is expected to bring strengths that each company may not necessarily possess individually. In order to optimally utilize the available resources and to achieve synergies in the combined business entity, the Board of Directors of the Transferor Company and the Transferee Company decided to merge and amalgamate the Transferor Company into the Transferee Company. The merger and amalgamation will result in better, efficient and economical management, help in increasing sales in both Domestic & Exports After Market, achieve cost savings, pooling of resources, reduction in administrative and operational expenses and greater control.

**27. The salient features and effects of the Scheme are:**

For the sake of convenience, the Scheme has been divided into the following parts:

**Part I** - This part of Scheme contains general provisions applicable as used in this Scheme including Preamble, Rationale, Definitions & Interpretation.

**Part II** - Share Capital

**Part III - Transfer and vesting of SAPL into SPRL**

**Part IV - This part of Scheme contains other conditions applicable to the Scheme.**

The Scheme inter alia provides for:

- i) Amalgamation of SAPL with SPRL;
- ii) The appointed date as specified in the scheme is 01.04.2018, subject to the directions of this Tribunal;
- iii) Transfer of the authorized share capital of SAPL to SPRL and consequential increase in the authorized share capital of SPRL;
- iv) Issue and allotment of fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Share of SPRL and payment of Cash Consideration by SPRL in accordance with Part III of the Scheme;
- v) Dissolution of SAPL without winding up;
- vi) Cancellation of the equity shares issued by SAPL to its member pursuant to Part II of the Scheme;
- vii) Alteration of Clause V of the Memorandum of Association of SPRL
- viii) Various other matters consequential or incidental to or otherwise integrally connected with the above.

The aforesaid are only some of the salient extracts of the proposed Scheme of Amalgamation between the Applicant Companies. Copy of Scheme of Amalgamation is enclosed as Annexure 1. Certain clauses of the Scheme are extracted below:

**4. TRANSFER & VESTING OF UNDERTAKING**

- 4.1 *With effect from the Appointed Date, the whole of the Merged Undertaking, comprising inter-alia all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in SPRL as a going concern so as to become as and from the Appointed Date the assets and liabilities of SPRL and to vest in SPRL all the rights, title, interest or obligations of SAPL therein.*
- 4.2 *All assets acquired by SAPL after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in SPRL upon the coming into effect of the Scheme. Where any of the assets of SAPL as on the Appointed Date deemed to be transferred to SPRL have been sold or transferred by SAPL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of SPRL. As regards transfer of specified movable assets, Clauses 4.3 and 4.4 below provide for the physical mode of effecting transfer.*
- 4.3 *In respect of such of the assets of the Merged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by SAPL and shall become the property of SPRL as an integral part of the Merged Undertaking transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such transfer may not be liable to stamp duty in accordance with law. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of SPRL and the Board of Directors of SAPL.*
- 4.4 *With effect from the Appointed Date and upon the Scheme becoming effective, the land with the buildings standing thereon, commercial spaces, as given in **Schedule – II**, held by Transferor Company, and any documents of title or rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been transferred to and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. Upon the Scheme becoming effective, the title to such immovable properties shall be mutated and transferred by appropriate authorities, in accordance with terms hereof, in favour of the Transferee Company.*
- 4.5 *All debts, advance tax, loans and advances recoverable in cash or in kind or for value to be received, deposits, outstanding and receivables of Merged Undertaking/ SAPL other than the movable assets specified in Clause 4.3 shall on and from the Appointed Date stand transferred to and vested in SPRL without any further actions or deed (although SPRL may, if it deems appropriate, give notice to the third*

party that the debts, outstanding and receivables do stand transferred to and vested in SPRL), and the debtors shall be obliged to make payments to SPRL on and after the Effective Date.

- 4.6 With effect from the Appointed Date, all debts payable, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Merged Undertaking/ SAPL shall also, under the provisions of Sections 230 to 232 of the Companies Act 2013, without any further act or deed, be transferred to or be deemed to be transferred to SPRL so as to become as and from the Appointed Date the debts payable, liabilities, contingent liabilities, duties and obligations of SPRL.
- 4.7 Where any of the liabilities and obligations, if any, of the Merged Undertaking/ Transferor Company, as on the Appointed Date, transferred to the Transferee Company has been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 4.8 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations, if any, incurred or undertaken by the Merged Undertaking/ 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 the coming into effect of this Scheme, pursuant to the provisions of section 232 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.
- 4.9 The transfer and vesting of the Merged Undertaking as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of SAPL.

Provided however that any reference in any security documents or arrangements (to which SAPL is a party) to the assets of SAPL offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Merged Undertaking of SAPL as are vested in SPRL by virtue of this Scheme, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of SAPL or any of the assets of SPRL.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by SAPL which shall vest in SPRL by virtue of merger of SAPL into SPRL and SPRL shall not be obliged to create any further or additional security after the Scheme has become operative.

## 5. CONSIDERATION AND RE-ORGANISATION OF SHARE CAPITAL

Upon Scheme becoming effective and without any further application, act, instrument or deed, the Transferee Company, in consideration of the transfer and vesting of the Merged Undertaking (with all its assets, liabilities, rights and obligations) of the Transferor Company in the Transferee Company, the Transferee Company shall issue and allot on the proportionate basis to all the members of the Transferor Company whose name is entered in the register of members of the Transferor Company as on the Record Date ("Members") or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Transferor Company, not later than 30 Days from the date of scheme of merger and amalgamation becoming effective, a total of 28,85,760 (Twenty Eight Lac Eighty Five Thousand Seven Hundred Sixty), 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each redeemable at par on expiry of 5 years from the date of Allotment, aggregating to Rs. 28,85,76,000/- (Twenty Eight Crore Eighty Five Lac Seventy Six Thousand Only) and a cash consideration of Rs. 11,18,23,200/- (Rupees Eleven Crore Eighteen Lac Twenty Three Thousand Two Hundred Only). The Transferee Company shall have option to redeem at par these preference shares on expiry of 6 months from the date of allotment or 30.06.2019, whichever is later. The preference shares shall be allotted and the cash consideration shall be paid to the equity shareholders of the Transferor Company in the proportion of equity shares held by them in the Transferor Company, in the following exchange ratio:

- 24 Nos. (Twenty Four) of 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100 each, of the Transferee Company for every 1 (one) equity share of the Transferor Company.

And



*Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty Only) for every 1 (one) equity share of the Transferor Company to the equity shareholders of Transferor Company, not later than 30 Days from the date of scheme of merger and amalgamation and merger becoming effective.*

*The allotment of New Preference Shares shall be governed by the following:*

- i) The New Preference Shares to be issued in terms hereof shall be subject to the Memorandum and Articles of Association of the Transferee Company.*
- ii) The preference shareholders will not be entitled to any rights and privileges available to equity shareholders, other than those available to them under statutory laws.*
- iii) No dividend shall accrue on the preference shares till the date of allotment of such shares.*
- iv) The New Preference Shares to be issued in physical form.*

## **6. ACCOUNTING TREATMENT**

*6.1 The Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of account in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 in the following manner:*

- a) All the assets including identifiable intangible assets such as Trademarks, Trade Name, Dealer Network/Customer Contracts and other business and commercial rights etc. and all the liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded in the books of account of the Transferee Company at fair values and adopted by the Board of Directors of the Transferee Company.*
- b) Any Excess of the amount of consideration [as per clause 5] over the fair value of net assets of the Transferor acquired by the Transferee Company [as per clause 6(a)] shall be treated as goodwill in accordance with the applicable Indian Accounting Standards. If the amount of consideration [as per clause 5], is lower than the fair value of net assets acquired [as per clause 6(a)], the difference shall be treated as Capital Reserve.*
- c) The inter-company balances, loans and/or investments, if any, appearing in the books of account of the Transferee Company and Transferor Company will stand cancelled and nullified.*

*6.2(a) Transactions in the nature of sale or transfer of goods between the Appointed date and Effective Date would continue in the normal course.*

*6.2(b) It is hereby clarified that, all transactions during the period between the Appointed Date and Effective Date relating to the Merged Undertaking would be duly reflected in the financial statements of SPRL, upon the coming into effect of this Scheme.*

*6.3 Notwithstanding anything contained in this Clause 6, the Board of Directors of SPRL is authorized to account for any of these transaction/ balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 or any other applicable provisions of the Act.*

## **13. STAFF, WORKMEN AND EMPLOYEES**

*13.1 On the coming into effect of the Scheme, all staff and employees of SAPL in service on such date shall be deemed to have become staff and employees of SPRL in accordance with the prevailing policies of SPRL without any break in their service and on the basis of continuity of service and the terms and conditions*

of their employment with SPRL in terms of overall monetary benefits shall not be less favourable than those applicable to them with reference to SAPL on the Effective Date.

- 13.2 Upon the Scheme coming into effect, all staff welfare schemes including the existing Provident Fund, Gratuity Fund and/ or schemes and trusts, including employee's welfare trust, created by SAPL for its employees shall be transferred to SPRL. SAPL shall make such arrangements or enter into such agreements for the continuance or transfer, where applicable, of the Provident Fund, Gratuity Fund and/ or schemes and trusts, including employee's welfare trust, pursuant to the Scheme, to SPRL. All obligations of SAPL with regard to the said Fund or Funds as defined in the respective trust deed and rules shall be taken over by SPRL from the Effective Date to the end and intent that all rights, duties, powers and obligations of SAPL in relation to such Fund or Funds shall become those of SPRL and all the rights, duties and benefits of the employees employed in SAPL under such Funds and Trusts shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of SAPL will be treated as having been continuous for the purpose of the said Fund or Funds.
- 13.3 Upon the coming into effect of this Scheme, the Directors of the Transferor Company, will not be entitled to any representation on the Board of Directors in the Transferee Company by the virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any person who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director.
- 14. TREATMENT OF TAXES**
- 14.1 The Tax Deducted at Source (TDS)/advance tax including MAT credit entitlement, provision for income 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 (including MAT credit) shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS/advance tax/ MAT are in the name of the Transferor Company and not in the name of the Transferee Company. The income tax, if any, paid 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, 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 becoming effective; notwithstanding that the time prescribed for such revision may have elapsed.
- 14.2 The wealth tax, if any, paid by the Transferor Company in respect of its assets under the Wealth Tax Act, 1957, on or after the Appointed Date shall be deemed to have been paid by the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to file the wealth tax return for the relevant valuation date notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Transferee Company shall, after the Scheme becomes effective, be entitled to revise the wealth tax returns, if any, filed by the Transferor Company for any year if so necessitated or consequent to this Scheme becoming effective; notwithstanding that the time prescribed for such revision may have elapsed.
- 14.3 Similarly, any other taxes including but not limited to excise duty, CENVAT, Cess, GST, input credit tax, value added tax, sales tax etc. 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 becoming effective, notwithstanding that the time prescribed for such revision may have elapsed.
- 14.4 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), Service Tax 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.*

**15. SAVING OF CONCLUDED TRANSACTIONS**

15.1 *The transfer of Merged Undertaking (including assets, liabilities, rights and obligations) under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 12 herein above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of Transferee Company.*

15.2 *Since each of the permissions, approvals, registrations, consents, sanctions, remissions, special reservations, right of way, insurance policy, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the Hon'ble Tribunal to the Transferee Company, the Transferee Company may file the relevant intimations, for the record of the statutory authorities or any relevant authority or person who shall take them on file, pursuant to the vesting order of the Tribunal.*

28. The accounting treatment as proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. The certificate issued by the Statutory Auditors of the Transferee Company are open for inspection.

29. Under the Scheme, an arrangement is sought to be entered into between Transferor Company and its equity shareholders as the Undertaking of the Transferor Company shall stand transferred to and vested in the Transferee Company.

In respect of the Scheme, an arrangement is sought to be entered into between the Transferor Company and its creditors though no liabilities of the creditors of the Transferor Company is being reduced or being extinguished under the Scheme.

Under Part III of the Scheme, no rights of the Employees of Transferor Company are being affected. The services of the Employees of the Transferor Company, under Part III of the Scheme, shall continue on the same terms and conditions on which they were engaged by the Transferor Company. Under Clause 13 of Part III of the Scheme, on and from the Effective Date all persons that were employed by the Transferor Company immediately before such date shall become employee of Transferee Company with the benefit of continuity of service on terms and conditions which are not less favourable than those applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service.

30. There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferor Company except to the extent of the equity shares held by them in the Transferor Company / Transferee Company.

31. Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/ or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. The Scheme will not affect any person who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director.

32. Under the Scheme, no arrangement is sought to be entered into between the Transferee Company and its equity shareholders. No rights of the equity shareholders of the Transferee Company are being affected pursuant to the transfer and vesting of undertaking of Transferor Company.

33. Further, no arrangement is sought to be entered into between the Transferee Company and its creditors. No liabilities of the creditors of the Transferee Company is being reduced or being extinguished under the Scheme.
34. The rights of the employees of the Transferee Company are in no way affected by the Scheme. The employees engaged by the Transferee Company shall continue to be employed by the Transferee Company.
35. There is no effect of the Scheme on the key managerial personnel and/or the directors of the Transferee Company.
36. Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferee Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent of their shareholding as nominees in the Transferee Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company and/or the Transferee Company and/or to the extent that the said Director(s), Key Managerial Personnel and their respective relatives are the directors, members of the companies that hold shares in the Transferor Company. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme.
37. That no investigation proceedings are pending or instituted under Sections 235 to 251 of the Companies Act, 1956 and/or under Sections 206 to 229 of the Companies Act, 2013 against the Transferor and Transferee Companies.
38. Further the Scheme of Amalgamation is not otherwise opposed to public policy or interest of the stakeholders of the respective Applicant Companies.
39. The Audited Financial Statements for the period ending on 31<sup>st</sup> March, 2018 and provisional Financial Statements for the period ending on 31<sup>st</sup> July, 2018 of the Transferor Company and Transferee Company are enclosed as **Annexure 3 and Annexure 4** respectively.
40. As per the books of accounts as on 31<sup>st</sup> July, 2018 of Transferor Company and Transferee Company, the amount due to the unsecured creditors are Rs. 25,56,61,489/- and Rs. 201,99,40,583/- respectively.
41. As per the books of accounts as on 31<sup>st</sup> July, 2018 of Transferor Company and Transferee Company, the amount due to the secured creditors are Rs. NIL and Rs. 63,61,46,795/- respectively.
42. Statement disclosing details of Arrangement and Amalgamation as per Sub-Section 3 of Section 230 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

No.	Particulars	Shriram Pistons & Rings Limited	Shriram Automotive Products Limited
(i)		<b>Transferee Company</b> <i>Details of the order of the NCLT directing the calling, convening and conducting of the meeting :-</i>	<b>Transferor Company</b>
	<i>Details of the order of the NCLT directing the calling, convening and conducting of the meeting :-</i>		
a.	Date of the Order	03.10.2018	03.10.2018
b.	Date, time and venue of the meeting	<b>Meeting of Shareholders</b> Date – 21.11.2018 Time – 11:00 a.m. <b>Meeting of Unsecured Creditors</b> Date – 21.11.2018 Time – 02:00 p.m.  Venue for both Shareholders and Unsecured Creditors' Meeting – PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi,	<b>Meeting of Shareholders,</b> <b>Meeting of Secured Creditors,</b> <b>Meeting of Unsecured Creditors</b> Dispensed by Hon'ble NCLT

		Delhi 110016 Meeting of Secured Creditors Dispensed by Hon'ble NCLT	
(ii)	Details of the Companies including		
a.	Corporation Identification Number (CIN)	L29112DL1963PLC004084	U34300DL1982PLC014285
b.	Permanent Account Number (PAN)	AAACS0229G	AAACS5118E
c.	Name of Company	Shriram Pistons & Rings Limited	Shriram Automotive Products Limited
d.	Date of Incorporation	09.12.1963	02.09.1982
e.	Type of Company	Listed Public Company.	Unlisted Public Company
f.	Registered Office address	3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001	4 <sup>th</sup> Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001
	E-mail address	compliance.officer@shrirampistons.com	sapl@shriramautomotive.in
g.	Summary of main object as per the memorandum of association; and main business carried on by the Company	As per Para 5 of the Explanatory Statement.	As per Para 16 of the Explanatory Statement.
h.	Details of change of name, Registered Office and objects of the Company during the last five years	Not Applicable	Not Applicable
i.	Name of stock exchange(s) where securities of the company are listed, if applicable	National Stock Exchange of India Limited	Unlisted
j.	Details of capital structure – Authorized, Issued, subscribed and paid-up share capital	As per Para 7 of the Explanatory Statement and Clause 3 of Part (II) of the Scheme.	As per Para 18 of the Explanatory Statement and Clause 3 of Part (II) of the Scheme.
k.	Names of the promoters and directors along with their addresses	As per Para 12 and 13 of the Explanatory Statement	As per Para 21 and 23 of the Explanatory Statement

(ii)	If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or associate companies		-Some of the Shareholders of the Transferor Company, directly or through their relatives, are Shareholders of the Transferee Company.  -Some of the Directors of the Transferor Company are Directors of the Transferee Company.
(iv)	The date of board meeting at which the scheme was approved by the board of directors including the name of directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution	The resolution was passed unanimously by all the Directors who attended the Board Meeting held on 22.05.2018. Shri A.K. Taneja, Shri Luv D. Shriram and Smt. Meenakshi Dass, Directors, being interested in the resolution, did not take part in the deliberations.	The resolution was passed unanimously by all the Directors who attended the Board Meeting held on 21.05.2018. Shri A.K. Taneja, Shri Luv D. Shriram and Shri Kush D. Shriram, Directors, being interested in the resolution, did not take part in the deliberations.
(v)	<i>Explanatory Statement disclosing details of the scheme of compromise or arrangement including:-</i>		
a.	Parties involved in such compromise or arrangement	Shriram Pistons & Rings Limited (Transferee Company) Shriram Automotive Products Limited (Transferor Company)	
	In case of amalgamation or merger, appointed Date		
	Appointed Date	01.04.2018	
	Effective Date	The last of the dates on which the certified or authenticated copy of the orders of the NCLT sanctioning the scheme are filed with the Registrar of Companies by the Transferor Companies and the Transferee Company.	
b.	Share Exchange Ratio and other considerations, if any.	Not Applicable being a Transferee Company	- 24 Nos. (Twenty Four) of 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100 each, of the Transferee

			Company for every 1 (one) equity share of the Transferor Company.  And  - Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty Only) for every 1 (one) equity share of the Transferor Company to the equity shareholders of Transferor Company.
c.	Copy of Valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any, and the declaration that the valuation report is available for inspection at registered office of the Company		Refer Annexure 2 for Valuation Report Annexure 5 for fairness opinion.; The same are available for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11 a.m. to 5 p.m.
d.	Details of capital or debt restructuring, if any	Not applicable	
e.	Rationale for the compromise or arrangement	Refer Clause 41 of the Scheme. Also refer Para 26 of the Explanatory Statement.	
f.	Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable)	As provided in the rationale for Amalgamation in Clause 41 of the Scheme and as stated in Para 26 of the Explanatory Statement.	
g.	Amount due to unsecured Creditors as of July 31, 2018	Rs. 201,99,40,583/-	Rs. 25,56,61,489/-
(vi)	<i>Disclosure about effect of the compromise or arrangement on</i>		
	Key Managerial personnel	No effect	Shall cease to be KMPs Scheme will not affect any person

	(KMP) (other than Directors)		who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director
	Directors	No effect	Shall cease to be directors Scheme will not affect any person who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director
	Promoters	No effect	Shall cease to be promoters
	Non-promoter members	There will be no change in Non-Promoters' Equity shareholding.	Not applicable
	Depositors	No Effect	
	Creditors	No Effect	Creditors shall become the creditors of the Transferee Company and paid off in the ordinary course of business. Inter-company creditors would get cancelled.
	Debenture holders	No Effect as none of the Companies have issued any debentures.	
	Deposit Trustee & Debenture Trustee	No Effect as none of the Companies have any Deposit or Debenture Trustees.	
	Employees of the Company	No Effect	No Effect as all employees of the Transferor Company will become the employees of the Transferee Company.
(vii)	Disclosure about effect of compromise or arrangement on material interest of Directors, Key Managerial Personnel (KMP) and debenture trustee		
	Directors	No material effect of arrangement and amalgamation	
	Key Managerial personnel	No material effect of arrangement and amalgamation	
	Debenture Trustee	Not Applicable	
(viii)	Investigation or proceedings, if any, pending against the company under the Act	None	
(ix)	details of the availability of the following documents for obtaining extract from or for making or obtaining copies of or inspection by the members and creditors, namely:		
a.	Latest Audited Financial Statements of the Company including consolidated financial statements	Available at Registered Office of the Transferee Company between 11:00 a.m. to 05:00 p.m. on all working days (Monday to Friday).  Additionally for the Transferee Company, they are also available on the website of the Company and the National Stock Exchange, where their shares are listed.	
b.	Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has	Available at Registered Office of the Transferee Company between 11:00 a.m. to 05:00 p.m. on all working days (Monday to Friday).	



	been dispensed with.		
c.	Copy of scheme of Compromise or Arrangement	Enclosed as <b>Annexure 1</b> to this Notice  Available at Registered Office of the Transferee Company between 11:00 a.m. to 5:00 p.m. on all working days (Monday to Friday). Additionally for the Transferee Company, it is also available on the website of the Company and the National Stock Exchange, where their shares are listed.	
d.	Contracts or Agreements material to the compromise or arrangement	There were no contracts or agreement material to the Scheme of Arrangement and Amalgamation.	
e.	The certificate issued by the Auditor of the Company to the effect that the accounting treatment, if any, proposed in the scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013; and	Available at Registered Office of the Transferee Company between 11:00 a.m. to 5:00 p.m. on all working days (Monday to Friday).	
f.	Such other information or documents as the Board or Management believes necessary and relevant for making decision things for or against the scheme	None	
(x)	Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed scheme of compromise or arrangement	No Objection Certificate in the form of Observation Letter received from NSE Limited on August 31, 2018	Not Applicable
		<p>Notice under Section 230(5) of the Companies Act, 2013 is being given to:</p> <ul style="list-style-type: none"> <li>· The Central Government, Registrar of Companies, Reserve Bank of India and Income Tax Authorities in respect of both Companies,</li> <li>· SEBI and concerned Stock Exchange(s) in respect of Transferee Company; and</li> <li>· Official Liquidator in respect of Transferor Company,</li> </ul> <p>Approvals, sanctions or representations, if any, are pending from these authorities.</p>	

(xi)	A statement to the effect that the persons to whom the notice is sent may vote in the meeting either in person or by proxies, or where applicable, by postal ballot	Members to whom the Notice is sent may vote in the meeting either in person or by proxies, or where applicable, by postal ballot
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43 Inspection of the following documents may be done at the Registered Office of *Shriram Pistons & Rings Limited* (Transferee Company) at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001 on all working days (Monday to Friday) between 11:00 A.M. and 5:00 P.M. and the same is displayed on Company's website <http://shrirampistons.com/investors-guide.html>

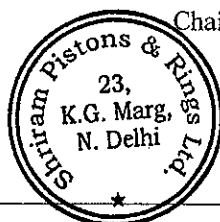
- a. Copy of the order passed by the National Company Law Tribunal, Principal Bench at New Delhi in Application made by Transferor Company and Transferee Company under Company Application No. **CA (CAA) 148 (PB) OF 2018**, inter alia, convening the meetings of the Shareholders and Unsecured Creditors of the Transferee Company ;
- b. Scheme of Arrangement for Amalgamation between Shriram Automotive Products Ltd. (Transferor Company) with Shriram Pistons & Rings Limited (Transferee Company) under section 230-232 of the Companies Act, 2013.
- c. Valuation Report issued by M/s J.C. Bhalla & Co, Chartered Accountants, an Independent Valuer.
- d. Fairness Opinion issued by Finshore Management Services Ltd. a SEBI Registered Merchant Banker.
- e. The Observation Letter issued by National Stock Exchange of India Limited to Shriram Pistons & Rings Limited.
- f. Complaints Report submitted by Shriram Pistons & Rings Ltd. with National Stock Exchange of India Limited.
- g. Copy of Board Resolution passed by the Board of Directors of Shriram Pistons & Rings Limited.
- h. Copy of Board Resolution passed by the Board of Directors of Shriram Automotive Products Limited
- i. Audited Financial Statements for the period ended on 31.03.2018 and provisional Financial Statement of Shriram Pistons & Rings Limited for the period ended 31.07.2018.
- j. Audited Financial Statements for the period ended on 31.03.2018 and provisional Financial Statement of Shriram Automotive Products Limited for the period ended 31.07.2018.

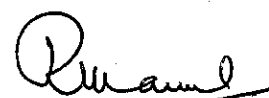
A copy of the Scheme, Explanatory Statement, proxy form and Postal Ballot Form may be obtained from the Registered Office of Shriram Pistons & Rings Limited at 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

After the Scheme is approved by the Equity Shareholders and Unsecured Creditors of the Transferee Company, it will be subject to the approval/ sanction of the Hon'ble National Company Law Tribunal, Principal Bench at New Delhi.

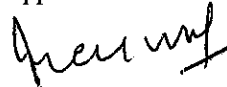
Dated: 13<sup>th</sup> day of October, 2018  
Place: New Delhi

Registered Office:  
3rd Floor, Himalaya House,  
23 Kasturba Gandhi Marg, New Delhi-110001



  
(Rakesh Khanna)  
Advocate

Chairman Appointed for the meeting



Annexure - 1**SCHEME OF AMALGAMATION****BETWEEN****SHRIRAM AUTOMOTIVE PRODUCTS LIMITED***(Transferor Company)***AND****SHRIRAM PISTONS & RINGS LIMITED***(Transferee Company)*

**UNDER SECTIONS 230 - 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS, AMALGAMATIONS) RULES, 2016**

<b>PART I - PREAMBLE, RATIONALE, DEFINITIONS &amp; INTERPRETATION</b>
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**1.1 PREAMBLE**

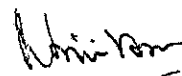
- 1.1.1 This Scheme of Amalgamation (hereinafter referred to as the "Scheme") provides for the amalgamation of **Shriram Automotive Products Limited** (hereinafter referred to as "**Transferor Company**" or "**SAPL**") with **Shriram Pistons & Rings Limited** (hereinafter referred to as "**Transferee Company**" or "**SPRL**"). The Scheme is made pursuant to the provisions of Sections 230 -232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 or any statutory modifications or re-enactment thereof.
- 1.1.2 SAPL is an unlisted public limited Company incorporated under the Companies Act, 1956 having CIN U34300DL1982PLC014285 and having its registered office at 4<sup>th</sup> Floor, Himalaya House, 23, K.G. Marg, New Delhi - 110001 and having as its main objects to carry on the business as dealers, merchants traders, commission agents, buying agents, import-export etc. of all types of engineering goods, Cylinder Liners, Valve Guides, Pistons, Piston Rings, Piston Pins etc.. The said Company was originally incorporated under the name of Canind Sales Private Ltd. on 2<sup>nd</sup> September 1982 and vide fresh Certificate of Incorporation consequent

For Shriram Automotive Products Ltd.

  
 Director

1

For SHRIRAM PISTONS &amp; RINGS LTD

  
 R. SRINIVASAN  
 Jt. Managing Director

to change of name the Company dated 11.11.1991 the name of the Company was changed to Shriram Automotive Products Ltd.

1.1.3 SPRL is a public limited company incorporated under the Companies Act, 1956 having CIN L29112DL1963PLC004084 and having its registered office at 3<sup>rd</sup> Floor, Himalaya House, 23, K.G. Marg, New Delhi -110001. It is listed on National Stock Exchange (NSE) and is presently engaged in the business of manufacturing and selling interalia Piston Assembly, Piston Rings, Piston Pins, Engine Valves etc. The Company was originally incorporated on 9<sup>th</sup> December 1963 under the name of Shama Pistons & Rings Ltd. and the name was subsequently changed vide Fresh Certificate of Incorporation consequent on change of name issued by the Assistant Registrar of Companies, Delhi and Haryana on 25.10.1972.

**1.1.4 This Scheme is divided into the following parts:**

- Part I: Preamble, Rationale, Definitions & Interpretation
- Part II: Share Capital
- Part III: Transfer and vesting of SAPL into SPRL
- Part IV: Other conditions applicable to the Scheme

**1.2 RATIONALE OF THE SCHEME**

Both the companies are in similar line of business and consolidation is expected to bring strengths that each company may not necessarily possess individually. In order to optimally utilize the available resources and to achieve synergies in the combined business entity, the Board of Directors of the Transferor Company and the Transferee Company decided to merge and amalgamate the Transferor Company into the Transferee Company. The merger and amalgamation will result in better, efficient and economical management, help in increasing sales in both Domestic & Exports After Market, achieve cost savings, pooling of resources, reduction in administrative and operational expenses and greater control. Without prejudice to the generality of the above, the proposed amalgamation is expected to achieve the following objectives in particular:

- (a) Help in increasing sales in both Domestic & Exports After Market
- (b) Economize on administrative and other expenses;
- (c) Increase the efficiency of combined business by pooling of resources and their optimum utilization, thereby availing synergies from combined resources;

For Shriram Automotive Products Ltd.

  
Director

2

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

- (d) Facilitate expansion of business offerings by the Transferee;
- (e) Improve management focus and facilitate the unified control over operations;
- (f) Leverage the operational, capital and corporate synergies and help optimal utilization of resources viz business promotion, managerial pool, etc.;
- (g) Reduce overheads, administrative, managerial and other expenditure;
- (h) Seamless availability of technical expertise and
- (i) Facilitate greater integration, provide greater financial strength, which would result in maximizing overall shareholder value and will improve the competitive position of the combined entity.

## 2. DEFINITIONS AND INTERPRETATION

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

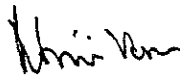
- (a) "**Act**" or "**the Act**" means the Companies Act, 1956 and/or the Companies Act, 2013 (as the context may require) or any statutory amendments thereto or re-enactment thereof for the time being in force;
- (b) "**Accounting Standards**" means accounting standards prescribed under the Companies (Accounting Standards) Rules, 2006 or the Companies Indian Accounting Standards Rules, 2015 as applicable to the Companies.
- (c) "**Appointed Date**" for the purposes of this Scheme means April 1, 2018, or such other date as the Hon'ble Tribunal may direct;
- (d) "**Board**" or "**Board of Directors**" means the Board of Directors of the Transferor Company or the Transferee Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of directors;
- (e) "**Effective Date**" shall mean the last of the dates on which the conditions referred to in Clause 18 of the Scheme have been fulfilled. References in this Scheme to the date of the "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective date;

For Shriram Automotive Products Ltd.

  
Director

3

For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN  
Jt. Managing Director

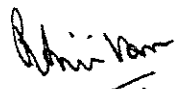
- (f) "**Merged Undertaking**" shall mean and include the whole of the businesses and undertakings of SAPL on a going concern basis, being carried on by SAPL as on the Appointed Date and shall include (without limitation):
- i) all the properties and assets whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and movable plant & machinery, broadband infrastructure providing broadband access services, offices, car, all other kinds of machinery, tools, equipment, spares, leasehold or freehold, including all computers and accessories, software and related data, leasehold improvements, capital work-in-progress, vehicles, furniture, fixtures, fittings, office equipment, telephone, facsimile and other communication facilities and equipment, electrical appliances, accessories, deferred tax assets and investments;
  - ii) all liabilities, present and future, including the contingent liabilities;
  - iii) all rights and licenses including all permits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits (including MODVAT/ CENVAT, GST or input Tax credits), incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, assets or equipment rental agreements, the benefits of bank guarantees issued by SAPL, funds belonging to or proposed to be utilised by SAPL, privileges, all other claims, rights and benefits (including under any powers of attorney issued by SAPL or any powers of attorney issued in favour of SAPL or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority to which SAPL was a party), powers and facilities of every kind, nature and description whatsoever, rights to use and

For Shriram Automotive Products

  
Director

4

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds; benefits, duties and obligations of all agreements, contracts and arrangements and all other rights and interests;

- iv) all employees on rolls of SAPL on the date immediately preceding the Effective Date;
- v) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by SAPL;
- vi) all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, designs and drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form;
- vii) all intellectual property rights including all trademarks, trademark applications, trade names, right of way permission, patents and patent applications and all other interests exclusively relating to SAPL including but not limited to those detailed in **Schedule I** hereto.

It is intended that the definition of Merged Undertaking under this Clause would enable the transfer of entire business and undertakings including all properties, assets, rights, duties and liabilities of SAPL into SPRL pursuant to this Scheme.

(g) "**Record Date**" means the date to be fixed by the Board of the Transferor Company in consultation with the Transferee Company, with reference to which the eligibility of the shareholders of the Transferor Company for the purposes of issue and allotment of preference Shares of the Transferee Company and payment of Cash consideration by the Transferee Company in terms of the Scheme shall be determined.

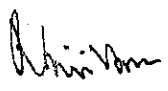
(h) "**Registrar of Companies**" means Registrar of Companies, Delhi & Haryana, having jurisdiction over the Transferor and Transferee companies.

For Shriram Automotive Products Ltd.

  
Director

5

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

- (i) **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form, with any amendment/modifications approved or imposed or directed by the Board and/or shareholders and/or creditors and/or by the Tribunal;
- (j) **"Share Exchange Ratio"** means the ratio in which the New preference Shares of the Transferee Company are to be allotted to the equity shareholders of the Transferor Company by the Transferee Company as per Clause 5 of the Scheme.
- (k) **"Stock Exchange"** shall mean The National Stock Exchange of India Limited ("NSE").
- (l) **"Transferor Company"** means Shriram Automotive Products Ltd. (SAPL) an unlisted public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 4<sup>th</sup> Floor, Himalaya House, 23, K.G. Marg, New Delhi -110001, India.
- (m) **"Transferee Company"** means Shriram Pistons & Rings Ltd. , a listed public limited company incorporated under the Companies Act, 1956 and presently having its registered office at 3<sup>rd</sup> Floor, Himalaya House, 23, K.G. Marg, New Delhi - 110001, India.
- (n) **"Tribunal"** means the Hon'ble National Company Law Tribunal, New Delhi Bench or such other Bench having jurisdiction in respect to the Transferee Company and the Transferor Company or any other appropriate forum or authority or Court empowered to approve the Scheme as per the law for the time being in force.

## 2.2 INTERPRETATION

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 and other applicable laws, rules, regulations, bye-laws, as the case may be including any statutory amendments thereto or re-enactment thereof. Reference to Companies Act, 1956 shall also mean corresponding provisions of Companies Act, 2013 as applicable.

For Shriram Automotive Products Ltd.

  
Director

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director



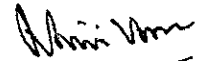
### 2.3 COMPLIANCE WITH TAX LAWS

The Scheme proposes to meet the commercial and business interest of the parties as specified herein before. This Scheme, in so far as it relates to the merger and has been also drawn-up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including section 2(1B), section 47 and section 72A (if applicable) and all other relevant Sections of the Income Tax Act, 1961 or any amendment or reenactment thereto. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme, and the power to make any such amendments shall vest with the Board of Directors of SAPL and SPRL.

For Shriram Automotive Products Ltd.

  
Director

For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN  
Jt. Managing Director

**PART II – SHARE CAPITAL**

**3. CAPITAL STRUCTURE**

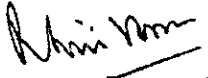
3.1 The position of the authorized, issued, subscribed and paid up capital of the Transferor Company and the Transferee Company as on March 31, 2018 is as follows:

<b>Name of the Company</b>	<b>Authorized Share Capital</b>	<b>Issued Subscribed and Paid Up Capital</b>
<b>Shriram Automotive Products Limited</b> ("Transferor Company")	Rs.2,50,00,000/- (Rupees Two Crore Fifty Lac Only) consisting of 2,50,000- (Two Lac Fifty Thousand) equity shares of Rs. 100/- (Rupees Hundred) each.	Rs.1,20,24,000/- (Rupees One Crore Twenty Lac Twenty Four Thousand Only) consisting of 1,20,240 (One Lac Twenty Thousand Two Hundred Forty) equity shares of Rs. 100/- each.
<b>Shriram Pistons &amp; Rings Limited</b> ("Transferee Company")	Rs. 80,00,00,000/- (Rupees Eighty Crore Only) consisting of 5,00,00,000 (Five Crore) equity shares of Rs. 10/- each  And  30,00,000 (Thirty Lacs) preference shares of Rs.100/- each	Rs.22,37,49,120/- (Rupees Twenty Two Crore Thirty Seven Lac Forty Nine Thousand One Hundred and Twenty Only) consisting of 2,23,74,912 (Two Crore Twenty Three Lac Seventy Four Thousand Nine Hundred and Twelve) equity shares of Rs. 10/- each.  Nil

For Shriram Automotive Products Ltd.

  
Director

For SHRIRAM PISTONS & RINGS LTD


  
R. SRINIVASAN  
Jt. Managing Director

**PART III – TRANSFER AND VESTING OF SAPL INTO SPRL**

**4. TRANSFER AND VESTING OF UNDERTAKING**

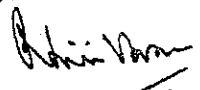
- 4.1 With effect from the Appointed Date, the whole of the Merged Undertaking, comprising inter-alia all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 read with Section 232 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in SPRL as a going concern so as to become as and from the Appointed Date the assets and liabilities of SPRL and to vest in SPRL all the rights, title, interest or obligations of SAPL therein.
- 4.2 All assets acquired by SAPL after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in SPRL upon the coming into effect of the Scheme. Where any of the assets of SAPL as on the Appointed Date deemed to be transferred to SPRL have been sold or transferred by SAPL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of SPRL. As regards transfer of specified movable assets, Clauses 4.3 and 4.4 below provide for the physical mode of effecting transfer.
- 4.3 In respect of such of the assets of the Merged Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by SAPL and shall become the property of SPRL as an integral part of the Merged Undertaking transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such transfer may not be liable to stamp duty in accordance with law. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of SPRL and the Board of Directors of SAPL.
- 4.4 With effect from the Appointed Date and upon the Scheme becoming effective, the land with the buildings standing thereon, commercial spaces, as given in **Schedule – II**, held by Transferor Company, and any documents of title or rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been transferred

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to and vested in the Transferee Company and shall belong to the Transferee Company. With effect from the Effective Date, the Transferee Company shall be liable for ground rent and municipal taxes in relation to properties subject to such taxes, if any. Upon the Scheme becoming effective, the title to such immovable properties shall be mutated and transferred by appropriate authorities, in accordance with terms hereof, in favour of the Transferee Company.

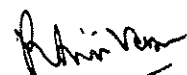
- 4.5 All debts, advance tax, loans and advances recoverable in cash or in kind or for value to be received, deposits, outstanding and receivables of Merged Undertaking/ SAPL other than the movable assets specified in Clause 4.3 shall on and from the Appointed Date stand transferred to and vested in SPRL without any further actions or deed (although SPRL may, if it deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in SPRL), and the debtors shall be obliged to make payments to SPRL on and after the Effective Date.
- 4.6 With effect from the Appointed Date, all debts payable, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Merged Undertaking/ SAPL shall also, under the provisions of Sections 230 to 232 of the Companies Act 2013, without any further act or deed, be transferred to or be deemed to be transferred to SPRL so as to become as and from the Appointed Date the debts payable, liabilities, contingent liabilities, duties and obligations of SPRL.
- 4.7 Where any of the liabilities and obligations, if any, of the Merged Undertaking/ Transferor Company, as on the Appointed Date, transferred to the Transferee Company has been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.
- 4.8 All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations, if any, incurred or undertaken by the Merged Undertaking/ 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 the coming into effect of this Scheme, pursuant to the provisions of section

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232 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.

- 4.9 The transfer and vesting of the Merged Undertaking as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of SAPL.

Provided however that any reference in any security documents or arrangements (to which SAPL is a party) to the assets of SAPL offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Merged Undertaking of SAPL as are vested in SPRL by virtue of this Scheme, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of SAPL or any of the assets of SPRL.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by SAPL which shall vest in SPRL by virtue of merger of SAPL into SPRL and SPRL shall not be obliged to create any further or additional security after the Scheme has become operative.

## 5. CONSIDERATION AND RE-ORGANISATION OF SHARE CAPITAL

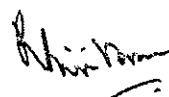
Upon Scheme becoming effective and without any further application, act, instrument or deed, the Transferee Company, in consideration of the transfer and vesting of the Merged Undertaking (with all its assets, liabilities, rights and obligations) of the Transferor Company in the Transferee Company, the Transferee Company shall issue and allot on the proportionate basis to all the members of the Transferor Company whose name is entered in the register of members of the Transferor Company as on the Record Date ("**Members**") or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Transferor Company, not later than 30 Days from the date of scheme of merger and amalgamation becoming effective, a total of 28,85,760 (Twenty Eight Lac Eighty Five Thousand Seven Hundred Sixty), 4.2% fully

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paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each redeemable at par on expiry of 5 years from the date of Allotment, aggregating to Rs. 28,85,76,000/- (Twenty Eight Crore Eighty Five Lac Seventy Six Thousand Only) and a cash consideration of Rs. 11,18,23,200/- (Rupees Eleven Crore Eighteen Lac Twenty Three Thousand Two Hundred Only). The Transferee Company shall have option to redeem at par these preference shares on expiry of 6 months from the date of allotment or 30.06.2019, whichever is later. The preference shares shall be allotted and the cash consideration shall be paid to the equity shareholders of the Transferor Company in the proportion of equity shares held by them in the Transferor Company, in the following exchange ratio:

- 24 Nos. (Twenty Four) of 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100 each, of the Transferee Company for every 1 (one) equity share of the Transferor Company.

And

- Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty Only) for every 1 (one) equity share of the Transferor Company to the equity shareholders of Transferor Company, not later than 30 Days from the date of scheme of merger and amalgamation and merger becoming effective.

The allotment of New Preference Shares shall be governed by the following:

- i) The New Preference Shares to be issued in terms hereof shall be subject to the Memorandum and Articles of Association of the Transferee Company.
- ii) The preference shareholders will not be entitled to any rights and privileges available to equity shareholders, other than those available to them under statutory laws.
- iii) No dividend shall accrue on the preference shares till the date of allotment of such shares.
- iv) The New Preference Shares to be issued in physical form.

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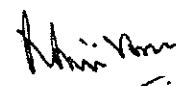
## 6. ACCOUNTING TREATMENT

- 6.1 The Transferee Company shall account for the amalgamation of the Transferor Company into and with the Transferee Company in its books of account in compliance with the Indian Accounting Standard 103 on Business Combinations and other Indian Accounting Standards, as applicable, and notified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 in the following manner:
- a) All the assets including identifiable intangible assets such as Trademarks, Trade Name, Dealer Network/Customer Contracts and other business and commercial rights etc. and all the liabilities of the Transferor Company transferred to and vested in the Transferee Company pursuant to this scheme shall be recorded in the books of account of the Transferee Company at fair values and adopted by the Board of Directors of the Transferee Company.
  - b) Any Excess of the amount of consideration [as per clause 5] over the fair value of net assets of the Transferor acquired by the Transferee Company [as per clause 6(a)] shall be treated as goodwill in accordance with the applicable Indian Accounting Standards. If the amount of consideration [as per clause 5], is lower than the fair value of net assets acquired [as per clause 6(a)], the difference shall be treated as Capital Reserve.
  - c) The inter-company balances, loans and/or investments, if any, appearing in the books of account of the Transferee Company and Transferor Company will stand cancelled and nullified.
- 6.2(a) Transactions in the nature of sale or transfer of goods between the Appointed date and Effective Date would continue in the normal course.
- 6.2(b) It is hereby clarified that, all transactions during the period between the Appointed Date and Effective Date relating to the Merged Undertaking would be duly reflected in the financial statements of SPRL, upon the coming into effect of this Scheme.

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- 6.3. Notwithstanding anything contained in this Clause 6, the Board of Directors of SPRL is authorized to account for any of these transaction/ balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 or any other applicable provisions of the Act.

## 7. BUSINESS AND PROPERTY IN TRUST FOR TRANSFeree COMPANY

As and from the Appointed Date and upto and including the Effective Date:

- 7.1 The Transferor Company shall carry on and be deemed to have carried on its business and activities and shall stand possessed of all its assets and properties referred to in Clause 4 above, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- 7.2 The Transferor Company shall carry on its business and activities with reasonable diligence and business prudence.
- 7.3 Any income or profit accruing or arising to the Transferor Company and all costs, charges, expenses and losses or taxes (including deferred tax balances, if any) incurred by the Transferor Company shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes (including deferred tax balances, if any), as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

## 8. CONDUCT OF BUSINESS

- 8.1 From the date of approval of the Scheme by the Board of Directors of SAPL and upto the Effective Date:
- i) SAPL shall carry on its business with reasonable diligence and in the same manner as it had been doing it theretofore.
  - ii) SAPL shall not alter or substantially expand the business except with the written concurrence of the Transferee Company.
  - iii) SAPL shall not, without the written concurrence of the Transferee Company, alienate charge or encumber any of its properties, except in the ordinary course of business or pursuant to any pre-existing obligation

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undertaken prior to the date of acceptance of the Scheme by the Board of Directors of SAPL.

- iv) SAPL shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of SAPL, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with employees.
- v) SAPL shall not revalue its respective assets and liabilities in its balance sheets without the express written consent of SPRL.
- vi) SAPL shall not declare any dividend or issue any further shares between the Appointed date till the Effective Date.
- vii) With effect from the Effective Date and until such time the bank accounts of the Transferor Company will be transferred to the Transferee Company, Transferee Company shall be entitled to operate the bank accounts of the Transferor Company, in so far as may be necessary.

8.2 Notwithstanding anything else contained in this Scheme, SPRL may declare any dividend (interim or final) or bonus shares as per applicable provisions of the Act.

It is clarified that the provisions in respect of declaration of dividends, whether interim or final or issuance of bonus shares, are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferee Company to demand or claim any dividends/bonus shares which is subject to the provisions of the Act and shall be entirely at the discretion of the Board of Directors of and wherever necessary subject to the approval of the shareholders of the Transferee Company.

8.3 Notwithstanding anything else contained in this Scheme, during the pendency of the Scheme, SPRL is expressly authorized to raise capital for the purpose of funding growth or any other purpose, in any manner as considered suitable by its Board of Directors, whether by means of rights issue, preferential issue, public issue or any other manner whatsoever. Further, such funds may be raised by means of any instrument considered suitable by Board of Directors of SPRL, including warrants, equity/ equity

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linked instruments, preference shares, convertible/ non-convertible bonds, debentures, debt, etc.

## 9. CONTRACTS AND DEEDS

- 9.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, memorandum of understanding, insurance policies, licenses, leases, (including all tenancies, leases, licenses and other assurances in favour of the Transferor Company or powers or authorities granted by or to it), hire-purchase arrangements and other instruments, if any, of whatsoever nature to which the Transferor Company is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.
- 9.2 The Transferee Company may enter into and/ or issue and/ or execute deeds, writings or confirmations, affidavits, declarations or enter into any tripartite arrangements, 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 Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Transferor Company and the Transferee Company as on the Effective Date shall stand merged and vest in the Transferee Company.
- 9.3 All subsisting agreements/ arrangements/ licenses/ permissions/ registrations/ applications of the Transferor Company relating to the use of patents, patent applications, trade marks (including logos), brands, copyrights, websites, and / or technology, know-how, designs, process and all other intellectual property and rights, as on the Effective Date shall accrue to and for the benefit of the Transferee Company.

## 10. MERGER OF AUTHORISED SHARE CAPITAL OF TRANSFEROR COMPANY WITH TRANSFEE COMPANY

- 10.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of the Transferor Company

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shall stand transferred to and be added with the authorized equity share capital of Transferee Company, without any liability for payment of any additional fees (including fee to Registrar of Companies) or stamp duty. Further, if required the Transferee Company shall take necessary steps to further increase and/or alter its authorised share capital suitably to enable it to issue and allot shares under the Scheme.

- 10.2. Consequently, subject to any increase and/or alteration in the authorized share capital of the Transferee Company as may be effected with the approval of its shareholders during the pendency of the Scheme for issue and allotment of shares under the Scheme, upon coming into effect of the Scheme and particularly the Clause 10.1 mentioned herein above, the authorized share capital of the Transferee Company shall be increased and accordingly, the Memorandum and Articles of Association of the Transferee Company shall automatically stand amended.

Accordingly, in terms of this Scheme, the Authorised Share Capital of the Transferee Company shall stand enhanced to an amount of Rs. 82,50,00,000 (Rupees Eighty Two Crore Fifty Lac only), divided into 5,25,00,000 (Five Crore Twenty Five Lac) Equity Shares of Rs. 10/- each and 30,00,000 (Thirty Lac) Preference shares of Rs. 100/- each and the Capital Clause with respect to Authorized Share Capital being Clause V of Memorandum of Association of the Transferee Company shall stand substituted as follows:

"The Authorised Share Capital of the Company is Rs. 82,50,00,000 (Rupees Eighty Two Crore Fifty Lac only), divided into 5,25,00,000 (Five Crore Twenty Five Lac) Equity Shares of Rs. 10/- each and 30,00,000 (Thirty Lac) Preference shares of Rs. 100/- each with the rights, privileges and conditions attaching hereto as are provided by regulations of the Company divide the shares in the Capital for the time being in to several classes and subject to the provisions of the Companies Act, 2013 to attach hereto respectively, such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

The filing fee and stamp duty already paid by the Transferor Company on its Authorized Share Capital shall be utilized and applied to the increased authorized share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorized share capital and accordingly, the Transferee

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Company shall not be required to pay any fees/ stamp duty on the authorized share capital so increased.

- 10.3 All steps for reorganizing of share capital and changes to the memorandum of association of the companies under this Scheme, shall be undertaken as an integral part of this Scheme in accordance with the provisions of Sections 230 to 232 of the Act read with Sections 5, 13, 14, 42, 52, 61, 62 of the Companies Act, 2013 or other applicable Sections of the Act and no other steps or procedures would need to be undertaken by the concerned companies to give effect to the same. Consequential changes shall also apply with respect to the existing issued, subscribed and paid up capital of the Transferor Company and the Transferee Company.

## 11. DISSOLUTION OF TRANSFEROR COMPANY

On the Scheme coming into effect, the Transferor Company shall, without any further act or deed, stand dissolved without the process of winding up.

## 12. LEGAL PROCEEDINGS

- 12.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/ or arising at the Appointed Date and relating to the Transferor Company or its properties, assets, debts, rights, liabilities, duties and obligations referred to in Clause 2.1 (f), shall be continued and/ or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.
- 12.2 After the Appointed Date, if any proceedings are taken against the Transferor Company, the same shall be defended by and at the cost of the Transferee Company.

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Director

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Jt. Managing Director

### 13. STAFF, WORKMEN AND EMPLOYEES

- 13.1 On the coming into effect of the Scheme, all staff and employees of SAPL in service on such date shall be deemed to have become staff and employees of SPRL in accordance with the prevailing policies of SPRL without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with SPRL in terms of overall monetary benefits shall not be less favourable than those applicable to them with reference to SAPL on the Effective Date.
- 13.2 Upon the Scheme coming into effect, all staff welfare schemes including the existing Provident Fund, Gratuity Fund and/ or schemes and trusts, including employee's welfare trust, created by SAPL for its employees shall be transferred to SPRL. SAPL shall make such arrangements or enter into such agreements for the continuance or transfer, where applicable, of the Provident Fund, Gratuity Fund and/ or schemes and trusts, including employee's welfare trust, pursuant to the Scheme, to SPRL. All obligations of SAPL with regard to the said Fund or Funds as defined in the respective trust deed and rules shall be taken over by SPRL from the Effective Date to the end and intent that all rights, duties, powers and obligations of SAPL in relation to such Fund or Funds shall become those of SPRL and all the rights, duties and benefits of the employees employed in SAPL under such Funds and Trusts shall be fully protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of SAPL will be treated as having been continuous for the purpose of the said Fund or Funds.
- 13.3 Upon the coming into effect of this Scheme, the Directors of the Transferor Company, will not be entitled to any representation on the Board of Directors in the Transferee Company by the virtue of the provisions of this Scheme. It is clarified that this Scheme will not affect any person who is already a Director in the Transferee Company as on the Appointed Date from continuing as whether including Whole Time Director.

### 14. TREATMENT OF TAXES

- 14.1 The Tax Deducted at Source (TDS)/advance tax including MAT credit entitlement, provision for income 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

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deducted from/advance tax paid by the Transferee Company and credit for such TDS/advance tax (including MAT credit) shall be allowed to the Transferee Company notwithstanding that certificates or challans for TDS/advance tax/ MAT are in the name of the Transferor Company and not in the name of the Transferee Company. The income tax, if any, paid 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, 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 becoming effective; notwithstanding that the time prescribed for such revision may have elapsed.

14.2 The wealth tax, if any, paid by the Transferor Company in respect of its assets under the Wealth Tax Act, 1957, on or after the Appointed Date shall be deemed to have been paid by the Transferee Company. The Transferee Company shall, after the Scheme becomes effective, be entitled to file the wealth tax return for the relevant valuation date notwithstanding that the time prescribed for filing such returns may have lapsed. Further the Transferee Company shall, after the Scheme becomes effective, be entitled to revise the wealth tax returns, if any, filed by the Transferor Company for any year if so necessitated or consequent to this Scheme becoming effective; notwithstanding that the time prescribed for such revision may have elapsed.

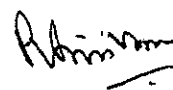
14.3 Similarly, any other taxes including but not limited to excise duty, CENVAT, Cess, GST, input credit tax, value added tax, sales tax etc. paid by the Transferor Company on or after the Appointed Date, in respect of the period after such date shall be deemed to have been paid by or for the benefit 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 becoming effective, notwithstanding that the time prescribed for such revision may have elapsed.

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Jt. Managing Director

- 14.4 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), Service Tax 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.

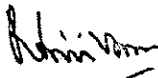
## 15. SAVING OF CONCLUDED TRANSACTIONS

- 15.1 The transfer of Merged Undertaking (including assets, liabilities, rights and obligations) under Clause 4 above and the continuance of proceedings by or against the Transferee Company under Clause 12 herein above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of Transferee Company.
- 15.2 Since each of the permissions, approvals, registrations, consents, sanctions, remissions, special reservations, right of way, insurance policy, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the Hon'ble Tribunal to the Transferee Company, the Transferee Company may file the relevant intimations, for the record of the statutory authorities or any relevant authority or person who shall take them on file, pursuant to the vesting order of the Tribunal.

For Shriram Automotive Products Ltd.

  
Director

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

**PART IV – OTHER CONDITIONS APPLICABLE TO THE SCHEME**

**16. APPLICATIONS TO TRIBUNAL**

- 16.1 The Transferee Company and the Transferor Company shall, with all reasonable dispatch, make applications to the Tribunal under Section 230 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the shareholders and/ or creditors of the Transferor Company and the Transferee Company as may be directed by the Tribunal.
- 16.2 That the Scheme, in no way, is a Scheme of compromise or arrangement with the creditors as all the creditors of the Transferor Company and the Transferee Company will be paid in the usual course of business and therefore, the present Scheme of Amalgamation will not be affecting the rights of the creditors of the Transferor and Transferee Companies in any manner as the aggregate assets of the Transferor Company and the Transferee Company are more than sufficient to meet the liabilities of all the creditors of the Transferor Company and the Transferee Company in full.
- 16.3 On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/ or creditors of the Transferee Company and the Transferor Company as directed by the Tribunal or their meetings dispensed with, the Transferee Company and the Transferor Company shall, with all reasonable dispatch, apply to the Tribunal, for sanctioning the Scheme under Sections 230 to 232 of the Act and other provisions of the Act (if any) and for such other order or orders, as the said Tribunal may deem fit for carrying this Scheme into effect and for dissolution of the Transferor Company without winding up.
- 16.4 The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or borrower, statutory or regulatory authorities as the case may be that pursuant to the Tribunal having sanctioned the Scheme, the said person, debtor or borrower shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realize the same is in substitution of the right of the Transferor Company.

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Director

For SHRIRAM PISTONS & RINGS LTD

  
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Jt. Managing Director



## 17.1 TAXATION SYSTEM

- 17.1.1 The merger and amalgamation in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(1B) of the Income-tax Act, 1961, or any modification or re-enactment thereof.
- 17.1.2 If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

## 17.2 APPLICATION(S) TO THE NCLT

- 17.2.1 The Transferor Company and the Transferee Company shall make application/petition under Section 230 to 232 and other applicable provisions of the Companies Act to the NCLT, as necessary, inter alia, to seek order for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning of this Scheme and for consequent actions including for dissolution of the Transferor Company without winding up and further application/petition under Sections 230 to 232 and other applicable provisions of the Companies Act including for sanction/confirmation/clarification of the Scheme or connected therewith, as necessary.

## 17.3 REVISION OF ACCOUNTS AND TAX FILINGS, MODIFICATION OF CHARGE

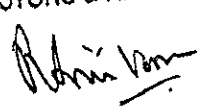
- 17.3.1 Upon this Scheme becoming effective and from the Appointed Date, the Transferee Company is expressly permitted to revise and file its income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, goods and services tax returns as may be applicable and has expressly reserved the right to make such provisions in its returns and to claim refunds or credits etc, if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

For Shriram Automotive Products Ltd.

  
Director

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For SHRIRAM PISTONS & RINGS LTD.

  
R. SRINIVASAN  
Jt. Managing Director

17.3.2 Filing of the certified copy of the order of the NCLT sanctioning this Scheme with the relevant Registrar of Companies shall be deemed to be sufficient for creating or modifying the charges in favor of the secured creditors, if any, of the Transferor Company, as required as per the provisions of this Scheme.

#### 17.4 MUTATION OF PROPERTY AND STAMP DUTY

17.4.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the title to the immovable properties of the Transferred Undertaking shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the NCLT sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties of the Transferred Undertaking with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

17.4.2 Since all movable properties belonging to the Transferor Company shall be transferred by way of delivery and possession, no stamp duty shall be payable on transfer of such properties to Transferee Company in terms of the Scheme.

#### 17.5 MODIFICATIONS AND AMENDMENTS TO THE SCHEME

17.5.1 Notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and the NCLT.

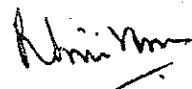
17.5.2 The Transferor Company and the Transferee Company (acting through their respective Board of Directors or a committee thereof or authorised representatives) shall be authorised to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the

For Shriram Automotive Products Ltd.

  
Director

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For SHRIRAM PISTONS & RINGS LTD


  
R. SRINIVASAN  
Jt. Managing Director

meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the NCLT or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

17.5.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company and the Transferee Company may give and are hereby authorised to determine and give all such directions as are necessary 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.

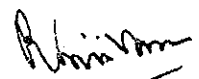
#### 17.6 REVOCATION AND WITHDRAWAL OF THIS SCHEME

The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the NCLT or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the NCLT and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on the Transferor Company and/or the Transferee Company; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal, this Scheme shall stand revoked, cancelled or withdrawn and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which

For Shriram Automotive Products Ltd.  
  
 Director

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For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN  
 Jt. Managing Director

has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

#### 17.7 SEVERABILITY

If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor Company and the Transferee Company that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferee Company or the Transferor Company, in which case the Transferor Company and the Transferee Company 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 of the Scheme.

#### 17.8 COSTS AND EXPENSES

All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee Company.

### 18 CONDITIONALITY OF THE SCHEME

18.1 This Scheme is conditional upon and subject to all of the following:

- (a) approval of Scheme by SEBI in terms of the SEBI Circulars and the Stock Exchanges pursuant to Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
- (b) the consents by the requisite majority of the shareholders and/ or creditors, if any, of the Transferor Company and Transferee Company to the Scheme, if required or their meeting being dispensed with; and the requisite orders of the Hon'ble Tribunal sanctioning the Scheme in exercise of the powers vested in it under the Act;

For Shriram Automotive Products Ltd.

  
Director

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For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

- (c) such other sanctions and approvals including sanctions of any government or regulatory authority as may be required by law in respect of the Scheme;
- (d) approval of the scheme by the public shareholders of the Transferee Company in accordance with the provisions of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017 and as may be amended from time to time, while providing for voting by public shareholders e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution and the Scheme shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
- (e) the certified copies of the Tribunal order being filed with the jurisdictional Registrar of Companies by the Transferor Company and the Transferee Company.

18.2 The approval to this Scheme under Sections 230 to 232 of the Act by the shareholders and/or creditors of the Transferor Company and Transferee Company, shall be deemed to have the approval of the shareholders and/or creditors, as the case may be, for all matters under the applicable provisions of the Act, rules and regulations made there under, including but not limited to Sections 5, 13, 14, 42, 52, 61, 62 and 66 of the Companies Act, 2013 and rules made thereunder.

## 19. EFFECT OF NON-APPROVALS

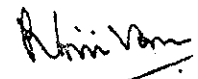
In the event any of the said sanctions and approvals referred to in Clause 18 above not being obtained and/ or the Scheme not being passed as aforesaid before September 30, 2019 or within such further period or periods as may be agreed upon between Transferee Company by its Directors and the Transferor Company by its Directors (and which the Board of Directors of the Company are hereby empowered and authorised to agree to and extend from time to time without any limitations), this Scheme of merger and Amalgamation shall stand revoked, cancelled and be of no effect and null and void save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law and in such

For Shriram Automotive Products Ltd.

  
Director

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For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN  
Jt. Managing Director

event each party shall bear their respective costs, charges and expenses in connection with the Scheme.

## 20 COMPETITION ACT

This Scheme does not impair competition and does not emanate any dominant position to the Transferee Company or any of its shareholders and as such there is no appreciable change in the structure.

## 21 COSTS, CHARGES AND EXPENSES

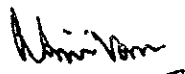
All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies, fees and all other expenses, if any (save as expressly otherwise agreed) of SPRL and SAPL arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by SPRL. These shall be deemed as expenses of the Scheme.

For Shriram Automotive Products Ltd.



Director


For SHRIRAM PISTONS & RINGS LTD



R. SRINIVASAN  
Jt. Managing Director

## SCHEDULE - 1

**LIST OF TRADE MARKS REGISTERED/PENDING IN THE NAME OF  
SHRIRAM AUTOMOTIVE PRODUCTS LTD.**





S. No.	Mark	Trademark Registration/ Application No.	Class	Goods	Country	Status
1	SAPL	202680	7 & 12	Class 7: Stationary Diesel Engines & Parts thereof Class 12: Parts for IC Engines, Petrol & Diesel including Cylinder Liners, Connecting Rods, Connecting Rod Assemblys and Crank Shafts for Motor land vehicles	Iran	Registered
2	SAPL	173470	7	Stationary Diesel Engines & Parts thereof	Bangladesh	Registered
3	SAPL	99969	12	Combustion Engine, Petrol & Diesel including Cylinder Liners, Connecting Rods, Connecting Rod Assemblys and Crank Shafts for Motor land vehicles	Nigeria	Registered
4	SAPL	94936	7	Stationary Diesel Engines & Parts thereof	Nigeria	Registered
5	SHRIRAM PULSAR	161639	12	Internal Combustion Engines and Parts thereof	Sri Lanka	Pending
6	SHRIRAM PULSAR	161657	7	Stationary Diesel Engines & Parts thereof	Sri Lanka	Pending
7	SAPL	186991	7	Stationary Diesel Engines & Parts thereof	Sri Lanka	Pending
8	SAPL	186993	12	Internal Combustion Engines and Parts thereof	Sri Lanka	Pending
9	SAPL	173471	12	Internal Combustion Engines and Parts thereof	Bangladesh	Pending
10	SHRIRAM PULSAR	139064	7	Stationary Diesel Engines & Parts thereof	Bangladesh	Pending*
11	SHRIRAM PULSAR	139065	12	Internal Combustion Engines and Parts thereof	Bangladesh	Pending
12	SHRIRAM AUTOMOTIVE (Word Mark)	1250872	12	Automobile parts and for Stationary Diesel Engine Parts for Land Vehicles.	India	Registered
13	SHRIRAM AUTOMOTIVE (Word Mark)	1250873	7	Stationary Diesel Engine parts not for Land Vehicles.	India	Registered
14	LEXXTRA	760384	7	Cylinder Liners, Crankshafts, Water Pumps, Water Pump, Repairing Kits, Connecting Rods, Gaskets, Automotive Fasteners, Cylinder Heads, Cylinder Blocks Included in Class 07	India	Registered
15	SHRIRAM ALPINE (Word Mark)	1144967	12	Vehicles, Apparatus for locomotion by land, air or water parts included in class 12.	India	Registered
16		1819348	4	All types of Industrial and Greases, Lubricants, dust absorbing wetting and binding compositions, Fuels including motor spirit	India	Registered
17	SHRIRAM PULSAR (Word Mark)	889744	12	Internal Combustion Engines & Parts thereof, Motorland Vehicles & Parts thereof, Diesel Engines & Parts thereof included in class 12.	India	Pending
18	SHRIRAM PULSAR (Word Mark)	889743	7	Internal Combustion Engines & Parts thereof, Diesel Engines & Parts thereof.	India	Pending

For Shriram Automotive Products Ltd

  
Director

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

S. No.	Mark	Trademark Registration/ Application No.	Class	Goods	Country	Status
19		896934	12	Internal Combustion Engines & Parts thereof, Motorland Vehicles & Parts thereof, Diesel Engines & Parts thereof.	India	Pending*
20		896933	7	Internal Combustion Engines and Parts thereof, Diesel Engines and Parts thereof	India	Pending*
21	SHRIRAM ALPINE (Word Mark)	1144966	7	Machines and Machine tools, Motors (except for vehicles); Machine couplings and belting (except for vehicles); large size agricultural implements Incubators and all other goods and their parts included in Class 7.	India	Pending
22		1145953	7	Machines and Machine tools, Motors (except for vehicles), Machine couplings and belting (except for vehicles), large size agricultural implements, Incubators and all other goods and their parts included in Class 7.	India	Pending
23		1145955	12	Vehicles, Apparatus for locomotion by land, air or water and all other goods and their parts included in Class 12	India	Pending
24	SHRIRAM ALPINE (Word Mark)	711512	12	Clutch Lining, Brake Lining and Clutch Plate.	India	Pending*
25	SHRIRAM ALPINE (Word Mark)	684014	7	Bearings and Bushes.	India	Pending*
26	SHRIRAM ALPINE (Word Mark)	711511	7	Clutch Lining, Brake Lining and Clutch Plate.	India	Pending*
27	SHRIRAM ALPINE (Word Mark)	711513	7	Clutch Lining, Brake Lining and Clutch Plate.	India	Pending*







For Shriram Automotive Products Ltd.

  
 Director

For SHRIRAM PISTONS &amp; RINGS LTD

  
 R. SRINIVASAN  
 Jt. Managing Director






S. No.	Mark	Trademark Registration/ Application No.	Class	Goods	Country	Status
28	SHRIRAM ALPINE (Word Mark)	684015	12	Bearings for Vehicles.	India	Pending*
29	SHRIRAM ALPINE (Word Mark)	684018	12	Bearings for Vehicles.	India	Pending*
30	SHRIRAM ALPINE (Word Mark)	684017	7	Bearings and Bushes.	India	Pending*
31	SHRIRAM ALPINE (Word Mark)	606018	12	UJ Cross, Axle Shafts, Clutch Linings & Brake Linings and Clutch Plates	India	Pending*
32	SHRIRAM ALPINE (Word Mark)	625044	12	UJ Cross, Gears, Axle Shafts, Filters	India	Pending*
33	SHRIRAM ALPINE (Word Mark)	625243	12	Filters Gears	India	Pending*
34	SHRIRAM ALPINE (Word Mark)	625045	7	Filters	India	Pending*
35	SHRIRAM ALPINE (Word Mark)	625242	7	Filters	India	Pending*
36		1404621	12	Brake Shoes included in Class 12.	India	Pending*
37		1404623	12	Bearings, Ignition Coil, Drive Chains Sprocket Kits and Timing Chains	India	Pending*
38		1404618	9	Bearings and Ignition Coil	India	Pending*
39		1404619	12	Filters included in Class 12.	India	Pending*
40		1404620	12	Gears, Axles and UJ Cross included in Class 12.	India	Pending*
41		1404622	12	Brake lining, Brake Disc, Clutch Plate and Clutch facings included in Class 12.	India	Pending*

For Shriram Automotive Products Ltd.

  
Director

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

S. No.	Mark	Trademark Registration/ Application No.	Class	Goods	Country	Status
42		1409095	12	Parts of Internal Combustion Engines for use in Vehicles including its Spares parts, Pump sets, Pumps, Cylinder liners, Crankshafts, Cylinders, Heads, Connecting rods, Oil Pumps, Air Cleaners, Camshafts, Gaskets, Hydraulic Pumps, Oil Seats, Silencers, Synchronising Rings, Tie rod ends and Water Pumps but excluding Fuel injection parts, all goods included in Class 12.	India	Pending*
43		1409096	7	Stationary Diesel Engines and Spares, including Pump sets, Pumps, Cylinder Liners, Crankshafts, Cylinders heads, Connecting Rods, Oil Pumps, Air Cleaners, Camshafts, Gaskets, Hydraulic Pumps, Oil seats, Silencers, Synchronising Rings, Tie Rod Ends and Water Pumps, all goods included in Class 7.	India	Pending*
44		1404617	8	All types of Filters.	India	Pending*
45	SHRIRAM (Word Mark)	1404615	12	Brake Lining, Brake Disc, Clutch Plate and Clutch Facings	India	Pending*
46	SHRIRAM (Word Mark)	1404616	12	Bearings, Ignition Coil Drive Chains Sprocket Kits and Timing Chains.	India	Pending*
47	SHRIRAM (Word Mark)	1404612	12	All types of Filters.	India	Pending*
48	SHRIRAM (Word Mark)	1404613	12	Gears, Axles and U.J. Cross.	India	Pending*
49	SHRIRAM (Word Mark)	1404614	12	Brake Shoes	India	Pending*

For Shriram Automotive Products Ltd.

  
Director

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

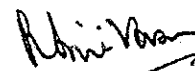
S. No.	Mark	Trademark Registration/ Application No.	Class	Goods	Country	Status
50	SHRIRAM (Word Mark)	1409094	12	Parts of Internal Combustion Engines for use in Vehicles, including its Spares Parts, Pump sets, Pumps, Cylinder Liners, Crankshafts, Cylinders Heads, Connecting Rods, Oil Pumps, Air Cleaners, Camshafts, Gaskets, Hydraulic Pumps, Oil seats, Silencers, Synchronising Rings, Tie rod ends and Water Pumps but excluding Fuel Injection Parts all goods being included in Class 12	India	Pending*
51	SHRIRAM (Word Mark)	1404610	7	All types of Filters.	India	Pending*
52	SHRIRAM (Word Mark)	1404611	7	Bearings and Ignition Coil	India	Pending*
53	SHRIRAM (Word Mark)	1409093	7	Stationary Diesel Engines and Spares, including Pump Sets, Pumps, Cylinder Liners, Crankshafts, Cylinders Heads, Connecting Rods, Oil Pumps, Air Cleaners, Camshafts, Gaskets, Hydraulic Pumps, Oil Seats, Silencers, Synchronising Rings, Tie rod ends and Water Pumps, all goods being included in Class 7	India	Pending*

\* These application has been withdrawn by Shriram Automotive Products Ltd. or they are not following up these applications.

For Shriram Automotive Products Ltd.

  
Director

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

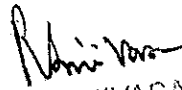
SCHEDULE - II

Flat No. 101 of the First Floor, Kirti Deep Building, Super Area measuring 701.6 Sq. Ft. situated at DDA approved commercial building (Shop-cum-office complex) constructed on Plot No. 2, Retail Business Centre, DDA Complex, Nangal Raya, New Delhi - 110046.

For Shriram Automotive Products Ltd.

  
Director

For SHRIRAM PISTONS & RINGS LTD

  
R. SRINIVASAN  
Jt. Managing Director

May 10, 2018

To,  
Board of Directors/ Audit Committee  
Shriram Automotive Products Ltd. (SAPL) &  
Shriram Pistons & Rings Ltd. (SPRL)

**Sub: Valuation of 100% Equity of Shriram Automotive Products Limited**

Dear Sir,

In accordance with the Engagement Letter we have completed a March 31, 2018 valuation of 100% Equity of Shriram Automotive Products Limited. The valuation is detailed in the attached report. The valuation has been undertaken in accordance with the DCF method of the income approach and trading multiples of market approach and Valuation Standards issued by the ICAI. This Valuation Report may be placed before the Audit Committee and Board of Directors of both SAPL and SPRL and may be produced before judicial, regulatory or government authorities in connection with the Scheme of Amalgamation.

The report details the methodology and component breakdown for the valuation.

Please contact me if you would like any clarification of the report contents.

Yours Sincerely,



**Akhil Bhalla-Partner**  
Membership No:505002  
For and on behalf of  
**JC Bhalla & Co.**  
Firm Regn No:001111N

Place: New Delhi  
Date : May 10, 2018



**INDEX**

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## VALUATION REPORT

### 1. THE ASSIGNMENT

JC Bhalla & Co. (hereinafter "Valuer" or "We") have been appointed to prepare and deliver a valuation report on the fair market value of a 100% equity of SAPL as of March 31, 2018. Accordingly, we carried out the valuation which provides an independent opinion on the fair market value of the Subject Interest as of the valuation date.

Client Name	Shriram Pistons & Rings Ltd. (SPRL)
Engagement Officer	Mr. R. Srinivasan
Subject Interest of valuation	100% Equity of SAPL
Purpose of Assignment	<ul style="list-style-type: none"> <li>- To assist the management in establishing the fair market value of a 100% equity of SAPL for the purpose of amalgamation of SAPL and SRPL</li> <li>- Arrive at basis for Discharge of Consideration</li> </ul>
Standard of Value	Fair Market Value (CAS-1)
Premise of Value	Going concern
Level of value	Controlling, Marketable
Valuation Date (Measurement date)	March 31, 2018

### 2. INTENDED USE OF THE VALUATION REPORT

The intended use of the valuation report is to determine an estimate of the fair market value of a 100% equity of SAPL for the proposed amalgamation of SAPL and SRPL as of March 31, 2018.

### 3. INTENDED USER OF THE VALUATION REPORT

This Valuation Report may be placed before the Audit Committee and Board of Directors of both SAPL and SPRL and may be produced before judicial, regulatory or government authorities in connection with the Scheme of Amalgamation.



#### 4. DATE OF THE VALUATION REPORT

The date of the valuation report for this assignment is May 10, 2018.

#### 5. COMPANY DESCRIPTION

Incorporated in 1982, SAPL (erstwhile known as Canind Sales Pvt. Ltd) is a company having its registered office at New Delhi, India. It is an associate of Shriram Pistons & Rings Limited. The company has been in the business of sales & marketing of auto components like cylinder liners/blocks, crankshafts, clutch plates, lubricants etc.

#### 6. VALUATION STANDARDS AND BEST PRACTICES

The fair value has been estimated in accordance with the business valuation practice standards issued by the ICAI (Institute of Chartered Accountants of India) referred to as CAS-1 (Corporate Affairs Standards).

CAS 1 issued by ICAI defines the term 'standard of value' as under:

"the identification of the type of value being utilized in a specific engagement; for example, fair market value (FMV), fair value, investment value".

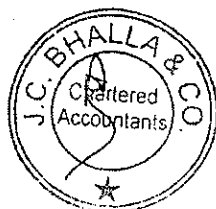
Considering the purpose of valuation, the 'standard of value' for the estimation of the FMV of a 100% equity stake on a standalone controlling marketable interest basis as on the valuation date is 'Fair Market Value'.

The term Fair Market Value is defined as under:

"the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts".

#### 7. VALUATION APPROACHES AND METHODS

The valuation process has been applied to develop a well-supported estimate of a defined value based on consideration of available and relevant information. For estimating fair market value of unquoted equity shares, three generally accepted valuation approaches are considered namely asset or cost, market and income. The selection and application of one or more of these generally accepted approaches depends upon the purpose of valuation, subject transaction, and the quality and quantity of information available for analysis.





Considering the purpose of valuation and based on the available information, we have used DCF (Discounted Cash Flow) method of income approach and trading multiples of market approach for estimating the value of equity stake. We have not considered asset approach of valuation as this is used less in the valuation of operating companies.

We reviewed financial projections provided by the management of SAPL. The valuation process included consideration of factors affecting the operations of SAPL and its ability to generate future cash flows through operations.

The factors considered in our analysis inter-alia included:

- The nature and historical background of SAPL.
- Financial and economic conditions affecting the business of SAPL and its industry.
- Historical financial results of SAPL.
- Trends and outlook of auto component industry

## 8. VALUATION ANALYSIS

A valuation of a business, a business interest is performed 'as of' a specific date. This date generally, serves as a critical cut-off point, as the valuer considers what was known or foreseeable at this date. It is a settled principle in valuation that market conditions and evidence of values must reflect those available as on the valuation date. Accordingly, we reviewed the historical performance of SAPL and information available in public domain about auto component industry and companies.

## 9. COMPUTATION OF FAIR MARKET VALUE

### 9.1 Income Approach - Discounted Cash Flow Method

DCF is a method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate. The two key components in DCF model are "future expected cash flows" and "discount rate". The change in value is positively related to the cash flows and negatively related to the discount rate. The value of operating assets under DCF method is determined as under.

- |                 |  |
|-----------------|--|
| <b>Step I</b>   | Estimation of FCFF (Free Cash Flows to the Firm)                               |
| <b>Step II</b>  | Development of a discount rate or required rate of return consistent with FCFF |
| <b>Step III</b> | Discounting of the explicit projection period FCFF                             |
| <b>Step IV</b>  | Estimation of the terminal value   |



**Step V** Summing up the present value of the explicit projection period FCFF and the terminal value

In order to determine value of the firm (i.e. value of operating assets and non-operating assets) value of non-operating asset, if any, as of the valuation date is added to the value of operating assets determined in Step V above. Further, Interest bearing liabilities are subtracted from the value of the firm in order to derive the value of equity.

**Calculation of present value of FCFF and Terminal Value, and value of Operating Assets of SAPL**

Particulars	INR lacs
Value of firm before mid-year adjustment	4,106.75
<b>Value of firm after mid-year adjustment</b>	<b>4,397.77</b>

**9.2 Market Approach – Trading Multiple Method**

The market approach is defined in the International Glossary of Business Valuation Terms as "a general way of determining a value indication of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have been sold".

There are two methods of valuation under market approach namely guideline merged and acquired (transaction) method and guideline public company method. We have used the second method.

Considering the nature of business of the Subject Company and availability of reliable data, the most suitable multiple is identified below:

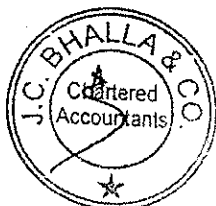
MVIC/ EBITDA

For the purpose of Subject Company valuation, we have used normalized MVIC (Market Value of Invested Capital) which is computed as under

$MVIC = \text{Number of shares} \times \text{MPS} + \text{book value of debt} + \text{minority interest} - \text{CWIP} - \text{non operating investment}$ .

Value estimation using multiples

The EBITDA multiple (MVIC/EBITDA) estimated for the valuation is 8.80 and the following steps were used for the computation of the same. The multiple based on data of comparable companies (comps) has been computed as under:



Step I MVIC/EBITDA for all the comps individually

Step II simple average of all the figures computed above

Step III Multiple = 1/ Average multiple computed in Step II above

### Value under Market Approach:

On the basis of above analysis, we have estimated the following value:

Particulars	INR lacs
Value of Operating Assets	3652.89

### 9.3 Value Conclusion

Under this process we attempt to estimate a single value by assigning weights under various methods. Weight assignment is a subjective process and it can vary based on judgement and analysis. We have given 80% weights to DCF and 20% to the value estimated under market approach. The lower weight to market approach is given because there is only one listed guideline company akin to the Subject Company. The FMV of 100% equity of SAPL is estimated as under:

Particulars	Market Approach	Income Approach	INR Lacs
Value of Operating Assets (INR lacs)	3652.89	4,397.77	
Weight	20%	80%	
Weighted value of Operating Assets (INR lacs)	730.58	3,518.22	4,248.80
Add: DTA			51.26
Add: Non-Current Assets			12.79
Add: Non-Operating Cash			79.86
Less: Non-current Liabilities			-124.04
Less: Interest bearing debts			-264.88
<b>Value of Equity</b>			<b>4,003.80</b>

### 10. CERTIFICATION OF THE FAIR MARKET VALUE

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in the valuation report are true and correct.
- The reported analyses, opinions and conclusions are limited by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in SAPL and we have no personal interest with respect to the parties involved.
- We have no bias with respect to any matter that is the subject of the valuation report or to the parties involved with this assignment.



- v. Our compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.

#### Summary of Our Opinion

Based on our analysis, we are of the opinion that the Fair Market Value of 100% equity of SAPL in accordance with CAS-1 is **INR 4003.80 Lakhs.**

We have been informed by the Management of SPRL that the consideration of Amalgamation of SAPL with SPRL would be discharged as under:

- 1. Allotment of 24 (Twenty Four) Nos. of 4.2% fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of SPRL for every 1 (one) equity share of SAPL.**

**AND**

- 2. Balance consideration to be paid in Cash**

In our opinion, the consideration of Amalgamation of SAPL with SPRL be discharged as under:

- 1. Allotment of 24 (Twenty Four) Nos. of 4.2% fully paid up Non-Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of SPRL at par for every 1 (one) equity share of SAPL.**
- 2. Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty only) for every 1 (one) equity share of SAPL by suitably rounding off the consideration value in cash per share.**



**Akhil Bhalla-Partner**  
Membership No:505002  
For and on behalf of  
**JC Bhalla & Co.**  
Firm Regn No:001111N

Place: New Delhi  
Date : May 10, 2018



**J. C. BHALLA & CO.**  
CHARTERED ACCOUNTANTS

BRANCH OFFICE : B-5, SECTOR-6, NOIDA - 201 301 (U.P.)  
TEL. : +91 - 120 - 4241000, FAX : +91-120-4241007  
E-MAIL : taxaid@vsnl.com

12<sup>th</sup> June 2018

To,

Shriram Automotive Products Ltd. (SAPL) &  
Shriram Pistons & Rings Ltd. (SPRL)

Sub: Valuation of 100% Equity of Shriram Automotive Products Limited

Dear Sir,

This has reference to our Valuation Report dated 10<sup>th</sup> May 2018, on valuation of 100% Equity of Shriram Automotive Products Ltd. and furtherance to letter from National Stock Exchange bearing reference: NSE/LIST/16836 dated 7<sup>th</sup> June 2018, advising Shriram Pistons & Rings Ltd. to provide Valuation Report as per format provided in NSE Circular bearing reference number NSE/CML/2017/12 dated 1<sup>st</sup> June 2017.

As advised the addendum to Valuation Report as per NSE format provided in above mentioned NSE circular is as under:

Computation of Fair Exchange Ratio:

Valuation Approach	Shriram Pistons and Rings Ltd. (Transferee Company)		Shriram Automotive Products Ltd. (Transferor Company)	
	Value Per Share	Weight	Value Per Share	Weight
Asset Approach*	Valuation of Transferee is not relevant as merger consideration is being discharged partly by issuance of fully paid up Non-participating, Redeemable, Non-Convertible, Cumulative Preference Shares and balance by payment of cash consideration to the equity shareholders of the Transferor Company		Not used	-
Income Approach			3453.73	80%
Market Approach			2834.23	20%
Relative Value per Share			3329.83	
Exchange Ratio (Rounded off)			3330.00	-

\*Note: Asset approach has not been used as this is used infrequently for valuation of Operating Companies

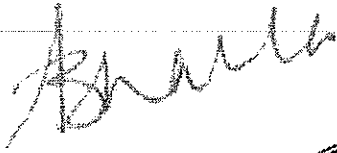
Ratio:

Allotment of 24 Nos. (Twenty Four) of 4.2% fully paid up Non Participating, Redeemable, Non-Convertible, Cumulative Preference Shares of Rs. 100 each, of Shriram Pistons & Rings Ltd. (the Transferee Company) at par for every 1 (one) equity share of Rs. 100 each fully paid up of Shriram Automotive Products Ltd. (the Transferor Company).

AND

Payment of Cash consideration of Rs. 930/- (Rupees Nine Hundred Thirty only) for every 1 (one) equity share of Rs. 100 each fully paid up of Shriram Automotive Products Ltd. (the Transferor Company) by suitably rounding off the consideration value in cash per share.

This may be read as an integral part of our Valuation Report dated 10<sup>th</sup> May 2018.



**Akhil Bhalla**  
**Partner**  
Membership No:505002  
For and on behalf of  
**JC Bhalla & Co.**  
Firm Regn No:001111N



Place: New Delhi  
Date : June 12, 2018

**V SAHAI TRIPATHI & CO**  
**CHARTERED ACCOUNTANTS**

C-593, LGF, Defence Colony  
New Delhi - 110024  
Tel. : +91-11- 46612531-33  
Fax : +91-11- 46540520  
E-Mail : vst@sahaitripathi.com

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
SHRIRAM AUTOMOTIVE PRODUCTS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of **SHRIRAM AUTOMOTIVE PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS financial statements by the Directors of the Company.

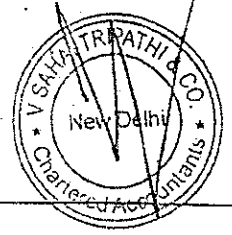
**Auditors' Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

Certify true copy  
For Shriram Automotive Products Ltd.

*[Signature]*  
Director



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

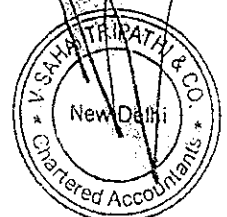
- (a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2018; and
- (b) In the case of Statement of Profit and Loss account, of the profit for the year ended on date March 31, 2018.
- (c) In the case of Cash Flow Statement for the year ended on date March 31, 2018.
- (d) In the case of Statement of changes in equity for the year ended on date March 31, 2018.

#### Emphasis of Matter

- (i) The Company M/Shriram Alpine Sales Private Limited (The Acquiree) merged with M/s Shriram Automotive Products Ltd (The Acquirer). The merger petitions were signed and submitted to the Hon'ble High Court of Delhi. Thereafter, final approval order of merger has been received from National Company Law Tribunal (NCLT) vide order Dated - 10<sup>th</sup> April, 2017. The merger's appointed date is 1<sup>st</sup> April, 2015 accordingly such order is effective from 1<sup>st</sup> April, 2015. The financials have been prepared on the basis of said merger order with effect from 01<sup>st</sup> April, 2015. As per the merger scheme, the shareholders of M/s Shriram Alpine Sales Private Limited will be issued six share of Shriram Automotive Products Limited against every ten shares of Shriram Alpine Sales Private Limited.

Certify true copy  
For Shriram Automotive Products Ltd.

*[Signature]*  
Director





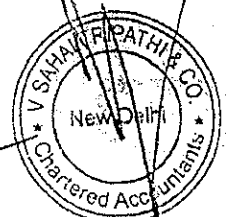
In the financials as at 31<sup>st</sup> March, 2017, Rs 25,20,000 representing 25,200 Equity Shares of Shriram Automotive Products Limited at face value of Rs 100, has been shown as share pending allotment as per the scheme of Amalgamation approved by National Company Law Tribunal (NCLT) vide order Dated - 10<sup>th</sup> April, 2017. The remaining amount of Rs 16,80,000 against which no shares have been allotted has been shown as Capital Reserve in the Schedule of Reserves and Surplus. During the year ended 31<sup>st</sup> March, 2018, Equity Shares were allotted on 28<sup>th</sup> June 2017 as per merger scheme against Share pending allotment account. Our opinion is not modified. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-'A' statement on the matters specified in Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure-'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.

Certify true copy  
For Shriram Automotive Products Ltd.

*[Signature]*  
Director



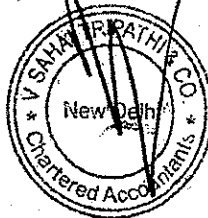
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation as on 31<sup>st</sup> March, 2018.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

---

For & on behalf of  
V Sahai Tripathi & CO.  
Chartered Accountants  
Firm's Registration Number 000262N

Manish Mohan  
Partner  
M.N.-091607

Place: New Delhi  
Date: 21st May, 2018



Certify true copy  
For Shriram Automotive Products Ltd.

  
Director

## ANNEXURE-"A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (1) of the report on other legal and regulatory requirements of Independent Auditor's Report to the members of Shriram Automotive Products Limited on the financial statements for the year ended March 31, 2018)

1) **In respect of Property, Plant and Equipment:-**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As per the information and explanation provided to us, Fixed Assets have been physically verified by the management during the year ended 31st March, 2018 at reasonable intervals. No material discrepancies were noticed on such verification. .
- (c) The title deeds of all immovable properties are held in the name of Shriram Alpine Sales Private Limited, the erstwhile transferee (i.e. Acquiree) company. The name on the title deed are yet to be transferred in the name of company.

2) **In respect of Inventories:-**

According to the information and explanations given to us, physical verification of inventories is conducted by the management at periodic intervals. These intervals are reasonable having regard to the size of the Company and the nature of its inventories. The company is maintaining proper records of inventories and discrepancies, which were not material, noticed on physical verification have been properly dealt with in the books of account

3) **In respect of Loans given by the Company:**

The Company has not granted loans to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, this clause is not applicable on the Company during the year ended 31<sup>st</sup> March, 2018.

4) **In respect to Loan to director and investment by the company :**

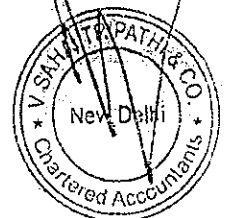
The company has not granted any loans, investments, guarantees and securities during the year in terms of provisions of Section 185 and 186 of Companies Act, 2013

5) **In respect of Deposits:**

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.

Certify true copy  
For Shriram Automotive Products Ltd.

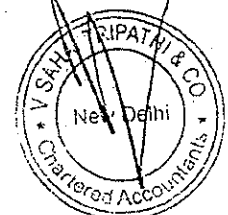
  
Director



- 6) **In respect of Cost records:**  
According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in respect of business carried out by the company. Accordingly, this clause is not applicable on the Company during the year ended 31<sup>st</sup> March, 2018.
- 7) **In respect of statutory dues:**
- a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us and the records of the company produced before us, there were no disputed Statutory Dues pending before appropriate authorities.
- 8) **In respect of Repayment of Loan:**  
In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and government. The Company has taken loan from bank.
- 9) **In respect of utilization of IPO and further public offer**  
The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, this clause is not applicable on the Company during the year ended 31<sup>st</sup> March, 2018.
- 10) **In respect of Reporting of fraud:**  
According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year ended 31<sup>st</sup> March, 2018.
- 11) **In respect of managerial remuneration:**  
According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

Certify true copy  
For Shriram Automotive Products Ltd.

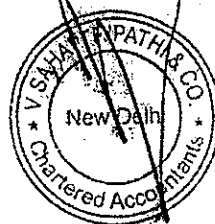
  
Director



- 12) **In respect of Nidhi Company:**  
The company is not a Nidhi Company and since this clause does not apply to the Company it is not required to maintain ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability.
- 13) **In respect of Related Party Transactions:**  
According to the information and explanations given to us and the records of the company examined by us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- 14) **In respect of Private Placement of Preferential Issues:**  
The Company M/s Shriram Alpine Sales Pvt Ltd. (The Acquiree) merged with M/s Shriram Automotive Products Ltd (The Acquirer). The merger petitions were signed and submitted to the Hon'ble High Court of Delhi. Thereafter, final approval order of merger has been received from National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The merger's appointed date is 1st April, 2015 accordingly such order is effective from 1st April, 2015. The financials have been prepared on the basis of said merger order with effect from 01st April, 2015. During the year ended 31<sup>st</sup> March, 2018, Equity Shares were allotted on 28th June 2017 as per merger scheme against Share pending allotment account.
- 15) **In respect of Non-Cash Transactions:**  
According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 of Companies Act, 2013 are not applicable.
- 16) **In respect of registration under RBI Act, 1934:**  
The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable.

For & on behalf of  
V Sahai Tripathi & CO.  
Chartered Accountants  
Firm's Registration Number 000262N

Manish Mehan  
Partner  
M.N.-091607  
Place: New Delhi  
Date: 21<sup>st</sup> May, 2018



Certify true copy  
For Shriram Automotive Products Ltd.

Director

## ANNEXURE-"B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Ind As financial statements of the Company as of and for the year ended 31 March, 2018 we have audited the internal financial controls over financial reporting of SHRIRAM AUTOMOTIVE PRODUCTS LIMITED ("the Company") as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the company are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

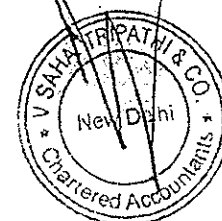
### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Certify true copy  
For Shriram Automotive Products Ltd.

  
Director



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

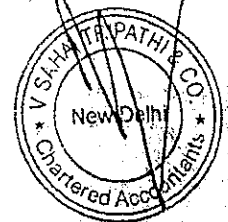
- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) Provide reasonable assurance regarding prevention and timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Certify true copy  
For Shriram Automotive Products Ltd.

*[Handwritten Signature]*  
Director

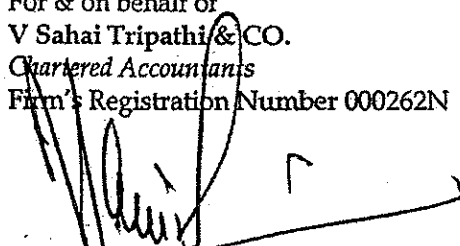


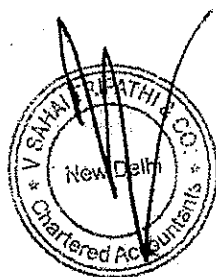
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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For & on behalf of  
V Sahai Tripathi & CO.  
Chartered Accountants  
Firm's Registration Number 000262N

  
Manish Mohan  
Partner  
M.N.-091607  
Place: New Delhi  
Date: 21<sup>st</sup> May, 2018



Certify true copy  
For Shriram Automotive Products Ltd.

  
Director



**SHRIRAM AUTOMOTIVE PRODUCTS LIMITED**

Balance Sheet as at 31st March 2018

(Amount in Rupees)

Particulars		Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>I</b>	<b>ASSETS</b>				
1	Non-current assets				
(a)	Property, Plant and Equipment	1	14,976,853	18,286,774	19,174,909
(b)	Financial Assets				
(i)	Investments	2	300,808	322,167	276,662
(ii)	Loans	3	100,000	300,000	1,850,000
(iii)	Other Financial Assets	4	3,184,796	3,284,666	2,541,660
(b)	Deferred Tax Asset (Net)	5	7,945,555	8,673,630	7,755,637
(d)	Other Non-Current Assets	6	62,547,320	3,416,513	3,979,999
2	Current assets				
(a)	Inventories	7	75,841,975	85,695,055	74,599,352
(b)	Financial Assets				
(i)	Trade receivables	8	278,507,431	190,357,599	240,006,707
(ii)	Cash and Cash Equivalents	9	4,025,278	11,721,918	2,499,491
(iii)	Other Bank Balances	10	52,314,619	66,358,048	60,051,099
(iv)	Loans	11	200,000	577,531	287,899
(v)	Other Financial Assets	12	16,673,093	16,360,421	21,953,507
(c)	Current Tax Assets (Net)	13	1,206,432	-	-
(d)	Other Current Assets	14	5,041,059	1,455,071	3,481,413
	<b>TOTAL ASSETS</b>		<b>522,865,219</b>	<b>406,809,393</b>	<b>438,458,335</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
1	Equity				
(a)	Equity Share Capital	15	12,024,000	9,504,000	9,504,000
(b)	Other Equity		143,617,229	133,896,543	121,042,307
2	Liabilities				
	Non-current liabilities				
(a)	Financial Liabilities				
(i)	Other Financial Liabilities	16	26,483,099	25,899,514	29,608,164
(b)	Provisions	17	9,376,528	9,574,308	9,021,758
	Current liabilities				
(a)	Financial Liabilities				
(i)	Borrowings	18	-	10,047,034	5,996,576
(ii)	Trade Payables	19	284,060,317	179,451,860	212,508,430
(iii)	Other Financial Liabilities	20	3,842,546	7,763,954	13,891,182
(b)	Other Current Liabilities	21	31,861,108	24,274,547	23,370,834
(c)	Provisions	22	11,600,392	6,397,633	13,515,084
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>522,865,219</b>	<b>406,809,393</b>	<b>438,458,335</b>

Notes forming part of the financial statements 1 to 48

This is the Balance Sheet referred to in our report of even date

For V. Sahai Tripathi & Co.

Chartered Accountants

Firm Regn No. 000252N

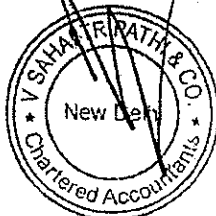
Manish Mohan

(Partner)

Membership No. 091607

Place: New Delhi

Date: 21-5-2018



(Gen. Manager)

Certify true copy

For Shriram Automotive Products Ltd.

Director

*(Handwritten signatures and stamps)*  
 (DIN: 00050036) (DIN: 00049428)  
 (DIN: 00051065) (DIN: 00023760)  
 (Chairman) (DIN: 00124814)

**SHRIRAM AUTOMOTIVE PRODUCTS LIMITED**  
Statement of Profit and Loss for the period ended 31st March 2018

(Amount in Rupees)

Particulars		Note No.	As at 31st March 2018	As at 31st March 2017
I.	Revenue From Operations	23	1,268,327,443	1,212,656,835
II.	Other Income	24	18,979,381	6,479,574
III.	<b>Total Revenue (I + II)</b>		<b>1,287,306,824</b>	<b>1,219,136,409</b>
IV.	Expenses:			
	Cost of Material Consumed	25	3,661,484	10,305,666
	Purchase of Stock-in Trade	26	997,424,170	957,062,627
	Changes in Inventory	27	6,191,596	(14,163,647)
	Excise duty on Sale of Goods		3,072,759	8,661,057
	Employee Benefits Expense	28	68,036,536	67,029,040
	Finance Costs	29	7,677,067	7,495,521
	Depreciation and Amortization Expense	1	✓ 5,721,672	6,293,590
	Other Expenses	30	154,369,393	153,876,850
	<b>Total Expenses</b>		<b>1,246,154,676</b>	<b>1,196,560,705</b>
V.	<b>Profit before exceptional items and tax (III-IV)</b>		<b>41,152,148</b>	<b>22,575,705</b>
VI.	Exceptional Item		-	-
VII.	<b>Profit before tax (V - VI)</b>		<b>✓ 41,152,148</b>	<b>22,575,705</b>
VIII.	Tax expense:	31		
	(1) Current Tax		13,982,906	7,844,000
	(2) Deferred Tax	5	(376,771)	(495,133)
	(3) Prior Period Tax		-	-
IX.	<b>Profit (Loss) for the period</b>		<b>27,546,013</b>	<b>15,226,838</b>
X.	Other Comprehensive income			
	A (i) Items that will not be reclassified to profit or loss - Remeasurements of the defined benefit plans		✓ 3,341,638	(1,278,950)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	5	(1,104,846)	422,859
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI.	<b>Total Comprehensive Income for the period (X+XI) (Comprising profit (loss) and other Comprehensive Income for the period)</b>		<b>29,782,805</b>	<b>14,370,747</b>
XII.	Earnings per equity share (for continuing operation):	32		
	- Basic		229.09	126.64
	- Diluted		229.09	126.64

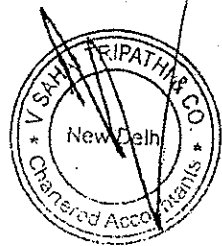
Notes forming part of the financial statements  
This is the Balance Sheet referred to in our report of even date

1 to 48

For V. Saha Tripathi & Co.  
Chartered Accountants  
Firm Regn. No. 000262N

*(Signature)*  
Manish Mohan  
(Partner)  
Membership No. 091607

Place: New Delhi  
Date: 21-5-2018



*(Signature)* (DIN: 00050036) *(Signature)* (DIN: 001141128)

*(Signature)* (Gen. Manager) (DIN: 00051065) *(Signature)* (DIN: 0002376)

*(Signature)* (Chairman) (DIN: 00124814)  
Certify true copy  
For Shriram Automotive Products Ltd.  
*(Signature)*  
Director

**SHRIRAM AUTOMOTIVE PRODUCTS LIMITED**  
Statement of Cash Flow for the period ended 31st March 2018

(Amount in Rupees)

Particulars	31.03.2018		31.03.2017	
<b>(A) Cash flow from Operating Activities</b>				
Profit Before Tax	41,152,148		22,575,705	
dc: (Profit)/Loss on sale of Assets - Net	(821,828)		(439,518)	
Unrealised (Gains)/Loss on investments carried at fair value through statement of profit and loss	21,359		(45,505)	
Depreciation	5,721,672		6,293,590	
Interest Paid	7,677,067		7,495,521	
Interest Received	(4,250,765)		(5,777,305)	
Dividend Received	(1,368)		(1,920)	
Movement in Earned leaves/Gratuity	(4,000,653)		1,180,878	
Remeasurement of post employment defined benefit plans	3,341,638		(1,278,950)	
<b>Operating Profits before working Capital changes</b>	<b>48,839,270</b>		<b>30,002,496</b>	
Adjustment for:				
Change in Trade Payable	104,608,457		(33,056,570)	
Change in Other Liabilities	4,248,738		(8,932,165)	
Change in Provisions	4,680,944		(6,498,112)	
Change in Inventories	9,853,080		(11,095,703)	
Change in Trade receivable	(88,149,832)		49,649,108	
Change in Loans & Advances	(60,789,432)		8,406,569	
<b>Cash generation from Operating Activities</b>	<b>23,291,226</b>		<b>28,475,622</b>	
ess: Income Tax	12,427,284		8,797,960	
<b>Net Cash generation from Operating Activities</b>		<b>10,863,941</b>		<b>19,677,662</b>
<b>(B) Cash Flow from Investing Activities</b>				
Interest Income	4,250,765		5,777,305	
Dividend Income	1,368		1,920	
Purchase of Fixed Assets	(3,519,487)		(6,228,552)	
Sale of Fixed Assets	1,929,564		1,262,615	
Movement in Margin Money with banks	(2,731,151)		(5,066,650)	
Movement in Deposits more than 12 months	16,774,580		(1,240,299)	
<b>Net Cash from Investing Activities</b>		<b>16,705,639</b>		<b>(5,493,661)</b>
<b>(C) Cash Flow from Financing Activities</b>				
Interest Paid	(7,677,067)		(7,495,521)	
Proceeds/(Repayment) of Borrowing	(10,047,034)		4,050,458	
Payment of Dividend including Corporate Dividend tax	(17,542,119)		(1,516,511)	
<b>Net Cash flow in Financing Activities</b>		<b>(35,266,220)</b>		<b>(4,961,574)</b>
<b>Net increase decrease in cash &amp; cash equivalents</b>		<b>(7,696,640)</b>		<b>9,222,427</b>
Cash and Cash equivalents (Opening Balance)		11,721,918		2,499,491
Cash and Cash equivalents (Closing Balance)		4,025,278		11,721,918

Certify true copy  
For Shriram Automotive Products Ltd.

*[Signature]*  
Director



**SHIRAM AUTOMOTIVE PRODUCTS LIMITED**  
Statement of Change in Equity as at March 31, 2018

Particulars	Equity Share Capital		
	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Balance at the beginning of the reporting period;	9,504,000	9,504,000	9,504,000
Changes in equity share capital during the year;	2,520,000	-	-
Balance at the end of the reporting period	12,024,000	9,504,000	9,504,000

**Other Equity**

Other equity consist of following :

Particulars	Reserves and Surplus				Total
	Share Application Pending	Capital Reserve	General Reserve	Retained Earnings	
<i>Balance as at April 1, 2016</i>					
Profit/(loss) for the year	2,520,000	1,680,000	18,535,600	98,306,707	121,042,307
Other comprehensive income/(loss) for the year	-	-	-	15,226,838	15,226,838
Dividends (including corporate dividend tax)	-	-	-	(856,091)	(856,091)
Transfer to General Reserve	-	-	-	(1,516,511)	(1,516,511)
Transfer to Capital Reserve	-	-	-	-	-
Balance at the end of the 31.03.2017	2,520,000	1,680,000	18,535,600	111,160,943	133,896,543
Profit/(loss) for the year	-	-	-	27,546,013	27,546,013
Other comprehensive income/(loss) for the year	-	-	-	2,236,792	2,236,792
Dividends (including corporate dividend tax)	-	-	-	(17,542,119)	(17,542,119)
Transfer to General Reserve	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	-	-
Issue of Equity Share Capital	(2,520,000)	-	-	-	(2,520,000)
Balance at the end of the 31.03.2018	-	1,680,000	18,535,600	123,401,629	143,617,229

Notes forming part of the financial statements

This is the Balance Sheet referred to in our report of even date

1 to 48

For V. Sahai Tripathi & Co.  
Chartered Accountants  
Firm Regn No. 000262N

Manish Mehta  
(Partner)  
Membership No. 091607

Place : New Delhi

Date : 21-5-2018

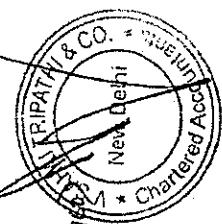
Kshirani (DIN: 00050036)

(Gen. Manager)

(Directors) (DIN: 00051065)

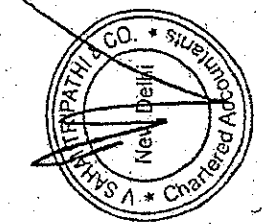
(Chairman) (DIN: 00124814)

Certify true copy  
For Shriram Automotive Products Ltd.



**1 Property, Plant and Equipment**  
Property, plant and equipment consist of the following :

Particulars	Land & Building - Flat	Plant & Machinery	Furniture & Fixture	Electrical Installations	Equipment & Appliances	Office Equipment	Motor Vehicle	Computer	Total
<b>Year ended 31 March 2018</b>									
Opening gross carrying amount:	2,925,636	2,495,472	3,911,456	1,203,518	1,012,495	256,755	9,059,805	761,471	21,626,608
Additions	-	-	202,474	-	622,106	-	2,059,756	635,151	3,519,487
Disposals	-	54,081	80,144	45,988	35,019	9,041	1,049,000	28,139	1,301,412
Closing gross carrying amount as at March 31, 2018	2,925,636	2,441,391	4,033,786	1,157,530	1,599,582	247,714	10,070,561	1,368,483	23,844,683
Opening accumulated depreciation	224,933	492,501	930,787	235,346	284,979	80,158	1,049,557	101,573	3,339,834
Depreciation charged during the year 2017-2018	207,639	594,313	789,261	251,234	361,929	75,805	2,915,016	596,875	5,721,672
Depreciation on Disposals	-	9,780	14,874	7,838	6,081	1,279	142,861	11,763	193,676
Closing accumulated depreciation as at March 31, 2018	432,572	947,034	1,705,174	478,742	640,427	154,684	3,822,512	686,885	8,867,830
Net carrying amount as at March 31, 2018	2,493,064	1,494,357	2,328,612	678,788	959,155	93,030	6,248,049	681,798	14,976,853
<b>Year ended 31 March 2017</b>									
Deemed cost as at 01.04.2016	2,925,636	1,734,252	3,645,146	1,105,209	889,524	248,105	8,202,357	424,680	19,174,909
Additions	-	761,220	360,294	243,149	308,687	50,900	3,710,169	794,133	6,228,552
Disposals	-	-	93,984	144,840	185,716	42,250	2,852,721	457,942	3,776,833
Closing gross carrying amount as at March 31, 2017	2,925,636	2,495,472	3,911,456	1,203,518	1,012,495	256,755	9,059,805	761,471	21,626,608
Depreciation charged during the year 2016-2017	224,933	432,501	990,473	309,372	419,469	119,496	3,271,840	525,506	6,293,590
Depreciation on Disposals	-	-	59,686	74,026	134,490	39,338	2,222,283	423,933	2,953,756
Closing accumulated depreciation as at March 31, 2017	224,933	432,501	930,787	235,346	284,979	80,158	1,049,557	101,573	3,339,834
Net carrying amount as at March 31, 2017	2,700,703	2,062,971	2,980,669	968,172	727,516	176,597	8,010,248	659,898	18,286,774
<b>Deemed cost as on 01.04.2016</b>									
Opening gross value as on 01.04.2015	4,402,128	8,483,519	8,220,394	2,451,183	4,519,930	778,475	27,473,452	3,256,298	59,585,379
Additions	-	-	493,018	246,171	393,485	123,089	2,684,724	336,800	4,277,237
Disposals	-	-	133,486	232,072	191,794	20,905	3,837,023	91,575	4,506,855
Closing gross carrying amount as at March 31, 2016	4,402,128	8,483,519	8,579,926	2,465,282	4,721,571	880,659	26,321,153	3,501,523	59,355,761
Opening acc Dep as on 01.04.2015	1,232,825	6,329,255	3,867,915	1,120,205	3,553,347	447,339	17,779,420	2,769,066	37,099,422
Depreciation charged during the year	243,667	420,012	1,156,441	376,896	456,147	201,612	3,488,016	391,617	6,714,408
Depreciation on Disposals	-	-	89,576	137,028	157,447	16,447	3,148,640	83,840	3,632,978
Closing accumulated depreciation as at March 31, 2016	1,476,492	6,749,267	4,934,780	1,360,073	3,832,047	632,554	18,118,796	3,076,843	40,180,852
Net carrying amount as at March 31, 2016	2,925,636	1,734,252	3,645,146	1,105,209	889,524	248,105	8,202,357	424,680	19,174,909



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For Shriram Automotive Products Ltd  
*[Signature]*  
Director

2 Investments (Non-current)

Investments consist of the following :

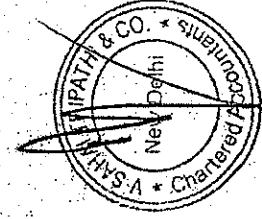
Particulars	As at 31st	As at 31st	As at 1st	Basis of Valuation
	March 2018	March 2017	April 2016	
Carried at fair value through Profit & loss				
- Investments in Equity Shares - Quoted (Refer Note 2A)	260,783	282,142	236,637	FVTPL
Carried at amortised cost				
- Investments in National Savings Certificate - Unquoted*	40,025	40,025	40,025	Amortised Cost
*(Pledge with Sales Tax Department in Jaipur)				
<b>TOTAL</b>	<b>300,808</b>	<b>322,167</b>	<b>276,662</b>	

2A Investments in Equity Shares

Particulars	No. of Shares		
	As at 31st	As at 31st	As at 1st
Investment in Equity Shares	March 2018	March 2017	April 2016
Shares of BOSCH LTD	10	10	10
Shares of RANE BRAKE LINING	20	20	20
Shares of RANE HOLDINGS LTD	15	15	15
Shares of SUNDARAM BRAKE LINING	50	50	50
<b>TOTAL</b>			

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For Shriram Automotive Products Ltd.

*[Signature]*  
Director



**3 Loans (Non-current)**

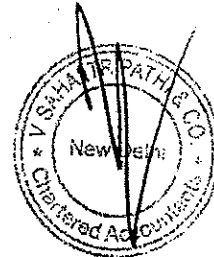
Loans consist of the following :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Other Loans</b>			
Unsecured, considered good			
- Loan to Suppliers <i>(Interest Bearing Loan at amortised cost)</i>	100,000	300,000	1,850,000
<b>TOTAL</b>	<b>100,000</b>	<b>300,000</b>	<b>1,850,000</b>

**4 Other Financial Assets (Non-current)**

Other Financial Assets consist of the following :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Security Deposits;</b>			
- Deposits for Rented Premises	3,111,596	3,211,466	2,478,460
- Other deposits <i>(at amortised cost)</i>	63,200	63,200	53,200
- Fixed Deposit <i>(having remaining maturity of more than 12 months from reporting date)</i>	10,000	10,000	10,000
<b>TOTAL</b>	<b>3,184,796</b>	<b>3,284,666</b>	<b>2,541,660</b>



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For Shriram Automotive Products Ltd.

*[Signature]*  
Director

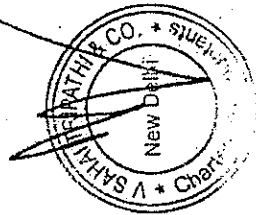
**Note 5: Deferred Tax Assets (Net)**

Major Components of the deferred tax balances

Particulars	As at 1st April 2016	As at 31st March 2017	As at 31st March 2018
Remeasurement of Investment through Profit and Loss	(80,412)	(95,457)	(88,395)
Deferred Tax Assets:			
Property, Plant and Equipment	3,721,922	3,950,488	3,965,085
Post Employment Defined Benefit Plans	3,715,697	4,106,130	2,783,393
Allowance for Expected Credit Loss	398,761	717,086	1,286,890
Others	(831)	(4,567)	(1,418)
<b>Total</b>	<b>7,755,637</b>	<b>8,673,630</b>	<b>7,945,555</b>

**Movement in Deferred Tax Assets/(Liabilities)**

Particulars	Property, Plant and Equipment	Post Employment Defined Benefit Plans	Allowance for Expected Credit Loss	Remeasurement of Investment through Profit and Loss	Others	Total
Particulars						
At April 1, 2016	3,721,922	3,715,697	398,761	(80,412)	(331)	7,755,637
(Charged) / credited						
- to Statement of Profit and Loss	228,566	(32,426)	318,275	(15,045)	(4,237)	495,133
- to other comprehensive income		422,859	-	-	-	422,859
At 31st March, 2017	3,950,488	4,106,130	717,036	(95,457)	(4,567)	8,673,630
(Charged) / credited						
- to Statement of Profit and Loss	14,596	(217,891)	569,854	7,062	3,150	376,771
- to other comprehensive income		(1,104,846)	-	-	-	(1,104,846)
At 31st March, 2018	3,965,085	2,783,393	1,286,890	(88,395)	(1,418)	7,945,555



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For Shriram Automotive Products Ltd  
*[Signature]*  
Director



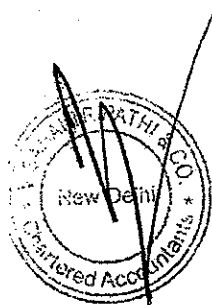
6 Other Non-Current Assets

Other Non-Current Assets consist of the following :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances other than capital advances:			
- Balances with Government Authorities (Note 6A)	62,547,320	3,416,513	3,979,999
<b>Total</b>	<b>62,547,320</b>	<b>3,416,513</b>	<b>3,979,999</b>

6A Balances with Government Authorities

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
- Custom Duty Recoverable	218,669	218,669	218,669
- GST Recoverable - Output	21,525,516	-	-
- GST Recoverable - Input	36,093,733	-	-
- GST Recoverable - Stock	3,606,654	-	-
- Excise Recoverable	-	1,126,764	1,838,485
- CST Recoverable - Bhopal	-	-	13,500
- VAT Refund Receivable	345,261	149,738	132,168
- Income Tax/TDS Receivable	3,787	1,921,342	1,777,177
- Deposit With Sales Tax Department	753,700	-	-
<b>Total</b>	<b>62,547,320</b>	<b>3,416,513</b>	<b>3,979,999</b>



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For Shriram Automotive Products Ltd.

*[Signature]*  
Director

## 7 Inventories

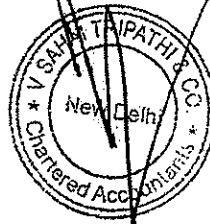
Inventories consist of the following:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Raw Material/ Components			
Drive Chain			1,409,729
Others		3,661,484	5,319,700
		3,661,484	6,729,429
(b) Stock in Trade			
Auto Components/Spares	68,090,497	79,763,904	64,661,492
Lubricants	7,751,478	2,269,667	3,208,431
	75,841,975	82,033,571	67,869,923
<b>Total</b>	<b>75,841,975</b>	<b>85,695,055</b>	<b>74,599,352</b>

- (a) The amount of inventory recognised as closing stock amounting to Rs.7,58,41,975 have been shown net of Rs 16,54,480 is in respect of in respect of write-downs of inventory to net realisable value.
- (b) Stock of manufactured finished goods are valued at cost or at market value, whichever is lower on First In First Out (FIFO) basis.

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Director



**8 Trade Receivables**

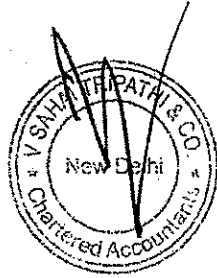
Trade receivables consist of the following:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Unsecured, Considered good;	278,507,431	190,357,599	240,006,707
Doubtful	3,892,235	2,168,695	1,206,064
	282,399,666	192,526,294	241,212,771
Less: Allowance for expected credit loss	3,892,235	2,168,695	1,206,064
<b>Total</b>	<b>278,507,431</b>	<b>190,357,599</b>	<b>240,006,707</b>

The company applies the simplified approach to provide for expected credit loss prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The company uses expected credit loss model to assess the impairment loss and make allowance on doubtful debts using expected credit loss model on case to case basis.

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*[Signature]*  
Director



**9 Cash and Cash Equivalent**

Cash and cash equivalents consist of the following at amortised cost:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Balances with banks - In Current Accounts	1,025,278	2,721,384	2,499,491
(b) Bank deposit (having original maturity less than 3 months)	3,000,000	9,000,534	-
<b>TOTAL</b>	<b>4,025,278</b>	<b>11,721,918</b>	<b>2,499,491</b>

**10 Other Bank Balances**

Other Bank Balances consist of the following at amortised cost:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Margin money deposits			
Against Export Limit	45,644,252	42,346,379	38,000,000
Against Bank Gurantee	2,743,959	3,310,681	2,590,410
(b) Bank deposit	3,926,408	20,700,988	19,460,689
(deposits with original maturity more than 3 month having remaining maturity less than 12 months from Reporting date)			
<b>TOTAL</b>	<b>52,314,619</b>	<b>66,358,048</b>	<b>60,051,099</b>



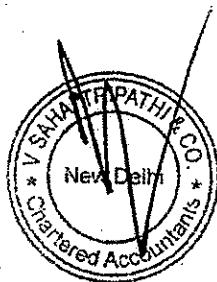
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*[Signature]*  
Director

**11 Loans (Current)**

Loans consist of the following at amortised cost :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Other Loans			
Unsecured, considered good			
- Loan to Suppliers	200,000	540,000	200,000
- Loan To Staff	-	37,531	87,899
<b>TOTAL</b>	<b>200,000</b>	<b>577,531</b>	<b>287,899</b>



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*[Signature]*  
Director

**12 Other Financial Assets (Current)**

Other Current Assets consist of the following at amortised cost:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Claims Receivable;	150,898	868,592	2,787,324
(b) Interest Accrued	1,026,820	2,968,615	8,266,010
(c) Export Incentive Receivables	15,495,375	12,523,214	10,900,173
<b>Total</b>	<b>16,673,093</b>	<b>16,360,421</b>	<b>21,953,507</b>



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*[Signature]*  
Director

**13 Current Tax Assets (Net)**

Current Tax Assets (Net) consist of the following :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Tax Recoverable (Net of Provision) (Note 13A)	1,206,432	-	-
<b>TOTAL</b>	<b>1,206,432</b>	<b>-</b>	<b>-</b>

**13A Details of Tax Receivable**

Particulars	For the year	For the year	For the year
Advance Tax	12,000,000	8,490,000	17,641,260
TDS	427,284	560,432	587,779
Provision for Tax	13,982,906	7,844,000	19,183,000
<b>Net</b>	<b>(1,555,622)</b>	<b>1,206,432</b>	<b>(953,961)</b>

\*Current year provision for tax have been shown net under the head Provisions .



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**14 Other Current Assets**

Other Current Assets consist of the following :

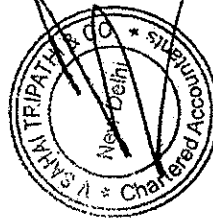
Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Advances other than capital advances:			
(a) Advances to related parties;	-	-	-
(b) Other advances (Refer Note 14A)	5,041,059	1,455,071	3,481,413
<b>Total</b>	<b>5,041,059</b>	<b>1,455,071</b>	<b>3,481,413</b>

**14A Details of Other Advances**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Prepaid Expenses	619,994	720,789	794,757
Advance to Suppliers	2,733,381	1,815,664	3,474,331
Gratuity Fund - Planned Asset	1,687,684	(1,081,382)	(787,675)
<b>Total</b>	<b>5,041,059</b>	<b>1,455,071</b>	<b>3,481,413</b>

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For Shriram Automotive Products Ltd.

  
Director





**15 Share Capital**

The authorised, issued, subscribed and fully paid up share capital of equity shares having a par value of Rs100 each as follows:

Share Capital	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
<b>Authorised</b>						
Equity Shares of Rs 100 each	250,000	25,000,000	2,50,000*	2,50,00,000*	2,50,000*	2,50,00,000*
<b>Issued, Subscribed &amp; Fully Paid</b>						
95,040 Equity Shares of Rs 100 each	120,240	12,024,000	95,040	9,504,000	95,040	9,504,000
<b>Total</b>	<b>120,240</b>	<b>12,024,000</b>	<b>95,040</b>	<b>9,504,000</b>	<b>95,040</b>	<b>9,504,000</b>

\* Authorised Shares Capital revised as per NCLT order dated 10th April 2015, effective from 1st April 2015 of amalgamation of Shriram Alpines Sales Private Limited with the Company

- (i) Equity Shares :- The company has one class of equity shares having a par value of Rs 100 each. Each share holder of equity is entitled to one vote per share.
- (ii) The Company declares and pays dividend in Indian rupees. The proposed dividend by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- (iii) In the event of liquidation of the company, holders of equity shares will be entitled to receive remaining assets of the company after distributing of all preferential amounts.

**15A Reconciliation of number of shares**

Particulars	Equity Shares					
	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
Shares outstanding at the beginning of the year	95,040	9,504,000	95,040	9,504,000	95,040	9,504,000
Shares Issued during the year **	25,200	2,520,000	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Any other movement (please specify)	-	-	-	-	-	-
Shares outstanding at the end of the year	120,240	12,024,000	95,040	9,504,000	95,040	9,504,000

**15B Details of shares held by shareholders holding more than 5% of aggregate shares in the Company**

Name of Shareholder	Equity Shares					
	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NAK Benefit Trust	96,187	80.00	76,027	79.99	-	-
Anita Taneja	13,234	11.01	9,504	10.00	9,504	10.00
Anjali Taneja	10,814	8.99	9,504	10.00	9,504	10.00
Kush D Shriram	1	0.00	1	0.00	73,332	77.16
Others (Less Than 5% of holding)	4	0.00	4	0.00	2,700	2.84
<b>Total</b>	<b>120,240</b>	<b>100.00</b>	<b>95,040</b>	<b>100.00</b>	<b>95,040</b>	<b>100.00</b>

\*The Company M/s Shriram Alpine Sales Private Limited, (The Acquiree) merged with M/s Shriram Automotive Products Ltd (The Acquirer). The merger petitions were signed and submitted to the Hon'ble High Court of Delhi. Thereafter, final approval order of merger has been received from National Company Law Tribunal (NCLT) vide order Dated - 10th April, 2017. The merger's appointed date is 1st April, 2015 accordingly such order is effective from 1st April, 2015. The financials have been prepared on the basis of said merger order with effect from 01st April, 2015. The previous year's figure's has prepared by merging the audited financials after taking effect of Inter-Company's transactions. (Refer Note No-39)

\*\* During the year ended 31 March 2018 Equity Shares were allotted on 28th June 2017 as per merger scheme against Share pending allotment account.

Certified true & correct  
For Shriram Automotive Products Ltd



*[Signature]*  
Director

**16 Other Financial Liabilities (Non Current)**

Other Financial Liabilities consist of the following at amortised cost:-

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Others - Dealers Securities*	26,483,099	25,899,514	29,608,164
<b>Total</b>	<b>26,483,099</b>	<b>25,899,514</b>	<b>29,608,164</b>

\*Denotes mainly Interest Bearing Securities received from distributors against supply of goods. These are not expected to be paid/refunded in next 12 months period from balance sheet date.

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For Shriram Automotive Products Ltd.

*[Signature]*  
Director



**17 Provisions (Non Current)**

Provisions consist of the following :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(a) Provision for employee benefits - Compensated Absences (Unfunded)	9,376,528	9,574,308	9,021,758
(b) Others	-	-	-
<b>Total</b>	<b>9,376,528</b>	<b>9,574,308</b>	<b>9,021,758</b>

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For Shriram Automotive Products Ltd.

  
Director



**18 Borrowings**

Borrowings consist of the following :

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured</b>			
(a) Loans repayable on demand			
- From Banks (Refer Note 18A)	-	10,047,034	5,681,591
From Other's			
- BMW Financial Services Ltd (Refer Note 18B)	-	-	314,985
<b>Total</b>	-	10,047,034	5,996,576

**18A Borrowings from Bank :**

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured</b>			
Borrowings from Bank			
- Overdraft Secured	-	6,167,413	5,681,591
- Loan Secured	-	3,879,621	-
<b>Total</b>	-	10,047,034	5,681,591

\* Borrowing from bank were secured against FDR's

**18B BMW Financial Services Ltd.**

Terms of Repayment (During the Reporting Period)	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>Secured</b>			
- Rate of Interest	-	10.93%	10.93%
- No. of Installments (Monthly)	-	4	12
- Total amount of installments	-	314,985	880,666

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For Shriram Automotive Products Ltd.

*[Signature]*  
Director

