

**SCHEME OF ARRANGEMENT**

**UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT,  
2013 READ WITH OTHER APPLICABLE PROVISIONS OF  
THE COMPANIES ACT, 2013 AND THE RULES FRAMED  
THEREUNDER**

**BETWEEN**

**ABILITIES INDIA PISTONS AND RINGS LIMITED**

**("AIPRL" or "DEMERGED COMPANY")**

**AND**

**ABILITIES INNOVATIVE PRODUCTS & TECHNOLOGIES**

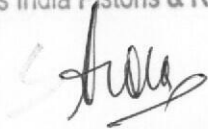
**LIMITED**

**("AIPTL" or "RESULTANT COMPANY")**

**AND**

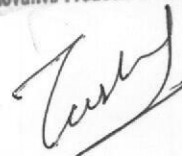
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

**PREAMBLE AND OBJECTIVES**

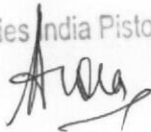
This Scheme of Arrangement envisages demerger of manufacturing business of pistons and rings (hereinafter referred to as “**Demerged Undertaking**”) (as defined hereinafter) of **Abilities India Pistons and Rings Limited** (“**AIPRL**” or “**Demerged Company**” or “**Applicant Company No. 1**”) in **Abilities Innovative Products & Technologies Limited** (“**AIPTL**” or “**Resultant company**” or “**Applicant Company No. 1**”) and other matter consequential, supplemental, incidental and/or otherwise integrally connected therewith pursuant to the provisions of Section 230 to Section 232 and other applicable provisions of the Companies Act, 2013 (“hereinafter referred to as “**2013 Act**”).

**A. Brief description of Companies:-**

**a. Demerged Company**

- i. Incorporation: **Abilities India Pistons and Rings Limited** (“**AIPRL**” or “**Demerged Company**” or “**Applicant Company No. 1**”) having CIN:- U25990DL1960PLC003266 is a company incorporated under the provisions of the Companies Act, 1956 read

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



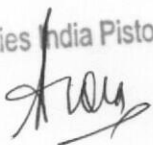
Director

with the rules made thereunder on July 12, 1960 and bearing Income Tax PAN- AAACA3001G. The Registered Office of the Demerged Company is situated at Plot No.-3, F-301, 3rd Floor, Ashish Complex, Local Shopping Centre, New Rajdhani Enclave, Vikas Marg, Delhi, East Delhi, East Delhi, East Delhi, Delhi, India, 110092.

ii. Business: The Demerged Company is engaged in the following businesses:

1. To carry on the business of civil engineering and other allied engineering works including mechanical engineering, manufacturers, suppliers and dealers in engineering products, research and development of innovative engineering products and/ or otherwise deal in such products, experimental development of natural sciences and engineering material relating to above including but not limited to hume pipes and other prefabricated structural components of cement and/or concrete for building;

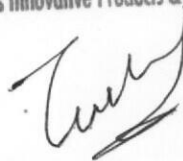
For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

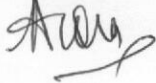
2



Director

2. To carry on civil engineering projects n.e.c., Research and experimental development thereto get registration under Intellectual Properties Act including in relation to natural sciences and engineering including including mechanical engineering & other engineering material and other material of all description and other things used for, in or in connection with the above mentioned things, buy, sell let on hire, repair, alter any machinery, component parts, accessories and fittings of all kinds for things mentioned above or used in, or capable of being used in connection with the manufacture, maintenance and working thereof, undertake and transact all kinds of agency business and to carry on and promote any business, commercial, financial or otherwise sound principals or to act as Distributors or Agents on commission and or allowances as may be deemed fit;
3. To buy, sell, import, export, manufacture, manipulate, treat, prepare and deal in merchandise,

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



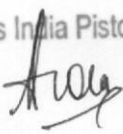
Director

commodities and articles of all kinds and generally to carry on business as merchants, importers and exporters, retailers and wholesalers and obtain permits and licences from the State or Central Govt. to achieve the aims and objects of the Company.

- 4. To purchase any land, plot(s) of land or immovable property or any right or interest therein either singly or jointly or in Partnership with any person(s) or Body corporate or partnership Firm and/or to develop and construct thereon residential, commercial complex or complex(es) either singly or jointly or in partnership as aforesaid, comprising offices for sale or self-use or for earning rental income thereon by letting out individual units comprised in such building(s).

**b. Resultant company**

- i. Incorporation: **Abilities Innovative Products & Technologies Limited** (“AIPTL” or “Resultant company” or “Applicant Company No. 1”) having

For Abilities India Pistons & Rings Ltd.  
  
 Director

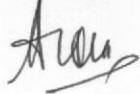
4  
 For Abilities Innovative Products & Technologies Limited  
  
 Director

CIN: U23955DL2024PLC424673, is a Public Limited Company incorporated under the provisions of the Companies Act, 2013 read with the rules made thereunder and bearing Income Tax PAN-AAZCA9296L. The Registered Office of the Company is situated at Plot No.-3, F-301, 3rd Floor, Ashish Complex, Local Shopping Centre, New Rajdhani Enclave, Vikas Marg, Delhi, East Delhi, East Delhi, East Delhi, Delhi, India, 110092.

ii. Business: The Resultant company is engaged in the following businesses:

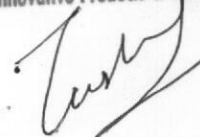
1. To carry on the business of civil engineering and other allied engineering works including mechanical engineering, manufacturers, suppliers and dealers in engineering products, research and development of innovative engineering products and/ or otherwise deal in such products, experimental development of natural sciences and engineering material relating to above including but not limited to hume pipes and other

For Abilities India Pistons & Rings Ltd.



Director

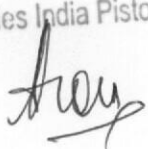
For Abilities Innovative Products & Technologies Limited



Director

prefabricated structural components of cement and/or concrete for building;

- 2. To carry on civil engineering projects n.e.c., Research and experimental development thereto get registration under Intellectual Properties Act including in relation to natural sciences and engineering including including mechanical engineering & other engineering material and other material of all description and other things used for, in or in connection with the above mentioned things, buy, sell let on hire, repair, alter any machinery, component parts, accessories and fittings of all kinds for things mentioned above or used in, or capable of being used in connection with the manufacture, maintenance and working thereof, undertake and transact all kinds of agency business and to carry on and promote any business, commercial, financial or otherwise sound principals or to act as Distributors or Agents on commission and or allowances as may be deemed fit;

For Abilities India Pistons & Rings Ltd.  
  
 Director

For Abilities Innovative Products & Technologies Limited  
  
 Director

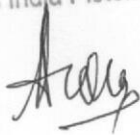
3. To buy, sell, import, export, manufacture, manipulate, treat, prepare and deal in merchandise, commodities and articles of all kinds and generally to carry on business as merchants, importers and exporters, retailers and wholesalers and obtain permits and licences from the State or Central Govt. to achieve the aims and objects of the Company.

#### **B. Rationale of the Scheme of Arrangement**

The Demerged Company has two distinct business divisions i.e. Manufacturing of Pistons and Rings Division (hereinafter referred to as "**Demerged Division**" or "**Demerged Business**" or "**Demerged Undertaking**") (as defined herein below) and Real Estate Division (hereinafter referred to as "**Remaining Division**" or "**Remaining Business**" or "**Remaining Undertaking**") (as defined herein below) and the Board of Directors of the Demerged Company has decided to demerge the Manufacturing of Pistons and Rings Division into the Resultant Company to inter-alia include the following benefits:-

7

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

- (i) The nature of risk, competition, challenge, opportunities, and business methods for the Real Estate Division are distinctive and different from the Demerged Undertaking/ Demerged Business carried out by the Demerged Company. Further, the way Real Estate Division is required to be handled and managed separately, as it is not similar to that of the Demerged Business.
- (ii) The Demerged Business existing carried out by the Demerged Company has significant potential for growth and profitability and can attract different set of investors, strategic partners, lenders, etc. Therefore, the demerged business approaches its next phase of growth, it would be strategically apt to segregate the demerged undertaking from the demerged company.
- (iii) The segregation shall enable the Demerged Company and the Resultant Company to move forward independently, with greater focus and specialization, building on their respective capabilities and their strong brand presence. It will also help to channelize

For Abilities India Pistons & Rings Ltd.

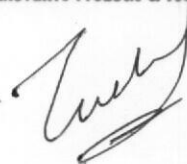
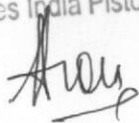
Director

8 For Abilities Innovative Products & Technologies Limited

Director

resources required for all the businesses to focus on the growing business and attract the right talent and provide enhanced growth opportunities.

- (iv) The Scheme will also enable the Demerged Company and the Resultant Company to focus on and enhance its respective business by streamlining operations and its management structure ensuring better and efficient management control.
- (v) Bifurcation of these businesses will enable unlocking value of each business and thereby paving way for focused growth with a view to create significant stakeholder value.
- (vi) In order to strengthen and sustain the long-term profitability, market share, customer service and face the competitive regulatory environment, risks and policies, the Demerged Undertaking requires focused management attention, specialized skills sets and resources including professional management.
- (vii) Synergies in operational process and creation of efficiencies by reducing time to market and benefiting



customers as well as optimization of operation and capital expenditure;

- (viii) Leading to increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies thereby significantly contributing to future growth; and
- (ix) The Demerger will unlock value of both businesses and result in shareholder value maximization.

Thus, as a whole, the scheme (as defined below) will be beneficial for both the companies, their shareholders, creditors, employees and all the other stakeholders.

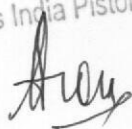
#### C. PARTS OF THE SCHEME

This Scheme (*as defined below*) is divided into the following parts:

#### **DEMERGER OF DEMERGED UNDERTAKING (AS DEFINED BELOW) AND VESTING OF THE SAME IN**

10

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

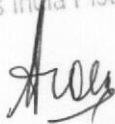


Director

**THE RESULTANT COMPANY (AS DEFINED  
BELOW).**

- PART I : Definitions and Interpretations**
- PART II : Capital Structure**
- PART IV : Demerger of Demerged Undertaking  
From Demerged Company to Resulting  
Company**
- PART V: Alteration to the Memorandum and  
Articles of Association**
- PART VI : Accounting Treatment**
- PART VII : General Terms and Conditions**

For Abilities India Pistons & Rings Ltd.



Director

11

For Abilities Innovative Products & Technologies Limited



Director

PART I

DEFINITIONS AND INTERPRETATIONS

1. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following expressions shall have the meanings ascribed to them below:

- (a) "1956 Act" means the Companies Act, 1956, and the rules, regulations, circulars and notifications issued there under, each as amended from time to time and to the extent in force.
- (b) "2013 Act" means the Companies Act, 2013 and the rules, regulations, circulars and notifications issued there under, each as amended from time to time and to the extent in force.
- (c) "Act" means the 1956 Act or 2013 Act, as may be applicable, as amended or substituted by any statutory modifications / re-enactment thereof.

For Abilities India Pistons & Rings Ltd.

Director

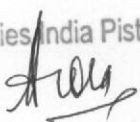
For Abilities Innovative Products & Technologies Limited

Director

(d) "Applicable Law(s)" means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, order, directive, guideline, policy, requirement, or other restriction issued, promulgated or enacted by any governmental/regulatory/statutory authority or any similar form of decision of, or determination by, or any interpretation or adjudication, having the force of law by any of the foregoing authorities having jurisdiction over the matter in question and includes any modifications, re-enactments thereof;

(e) "Appointed Date" means the opening of business hours as on April 01, 2024, or any other date as may be decided/approved by the respective Boards of Directors of the Demerged Company and the Resultant company or Hon'ble NCLT, being the date with effect from which this Scheme shall be deemed to have become operative;

(f) "Board of Directors" in relation to the Demerged Company and the Resultant company, as the case may be, means the Board of Directors of respective

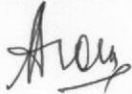
For Abilities India Pistons & Rings Ltd.  
  
Director

For Abilities Innovative Products & Technologies Limited  
  
Director

companies and shall, unless it be repugnant to the context thereof or otherwise, include a committee of directors or any person authorized by the Board of Directors or such committee of Directors;

- (g) "**Book Value(s)**" means the value(s) of the assets and liabilities of the Demerged Undertaking (as defined below), as appearing in the books of account of the Demerged Company at the close of business as on the day immediately preceding the Appointed Date;
- (h) "**Companies**" means the Demerged Company and the Resultant company collectively, and "**Company**" shall mean any one of them as the context may require.
- (i) "**Demerged Company**" or "**AIPRL**" or "**Applicant Company No. 1**" means M/s Abilities India Pistons and Rings Limited, is a Company incorporated under the provisions of the Companies Act, 1956 read with the rules made thereunder and having its registered office at Plot No.-3, F-301, 3rd Floor, Ashish Complex, Local

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

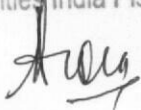
Shopping Centre, New Rajdhani Enclave, Vikas Marg, Delhi, East Delhi, East Delhi, East Delhi, Delhi, India, 110092. The Corporate Identity Number of the Company is U25990DL1960PLC003266 and Income Tax PAN - AAACA3001G.

(j) **“Demerged Undertaking”** means and includes the entire business relating to manufacturing of pistons, pistons rings, gravity casting, pressure die casting and coatings etc. as on the Appointed Date and includes (without limitation) the following:

(i) all assets and property except all Property, Plant & Equipment categories under Real Estate Division such as Land, Building, Car/Van, Air Conditioner & Electric Installation and cash and FDR as categorized under Real Estate Division, relating to the Demerged Undertaking of the Demerged Company wherever situated, whether present, future or contingent, tangible or intangible, in possession or reversion corporeal or incorporeal, including without limitation, plant and machinery,

15

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

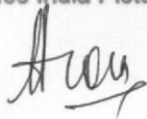


Director

non-current investments, long term loan and advances, current assets, furniture, fixtures, appliances, accessories, office equipment's, actionable claims, and sundry debtors, financial assets and accrued benefits thereon, prepaid expenses, advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cheques and other negotiable instruments, cash and bank balances and deposits including accrued interests thereon with other persons, tax related assets, tax benefits, exemptions and refunds [hereinafter referred to as the "Assets");

- (ii) all debts, borrowings, obligations, duties and liabilities except the Car Loan, both present and future liabilities including outstanding dues, duties, and obligations, fixed and contingent liability pertaining to or arising out of activities or operations of the Demerged Company in relation to Demerged Undertaking, whether secured or unsecured, whether in India rupees or foreign currency, whether or not provided for in the books

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

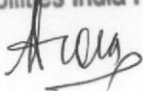


Director

of accounts of the Demerged Company and whether disclosed or not in its financial statements (hereinafter referred to as "**Liabilities**");

- (iii) all permits, licenses, registrations, permissions, clearances, approvals, consents, no-objections, rights, entitlements, exemptions, benefits, including in respect of any pending application, whether made at the first instance or for renewal/modification, made by the Demerged Company and/or to which the Demerged Company is entitled to as on the Appointed Date (hereinafter referred to as "**Licenses/ Approvals**");;
- (iv) all brands, trademarks, service marks, patents and other intellectual property rights of every kind and description whatsoever of the Demerged Company pertaining to the Demerged Undertaking (hereinafter referred to as "**Brands**");;
- (v) all contracts, agreements, memorandum of understanding, bids, expressions of interest, letters of intent, commitment letters, other arrangements, undertakings, deeds, bonds and other instruments

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

of whatsoever nature and description, whether written, oral, digital or otherwise to which the Demerged Company is a party, or to the benefit of which the Demerged Company may be entitled (hereinafter referred to as "**Contracts**");

- (vi) all employees of the Demerged Company, whether permanent or temporary, engaged as on the Effective Date in the business of manufacturing of pistons and other products as mentioned hereinbefore (hereinafter referred to as "**Transferred Employees**"), all provisions and benefits made in relation to such employees including provident funds, registrations and reserves and contributions, if any, made towards any provident fund, employees state insurance, gratuity fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such Transferred Employees of the Demerged Company (hereinafter referred to as "**Funds**"), together with such of the investments

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

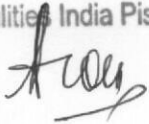


Director

made by these Funds, which are referable to such employees;

- (vii) all civil, criminal, revenue, other proceedings, enquiries or investigations of whatsoever nature initiated by or against the Demerged Company or to which the Demerged Company is otherwise a party, whether pending as on the Appointed Date or instituted any time thereafter (hereinafter referred to as "**Proceedings**");
- (viii) all books, records, files, papers, engineering and process information, databases, catalogues, quotations, advertising materials, lists of present and former credit, and all other books and records, whether in physical or electronic form, of the Demerged Company;
- (ix) all privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever of the Demerged Company pertaining to the Demerged Undertaking;

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

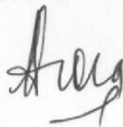


Director

Notwithstanding the generality of the above, split balance sheet of AIPRL as on March 31, 2024 is set out in Schedule 1 hereto.

- (k) “**Effective Date**” means the date or last of the dates on which the certified copies of the orders of the NCLT sanctioning the Scheme are filed by the Demerged Company and the Resultant company with the Registrar of Companies, NCT of Delhi & Haryana. References in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” shall mean the Effective Date;
- (l) “**Equity Shares**” means the equity shares of the Demerged Company or the Resultant company, as the case may be;
- (m) “**Governmental Authority**” means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or

For Abilities India Pistons & Rings Ltd.



Director

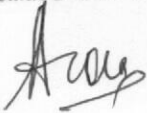
For Abilities Innovative Products & Technologies Limited



Director

commission or committee or any court, NCLT, instrumentality, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India;

- (n) **"IT Act"** means the Income Tax Act, 1961, as amended or any statutory modification / re-enactment thereof.
- (o) **"Tribunal" or "NCLT" or "National Company Law Tribunal"** means the New Delhi bench of the National Company Law Tribunal or any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force.
- (p) **"Record Date"** means the date to be fixed by the Board of Directors of the Demerged Company, for the purpose of determining the members of the Demerged Company to whom shares in the Resultant company will be allotted under the Scheme (as defined below);
- (q) **"Remaining Division" or "Remaining Business" or "Remaining Undertaking"** means all assets, property,




including a freehold factory land and building situated at GT Road Giani Border, P.O. Chikamberpur, Ghaziabad, Uttar Pradesh – 201006 owned by the Demerged Company other than the Demerged Business.

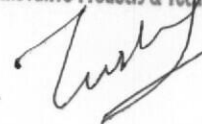
- (r) **“Resultant Company”** or **“Applicant Company No. 1”** means Abilities Innovative Products & Technologies Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 2013 read with the rules made thereunder and having its registered office situated at Plot No.-3, F-301, 3rd Floor, Ashish Complex, Local Shopping Centre, New Rajdhani Enclave, Vikas Marg, Delhi, East Delhi, East Delhi, East Delhi, Delhi, India, 110092. The Corporate Identity Number of the Company is U23955DL2024PLC424673 and Income Tax PAN is AAZCA9296L.
- (s) **“ROC”** means the Registrar of Companies, NCT of Delhi and Haryana, having jurisdiction over the Demerged Company and the Resultant company.

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



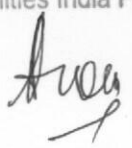
Director

- (t) **“Scheme”** or **“Scheme of Arrangement”** or **“the Scheme”** or **“this scheme”** means this Scheme of Arrangement for demerger of demerged undertaking to the Resultant company under Sections 230 to 232 and any other applicable provisions, if any Companies Act, 2013 and with any modification(s) approved or imposed or directed in accordance with applicable Laws by NCLT.
- (u) **“Share Entitlement Ratio”** means the ratio in which the New Equity Shares of the Resultant company are to be allotted to the shareholders of the Demerged Company by the Resultant company as per Clause 7.1 of the Scheme.
- (v) **“Shareholders”** mean the persons registered as holders of the Equity Shares of the Companies concerned.

**2. INTERPRETATIONS**

In this Scheme, unless the context otherwise requires:

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

- (a) references in this Scheme to "upon the Scheme becoming effective" shall mean the Effective Date of the Scheme;
- (b) references to the singular includes a reference to plural and vice versa and reference to any gender includes a reference to all other genders;
- (c) reference to persons shall include individuals, firms, trusts, bodies corporate (wherever incorporated or unincorporated), associations and partnerships;
- (d) headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- (e) references to a clause or paragraph or Schedule, as applicable, shall be deemed to be a reference to a clause or paragraph or Schedule of this Scheme;
- (f) reference to the words 'hereof', 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;
- (g) references to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

For Abilities India Pistons & Rings Ltd.



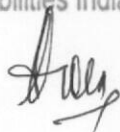
Director

For Abilities Innovative Products & Technologies Limited



Director

- (h) any reference to any statute or statutory provision shall include:
- a. all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
  - b. such provision as from time to time amended, modified, re-enacted or consolidated (Whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.



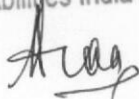
**PART II**  
**CAPITAL STRUCTURE**

**3. CAPITAL STRUCTURE OF THE DEMERGED COMPANY**

3.1 The Capital structure of the Demerged Company, as per the latest Audited Balance Sheet (as at March 31, 2024) is as follows:

Particulars	Amount (in Rs.)
<b>Authorized</b>	
45,00,000 Equity Shares of Rs.10/- each	4,50,00,000/-
<b>Issued, Subscribed and Fully Paid-up</b>	
39,01,718 Equity Shares of Rs.10/- each	3,90,17,180/-
<b>Total paid up capital</b>	<b>: 3,90,17,180/-</b>

3.2 Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Demerged Company, there has been no change in the Authorized,



Director



Director

issued, subscribed or paid-up capital of the Demerged Company.

- 3.3 The Capital Structure of the Resultant company, as per the Audited Balance Sheet (as at March 31, 2024) is as follows:

Particulars		Amount (in Rs.)
<b>Authorised</b>		
1,00,000 Equity Shares of Rs.10/- each	:	10,00,000/-
<b>Issued, Subscribed and Paid-up</b>		
50,000 Equity Shares of Rs.10/- each	:	5,00,000/-
<b>Total paid up capital</b>	:	<b>5,00,000/-</b>

- 3.4 Subsequent to the above date and till the date of the Scheme being approved by the Board of Directors of the Resultant Company, there has been no change in the Authorized, capital of the Resultant Company except increase in issued, subscribed or paid-up capital of the Resultant Company and

For Abilities India Pistons & Rings Ltd.

Director

27 For Abilities Innovative Products & Technologies Limited

Director

the updated capital Structure of the Resultant Company as on Oct 09, 2024 are as follows:

Particulars		Amount (in Rs.)
<b>Authorised</b>		
1,00,000 Equity Shares of Rs.10/- each	:	10,00,000/-
<b>Issued, Subscribed and Paid-up</b>		
60,000 Equity Shares of Rs.10/- each	:	6,00,000/-
<b>Total paid up capital</b>	:	<b>6,00,000/-</b>

For Abilities India Pistons & Rings Ltd.

Director

Director

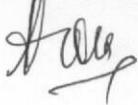
**PART III**  
**DEMERGER, TRANSFER AND VESTING OF THE**  
**DEMERGED UNDERTAKING IN THE RESULTANT**  
**COMPANY**

**4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

- 4.1 Upon the Scheme becoming effective, on and from the Appointed Date, the Demerged Undertaking of Demerged Company shall, together with all its Assets, Liabilities, Licenses, Brands, Contracts, Intellectual Property, Proceedings, Transferred Employees, Funds and Obligations, subject to the provisions of Clause 4.2 hereof in relation to the mode and manner of vesting, and without any further act or deed or instrument and in accordance with provisions of Section 230 to Section 232 of the Companies Act, 2013 and all other applicable provisions of law, be transferred to and vested in and be deemed to have been transferred to and vested in, the Resultant company, as a going concern.
- 4.2 Without prejudice to the generality of the foregoing and to the extent applicable, unless otherwise stated herein, upon the Scheme becoming effective, on and from the Appointed

29

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

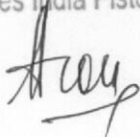
Date, the mode and manner of vesting referred to 4.1 above, shall be as under:-

#### 4.2.1 Assets

4.2.1.1 In respect of such assets related to Demerged Undertaking of the Demerged Company as are moveable in nature or are otherwise capable of transfer by delivery of possession or by endorsement and delivery, the same shall so stand transferred to and be vested in the Resultant company and shall become the property of the Resultant company. The vesting pursuant to this clause shall be deemed to have occurred by manual delivery or endorsement, as appropriate to the property being vested and title and ownership on the property shall be deemed to have been transferred accordingly, without requiring execution of any deed or instrument of conveyance for the same;

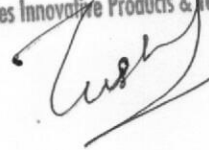
4.2.1.2 In respect of such of the Assets belonging to the Demerged Company other than those specified in Clause 4.2.1.1 hereof, including sundry

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

debtors, outstanding loans and advances, deposits or other amounts, if any, recoverable in cash or in kind or value to be received, cash and bank balances, deposits with Governmental Authority, customers and others, the same shall, without requiring any consent or approval or no objection from the concerned party and without any further act, instrument or deed by the Demerged Company or the Resultant company or the need for any endorsements, stand transferred from the Demerged Company to, and in favour of, the Resultant company, notwithstanding any provision to the contrary contained in the relevant document or instrument concerning the same. Any security, lien, encumbrance or charge created over any Assets in relation to any dues or debts of the Demerged Company, shall, without any further act or deed, stand transferred to the benefit of the Resultant company and the Resultant company will have all the rights of the

For Abilities India Pistons & Rings Ltd.

Director

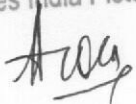
For Abilities Innovative Products & Technologies Limited

Director

Demerged Company to enforce such security, lien, encumbrance or charge, by virtue of this Scheme;

4.2.1.3 In relation to Assets belonging to the Demerged Undertaking, which require separate documents for vesting in Resultant company, or which the Demerged Company and/ or Resultant company otherwise desire to be vested separately, the Demerged Company and Resultant company will execute such deeds, documents or such other instruments, if any, as may be mutually agreed;

4.2.1.4 If assets acquired by the Demerged company after the appointment date and prior to the effective date for operation of the Demerged Undertaking shall be deemed to have been acquired for and on behalf of Resultant company and shall also stand transferred to and vested in Resultant company with effect from the Effective Date; and

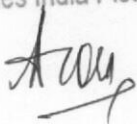


4.2.1.5 It is hereby clarified that if any Asset (including but not limited to any estate, rights, title, interest in or authorities relating to such assets) in relation to the Demerged Undertaking which the Demerged Company owns, cannot be transferred to Resultant company for any reason whatsoever, the Demerged Company shall hold such asset in trust for the benefit of Resultant company.

#### 4.2.2 Licenses/ Approvals

All Licenses relating to the Demerged Undertaking of Demerged Company shall stand transferred to and be vested in the Resultant company, without any further act or deed by the Demerged Company or the Resultant company and be in full force and effect in favour of the Resultant company, as if the same were originally given to, issued to or executed in favour of the Resultant company and the Resultant company shall be bound by the terms thereof, the obligations and duties there under,

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

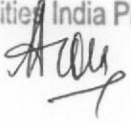
and the rights and benefits under the same shall be available to the Resultant company.

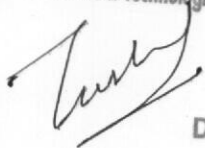
**4.2.3 Brands**

All brands and all other interests exclusively relating to the Demerged Undertaking, be transferred to and --rested in and deemed to be transferred to and vested in the Resultant company as if the same were originally given to, issued to or executed in favor of the Resultant company, and the rights, claims and benefits under the same shall be available to the Resultant company. Further, the Demerged Company and the Resultant company shall execute necessary deeds/ documents/ agreements to give effect to the foregoing, as required.

**4.2.4 Benefits**

All Benefits, entitlements, incentives and concessions under any Applicable Laws, to which the Demerged Company is entitled to and/or to the extent statutorily available to the Demerged Company, along with associated obligations, shall stand transferred to, and be

For Abilities India Pistons & Rings Ltd.  
  
Director

For Abilities Innovative Products & Technologies Limited  
  
Director

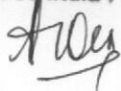
available to, the Resultant company as if the Resultant company was originally entitled to all such benefits, entitlements, incentives and concessions.

#### 4.2.5 Contracts

4.2.5.1 All Contracts of the Demerged Company which are subsisting or having effect immediately before the Effective Date shall stand transferred to and vested in the Resultant company and be in full force and effect in favour of the Resultant company and may be enforced by or against it as fully and effectually as if, instead of the Demerged Company, the Resultant company had been or beneficiary or obligee thereto or thereunder.

4.2.5.2 The Resultant company shall be entitled to enter into and/or issue and/or execute deeds, writings or confirmations or enter into any arrangements, confirmations or novation's in order to give effect in the provisions of this clause if so required.

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

4.2.5.3 Any inter-contracts between the Demerged Company and the Resultant company shall stand cancelled and cease to operate upon the coming into effect of this Scheme.

#### 4.2.6 Intellectual Property

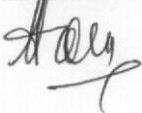
All Intellectual Property of the Demerged Company shall stand transferred to and be vested in the Resultant company and be in full force and effect in favour of the Resultant company and may be enforced by or against it as fully and effectually as if, instead of the Demerged Company, the Resultant company had been a party or beneficiary or obligee thereto.

#### 4.2.7 Transferred Employees

4.2.7.1 All Transferred Employees of the Demerged Company shall be deemed to have become the employees and staff of the Resultant company with effect from the Appointed Date, and shall stand transferred to the Resultant company without any interruption of service and on terms

36

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

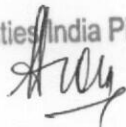


Director

and conditions no less favourable than those on which they are engaged by the Demerged Company as on the Effective Date, including in relation to the level of remuneration and contractual and statutory benefit, incentive plans, terminal benefits, gratuity plans, provident fund plans and any other retirement benefits.

4.2.7.2 Services of all Transferred Employees with the Demerged Company prior to their transfer, shall be taken into account for the purposes of all benefits to be given by the Resultant company to which such Transferred Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident fund plans and other retirement benefits and accordingly, shall be reckoned from the date of their respective appointment in the Demerged Company. The

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

Resultant company undertakes to pay the same, as and when payable under Applicable Laws.

4.2.7.3 All contributions made by the Demerged Company on behalf of the Transferred Employees and all contributions made by the Transferred Employees including the interests arising thereon, to the Funds and standing to the credit of such Transferred Employees' account with such Funds, shall, upon the Scheme becoming effective, be transferred to the funds maintained by the Resultant company along with such of the investments made by such Funds which are referable and allocable to the Transferred Employees and the Resultant company shall stand substituted for the Demerged Company with regard to the obligation to make the said contributions.

4.2.7.4 The terms and conditions of service applicable to the Transferred Employees on the Effective Date will not in any way be less favorable to

For Abilitis India Pistons & Rings Ltd.  
*[Signature]*  
Director

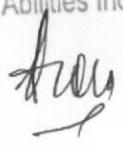
For Abilitis Innovative Products & Technologies Limited  
*[Signature]*  
Director

them than those applicable to them immediately before the Effective Date.

4.2.7.5 The contributions made by the Demerged Company under Applicable Law in connection with the Transferred Employees, to the Funds, for the period after the Appointed Date shall be deemed to be contributions made by the Resultant company.

**4.2.8 Liabilities**

4.2.8.1 All debts, liabilities, secured and unsecured loans including general or multi-purpose borrowings locate as per the provisions of Section 2(19AA) of the income-tax Act, 1961, of the Demerged company in relation to Demerged Undertaking, shall, pursuant to the provisions of the Companies Act to the extent they are outstanding as on the Effective Date, without any further act, instrument or deed, stand transferred to and be deemed to be the debts, liabilities, contingent liabilities, duties and

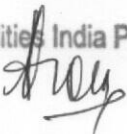
For Abilities India Pistons & Rings Ltd.  
  
Director

For Abilities Innovative Products & Technologies Limited  
  
Director

obligations, etc., as the case may be, of the Resultant company and shall be enforceable against the Resultant company, as if it had incurred such Liabilities;

4.2.8.2 The Resultant company alone shall be liable to discharge and satisfy the Liabilities as the borrower/creditor in respect thereof;

4.2.8.3 This Scheme shall not operate to enlarge or extend the security for any of the Liabilities and the Resultant company shall not be obliged to create any further or additional securities in respect of such Liabilities after the Effective Date, unless otherwise agreed to by the Resultant company with such secured creditors and subject to the consent and approval of the existing secured creditors of the Resultant company, if any. Further, this Scheme shall not operate to enlarge or extend the security for any debt, loan, deposit, credit or other facility availed by the Resultant company, in as much as

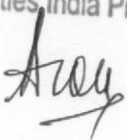
  
Director

the security shall not extend to any of the Assets forming part of the Undertaking;

4.2.8.4 In so far as the existing security in respect of the Liabilities is concerned, such security shall, without any further act, instrument or deed, be modified and shall be extended to and shall operate only over the Assets, which have been charged and secured and subsisting as on the Effective Date, provided that if any of such Assets have not been charged or secured in respect of the Liabilities, such Assets shall remain unencumbered and the existing security referred to above shall not be extended to and shall not operate over such Assets;

4.2.8.5 Subject to Applicable Laws, 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 Liabilities have arisen in order to give effect to the provisions of this clause;

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

4.2.8.6 It is expressly provided that, save as mentioned in this clause, no other term or condition of the Liabilities is being modified by virtue of this Scheme, except to the extent that such amendment is required by necessary implication;

4.2.8.7 The Scheme shall not in any manner affect the rights and interests of the creditors of the Demerged Company or be deemed to be prejudicial to their interests and in particular the secured creditors of the Demerged Company (if any) shall continue to enjoy and hold charge upon their respective securities and properties without any change;

4.2.8.8 Where any of the Liabilities pertaining to the Demerged Undertaking on the Appointed Date has been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resultant company;

For Abilities India Pistons & Rings Ltd.



Director



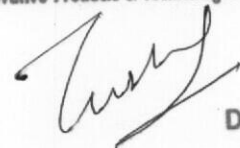
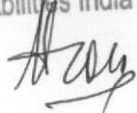
Director

4.2.8.9 All loans raised and used, and liabilities incurred, if any, by the Demerged Company after the Appointed Date, but prior to the Effective Date, for the Demerged Undertaking shall be deemed to be transferred to, and discharged by Resultant company without any further act or deed; and

4.2.8.10 The provision of this clause shall operate notwithstanding anything to the contrary contained with any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

#### 4.2.9 Legal and other such Proceedings

All Proceedings transferred to the Resultant company pursuant to the Scheme, shall not abate or be discontinued or in any way be prejudicially affected by anything contained in this Scheme and the proceedings shall continue and any prosecution shall be enforced by or against the Resultant company in the same manner and to



the same extent as it would or might have been continued, prosecuted or enforced by or against the Demerged Company, as if this Scheme had not been made. The Resultant company undertakes to have such Proceedings relating to or in any way connected with the Demerged Company, initiated by or against the Demerged Company, transferred in the name of the Resultant company as soon as possible, after the Effective Date, and to have the same continued, prosecuted and enforced by or against the Resultant company. The Resultant company also undertakes to pay all amounts including interest, penalties, damages, etc., which the Demerged Company may be called upon to pay or secure in respect of any liability or obligation relating to the Demerged Company for the period from the Appointed Date up to the Effective Date and any costs incurred by the Demerged Company in respect of such proceedings started by or against it relating to the period from the Appointed Date up to the Effective Date upon submission of necessary evidence by the Demerged Company to the Resultant company for making such payment.

For Abilities India Pistons &amp; Rings Ltd.



Director



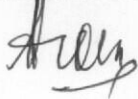
Director

#### 4.2.10 Tax

4.2.10.1 Upon the Scheme becoming effective, all taxes/ cess/ duties, direct and/or indirect taxes, payable by or on behalf of the Demerged Company in relation to Demerged Undertaking, from the Appointed Date onwards, including all or any refunds and claims, including refunds or claims pending with Governmental Authority and including the right for any tax allowances/ deductions (including tax holiday benefits), of the Demerged Company, shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims allowances/ deductions of the Resultant company;

4.2.10.2 The tax deducted at source ("TDS")/advance tax and self- assessment tax paid, if any, by the Demerged Company under the Income-Tax Act, 1961 or any other statute in respect of income of the Demerged Company assessable for the period commencing from the Appointed Date

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



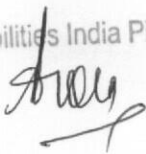
Director

shall be deemed to be the tax deducted, advance tax and self-assessment tax paid by the Resultant company and credit for the same shall be allowed to the Resultant company notwithstanding that certificates or challans for IDS and tax payments made are in the name of the Demerged Company and not in the name of the Resultant company;

4.2.10.3 Upon the Scheme becoming effective, the Resultant company is expressly permitted to claim refunds/ credits on account of service tax/ Goods and Service Tax in accordance with the Service Tax/ Goods and Service Tax Rules;

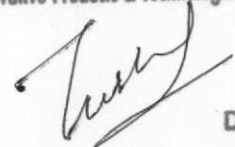
4.2.10.4 The CENVAT credits/unutilized service tax/ Goods and Service Tax credits, if any, relating to the taxes paid on input services availed by the Demerged Company shall be transferred to the credit of the resultant company, as if all such unutilized credits were lying to the account of the resultant company. The Resultant company shall accordingly be entitled to set off all such

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



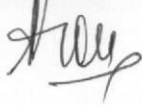
Director

unutilized credit against the service tax/ Goods and Service Tax payable by it, without limitation;

4.2.10.5 Any tax paid by the Demerged company on or after the appointed date, in respect of income assessable from the said date, shall be deemed to have been paid by or for the benefit of the Resultant company. The Resultant company shall, after the Effective Date, be entitled to file the relevant returns (including income-tax returns, TDS returns, cenvat returns, service tax returns, Goods and Service tax returns and other tax 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 Resultant company shall, after the Effective Date, be entitled to revise the relevant returns, if any, filed by the Demerged Company for any year, if so necessitated or otherwise required consequent

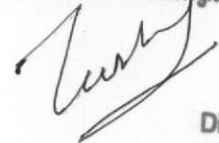
47

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

to this Scheme notwithstanding that the time prescribed for such revision may have elapsed.

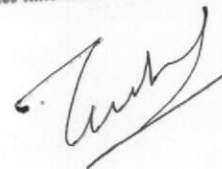
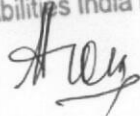
#### 4.2.11 Books and Records

All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Demerged Company, to the extent possible and permitted under Applicable Laws, be handed over by them to the Resultant company.

### 5. CONDUCT OF BUSINESS

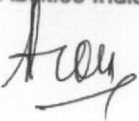
5.1 With effect from the Appointed Date and up to the Effective Date:-

5.1.1 The Demerged Company shall carry on its business related to Demerged Undertaking with reasonable diligence and commercial prudence and in the same manner as is consistent with past practices;



- 5.1.2 The Demerged Company, in relation to Demerged Undertaking, shall carry on and shall be deemed to have carried on all their business activities and shall hold and stand possessed and shall be deemed to have held and stood possessed of all its assets, rights, title, interests, authorities, contracts, investments and decisions, benefits for and on account of and in trust for the Resultant company;
- 5.1.3 All obligations, liabilities, duties and commitments attached, related or pertaining to Demerged Undertaking of Demerged Company shall be undertaken and shall be deemed to have been undertaken for and on account of and in trust for the Resultant company; and
- 5.1.4 All the profits and income, relating to Demerged Undertaking, accruing or arising to the Demerged Company and all expenditure or losses, relating to Demerged Undertaking, arising or incurred by the Demerged Company shall, for all purposes, be treated and be deemed

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

to be the profits and incomes or expenditures and losses, as the case may be, of the Resultant company.

5.2 All assets acquired leased or licensed, licenses obtained, benefits, entitlements, incentives and concessions granted, Contracts entered into, Intellectual Property developed or registered, or applications made thereto, Liabilities incurred and Proceedings initiated or made party to, between the Appointed Date and till the Effective Date by the Demerged Company shall be deemed to be transferred and vested in the Resultant company. For avoidance of doubt, where any of the Liabilities as on the Appointed Date (deemed to have been transferred to the Resultant company) have been discharged by the Demerged Company on or after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been for and on behalf of the Resultant company for all intent and purposes and under all Applicable Laws. Further, in connection with any transactions between

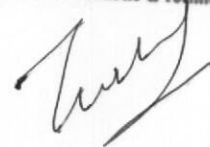
50

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

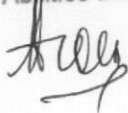


Director

the Demerged Company and the Resultant company between the Appointed Date and upto the Effective date, if any taxes under Goods and Service Tax has been paid by the Demerged Company, then upon the Scheme becoming effective, the Resultant company shall be entitled to claim refund of such Good and Services tax paid by the Demerged Company.

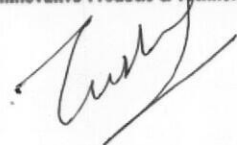
5.3 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Company occurs by virtue of Part III of this Scheme itself, the Resultant company may, at any time after the Effective Date, in accordance with the provisions hereof, if so required under Applicable Law or otherwise, give notice in such form, as may be required or as it may deem fit and proper or enter into or execute deeds (including deeds of adherence), confirmations, novations, declarations or other writings or documents as may be necessary and carry out and perform all such formalities and compliances, for and on behalf of the Demerged Company, including, with

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

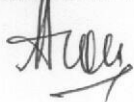


Director

or in favour of and required by (i) any party to any Contract to which the Demerged Company is a party; or (ii) any Governmental Authority or non-government authority, in order to give formal effect to the provisions of this Scheme. Provided, however, that execution of any confirmation or novation or other writings or arrangements shall in no event postpone the giving effect to this Scheme from the Effective Date.

5.4 To the extent possible, pending sanction of this Scheme, the Demerged Company or the Resultant company, in relation to Demerged Undertaking, shall be entitled to apply to the relevant Governmental Authority and other third parties concerned, as may be necessary under any Applicable Law or contract for transfer or modification of such consents, approvals and sanctions which the Resultant company may require to own and carry on the business with effect from the Effective Date and subject to this Scheme being sanctioned by the relevant Governmental Authority.

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



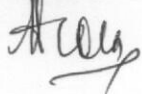
Director

5.5 For the purpose of giving effect to the order passed as per provision of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 in respect of this Scheme by the NCLT, the Resultant company shall, upon the Scheme becoming effective, be entitled to get the record of the change in the legal right(s) standing in the name of the Demerged Company, in its favour in accordance with such order and the provisions of Section 230 to 232 and other applicable provisions of the Companies Act.

**6. Saving of Concluded Transactions**

The transfer and vesting of the Demerged Company with and into the Resultant company under Part III of the Scheme, shall not affect any transaction or proceedings already completed or liabilities incurred by the Demerged Company pertaining to Demerged undertaking either prior to or on or after the Appointed Date till the Effective Date, to the end and extend by one the behalf of the Demerged Company in

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

respect thereto as acts, deeds and things one executed by and on behalf of itself.

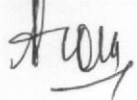
**7. Issue of share**

7.1 Upon the scheme becoming effective and in consideration of the Demerger and transfer of the Demerged undertaking, the Resultant company shall issue and allot Equity Shares of Rs. 10/- each at par value in the Resultant company ("**New Shares**") to the shareholders of the Demerged Company whose names appear in the Register of Members of the Demerged Company as on the Record Date in the following ratio

1 (One) Equity Share of Rs. 10/- each of the Resultant company, credited as fully paid-up, for every 1 (One) Equity Share of Rs. 10/- each, fully paid-up held in the Demerged Company ("**Entitlement Ratio**").

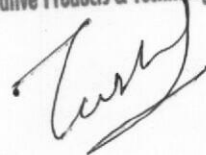
7.2 The Shareholders of the Demerged Company holding shares in the Demerged Company in certificate form shall be issued new shares in certificate form.

For Abilities India Pistons & Rings Ltd.



Director

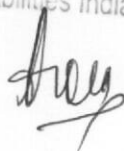
For Abilities Innovative Products & Technologies Limited



Director

- 7.3 All New Shares to be issued and allotted by the Resultant company under this Scheme shall rank pari-passu in all respects with the existing shares of the Resultant company, excluding the right to receive dividends which are declared prior to the effective date of the Scheme, and shall be subject to the Memorandum and Articles of Association of the Resultant company.
- 7.4 Upon the issuance and allotment of equity shares pursuant to Scheme, the Resultant company shall take necessary steps, in accordance with applicable laws.

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

## PART IV

ALTERATION TO THE MEMORANDUM AND  
ARTICLES OF ASSOCIATION

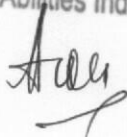
8. COMBINATION, CONSOLIDATION AND  
RECLASSIFICATION OF AUTHORISED SHARE  
CAPITAL

8.1 Upon the scheme becoming effective, without any further acts or deeds on the part of the Resultant Company and notwithstanding anything contained in Sections 13 and 61 of the Companies Act, 2013 the Authorized Share Capital of the Resultant Company shall automatically stand increased without any further act, instrument or deed on the part of the Resultant Company including without payment of stamp duty and fees payable to Registrar of Companies, by the Authorised Share Capital of Resultant Company i.e., by Rs. 4,50,00,000/- (Rupees Four Crores and Fifty Lakhs Only) divided into 45,00,000 (Forty-Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each and Memorandum of Association and Articles of

56

For Abilities Innovative Products &amp; Technologies Limited

For Abilities India Pistons &amp; Rings Ltd.



Director



Director

Association of the Resultant Company (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended and for this purpose the stamp duties and fees paid on the authorized share capital of the Demerged Company shall be utilized and applied to the increased authorized share capital of the Resultant Company and no payment of any extra stamp duty and/or fee shall be payable by the Resultant Company for increase in the authorized share capital to that extent.

8.2 Consequent upon the amalgamation, the Authorised Share Capital of the Resultant Company shall be as under:

Authorised Share Capital	Amount (in Rs.)
45,00,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each	Rs. 4,50,00,000/-
<b>Total</b>	Rs. 4,50,00,000/-

57

For Abilities India Pistons & Rings Ltd.

Director

For Abilities Innovative Products & Technologies Limited

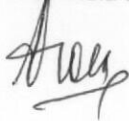
Director

8.3 Accordingly, upon sanction of this scheme, Clause V (Capital Clause) of the Memorandum of Association of the Resultant Company shall stand altered as under:-

**“The Authorised Share Capital of the Company is Rs. 4,50,00,000/- (Rupees Four Crores and Fifty Lakhs Only) divided into 45,00,000 (Forty-Five Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each .”**

8.4 It is clarified that the approval of the members of the Resultant Company to this Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum of Association of the Resultant Company as may be required under the Act.

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

PART V

ACCOUNTING TREATMENT

9. TREATMENT IN THE BOOKS OF DEMERGED COMPANY

9.1 Upon the Scheme becoming effective, the book value of assets and liabilities related to the Demerged Undertaking, as appearing in the books of account of the Demerged Company and transferred to the Resultant company, shall be reduced from the corresponding balances of the assets and liabilities of the Demerged Company.

9.2 The excess of the book value of assets over the book value of liabilities of the Demerged Undertaking, shall be adjusted to the following reserves on a proportionate basis:-

9.2.1 Securities Premium Account;

9.2.2 Surplus (profit and loss balance).

9.3 The accounting treatment provided hereinabove is in accordance with the applicable accounting standards as

For Abilities India Pistons & Rings Ltd.

Director

For Abilities Innovative Products & Technologies Limited

Director

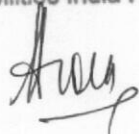
on the date of approval of the Scheme by the Board of Directors of Demerged Company and Resultant company and shall be followed as such or in such other manner as the regulatory authorities may approve.

#### 10. TREATMENT IN THE BOOKS OF THE RESULTANT COMPANY

10.1 The assets and liabilities of the Demerged Undertaking shall be transferred to the Resultant company at their values as appearing in the books of account of the Demerged Company at the close of business of the day immediately preceding the Appointed Date. In determining the value of the assets referred to hereinabove, any change in value of assets consequent to their revaluation shall be ignored in terms of Section 2(19AA) of the Income-tax Act, 1961;

10.2 The aggregate face value of the new shares issued by the Resultant company to the shareholders of the Demerged Company shall stand credited to the share capital of the Resultant company in its books of accounts;

For Abilities India Pistons & Rings Ltd.



Director

60

For Abilities Innovative Products & Technologies Limited



Director

10.3 The deficit, if any, of value of assets over the value of liabilities pertaining to the Demerged Undertaking shall be treated as Goodwill and the excess, if any, of value of assets over the value of liabilities pertaining to the Demerged Undertaking shall be treated as Capital Reserve.

10.4 The Resultant company shall record in its books of accounts, all transactions relating to the Demerged Undertaking of Demerged Company, in respect of assets, liabilities, income and expenses, from the Appointed Date to the Effective Date.

10.5 The accounting treatment provided hereinabove is in accordance with the applicable accounting standards as on the date of approval of the Scheme by the Board of Directors of the Demerged Company and the Resultant company and shall be followed as such or in such other manner as the regulatory authorities may approve.

For Abilities India Pistons & Rings Ltd.



Director

61

For Abilities Innovative Products & Technologies Limited



Director

PART VI

GENERAL TERMS AND CONDITIONS

11. TAX NEUTRALITY

11.1 This Scheme, in so far as it relates to the demerger of Demerged Undertaking of the Demerged Company into the Resultant company, has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, including Section 2(19AA) of the Income Tax Act, 1961, which include the following:

11.1.1 all the assets and properties of the Demerged Undertaking, being transferred by the Demerged Company, immediately before the demerger shall become the properties of the Resultant company, respectively, by virtue of such Demerger;

11.1.2 all the liabilities relatable to the undertaking, being transferred by the Demerged Company, immediately before the demerger, become the

For Abilities India Pistons & Rings Ltd.

Director

For Abilities Innovative Products & Technologies Limited

Director

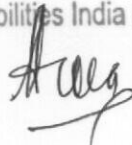
liabilities of the Resultant company by virtue of the demerger;

11.1.3 the property and the liabilities of the undertaking or undertakings being transferred by the Demerged Company are transferred at values appearing in its books of account immediately before the demerger;

11.1.4 the Resultant company issues, in consideration of the demerger, its shares to the shareholders of the Demerged Company on a proportionate basis, except where the Resultant company itself is a shareholder of the Demerged Company;

11.1.5 the shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the demerger by, or by a nominee for, the Resultant company or, its subsidiary) become shareholders of the Resultant company or companies by the virtue

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

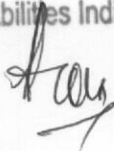
of the demerger, otherwise than as a result of the acquisition of the property or assets of the Demerged Company or any undertaking thereof by the Resultant company; and

11.1.6 the transfer of the Demerged Undertaking shall be on a going concern basis;

And other relevant sections (including Sections 47 and 72A) of the Income Tax Act, 1961.

11.2 The demerger and transfer and vesting of the Demerged Undertaking under this Scheme have been proposed in compliance with Section 2(19AA) and other applicable provisions 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 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

For Abilites India Pistons & Rings Ltd.



Director

For Abilites Innovative Products & Technologies Limited



Director

necessary to comply with the said provisions. Such modification will however not affect the other parts of the Scheme. The power to make such amendments, as may become necessary shall vest with the Board of Directors of Demerged Company, which power can be exercised at any time and shall be exercised in the best interests of the companies and their shareholders.

**12. DATE OF TAKING EFFECT AND OPERATIVE DATE OF THE SCHEME**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or the concerned Governmental Authority, shall be operative with effect from the Appointed Date upon the order sanctioning the Scheme taking effect from the Effective Date.

**13. CONDITIONALITY OF THE SCHEME**

13.1 This Scheme is conditional upon and subject to the following:

13.1.1 the Scheme being agreed to (in the manner prescribed) by the respective requisite

For Abilities India Pistons & Rings Ltd.

Director

65

For Abilities Innovative Products & Technologies Limited

Director

majorities of shareholders and creditors, if any, of the Demerged Company and Resultant company, as required under the Companies Act, 2013;

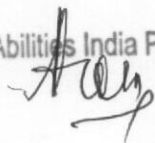
13.1.2 confirmation order of the Scheme being issued by the Central Government or NCLT, as applicable;

13.1.3 such other approvals and sanctions as required under Applicable Law in respect of this Scheme being obtained; and

13.1.4 Certified copy of the confirmation order of the Scheme issued by NCLT being filed by the Demerged Company and the Resultant company, with the Registrar of Companies, NCT of Delhi and Haryana respectively.

13.2 Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of the Demerged Company to the Resultant

For Abilities India Pistons & Rings Ltd.



Director

66

For Abilities Innovative Products & Technologies Limited



Director

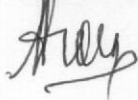
company pursuant to this Scheme, shall not affect the operation of this Scheme, if the Board of Directors of the Demerged Company and the Resultant company so decide.

#### 14. APPLICATIONS TO THE TRIBUNAL

14.1 The Demerged Company and the Resultant company shall, with all reasonable dispatch, make applications to the NCLT under Section 230 of the Companies Act, 2013 seeking orders for dispensing with respective meetings or convening, holding and conducting of the meetings of the respective classes of the shareholders and/ or creditors of the Demerged Company and the Resultant company as may be directed by the NCLT.

14.2 On the Scheme being agreed to by the requisite majorities of the classes of the shareholders and/ or creditors of the Demerged Company and the Resultant company as directed by the NCLT/or their meetings dispensed with, the Demerged Company and the Resultant company shall with reasonable dispatch,


For Abilites India Pistons & Rings Ltd.



Director

67

For Abilites Innovative Products & Technologies Limited



Director

apply to the NCLT, for sanctioning the Scheme under Section 230 to 232 of the Companies Act, 2013 and other provisions of the Act (if any) and for such order or orders, as the said NCLT may deem fit for carrying this Scheme into effect.

**15. COSTS, EXPENSES AND STAMP DUTY**


All costs, charges, taxes including stamp duties, levies and all other expenses, if any, arising out of/or incurred for carrying out and implementing the Scheme and matters incidental thereto, shall be borne and paid by the Resultant company (save as otherwise expressly agreed in writing). It is hereby clarified that since all movable properties belonging to the Demerged Company shall be transferred by way of delivery and possession, no stamp duty shall be payable on transfer of such movable Assets to Resultant company in terms of the Scheme.

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

  
Director

**16. MODIFICATIONS AND AMENDMENTS TO THE SCHEME**

16.1 Notwithstanding anything to the contrary contained in this Scheme, the Demerged Company and the Resultant company (acting through their respective Board of Directors) may make or assent, from time to time, to any modifications, variations, amendments, including providing any clarifications or confirmations to/in the Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and/or as may be required/approved by the Registrar of Companies/ Official Liquidator/ Central Government/ concerned Governmental Authority.

16.2 The Demerged Company and the Resultant company (acting through their respective Board of Directors) shall be authorized to take all such steps and give such directions, as may be necessary, desirable or proper, to give effect to this Scheme, or to withdraw the Scheme and to resolve any doubts, difficulties or questions that

For Abilities India Pistons & Rings Ltd.

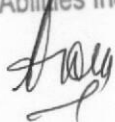
Director

For Abilities Innovative Products & Technologies Limited

Director

may arise in regard to the meaning or interpretation of the Scheme or implementation or working thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the Central Government/any other Governmental Authority or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

16.3 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegated authority of the Demerged Company and the Resultant company may give and are hereby authorized 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.

For Abilities India Pistons & Rings Ltd.  
  
Director

For Abilities Innovative Products & Technologies Limited  
  
Director

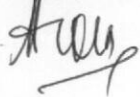
**17. EFFECT OF NON-RECEIPT OF APPROVALS/  
SANCTIONS**

In the event that the Scheme is not sanctioned by the NCLT or in the event any of the other requisite consents, approval, permissions, sanctions or conditions are not obtained or complied with or for any other reason, the Scheme cannot be implemented, the Scheme shall not take effect and shall be withdrawn and in that event no rights or liabilities, whatsoever, shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person.

**18. REMAINING UNDERTAKING**

Save and except the Demerged Undertaking of the Demerged Company and as expressly provided in this Scheme, nothing contained in this Scheme shall affect the Remaining Undertaking of the Demerged Company, or any other business, assets, and liabilities of the Demerged Company, which shall continue to belong to and be vested in and be managed by the Demerged Company.

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director

## 19. RESIDUAL PROVISIONS

19.1 Even after this Scheme becomes operative, the Resultant company shall be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking in the name of the Demerged Company insofar as may be necessary till the transfer of rights and obligations of the Demerged Company to the Resultant company under this Scheme.

19.2 On the approval of the Scheme by the members of the Demerged Company and the Resultant company pursuant to Section 230 of the Companies Act, 2013, it shall be deemed that the said members have also accorded all relevant consents under relevant provisions of the Act to the extent the same may be considered applicable.

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited

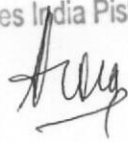


Director

SCHEDULE I

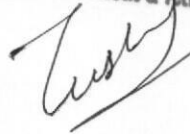
SPLIT BALANCE SHEET OF ABILITIES INDIA PISTONS  
AND RINGS LIMITED AS ON MARCH 31, 2024

For Abilities India Pistons & Rings Ltd.



Director

For Abilities Innovative Products & Technologies Limited



Director