



KINETIC ENGINEERING LIMITED

Regd. Office : D1 Block, Plot No. 18/2, MIDC, Chinchwad, Pune – 411019

SYNOPSIS OF THE SCHEME OF AMALGAMATION OF KINETIC MOTOR COMPANY LIMITED WITH KINETIC ENGINEERING LIMITED AND CONSIDERATION PURSUANT TO THE SCHEME OF MEGER

1. Kinetic Motor Company Limited is getting amalgamated (merged) with Kinetic Engineering Limited as per Section 391-394 of the Companies Act, 1956.

Kinetic Engineering Limited and Kinetic Motor Company Limited are engaged in the Automotives Business.

The amalgamation is a key strategic move by the Kinetic Group to achieve the potential of Automotive Business including participation of investors, strategic partners, lenders and other stakeholders in such Business. The business consolidation would result in substantial synergies including enhanced financial strength and flexibility as well as rationalization of operating activity and investment in one entity, leading to strengthening and alignment of various stakeholders' interest, reduction of cost and value creation for the stakeholders.

2. Honorable Bombay High Court has sanctioned the Scheme of Amalgamation in its final hearing held on 8th February, 2013. Shareholders of both the Companies had also approved the Scheme of Amalgamation in their Court Convened Meeting held on 22nd November, 2012 pursuant to section 391-394 of the Companies Act, 1956.

As a result of the merger, the stake of the Promoters in Kinetic Engineering would stand at 53%, from a current stake of 57%. The balance shareholding will be held by public and financial institutions.

3. The Appointed Date of the Merger is 01-01-2012 and Scheme has become effective from 11th March, 2013.

Upon the Scheme becoming effective, in consideration of the transfer of and vesting of the said assets and said liabilities of Kinetic Motor Company Limited, in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed, issue and allot:

- i) 4 (Four) fully paid up equity shares of Rs.10/- (Rupees Ten only) each of the Transferee Company for every 31 (Thirty One) equity shares of Rs.10/- (Rupees Ten Only) each, held by the shareholders in Transferor Company.
- ii) 1 (One) Redeemable Preference Share of Rs.65/- (Rupees Sixty Five Only) each of the Transferee Company for every 1 (One) Optionally Convertible Cumulative Preference Share of Rs.65 (Rupees Sixty Five Only) each held by Micro Age Instruments Pvt Ltd immediately prior to the merger, on the same terms and subject to the same liability in relation to the accumulated dividend, as are/is applicable to those Optionally Convertible Cumulative Preference Shares of Rs.65 each.
- iii) 1 (One) Redeemable Preference Share of Rs.65/- (Rupees Sixty Five Only) each of the Transferee Company for every 1 (One) 8.5% New Optionally Convertible



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Cumulative Preference Share of Rs.65 (Rupees Sixty Five Only) each held by MAIPL immediately prior to the merger, on the same terms and subject to the same liability in relation to the accumulated dividend, as are/is applicable to those 8.5% New Optionally Convertible Cumulative Preference Shares of Rs.65 each.

iv) 100 (One Hundred) fully paid up equity shares of Rs.10/-(Rupees Ten only) each of the Transferee Company for every 621 (Six Hundred Twenty One) Optionally Convertible Cumulative Preference Shares of Rs. 22/- each to be held by Ajinkya Holding Pvt Ltd.

4. The equity and preference shares held by the Transferee Company in the Transferor Company will be cancelled and extinguished and no shares of Transferee Company shall be issued in exchange of the shares held by the Transferee Company. The shareholding of the Transferee Company in the Transferor Company is as follows:

- i) 1,01,67,975 (One Crore One Lac Sixty Seven Thousand Nine Hundred Seventy Five) Equity Shares of Rs. 10/- (Rupees Ten Only) each.
- ii) 5,00,000 (Five Lac) Redeemable Cumulative Preference Shares of Rs. 100/-(Rupees Hundred Only).
- iii) 5,30,000 (Five Lac Thirty Thousand) Convertible Cumulative Preference Shares of Rs. 65/-(Rupees Sixty Five Only) each.
- iv) 14,85,346 (Fourteen Lac Eighty Five Thousand Three Hundred Forty Six) Optionally Convertible Cumulative Preference Shares of Rs. 65/-(Rupees Sixty Five Only) each.
- v) 7,70,000 (Seven Lac Seventy Thousand) Optionally Convertible Cumulative Preference Shares of Rs. 65/- (Sixty Five Only) each.
- vi) 6,77,000 (Six Lac Seventy Seven Thousand) 8.5% New Optionally Convertible Cumulative Preference Shares of Rs. 65/- (Sixty Five Only) each.
- vii) 7,70,000 (Seven Lac Seventy Thousand) Redeemable Cumulative Preference Shares of Rs. 65/- (Sixty Five Only) each.
- viii) 1,03,00,000 (One Crore Three lakh) 8.5% New Redeemable Preference Shares of Rs. 10/- (Ten) each.

5. No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Company are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. The Board of Directors of the Transferee Company shall instead consolidate all such fractional entitlements to which the shareholders of the Transferor Company may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed,



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issue and allot such fractional entitlements directly to an individual, trustee or a board of trustees or a corporate trustee (the “**Trustee**”), who shall hold such fractional entitlements with all additions and accretions thereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Company in proportion to their respective fractional entitlements.

Yours sincerely,

For **Kinetic Engineering Limited**

A handwritten signature in black ink, appearing to read 'Pranvesh Tripathi', with a horizontal line extending to the right from the end of the signature.

Pranvesh Tripathi

Company Secretary