# SCHEME OF AMALGAMATION

## UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

**BETWEEN**

**JTEKT SONA AUTOMOTIVE INDIA LIMITED: AMALGAMATING COMPANY**

**AND**

**JTEKT INDIA LIMITED : AMALGAMATED COMPANY**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**AND**

**THEIR RESPECTIVE CREDITORS**

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## PART I

## INTRODUCTION, DEFINITIONS AND INTERPRETATION

### 1. INTRODUCTION, DEFINITIONS AND INTERPRETATION

### 1.1 Introduction

### 1.1.1 JTEKT INDIA LIMITED

(i) JTEKT India Limited (hereinafter referred to as the **"Amalgamated Company"**) having CIN L29113DL1984PLC018415, was initially incorporated as a public company in the name and style of "Sona Steering Systems Limited" under the Companies Act, 1956 on June 14, 1984 and received the certificate of commencement of business on September 20, 1985. The name of the Amalgamated Company was then changed from "Sona Steering Systems Limited" to "Sona Koyo Steering Systems Limited" *vide* fresh certificate of incorporation dated September 18, 1998 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The name of the Amalgamated Company was changed to the current name *vide* fresh certificate of incorporation dated April 7, 2018 issued by the Registrar of Companies, Delhi. The Amalgamated Company has its registered office at UGF-6 Indraprakash 21, Barakhamba Road New Delhi-110001 India.

(ii) The shares of the Amalgamated Company are, at present, listed on the Stock Exchanges.

(iii) The main objects of the Amalgamated Company as per its memorandum of association are as follows:

1. *To design, manufacture, assemble, test, import, export, buy, sell, distribute, service, repair, stock, deal and trade in Automotive steering Systems of all types, including Mechanical Steering Gear Assemblies, Power Steering Gear Assemblies and any other type of Steering Gear Assemblies and parts and components, thereof, Associated Products including Hydraulic Pumps, Valves, Steering Columns, Steering Wheels, ball joints, Tie-Rod-Ends, Universal joints, Drop Arms, Steering Linkages and connections of all types and parts and components thereof.*

2. *To design, manufacture, assemble, test, import, export, buy, sell, distribute, service, repair, stock, deal and trade in Recirculating Ball Screw Mechanisms of all types, parts components and accessories through and products related thereto.*

3. *To design, develop, manufacture, buy, sell, lease or hire, import export process, use, deal and trade in plant, machinery, equipment apparatus, materials, articles and commodities in relation to designing, developing, manufacturing, testing, assembling, installing and repairing all types of Steering Systems and parts components and accessories thereof and products related thereto.*

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

4. *To design, develop, manufacture, assemble, test, import, export, buy, sell, distribute, service, repair, stock, deal, trade in Gearbox Assemblies and Axle Assemblies of all types, parts and components thereof, including gears of all types, Synchronisers, Linkages any accessories thereof and materials equipment and stores used in any relation thereof.*

5. *To develop, manufacture, sell, import, export, and deal in forgings and castings of all types and all equipment, materials and stores used therein or in any relation thereof.*

6. *To carry on the business of designing, manufacturing, developing, fabricating, machining, assembling, improving, buying, selling, importing, exporting and dealing in all kinds of pressings, forgings, stampings, tubular parts, rollings, castings, laminations, fabrications, extrusions, automatic machines, electrical, electronic, mechanical, components and auto parts.*

7. *To develop and commercialize technologies in the field of automation including tools, dyes, moulds, jigs fixtures, special purpose machines and allied business.*

8. *To act as agents, retailers, whole sellers, sub-agents, middlemen and authorised representatives of government undertakings, companies and multination corporations engaged in manufacture and dealing in all or any of the items included in sub-clause (vi) and (vii) above and to set up godowns, warehouses, stores and other facilities to deal in the items included above.*

(iv) The Amalgamated Company is engaged in the manufacturing/ production, supply and sale of steering systems, propeller shafts, axle assemblies and other auto components for the passenger car and utility vehicle manufacturers.

(v) JTEKT Corporation, is the majority shareholder of Amalgamated Company and currently holds 123,821,374 fully paid up equity shares of Rs.1/- each, amounting to 62.30% in Amalgamated Company.

### 1.1.2 JTEKT SONA AUTOMOTIVE INDIA LIMITED

(i) JTEKT Sona Automotive India Limited (hereinafter referred to as "**JSAI**" or "**Amalgamating Company**") having CIN U29268DL2007PLC165741 is a company incorporated as public company under the Companies Act, 1956 on July 11, 2007 *vide* certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana and received the certificate of commencement of business on July 30, 2007. Amalgamating Company has its registered office at UGF-6, Indra Prakash 21 Barakhamba Road New Delhi-110001.

(ii) The main objects of the Amalgamating Company as per its memorandum of association are as follows:

1) *To design, manufacture, assemble, test, import, export, buy, sell, distribute, service, repair, stock, deal, trade in electronic/electrical power steering systems and components thereof.*

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary



For JTEKT SONA AUTOMOTIVE INDIA LIMITED

2) *To design, develop, manufacturing, assemble, test, import, export, process, use, deal, service and trade in plant, machinery, equipment, apparatus, tools, dies, jigs, material, fixtures in the manufacturing, assembling and trade of the electronic/electrical power steering systems and components thereof.*

(iii) The Amalgamating Company is presently engaged in the manufacturing / production, sale, supply of Column type Electric Power Steering System.

(iv) Amalgamating Company is a joint venture company of the Amalgamated Company and JTEKT Corporation, approximately, in 49:51 ratio respectively and 8 shares of Amalgamating Company are held by individuals. Amalgamated Company and JTEKT Corporation are currently holding 2,77,78,094 full paid up equity shares of Rs. 10/- each and 2,89,11,898 fully paid up equity shares of Rs. 10/- respectively in equity share capital of the Amalgamating Company.

1.1.3 **RATIONALE OF THE SCHEME**

(i) Amalgamating Company is a joint venture between the Amalgamated Company and the majority shareholder of Amalgamated Company, JTEKT Corporation. Apart from essentially being under one management, both the companies also have business and operational synergies. The Amalgamated Company is primarily engaged in making manual steering systems which is in turn an input for electrical steering system manufactured by the Amalgamating Company. The business of the Amalgamating Company and the Amalgamated Company can be combined conveniently and carried out in conjunction more advantageously to the customers.

(ii) It enhances the shareholder's value accruing from consolidation of the business operations resulting in economies of scale, improving allocation of capital, and optimizing cash flows, thus contributing to the overall growth prospects of the combined entity.

(iii) It ensures optimum utilisation of resources due to pooling of management, administrative and technical skills of various resources of both the Amalgamated Company and Amalgamating Company, better administration and cost reduction, including reduction in managerial, administrative and other common costs.

(iv) It creates larger asset base and facilitate access to better financial resources.

1.1.4 The Scheme is divided into five parts:

**(i)** **Part I** sets-forth the Introduction, Definitions and Interpretation;

**(ii)** **Part II** sets-forth the capital structure of the Amalgamated Company and Amalgamating Company;

**(iii)** **Part III** deals with the amalgamation of the Amalgamating Company into and with the Amalgamated Company, in accordance with sections 230 to 232 of the 2013 Act.

**(iv)** **Part IV** deals with consideration, accounting and tax treatments in the Financial Statements of the Amalgamated Company pursuant to the amalgamation of the Amalgamating Company in the Amalgamated Company and in terms of this Scheme; and

**(v)** **Part V** deals with general/residuary terms and conditions.

For JTEKT (INDIA) LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## DEFINITIONS

### 1.2 DEFINITIONS

1.2.1 "**2013 Act**" means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;

1.2.2 "**Amalgamating Company**" shall mean JTEKT Sona Automotive India Limited, as defined in Clause 1.1.2 of Part I, and includes:

(i) any and all of its assets, whether movable or immovable, whether present or future, whether tangible or intangible, leasehold or freehold, all rights, title, interests, covenants, undertakings, liabilities, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

(ii) any and all loans and advances (including inter-corporate loans), including accrued interest thereon, receivables, funds, cash, bank balances, investments, accounts, and all other rights, benefits of all agreements, subsidies, grants, incentives, bills of exchange, letters of intent;

(iii) without prejudice to generality of the foregoing, Amalgamating Company shall include all investments in the capital of other companies, whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates including dividends declared and other accrued benefits thereto;

(iv) any and all approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, municipal permissions, balances with Governmental Authorities, intellectual property rights including trade names, trademarks, service marks, copyrights, domain names , income tax credit, advance tax, applications for trade names, trademarks, service marks, copyrights, powers and facilities of every kind and description whatsoever, pertaining to the Amalgamating Company;

(v) any and all secured and unsecured debts, borrowings and liabilities (including contingent liabilities), present or future, undertakings and obligations of the Amalgamating Company;

(vi) any and all employees, who are on the pay roll of the Amalgamating Company, including those engaged at its offices at their current terms and conditions, including all employee benefits such as provident fund, employees' state insurance, gratuity fund, superannuation fund;

(vii) any and all advance monies, earnest monies and/or security deposits, trade payables, payment against warrants or other entitlements, in connection with or relating to the Amalgamating Company; and

(viii) all records, files, papers, information, computer programs, relating to Amalgamating Company.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

1.2.3 "**Amalgamated Company**" means JTEKT India Limited, as defined in Clause 1.1.1 of Part I above;

1.2.4 "**Applicable Law(s)**" means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Governmental Authority resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question;

1.2.5 **"Appointed Date"** means April 1, 2018 or such other date as may be approved by NCLT;

1.2.6 "**Board of Directors**"/ "**Board**" in relation to the Amalgamating Company and/or the Amalgamated Company, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee as may be constituted by the board of directors;

1.2.7 "**Clause**" and "**sub-Clause**" means the relevant clauses and sub-clauses set out in this Scheme;

1.2.8 "**Effective Date**" means the date on which the Scheme shall become effective pursuant to Clause 11 of Part V of this Scheme. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or "after this Scheme becomes effective" means and refers to the Effective Date;

1.2.9 **"Financial Statements"** would include stand alone and consolidated accounts;

1.2.10 "**Governmental Authority**" means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;

1.2.11 "**JTEKT Corporation**" shall means a JTEKT Corporation, a corporation duly organized and existing under and by virtue of the laws of Japan, with its head office located at 5-8, Minamisemba 3- chome, Chou-ku, Osaka, 542-8502, Japan;

1.2.12 "**NCLT**" means the National Company Law Tribunal, Principal Bench at New Delhi, to which this scheme of amalgamation in its present form is submitted for its sanctioning under sections 230 to 232 of the 2013 Act;

1.2.13 "**New Equity Shares**" shall mean the equity shares to be issued to members of Amalgamating Company other than the Amalgamated Company under Clause 4.1.;

1.2.14 "**Record Date**" shall mean the date to be fixed by the Board of Directors of the Amalgamating Company and the Amalgamated Company for the purpose of determining the members of the Amalgamating Company to whom shares will be allotted pursuant to Clause 4.1. of this Scheme;

1.2.15 "**SEBI**" shall mean Securities And Exchange Board of India;

1.2.16 "**SEBI Circular**" shall mean SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as may be amended from time to time;

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

1.2.17 "**SEBI Listing Regulations**" shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015;

1.2.18 **"Scheme"** or "**the Scheme**" or "**this Scheme**" means this Scheme of Amalgamation in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities, as may be required under the 2013 Act, as applicable, and under all other applicable laws;

1.2.19 "**Valuation Report**" shall mean the valuer report on the share exchange ratio dated February 9, 2018 issued by Walker Chandiok & Co., LLP; and

1.2.20 "**Stock Exchanges**" means National Stock Exchange of India Limited and BSE Limited.

1.3 **INTERPRETATION**

1.3.1 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words used in this Scheme refers to this entire Scheme.

1.3.2 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the 2013 Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there under), the Depositories Act, 1996 and other applicable laws, rules, regulations, guidelines, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the NCLT in this Scheme.

1.4 **DATE OF TAKING EFFECT AND OPERATIVE DATE**

1.4.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

## PART II

## SHARE CAPITAL STRUCTURE

2. **CAPITAL STRUCTURE**

2.1 The share capital of Amalgamated Company as on March 31, 2017 was as under:

| Share Capital | Amount in Indian Rupees |
|---|---|
| **Authorized Capital** | |
| 27,10,00,000 equity shares of Re. 1/- each | 27,10,00,000 |
| **Total** | **27,10,00,000** |
| **Issued, Subscribed and Fully Paid Up** | |
| 19,87,41,832 equity shares of Re. 1/- each | 19,87,41,832 |
| **Total** | **19,87,41,832** |

There has been no change in the capital structure of Amalgamated Company since March 31, 2017.

2.2 The share capital of Amalgamating Company as on March 31, 2017 was as under:

| Share Capital | Amount in Indian Rupees |
|---|---|
| **Authorized Capital** | |
| 6,00,00,000 equity shares of Rs.10/- each | 60,00,00,000 |
| **Total** | 60,00,00,000 |
| **Issued, Subscribed and fully paid-up** | |
| 5,66,90,000 equity shares of Rs. 10/- each | 56,69,00,000 |
| **Total** | **56,69,00,000** |

There has been no change in the capital structure of Amalgamating Company since March 31, 2017.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## PART-III

## AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY

3. **THE TRANSFER BY WAY OF AMALGAMATION OF AMALGAMATING COMPANY WITH AMALGAMATED COMPANY**

3.1 With effect from the Appointed Date, and upon the Scheme becoming effective, the Amalgamating Company shall stand transferred to and be vested in the Amalgamated Company, as a going concern, without any further deed or act, together with all the properties, assets, rights, liabilities, benefits and interest therein.

3.2 Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, on occurrence of the Effective Date, the whole of the business, personnel, property, assets, investments, rights, benefits and interest therein of the Amalgamating Company shall, with effect from the Appointed Date, stand transferred to and be vested in the Amalgamated Company, without any further act or deed, and by virtue of the order passed by the NCLT. Without prejudice to the generality of the above, and in particular, the Amalgamating Company shall stand transferred to and be vested in the Amalgamated Company in the manner described in sub-clauses (i) to (xi) below:

(i) all assets of the Amalgamating Company, as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by vesting and recordal pursuant to this Scheme, shall stand vested in the Amalgamated Company and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. No stamp duty is payable on the transfer of such movable properties, being vested in the Amalgamated Company;

(ii) all movable properties of the Amalgamating Company, other than those specified in sub-clause (i) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, shall without any further act, instrument or deed, become the property of the Amalgamated Company;

(iii) all immovable properties of the Amalgamating Company, as provided in Annexure I, whether freehold or leasehold, and all documents of title, rights and easements in relation thereto, shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done by the Amalgamating Company and/or the Amalgamated Company;

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

(iv) all investments including the investments made by Amalgamating Company in the capital of other companies whether as shares, scrips, stocks, bonds, debentures, debenture stocks, units, mutual funds or pass through certificates and other accrued benefits thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in the Amalgamated Company, without any further act or deed done by the Amalgamating Company and/or the Amalgamated Company;

(v) all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of the Amalgamating Company , shall, be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Amalgamated Company and the Amalgamated Company undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause;

(vi) all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments, permits, rights, entitlements, licenses including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Amalgamating Company or to the benefit of which, the Amalgamating Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on, against or in favour of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, the Amalgamated Company had been a party or beneficiary or obligee thereto;

(vii) any pending suit/appeal or other proceedings of whatsoever nature relating to the Amalgamating Company, whether by or against the Amalgamating Company , shall not abate or be discontinued or in any way prejudicially affected by reason of the amalgamation of the Amalgamating Company or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Amalgamating Company, as if this Scheme had not been made. The Amalgamated Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to Amalgamating Company ;

(viii) all employees of the Amalgamating Company , who are on its pay roll shall be engaged by the Amalgamated Company, on such terms and conditions as are no less favourable than those on which they are currently engaged by the Amalgamating Company , without any interruption of service as a result of this amalgamation and transfer. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Amalgamating Company, upon this Scheme becoming effective, the Amalgamated Company shall stand substituted for the Amalgamating Company for all purposes whatsoever, in accordance with the provisions of applicable laws and in terms of this Scheme. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Amalgamating Company for such purpose, shall be treated as having been continuous;

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

(ix) all statutory licenses, permissions or approvals or consents held by the Amalgamating Company required to carry on its operations shall stand transferred to and be vested in the Amalgamated Company without any further act or deed, and shall, as may be required, be appropriately mutated by the statutory authorities concerned therewith in favor of the Amalgamated Company. The benefit of all statutory and regulatory permissions, approvals and consents of the Amalgamating Company shall vest in and become available to the Amalgamated Company pursuant to the Scheme;

(x) any and all registrations, goodwill, licenses appertaining to the Amalgamating Company shall stand transferred to and vested in the Amalgamated Company; and

(xi) all taxes payable by the Amalgamating Company, if any, including all or any refunds of claims shall be treated as the tax liability or refunds/claims as the case may be of the Amalgamated Company.

3.3 **License Agreements with JTEKT Corporation**

3.3.1 The Amalgamating Company and JTEKT Corporation has entered into license and technical assistance agreement along with supplementary agreements as provided in Annexure II ("**JTEKT License Agreement**"), whereby JTEKT Corporation has granted license, technical information and assistance for the purpose of manufacturing and selling various automotive components for consideration, and on such terms and conditions as specifically mentioned therein. Upon the Scheme becoming effective, without any separate deed, instrument or writing, the rights and obligations of the Amalgamating Company under the JTEKT License Agreement shall stand transferred and be vested in the Amalgamated Company and the name of the Amalgamating Company under the JTEKT License Agreement shall stand substituted by the name of the Amalgamated Company. The JTEKT License Agreement shall stand novated in the name of the Amalgamated Company and all the other terms and conditions of the JTEKT License Agreement shall remain unchanged.

3.3.2 For the purpose of transfer and vesting of all rights and obligations of the Amalgamating Company under the JTEKT License Agreement to the Amalgamated Company including novation of the JTEKT License Agreement in favour of the Amalgamated Company with effect from the Appointed Date and upon the Scheme becoming effective , the consent/approval given by the members of the Amalgamated Company to this Scheme pursuant to Section 230 of the 2013 and SEBI Circular shall be deemed to be sufficient and no further resolution of members of the Amalgamated Company as required under the provisions of Sections 188 of the 2013 Act or any other applicable provisions of the 2013 Act and Regulation 23 of SEBI Listing Regulations or any other applicable provisions of SEBI Listing Regulations, shall be required to be passed separately for giving effect to Clause 3.3.1 above.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

3.4 **Procedural Formalities Post Sanction of the Scheme**

3.4.1 The Amalgamated Company shall, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or novation or other writings or arrangements with any party to any contract or arrangement in relation to which the Amalgamating Company has been a party, in order to give formal effect to the above provisions. The Amalgamated Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Amalgamating Company and to carry out or perform all such formalities or compliances referred to above on the part of the Amalgamating Company.

3.4.2 Upon the Scheme becoming effective, for statistical purposes only and without any separate deed, instrument or writing, the Amalgamating Company and/or the Amalgamated Company shall, if required, simultaneously with the amendment in the register of charge file particulars of the modified charge with the concerned Registrar of Companies. Any documentation subsequently entered into with the term lenders or the working capital lenders of the Amalgamating Company and the Amalgamated Company, shall be for the sake of convenience and record only and to reflect the changes in the security pursuant to the Scheme and there shall be no break in the continuity of such charge and the same shall relate back to the date of its creation thereof in the Amalgamating Company.

3.4.3 Upon the Scheme becoming effective, all statutory permissions, licenses, approvals, consents, privileges, benefits and benefits of filings and all other incorporeal rights emanating from such licenses (together the "Licenses", for the purpose of this Clause 3.4.3) relating to the Amalgamating Company, shall stand transferred to and vested in the Amalgamated Company without any further act, instrument or deed, as more particularly provided hereinabove. Notwithstanding such transfer/ vesting of the Licenses, if any application is required for the statistical record of the statutory authorities to implement the transfer and vesting of the Licenses, as provided hereinabove, the Amalgamated Company shall facilitate the statutory authorities by filing such applications, which shall be granted/ approved in favour of the Amalgamated Company based on the sanction order of the Scheme by the NCLT.

3.4.4 Upon the Scheme becoming effective, the Amalgamated Company is expressly entitled to revise its direct or indirect tax returns and related withholding certificates and shall be entitled to claim refund, advance tax credits, pertaining to the Amalgamating Company, if any.

3.4.5 From the Effective Date, all bank accounts of the Amalgamating Company shall be permitted to be continued with the same balances as of the Effective Date in the name of the Amalgamated Company and for statistical record the Amalgamated Company shall be permitted to file names and particulars of the new authorized signatories for withdrawals and/ or deposits/ credits in such bank accounts and the relevant bank accounts shall be reconstituted accordingly.

3.5 **Conduct of Business**

3.5.1 With effect from the Appointed Date and until occurrence of the Effective Date:

(i) the Amalgamating Company undertakes to carry on and shall be deemed to have carried on all its business activities and stand possessed of its properties and assets, for and on account of and in trust for the Amalgamated Company; and

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

(ii) all profits accruing to the Amalgamating Company and all taxes thereon or losses accumulated or otherwise arising or incurred by it shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Amalgamated Company; and

(iii) the Amalgamating Company shall carry on its business, with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, in any of its properties/assets, except : (a) when the same is expressly provided in this Scheme; or (b) when the same is in the ordinary course of business as carried on by it as on the date of filing of this Scheme in the NCLT; or (c) when a prior written consent of the Amalgamated Company has been obtained in this regard; and

(iv) except by mutual consent of the Board of Directors of the Amalgamating Company and the Amalgamated Company and subject to changes pursuant to commitments, obligations or arrangements prior to the Appointed Date or as part of this Scheme, pending sanction of this Scheme by the NCLT, the Amalgamating Company shall not make any change in its capital structure either by any increase (by issue of equity shares, bonus shares, preference shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation or in any other manner, which would have the effect of reorganisation of capital of the Amalgamating Company; and

(v) the Amalgamating Company shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligations undertaken prior to the date of approval of the Scheme by the Board of Directors of the Amalgamating Company, the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of the Amalgamated Company; and

(vi) the Amalgamating Company shall not alter or substantially expand its business except with the written concurrence of the Amalgamated Company; and

(vii) the Amalgamating Company shall not amend its memorandum of association and / or its articles of association, except with the written concurrence of the Amalgamated Company.

3.6 Notwithstanding anything contained in this Scheme, subject to the Applicable Laws, the Board of Directors of the Amalgamated Company shall be entitled to consider, pursue, manage, undertake and conduct business of Amalgamated Company *inter-alia* including, any corporate actions, issue of securities and bonus shares, buy back of securities, reorganization, restructuring of its businesses, strategic acquisition or sale of any business, joint ventures, business combinations etc., as it may deem prudent and necessary in the interest of the Amalgamated Company or to give effect to any obligations under the Applicable Laws.

3.7 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Amalgamating Company as on the Appointed Date, whether or not provided in their books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Amalgamated Company.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

3.8 With effect from the Effective Date, the Amalgamated Company shall commence and carry on and shall be authorized to carry on the business of the Amalgamating Company.

3.9 Upon this Scheme becoming effective, the Amalgamating Company shall stand dissolved, without following the procedure of winding up prescribed under The Insolvency And Bankruptcy Code, 2016.

3.10 For the purpose of giving effect to the amalgamation order passed under sections 230 to 232 and other applicable provisions of the 2013 Act in respect of the Scheme by NCLT, the Amalgamated Company shall, at any time pursuant to the order on the Scheme, be entitled to get the recordal of the change in the legal right(s) upon the amalgamation of the Amalgamating Company, in accordance with the provisions of sections 230 to 232 of the 2013 Act.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## PART-IV

## CONSIDERATION, ACCOUNTING TREATMENT AND TAX TREATMENT OF AMALGAMATED COMPANY

### 4. CONSIDERATION

4.1. Upon the coming into effect of the Scheme, and in consideration of the amalgamation of the Amalgamating Company with the Amalgamated Company pursuant to Part III of the Scheme, the Amalgamated Company shall, without any further act or deed and without any further payment, basis the Valuation Report, issue and allot to the shareholders of Amalgamating Company other than the Amalgamated Company (whose name is recorded in the register of members of the Amalgamating Company as holding equity shares on the Record Date) in the following manner:

> *"For every 1000 equity shares of Amalgamating Company of face value of Rs. 10/- each held in Amalgamating Company, every equity shareholder of the Amalgamating Company other than Amalgamated Company, shall without any application, act or deed, be entitled to receive 1582 equity shares of face value Re. 1/- each of the Amalgamated Company, credited as fully paid up on the same terms and conditions of issue as prevalent in Amalgamating Company".*

4.2. The share capital of the Amalgamating Company to the extent held by the Amalgamated Company as on the Appointed Date and any further share capital held by the Amalgamated Company in Amalgamating Company thereafter (being shares held in the Amalgamating Company) shall stand cancelled.

4.3. In the event that the New Equity Shares entitled to be issued result in fractional entitlements, the Board of Directors of the Amalgamated Company shall be empowered to consolidate and/or round off such fractional entitlements into whole number of equity shares to an integer in a manner to ensure that only 4,57,38,637 number of fully paid equity shares of Re. 1/- each to be issued to the shareholders of the Amalgamating Company.

4.4. Pursuant to issuance of New Equity Shares as aforesaid to the shareholders of the Amalgamating Company, the shareholders of the Amalgamating Company shall become the shareholders of the Amalgamated Company.

4.5. New Equity Shares shall be issued in dematerialized form to the shareholders of the Amalgamating Company. The individual shareholders of the Amalgamating Company (other than shareholders forming part of promoter and promoter group of the Amalgamated Company) shall be issued New Equity Shares in physical form at the option of such shareholders, to be exercised by them on or before the Record Date, by giving a notice in writing to the Amalgamated Company.

4.6. Upon New Equity Shares being issued and allotted by the Amalgamated Company to the members of the Amalgamating Company, in accordance with Clause 4.1, the share certificates in relation to the shares held by the said members in the Amalgamating Company shall stand cancelled and extinguished and be of no effect on and from the date of such issue and allotment.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)



Company Secretary

New Equity Shares of the Amalgamated Company issued in terms of Clause 4.1 of this Scheme will be listed and/ or admitted to trading on the Stock Exchanges where the shares of the Amalgamated Company are listed and/or admitted to trading subject to necessary approvals under SEBI regulations and from the Stock Exchanges and all necessary applications and compliances being made in this respect by the Amalgamated Company.

4.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Amalgamating Company, the Board of Directors of the Amalgamated Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on Record Date, in order to remove any difficulties, after the effectiveness of this Scheme.

4.8. The New Equity Shares to be issued to the members of Amalgamating Company under Clause 4.1 above shall be subject to the Memorandum and Articles of Association of Amalgamated Company and shall rank pari passu with the existing equity shares of Amalgamated Company in all respects for the financial year starting from the Appointed Date in terms of the Scheme with the existing equity shares of Amalgamated Company.

4.9. For the purpose of issue of New Equity Shares to the shareholders of the Amalgamating Company, the Amalgamated Company shall be deemed to be in compliance with necessary compliances under relevant provisions of 2013 Act for the issue and allotment by the Amalgamated Company of New Equity Shares to the members of the Amalgamating Company under the Scheme.

5. **Change in object clause of Amalgamated Company**

5.1 With effect from the Appointed Date and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of the Amalgamated Company shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of the Amalgamating Company, pursuant to the provisions of Section 13 and 14 of the 2013 Act and other applicable provisions of the 2013 Act. Accordingly the main object clause of the Memorandum of Association of the Amalgamated Company shall be altered and amended and necessary revision in the numbering of the clauses inserted shall be carried out. Following clauses shall be inserted to Clause II.(A) of the Memorandum of Association of the Amalgamated Company:

(i) To design, develop, manufacture, assemble, test, import, export, buy, sell, supply, distribute, sub-contract, stock, deal, distribute, stock, assemble, process, install, whole sale cash and carry trade in Automotive steering Systems of all types, including Mechanical Steering Gear Assemblies, Power Steering Gear Assemblies, Electronic / Electrical Power Steering Systems and any other type of Steering Gear Assemblies and parts and components, thereof and Associated Products including Hydraulic Pumps, Valves, Steering Columns, Steering Wheels, ball Joints, Tie-Rod-Ends, Universal joints, Drop Arms, Steering Linkages and connections of all types, and parts and components thereof and Recirculating Ball Screw Mechanisms of all types, parts components and accessories thereof and Gearbox Assemblies, Axles and Drive line Components, including C V Joints Assemblies of all types, parts and components thereof, including gears of all types, Synchronisers, Linkages, any accessories thereof and other related components and parts thereof and any materials equipment and stores used in any relation thereof.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

(ii) To carry on the business of designing, manufacturing, developing, fabricating, machining, assembling, improving, buying, selling, importing, exporting, and dealing in all kinds of pressings, forgings, castings, stampings, tubular parts, rollings, castings, laminations, fabrications, extrusions, automatic machines, electrical, electronic, mechanical, components and auto parts and stores used therein or in any relation thereof.

(iii) To carry out of research and development work, to conduct of technical training of the company's and its clients personnel, to provide after sales / service / repair and maintenance services; setting up sales support, marketing support, technical support and infrastructure support services, to deal and trade in plant, machinery, equipment apparatus, materials, articles and commodities in relation to designing, developing, manufacturing, testing, assembling, installing and repairing and to set up technical centres / technical laboratory and smaller technical infrastructures for items included in sub clause (i) and (ii).

(iv) To develop and commercialize technologies in the field of automation including tools, dyes, moulds, jigs fixtures, special purpose machines and allied business.

(v) To act as agents, retailers, whole sellers, sub-agents, middlemen and authorised representatives of government undertakings, companies and multinational corporations engaged in manufacture and dealing in all or any of the items included in sub-clause (i), (ii) & (iv) above and to set up godowns, warehouses, stores and other facilities to deal in the items included above.

5.2 For the purpose of amendment in the Memorandum of Association of the Amalgamated Company as provided in this Clause, the consent/approval given by the members of the Amalgamated Company to this Scheme pursuant to Section 230 of the 2013 Act and any other applicable provisions of the 2013 Act shall be deemed to be sufficient and no further resolution of members of the Amalgamated Company as required under the provisions of Sections 13 and 14 of the 2013 Act and any other applicable provisions of the 2013 Act shall be required to be passed for making such change/amendment in the Memorandum of Association of the Amalgamated Company and filing of the certified copy of this Scheme as sanctioned by NCLT, in terms of Section 230-232 of the 2013 Act and any other applicable provisions of the 2013 Act, together with the order of the NCLT and a printed copy of the Memorandum of Association for the purpose of the said Sections 13, 14 and all other applicable provisions of the 2013 Act and the Registrar of Companies, National Capital Territory of Delhi & Haryana shall register the same and make the necessary alteration in the Memorandum of Association of the Amalgamated Company accordingly and shall certify the registration thereof in accordance with the provisions of Sections 13 and 14 and any other provisions of the 2013 Act.

5.3 The Amalgamated Company shall file with the Registrar of Companies, Registrar of Companies, National Capital territory of Delhi & Haryana, all requisite forms and complete the compliance and procedural requirements under the 2013 Act, if any.

For JTEKT INDIA LIMITED

Director (Corporate Affairs & Company Secretary)

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## 6. CHANGE IN AUTHORISED SHARE CAPITAL

6.1 Upon this Scheme becoming effective and upon the vesting and transfer of the Amalgamating Company in the Amalgamated Company pursuant to the terms of this Scheme, the entire authorized share capital of the Amalgamating Company shall stand transferred from the authorized share capital of the Amalgamating Company to the authorized share capital of the Amalgamated Company.

6.2 By virtue of Clause 6.1 above, the authorized share capital of the Amalgamated Company shall stand increased by an amount of Rs. 60,00,00,000 (Indian Rupees Sixty Crore) and **Clause V** in the memorandum of association of the Amalgamated Company shall stand substituted to read as follows:

> "*V. The Authorized Share Capital of the Company is Rs.87,10,00,000 divided into 87,10,00,000 number of Equity Shares of Re. 1/- (Rupee One) each.*"

6.3 The stamp duty or filing fees paid on the authorized share capital of the Amalgamating Company are permitted to be utilized and applied towards the increase in the authorized share capital of the Amalgamated Company in accordance with this Clause 6.1 and 6.2 above, and no further demand of additional stamp duty or fee shall be raised or made upon the Amalgamated Company by any regulatory authorities in relation to such increase in the authorized share capital of the Amalgamated Company, including by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

6.4 It is hereby clarified that for the purposes of increasing the authorized share capital of the Amalgamated Company in accordance with Clause 6.1 and 6.2 above, the consent of the shareholders of the Amalgamated Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and that no further resolution under section 13, section 61 or any other applicable provisions of the 2013 Act, would be required to be separately passed.

## 7. ACCOUNTING TREATMENT

7.1 With effect from the Appointed Date and upon the Scheme becoming effective, Amalgamated Company shall account for the amalgamation of Amalgamating Company in its books of account. All the assets and liabilities of Amalgamating Company, shall be transferred to and vested in Amalgamated Company pursuant to the Scheme and shall be recorded by Amalgamated Company at their book values with effect from the Appointed Date.

7.2 Amalgamated Company shall credit the aggregate face value of New Equity Shares issued by it to the shareholders of Amalgamating Company pursuant to Clause 4.1 of this Scheme to the Share Capital Account in its books of accounts.

7.3 As on the Appointed Date, pursuant to the amalgamation of Amalgamating Company the inter-company balances between the Amalgamating Company and Amalgamated Company, if any, including any shares held by Amalgamated Company in Amalgamating Company shall stand cancelled.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

7.4 The difference between the value of assets and the value of liabilities transferred to Amalgamated Company after taking into account issue of shares pursuant to clause 7.2 above, will be recorded as per the applicable accounting standards under Indian Accounting Standards (Ind AS) as specified under Section 133 of the 2013 Act read with the rules issued there under and other generally accepted accounting principles, in the Financial Statements of the Amalgamated Company.

7.5 Notwithstanding anything above, the Board of Directors of Amalgamated Company is authorized to account for any of the above mentioned transactions balances in accordance with the applicable accounting standards and generally accepted accounting principles.

8. **TAX**

8.1 Any tax liabilities under the Income Tax Act, 1961 or other applicable laws/regulations dealing with taxes/ duties/ levies allocable or related to the business of Amalgamating Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Amalgamated Company.

8.2 Any surplus in the provision for taxation/ duties/ levies account including but not limited to the advance tax, tax deducted at source by the customers and MAT credit, CENVAT credit, as on the date immediately preceding the Appointed Date will also be transferred to Amalgamated Company. Any refund under the Income Tax Act, 1961 or other applicable laws/ regulations dealing with taxes/ duties/ levies allocable or related to the business of Amalgamating Company or due to Amalgamating Company, consequent to the assessment made in respect of Amalgamating Company, for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, shall also belong to and be received by Amalgamated Company.

8.3 The tax payments (including without limitation income tax, tax on distribution of dividends, service tax, excise duty, central sales tax, applicable state value added tax or any other taxes as may be applicable from time to time) whether by way of tax deducted at source by the customers, advance tax or otherwise howsoever, by Amalgamating Company after the Appointed Date, shall be deemed to be paid by Amalgamated Company and shall, in all proceedings, be dealt with accordingly. Notwithstanding the above, any tax deducted at source by either the Amalgamating Company or the Amalgamated Company on account of intercompany transactions between Amalgamated Company and Amalgamating Company post the Appointed Date, shall be deemed to be advance tax paid by the Amalgamated Company and shall, in all proceedings, be dealt with accordingly.

8.4 Upon the Scheme becoming Effective, with effect from the Appointed Date, Amalgamating Company and Amalgamated Company are expressly permitted to prepare and/or revise, as the case may be, their financial statements and returns along with the prescribed forms, filings and annexure under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws, Goods and Service Tax and other tax laws, if required, to give effects to provisions of the Scheme.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

8.5 All tax assessment proceedings/appeals of whatsoever nature by or against the Amalgamating Company pending and/or arising at the Appointed Date and relating to Amalgamating Company shall be continued and/or enforced until the Effective Date as desired by Amalgamated Company. As and from the Effective Date, the tax proceedings/ appeals shall be continued and enforced by or against Amalgamated Company in the same manner and to the same extent as would or might have been continued and enforced by or against Amalgamating Company. Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of Amalgamating Company with Amalgamated Company or anything contained in the Scheme.

Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by Amalgamating Company shall be made or deemed to have been made and duly complied with by the Amalgamated Company.

8.6 The provisions of this Scheme as they relate to the amalgamation of Amalgamating Company into and with Amalgamated Company have been drawn up to comply with the conditions relating to "amalgamation" as defined under section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## PART-V

## GENERAL / RESIDUARY TERMS AND CONDITIONS

9. **APPLICATION TO NCLT**

The Amalgamated Company and the Amalgamating Company shall, with all reasonable dispatch, make respective applications to the NCLT and or applicable authority, under sections 230 to 232 of 2013 Act, seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and creditors (secured and unsecured) as per the requirements of the 2013 Act.

10. KJMC Corporate Advisors (India) Limited, a SEBI registered Category I merchant banker, pursuant to SEBI Circular, under its fairness opinion dated February 9, 2018, has certified that the Valuation Report in reference to the Scheme, is fair and reasonable.

11. **CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

(a) The approval by the requisite majorities of the classes of persons, including shareholders, creditors of the Amalgamating Company and Amalgamated Company as may be directed by the NCLT under Section 230- 232 of the 2013 Act;

(b) The Scheme being approved by the shareholders of the Amalgamated Company through resolution passed in terms of Para 9 (a) & (b) of Annexure I of SEBI Circular, as may be amended from time to time, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the votes cast by the public shareholders against it;

(c) The sanctioning of this Scheme by the NCLT, whether with any modifications or amendments as NCLT may deem fit or otherwise;

(d) The filing of the certified copies of the orders of the NCLT with the Registrar of Companies, National Capital Territory of Delhi and Haryana, by the Amalgamating Company and Amalgamated Company, as the case may be;

(e) Any other sanctions and orders as may be directed by the NCLT in respect of the Scheme.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## 12. MODIFICATION OR AMENDMENTS TO THE SCHEME

12.1 The Amalgamating Company and the Amalgamated Company (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the NCLT and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. The Amalgamating Company and the Amalgamated Company (acting through its respective Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the NCLT or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

12.2 In the event of any of the conditions that may be imposed by the NCLT or other authorities which the Amalgamating Company and Amalgamated Company may find unacceptable for any reason, then the Amalgamating Company and/or Amalgamated Company are at liberty to withdraw the Scheme. The Board of Directors of Amalgamated Company and Amalgamating Company shall be entitled, in a mutually agreeable manner, to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on Amalgamated Company and/or Amalgamating Company.

12.3 If any issue arises as whether any asset, liability, employee pertains to the Amalgamating Company and/or Amalgamated Company, or not under this Scheme, the same shall be decided by the Board of Directors of the Amalgamating Company and/or Amalgamated Company, as relevant, on the basis of relevant books of account and other evidence that they may deem relevant for said purposes.

## 13. EFFECT OF NON-RECEIPT OF APPROVALS

13.1. In the event that the Scheme is not sanctioned by the NCLT or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Scheme are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, the Amalgamated Company shall bear the cost, charges and expenses in connection with the Scheme unless otherwise mutually agreed.

13.2. The non – receipt of any sanctions or approvals for a particular asset or liability forming part of the Amalgamating Company getting transferred pursuant to this Scheme, shall not affect the effectiveness of the respective section of the Scheme, if the Boards of Directors of the Amalgamating Company and/or Amalgamated Company so decide. In the event of non – receipt of approval of any lender / creditor for the transfer of any liability, then at the option of the Boards of Directors of the Amalgamating Company, it may issue a security / recognize a liability in favour of Amalgamated Company on the same terms. The transfer of such asset or liability shall become effective from the Appointed Date as and when the said requisite approvals are received or aforesaid liability being recognized / security being issued and the provisions of the Scheme shall apply appropriately to the said transfer / issue / recognition.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## 14. COSTS, CHARGES & EXPENSES

14.1. Except as otherwise expressly provided in the Scheme, the Amalgamated Company shall pay the costs, charges and expenses in connection with the Scheme, including the stamp duty, if any, in relation to the Scheme within 30 (thirty) days.

14.2. Upon the Scheme becoming effective all taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Amalgamating Company and Amalgamated Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Amalgamated Company.

## 15. MISCELLANEOUS

If any part of this Scheme hereof is invalid, ruled illegal by any NCLT of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Amalgamating Company and Amalgamated Company that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to Amalgamating Company and/or Amalgamated Company, in which case the Amalgamating Company and Amalgamated Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Amalgamating Company and Amalgamated Company the benefits and obligations of the Scheme, including but not limited to such Part.

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## ANNEXURE I

## DETAILS OF IMMOVEABLE PROPERTIES OF AMALGAMATING COMPANY

| Detail of property | Book Value as on 31st March 2018(INR) |
|---|---|
| **Land :**<br>**Plot size 40,796 sq.mtr. at Plot No. 26, Sector 5, Phase II, Growth Centre, Bawal, Distt. Rewari-123501 Haryana.** | 96,094,017 |
| **Building:**<br>**Situated on Plot No. 26, Sector 5, Phase II, Growth Centre, Bawal, Distt. Rewari-123501 Haryana.** | 223,071,594 |

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

## ANNXEURE II

### Detail of JTEKT License Agreement

| Sr. No. | Name of Product (Model) | Particulars of Agreement | Date of Agreement |
|---|---|---|---|
| 1. | YR9, W02A and 800L | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column Type- Electric Power Steering System. | 10/04/2008 |
| 2. | X11M and 13M U-FIT | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column Type- Electric Power Steering System. | 1/11/2011 |
| 3. | YL6, YG4 and YE3 | License and Technical Assistance Agreement concerning Worm Housing (W/H) Assembly. | 11/01/2013 |
| 4. | YL7 | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column Type- Electric Power Steering System without Manual Gear. | 27/03/2015 |
| | K2 | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Manual Gear. | 27/03/2015 |
| 5. | YL1 | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column Type- Electric Power Steering System without Manual Steering Gear. | 27/03/2015 |
| | S101 | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column Type-Electric Power Steering System without Manual Steering Gear and Intermediate Shaft. | 27/03/2015 |
| 6. | Corolla | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Manual Steering Gear. | 27/03/2015 |

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary

| | | | |
|---|---|---|---|
| 7. | YJC | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column type-Electric Power Steering System not including Manual Gear. | 25/05/2016 |
| 8. | TSVA | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column Type- Electric Power Steering System. | 25/05/2016 |
| 9. | CMFB | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Manual Gear. | 29/08/2016 |
| 10. | N.A | Amendment in the Article 9.2, Article 11.3 of Agreement executed on 10/04/2008. | 29/08/2016 |
| 11. | 2FM | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Manual Steering Gear. | 29/08/2016 |
| 12. | 233B | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column Type-Electric Power Steering System. | 29/08/2016 |
| 13. | Corolla | Amendment in the Article 3.3 of Agreement executed on 27/0 3/2015. | 29/08/2016 |
| 14. | S105 | License and Technical Assistance Agreement concerning development and designed by JTEKT Corporation of Column Type- Electric Power Steering System without manual steering gear and intermediate shaft. | 29/08/2016 |

For JTEKT INDIA LIMITED

Sudhir Chopra
Director (Corporate Affairs)
& Company Secretary

For JTEKT SONA AUTOMOTIVE INDIA LIMITED

Company Secretary