

ALICON CASTALLOY LIMITED

Registered Office: Gat No.1426, Village Shikrapur, Taluka Shirur, District Pune - 412 208

Court Convened Meeting of the Equity Shareholders & Postal Ballot and E-Voting

Day : Monday

Date : 10th August, 2015

Time : 12:00 noon.

Venue : Gat No. 1426, Village Shikrapur, Taluka Shirur, District Pune - 412208

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO 546 OF 2015**

In the matter of Companies Act, 1956 (or re-enactment thereof upon effectiveness of the Companies Act, 2013)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified)

AND

In the matter of Scheme of Arrangement between Atlas Castalloy Limited and Alicon Castalloy Limited and their respective shareholders and creditors

ALICON CASTALLOY LIMITED , a company	}
incorporated under the provisions of the Companies Act, 1956	}
having its registered office at Gat No.1426, Village Shikrapur,	}
Taluka Shirur, District Pune – 412 208, Maharashtra	}..... Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF ALICON CASTALLOY LIMITED

To

The Equity Shareholders of Alicon Castalloy Limited, the Applicant Company

TAKE NOTICE that by an order made on the 10th day of July, 2015, in the above Company Summons for Direction, the High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of Alicon Castalloy Limited be convened and held at Gat No. 1426, Village Shikrapur, Taluka Shirur, District Pune - 412 208, Maharashtra on Monday 10th day of August, 2015 at 12.00 noon, for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the proposed Scheme of Arrangement between Atlas Castalloy Limited ("Atlas") and Alicon Castalloy Limited ("Alicon" or "the Applicant Company") and their respective shareholders and creditors (hereinafter referred to as "the Scheme").

TAKE FURTHER NOTICE that in pursuance of the said order and as directed therein, a meeting of the Equity Shareholders of the Applicant Company will be convened and held at Gat No. 1426, Village Shikrapur, Taluka Shirur, District Pune - 412 208, Maharashtra on Monday, the 10th day of August, 2015 at 12.00 noon, at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Gat No.1426, Village Shikrapur, Taluka Shirur, District Pune - 412 208, Maharashtra, not later than 48 (forty eight) hours before the time fixed for the said meeting.

The Hon'ble High Court has appointed Mr. S. Rai, Managing Director of the Applicant Company and failing him Mr. Anil Harolikar, Director of the Applicant Company and failing him Mr. Rajiv Sikand, Group Chief Executive Officer of the Applicant Company, to be the Chairman of the aforesaid meeting.

A copy of Explanatory Statement under Section 393 of the Companies Act, 1956, the Scheme, Complaints Report, Observation Letters issued by the Stock Exchanges, Form of Proxy and Attendance Slip are enclosed.

Dated this 14th day of July, 2015

Place : Pune

Registered Office:
Gat No.1426, Village Shikrapur, Taluka Shirur,
District Pune - 412 208, Maharashtra.

Sd/-
S Rai
Chairman appointed for the meeting

NOTES:

1. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by authorised representative under applicable provisions of the Companies Act) at the Equity Shareholders meeting. The authorized representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company. The form of proxy duly completed should, however, be deposited at the registered office of the Applicant Company not less than 48 hours before the scheduled time for commencement of the meeting. All alterations in the form of proxy should be initialed.
3. A Member or his Proxy is requested to bring the copy of the notice at the meeting, and produce at the entrance of the meeting venue, the enclosed attendance slip duly completed and signed.
4. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection upto two days prior to the said meeting, at the Registered Office of the Applicant Company between 11.00 a.m. and 1.00 p.m. on all working days of the Applicant Company (except Thursdays, Sundays and Government Holidays).
5. Foreign Institutional Investor (FII) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial resolutions / Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
6. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
7. Alteration, if any, made in the Form of Proxy should be initialed.

Enclosures: As Above

NOTICE OF POSTAL BALLOT AND E-VOTING TO PUBLIC SHAREHOLDERS

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES 2014 AND CIRCULAR NO. CIR/CFD/DIL/5/2013 DATED FEBRUARY 4, 2013 AND CIRCULAR NO. CIR/CFD/DIL/8/2013 DATED MAY 21, 2013 ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

Dear Shareholders,

Notice is hereby given to you to consider, and, if thought fit, approve the arrangement embodied in the proposed Scheme of Arrangement between Atlas Castalloy Limited ("Atlas") and Alicon Castalloy Limited ("Alicon" or "the Applicant Company") and their respective shareholders and creditors (hereinafter referred to as "the Scheme"). Clause 5.16 of Securities and Exchange Board of India (SEBI) Circular No. CIT/CFD/DIL/5/2013 dated 4th February, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May, 2013 ("SEBI Circular") requires the Scheme to be put for voting by public shareholders through postal ballot and e-voting and provides that "the Scheme shall be acted upon only if the votes cast by the shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it." This notice is given accordingly in terms of such SEBI Circular for consideration of the following resolutions by postal ballot and e-voting pursuant to Section 110 of the Companies Act, 2013:

Proposed Resolutions

To consider and if thought fit to pass with or without modifications the following Resolutions

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified), the enabling provisions in the Company's Memorandum and Articles of Association, and subject to the requisite approval of the Hon'ble High Court of Judicature at Bombay or such other competent authority, as the case may be, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the Scheme of Arrangement between Atlas Castalloy Limited ("Atlas") and Alicon Castalloy Limited ("Alicon") and their respective shareholders and creditors (hereinafter referred to as the "Scheme") for the transfer of "Casting Business Undertaking" (as defined in Scheme) of Atlas to Alicon be and is hereby approved.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the "Restructuring Committee" comprising of Mr. S. Rai, Managing Director, Mr. Rajeev Sikand, Group Chief Executive Officer, Mr. Vimal Gupta, Group Chief Financial Officer and Mr. P.S. Rao, Company Secretary, be and is hereby authorised to do all such acts, deeds, matters and things as may be considered requisite or necessary to effectively implement the Scheme and to accept such modification and / or conditions, if any, which may be required and / or imposed by the Hon'ble High Court of Judicature at Bombay while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme and any three of them present shall constitute the Quorum for the purpose of this Committee."

Approval to the said Scheme is sought by this notice of postal ballot and e-voting in addition to approval to the said Scheme by shareholders of M/s. ALICON CASTALLOY LIMITED at their physical meeting to be held on 10th August, 2015 in terms of an order dated 10th July, 2015 of the Hon'ble High Court of Judicature at Bombay in Company Summons for Directions No. 546 of 2015 ("Court Convened Meeting"). The notice of the Court Convened Meeting with the documents accompanying the same, being copy of the said Scheme, statement under Section 393 of the Companies Act, 1956; observation letters of stock exchanges, complaints' report, attendance slip and proxy form are attached herewith. **The said statement under Section 393 of the Companies Act, 1956 sets out all material facts relating to the proposal for approval of the said Scheme. The same is annexed hereto as aforesaid and may also be treated as the explanatory statement to this notice of postal ballot and e-voting under Section 102 of the Companies Act, 2013.** Sections 391 to 394A of the Companies Act, 1956 continue to be in force with certain other provisions of the said Act having been re-enacted by enforcement of various Sections of the Companies Act, 2013 as mentioned in the Table attached to General Circular No.07/2014 issued by the Ministry of Corporate Affairs on 1st April, 2014. For the said provisions and new Sections, reference may be made to the said Table accordingly.

It is clarified that votes may be cast by shareholders either by postal ballot or e-voting and casting of votes by postal ballot and e-voting does not disentitle them from attending the Court Convened Meeting. It is further clarified that votes through postal ballot cannot be permitted through a proxy.

The Postal Ballot Form along with instructions for voting are also enclosed herewith ("**Postal Ballot Form**"). **The instructions for e-voting are also included therein.** The Applicant Company has appointed Mr. Upendra Shukla, Practicing Company Secretary as Scrutinizer for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

In accordance with Clause 35B of the Equity Listing Agreement entered into by the Applicant Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on which the equity shares of the Applicant Company are listed, and the provisions of Section 110 of the Companies Act 2013 and applicable rules read with SEBI Circular bearing No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & CIR/CFD/DIL/8/2013 dated May 21, 2013 respectively, the Applicant Company is pleased to provide electronic

voting ("e-voting") facility as an alternative to its Shareholders to enable them to cast their votes electronically.

The Applicant Company has engaged Central Depository Services (India) Limited ("CDSL") to provide e-voting facilities to the shareholders of the Applicant Company. If a Shareholder has voted through e-voting facility, he is not required to send the Postal Ballot Form. If a Shareholder votes through e-voting facility and also sends his vote through the Postal Ballot Form, the votes cast through e-voting shall only be considered by the Scrutinizer. The e-voting facility is available at the link: <http://www.evotingindia.com/> till 5.00 p.m. on 14th August, 2015.

Please refer to the instructions given for e-voting provided in the Postal Ballot form for the purpose and the manner in which e-voting has to be carried out. Shareholders opting to vote through physical mode i.e. sending the Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form sent herewith and return the form duly completed and signed in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before the close of working hours i.e. 5.00 p.m. on 14th August, 2015. The postage will be borne and paid for by the Applicant Company. Postal ballots received after this date will be treated as invalid. Alternatively, you may cast your votes by responding electronically (e-voting) in the manner described in the said instructions so as to be received by 14th August, 2015. Responses received after this date will be treated as invalid.

The Scrutinizer will submit his report to the Chairman of the Applicant Company, or in his absence to any other Director authorized by the Chairman, after completion of the scrutiny. The results of the Postal Ballot and e-voting will be announced on or before 17th August, 2015 and will be subsequently published in at least one English and one Marathi newspaper circulating in Pune. The result of the Postal Ballot will also be displayed at the Registered Office of the Applicant Company and website of the Applicant Company besides being communicated to BSE and NSE. The date of declaration of the result of the Postal Ballot / e-voting will be taken to be the date of passing of the Resolution.

A copy of the said Scheme and Explanatory Statement under Section 393 of the Companies Act, 1956, e-voting details, Postal Ballot Form and Pre-paid envelope are enclosed.

Place : Pune
Date : 14th July, 2015

By order of the Board of Directors
For Alicon Castalloy Limited

Registered Office

Gat No.1426,
Village Shikrapur,
Taluka Shirur,
District Pune - 412 208,
Maharashtra.

Sd/-
S. Rai
Managing Director

NOTES:

1. The Explanatory Statement with reasons for proposing the Resolution as stated in the notice is annexed hereto.
2. The Notice of the Postal Ballot has been posted to the registered address of all the Public Shareholders whose names appear in the Register of Members / Beneficial Owners as per the details furnished by the Depositories as on 10th July, 2015. The Public Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode have also been sent the Notice of Postal Ballot by e-mail.
3. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the Shareholders as on 10th July, 2015.
4. Shareholders can also download the Postal Ballot Form from the link <http://www.evotingindia.com/> or seek duplicate Postal Ballot Form from M/s. Universal Capital Securities Pvt. Ltd., Registrar & Transfer Agents, 21 Shakil Niwas, Opp. Sai Baba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400 093.
5. The voting period commences on Thursday, 16th July, 2015 and ends at 5 p.m. on Friday, 14th August, 2015.
6. The e-voting module shall also be disabled by CDSL for voting thereafter.
7. All the material documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection by the Shareholders at the Registered Office of the Applicant Company at Gat No.1426, Village Shikrapur, Taluka Shirur, District Pune - 412 208, during office hours on all working days between 11.00 a.m. and 1.00 p.m. up to the last date for receipt of the postal ballot specified in the accompanying Notice (except Thursdays, Sundays and Government Holidays).
8. Detailed instructions for e-voting are provided in the Postal Ballot Form.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO 546 OF 2015**

In the matter of Companies Act, 1956 (or re-enactment thereof upon effectiveness of the Companies Act, 2013)

AND

in the matter of Sections 391 to 394 of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified);

AND

In the matter of Scheme of Arrangement between Atlas Castalloy Limited and Alicon Castalloy Limited and their respective shareholders and creditors

ALICON CASTALLOY LIMITED , a company	}	
incorporated under the provisions of the Companies Act, 1956	}	
having its registered office at Gat No.1426, Village Shikrapur,	}	
Taluka Shirur, District Pune - 412 208, Maharashtra	} Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 READ WITH SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013

1. Pursuant to the order dated 10th day of July, 2015, passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of the Applicant Company is being convened for the purpose of considering and, if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Atlas Castalloy Limited ("Atlas") and Alicon Castalloy Limited ("Alicon" or "the Applicant Company") and their respective shareholders and creditors (hereinafter referred to as "the Scheme").
2. In this statement, Atlas Castalloy Limited is hereinafter referred to as "Atlas" and Alicon Castalloy Limited is hereinafter referred to as "Alicon" or "the Applicant Company". The other definitions contained in the Scheme would also apply to this Explanatory Statement.
3. A copy of the Scheme between Atlas and Alicon setting out in detail the terms and conditions of the arrangement is attached to this Explanatory Statement.
4. The Board of Directors of the Applicant Company had approved the Scheme on 26th December, 2014 subject to the approval of Stock Exchanges and Securities and Exchange Board of India (hereinafter referred to as "SEBI"). Subsequently, BSE Limited and National Stock Exchange of India Limited vide their letters dated 27th April, 2015 and 28th April, 2015 accorded its approval to the Scheme.

5. BACKGROUND OF THE COMPANIES

5.1 Atlas Castalloy Limited

5.1.1 Atlas Castalloy Limited was originally incorporated under the provisions of the Companies Act, 1956 (hereinafter referred to as "the Act") on the 20th day of November, 1985 under the name and style of "Atlas Automotive Components Private Limited" and in consequence thereof a certificate of incorporation was issued by the Registrar of Companies at Maharashtra. Pursuant to Section 43A of the Act coming into effect the word "Private" was deleted from the name of Atlas and consequently name was changed to "Atlas Automotive Components Limited" with effect from 8th January, 1991. Subsequently, upon complying with the provisions of Section 43A of the Act Atlas was reconverted into private limited company and its name was changed to "Atlas Automotive Components Private Limited" with effect from 9th August, 1991. Subsequently, by virtue of a special resolution passed by the shareholders, the status of Atlas was changed to public limited and the name of Atlas was changed to "Atlas Automotive Components Limited" with effect from 8th day of June, 2004. Subsequently, the name of Atlas was again changed to "Atlas Castalloy Limited" with effect from 19th day of July, 2010.

5.1.2 The Registered Office of Atlas is situated at 7/C, Udyog Mandir Compound, Bhagoji Keer Marg, Mahim, Mumbai - 400 016, Maharashtra.

5.1.3 Atlas was incorporated to acquire as a going concern, the business of M/s. Atlas Automotive Components, a unit of Indokem Limited, and to engage in the business of manufacturing of aluminium alloy castings. It is an established aluminium foundry and mainly caters to Indian and international automotive and non-automotive customers.

The objects of Atlas are set out in the Memorandum and Articles of Association. Main objects of Atlas are as under:

III. The object for which the Company is established are:

(A) MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION:

1. To carry on the business in cold or hot rolling, re-rolling, slittings, castings, forgings, edge-milling, sheering, stamping, pressing, extruding, metal strips, sheets, foils and to set up foundries, furnaces and continuous casting and rolling mill plant for producing ferrous and non-ferrous materials, iron, steel and iron alloy, steel ingots, billets or re-rolled sections, steel structurals, forged components and accessories for automotive and engineering industry.
2. To purchase or otherwise acquire as a going concern the business of Atlas Automotive Components (a unit of Indokem Limited)
 - 2A. To set-up, own, establish, acquire, lease, rent, or in any way deal in business centres and to provide services of and / or relating to the business centres of all kinds.
 - 2B. To carry on the business of CAD / CAM engineering design solutions, multimedia graphics, animation, web based applications, networking and communication technology development, IT systems management and software development and training, and to carry on the business, of CNC machining, dies and moulds development generally to carry on tool room activity.

5.1.4 The Share Capital of Atlas as on 31st March 2014 is as under:

PARTICULARS	AMOUNT (Rs.)
Authorized Share Capital	
1,05,000 Equity Shares of Rs. 100/- each	1,05,00,000
TOTAL	1,05,00,000
Issued, Subscribed and Paid-up Share Capital	
1,03,820 Equity Shares of Rs. 100/- each fully paid-up	1,03,82,000
TOTAL	1,03,82,000

Subsequent to 31st March, 2014, Atlas has increased its authorised share capital. The present share capital of Atlas is as follows:

PARTICULARS	AMOUNT (Rs.)
Authorized Share Capital	
1,25,000 Equity Shares of Rs. 100/- each	1,25,00,000
TOTAL	1,25,00,000
Issued, Subscribed and Paid-up Share Capital	
1,03,820 Equity Shares of Rs. 100/- each fully paid-up	1,03,82,000
TOTAL	1,03,82,000

5.2 Alicon Castalloy Limited

5.2.1 Alicon Castalloy Limited was originally incorporated under the provisions of the Act on the 19th day of December, 1990 under the name and style of "Pegasus Wheels Private Limited" and in consequence thereof Certificate of Incorporation was issued by the Register of Companies of Maharashtra at Mumbai. Subsequently, the name of the Applicant Company was changed to "Pegasus Castalloy Limited" with effect from 18th day of October, 1994. Subsequently, the name of the Applicant Company was changed to "Enkei Castalloy Limited" with effect from 14th day of January, 2003. Subsequently, the name of the Applicant Company was again changed to its present name "Alicon Castalloy Limited" with effect from 23rd day of December, 2010.

5.2.2 The Registered Office of Alicon is situated at Gat no. 1426, Village Shikrapur, Taluka - Shirur, District Pune - 412 208, Maharashtra.

5.2.3 Alicon is a public limited company incorporated under the provisions of the Companies Act, 1956 and is an integrated aluminium foundry involved in manufacturing of aluminium castings and has in-house research and development facility. Further, Alicon has presence in Austria and Slovakia through its wholly owned subsidiaries. It mainly caters to Indian and international automotive and non-automotive customers. Alicon is listed on the BSE Limited and National Stock Exchange of India Limited.

The objects of Alicon are set out in the Memorandum and Articles of Association as under:

"

III. The Objects for which the Company is established are:

(A) MAIN OBJECT:

1. *To carry on the business in cold or hot rolling, re-rolling, slittings, castings, forgings, edge-milling, sheering, stamping, pressing, machining, extruding, metal strips, sheets, foils and to set up foundries, furnaces and continuous casting and rolling mill plant for producing ferrous and non-ferrous materials, iron, steel and iron alloy, steel ingots, billets or re-rolled sections, steel structurals, wheels, forged components and accessories for automotive industry.*

"

5.2.4 The Share Capital of Alicon as on 31st March, 2014 is as under:

PARTICULARS	AMOUNT (Rs.)
Authorized Capital	
1,10,00,000 Equity Shares of Rs.5/- each	5,50,00,000
TOTAL	5,50,00,000
Issued, Subscribed and Paid-up Capital	
1,10,00,000 Equity Shares of Rs.5/- each fully paid-up	5,50,00,000
TOTAL	5,50,00,000

Subsequent to 31st March, 2014, there has been no change in the issued, subscribed and paid-up capital of Alicon.

6. RATIONALE OF THE SCHEME OF ARRANGEMENT

- Restructuring of group operations and business are desirable for achieving better synergy, results and growth. Post the restructuring, it will help Alicon in achieving economies of scale, optimal utilization of resources, better administration and reduction in cost. Further, it will also provide Alicon with greater flexibility to pursue strategic objectives and accelerate growth of the casting business.
- This transfer will provide an access to Alicon to a larger customer base and give a boost to additional production capacity and capabilities of the Casting Business Undertaking.
- Atlas and Alicon post transfer and vesting of the Casting Business Undertaking will have better operational prospects including but not limited to efficient management of cost, resources, better maintenance of manufacturing facilities and improved administrative control of the Casting Business Undertaking.

- The Scheme shall be beneficial and be in the best interest of the shareholders, creditors and other stake holders of both Atlas and Alicon. The Scheme shall not be in any manner prejudicial to the interest of concerned members, creditors and stakeholders.

7. SALIENT FEATURES OF THE SCHEME ARE AS FOLLOWS:

- a) The Scheme envisages demerger of the "Casting Business Undertaking" from Atlas into Alicon pursuant to Sections 391 to 394 of the Companies Act, 1956 (or corresponding provisions of the Companies Act, 2013 as may be notified) on a going concern basis in the manner provided for in the Scheme.
- b) The Appointed Date of the Scheme is April 1, 2014.
- c) "Effective Date" means the date on which the certified copy of the Order of High Court of Judicature at Bombay under Sections 391 to 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai by Atlas and with the Registrar of Companies, Maharashtra, Pune by Alicon after receiving all approvals from various government authorities. Further "Coming in to effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date.
- d) Upon this Scheme coming into effect and with effect from the Appointed Date, the Casting Business Undertaking of Atlas shall stand demerged and transferred to Alicon and all the assets and liabilities, outstanding, credits, debts, duties and obligations whatsoever concerning the Casting Business Undertaking shall stand transferred to and vested in Alicon as a going concern as provided under Clause 4 of the Scheme.

- e) Upon this Scheme coming into effect, and in consideration of the demerger, Alicon shall, without any further application or deed, issue and allot fully paid-up equity shares on a proportionate basis to all the shareholders of Atlas whose names appear in the register of members of Atlas as on the Record Date, or his / her heirs, executors, administrators or successors-in-title, as the case may be, on the following basis:

"For every 10 (ten) fully paid-up equity shares of Rs. 100/- each held by the equity shareholders in the Transferor Company on the Record Date, 121 (one hundred and twenty-one) fully paid-up equity shares of Rs. 5/- each of the Transferee Company".

- f) On the Scheme becoming effective, Alicon and Atlas shall respectively account for as set out in Clauses 11 and 12 of the Scheme respectively.
- g) Accounting treatment in the books of Alicon:
 - Upon the Scheme becoming effective, Alicon shall, record the assets and liabilities (including any additions and accretions thereto) pertaining to the Casting Business Undertaking of Atlas vested in it pursuant to this Scheme, at their respective book values thereof as appearing in the books of Atlas (excluding revaluation, if any).
 - Alicon shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 5 of this Scheme.
 - The difference between the Net Assets ("Net Assets" means excess of book value of assets transferred over the book value of liabilities transferred) and the amount credited as share capital shall be recorded as Capital Reserve where the difference is positive, and shall be recorded as Goodwill where the difference is negative.
- h) Accounting treatment in the books of Atlas:
 - Upon the Scheme becoming effective, Atlas shall deduct the book values of the assets and liabilities transferred to and vested in Alicon, from the respective assets and liabilities in its books of account.
 - The Net Assets transferred pursuant to the Scheme shall be adjusted to the extent required, against the balance in the Capital Reserve Account to the extent available, followed by the balance in the General Reserve Account to the extent available and balance, if any, against the balance in the Profit and Loss Account.

- i) Atlas and Alicon by their respective Boards of Directors or such other person or persons, as the respective Boards of Directors may authorize including any committee or sub-committee thereof, may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme and to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected

therewith. The power of the Board to modify / amend the Scheme shall be subject to the approval of the High Court.

- j) The Scheme is conditional upon and subject to:
- i) The requisite consent, approval or permission of the Central Government, SEBI, concerned Stock Exchanges and any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
 - ii) The approval by the requisite majority of the members / creditors of Atlas and Alicon as may be directed by the High Court or any other competent authority, as may be applicable;
 - iii) The approval of the public shareholders of Alicon shall be obtained through postal ballot and e-voting. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as required under the Securities and Exchange Board of India circulars CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by the Securities and Exchange Board of India;
 - iv) Sanctions and Orders under the provisions of the Act being obtained by Atlas and Alicon from the High Court;
 - v) Certified copies of the orders of the High Court, sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by Atlas and with the Registrar of Companies, Maharashtra, Pune by Alicon.

Members are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only the extracts containing salient features thereof.

8. The details of common Directors are as under:

Name of the Directors	Directorship	
	Atlas	Alicon
Mr. S Rai	Yes	Yes
Mrs. Pamela Rai	Yes	Yes

9. The details of shareholding of Directors and Key Managerial Personnel in Atlas and Alicon as on 30th June, 2015 is given below:

Sr. No.	Name of the Directors	SHARES HELD IN			
		Atlas		Alicon	
		No. of Shares	% Holding	No. of Shares	% Holding
1	Mr. S Rai	10,167	9.79%	8,34,311	7.58%
2	Mrs. Pamela Rai	5,778	5.57%	20	0.00%
3	Mr. Anil D Harollikar	--	--	200	0.00%
4	Mr. Junichi Suzuki	--	--	--	--
5	Mr. Ajay nanavati	--	--	--	--
6	Mr. Vinay Panjabi	--	--	--	--
7	Mr. Rajiv Sikand	--	--	58,638	0.53%
8	Mr. Vimal Gupta	--	--	450	0.00%
9	Mr. P. S. Rao	--	--	--	--
	Total	15,945	15.36%	8,93,619	8.11%

10. The pre and post arrangement (expected) shareholding pattern of the Applicant Company as on 30th June, 2015 is given below:

Sr. No	Category of the shareholder	Pre - Arrangement		Post - Arrangement	
		No. of Shares held	% Holding	No. of Shares held	% Holding
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
A	Individuals/ Hindu Undivided Family	8,34,471	7.59	10,27,442	8.36
B	Central Government/ State Government(s)	0.00	0.00	0.00	0.00
C	Bodies Corporate	66,10,720	60.10	76,73,971	62.61
D	Financial Institutions/ Banks	0.00	0.00	0.00	0.00
E	Any Other (specify)	0.00	0.00	0.00	0.00
2	Foreign	0.00	0.00	0.00	0.00
	Total Promoter shareholding (A)	74,45,191	67.68	87,01,413	71.00
(B)	Public shareholding				
1	Institutions				
A	Mutual Funds/ UTI	0.00	0.00	0.00	0.00
B	/ Banks	0.00	0.00	0.00	0.00
C	Central Government/ State Government(s)	0.00	0.00	0.00	0.00
D	Venture Capital Funds	0.00	0.00	0.00	0.00
E	Insurance Companies	0.00	0.00	0.00	0.00
F	Foreign Institutional Investors	5,400	0.05	5,400	0.04
G	Foreign Venture Capital Investors	0.00	0.00	0.00	0.00
H	Any Other (specify)	0.00	0.00	0.00	0.00
	Foreign Banks	0.00	0.00	0.00	0.00
	Sub-total (B)(1)	5,400	0.05	5,400	0.04
2	Non-institutions				
A	Bodies Corporate	1,60,826	1.46	1,60,826	1.31
B	Individuals				
	Individual shareholders holding nominal share capital up to Rs.1 lakh	17,16,808	15.61	17,16,808	14.01
	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	4,32,048	3.93	4,32,048	3.53
C	Any Other (specify)				
	Foreign Collaborators	11,00,000	10.00	11,00,000	8.98
	Clearing Members	26,058	0.24	26,058	0.21
	TRUSTS	0.00	0.00	0.00	0.00

Sr. No	Category of the shareholder	Pre - Arrangement		Post - Arrangement	
		No. of Shares held	% Holding	No. of Shares held	% Holding
	NRI / OCBs	1,13,469	1.03	1,13,469	0.93
	Directors / Relatives	200	0.00	200	0.00
	Sub-total (B)(2)	35,49,409	32.27	35,49,409	28.96
	Total Public shareholding (B)	35,54,809	32.32	35,54,809	29.00
	Total (A) + (B)	1,10,00,000	100.00	1,22,56,222	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0.00	0.00	0.00	0.00
	Grand Total (A) + (B) + (C)	1,10,00,000	100	1,22,56,222	100
	Total				

11. The pre and post arrangement (expected) shareholding pattern of Atlas as on 30th June, 2015 is as under:

Sr. No	Category of the shareholder	Pre - Arrangement		Post - Arrangement	
		No. of Shares held	% Holding	No. of Shares held	% Holding
(A)	Shareholding of Promoter & Promoter Group				
1	Indian				
A	Individuals/ Hindu Undivided Family	15,948	15.36	15,948	15.36
B	Central Government/ State Government(s)	0.00	0.00	0.00	0.00
C	Bodies Corporate	87,872	84.64	87,872	84.64
D	Financial Institutions/ Banks	0.00	0.00	0.00	0.00
E	Any Other (specify)	0.00	0.00	0.00	0.00
2	Foreign	0.00	0.00	0.00	0.00
	Total Promoter shareholding (A)	1,03,820	100.00	1,03,820	100.00
(B)	Public shareholding				
1	Institutions				
A	Mutual Funds/ UTI	0.00	0.00	0.00	0.00
B	Financial Institutions/ Banks	0.00	0.00	0.00	0.00
C	Central Government/ State Government(s)	0.00	0.00	0.00	0.00
D	Venture Capital Funds	0.00	0.00	0.00	0.00
E	Insurance Companies	0.00	0.00	0.00	0.00
F	Foreign Institutional Investors	0.00	0.00	0.00	0.00
G	Foreign Venture Capital Investors	0.00	0.00	0.00	0.00
H	Any Other (specify)	0.00	0.00	0.00	0.00

Sr. No	Category of the shareholder	Pre - Arrangement		Post - Arrangement	
		No. of Shares held	% Holding	No. of Shares held	% Holding
	Foreign Banks	0.00	0.00	0.00	0.00
	Sub-total (B)(1)	0.00	0.00	0.00	0.00
2	Non-institutions				
A	Bodies Corporate	0.00	0.00	0.00	0.00
B	Individuals	0.00	0.00	0.00	0.00
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	0.00	0.00	0.00	0.00
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0.00	0.00	0.00	0.00
C	Any Other (specify)	0.00	0.00	0.00	0.00
	Foreign Corporate Bodies	0.00	0.00	0.00	0.00
	Clearing Members	0.00	0.00	0.00	0.00
	TRUSTS	0.00	0.00	0.00	0.00
	NRI	0.00	0.00	0.00	0.00
	Sub-total (B)(2)	0.00	0.00	0.00	0.00
	Total Public shareholding (B)	0.00	0.00	0.00	0.00
	Total (A) + (B)	1,03,820	100.00	1,03,820	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0.00	0.00	0.00	0.00
	Grand Total (A) + (B) + (C)	1,03,820	100.00	1,03,820	100.00
	Total				

12. The Scheme of Arrangement was approved by the Audit Committee and the Board of Directors of Alicon at their respective meetings on December 26, 2014 and by the Board of Directors of Atlas on December 26, 2014.
13. Alicon is a listed company and Atlas is an unlisted company. The shares of Alicon are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Alicon has duly filed the Scheme with the said Stock Exchanges pursuant to the provisions of the Listing Agreements. NSE and BSE by their respective Observation Letters dated 28th April, 2015 and 27th April, 2015 respectively have given their 'no-objection' to the Scheme pursuant to the SEBI Circulars dated 4th February, 2013 and 21st May, 2013. Alicon has duly complied with the comments provided in the Observation Letters of the Stock Exchanges. Copies of the Observation Letters of NSE and BSE, copy of fairness opinion and copy of 'Nil' Complaints Report dated 4th March, 2015 filed by Alicon with the Stock Exchanges in terms of the said SEBI Circulars dated 4th February, 2013 are enclosed herewith.
14. The Board of Directors of Alicon passed a resolution on 26th December, 2014 by which it was resolved that the Scheme placed before the Board be submitted to the Hon'ble High Court after obtaining the approval of SEBI.
15. On the Scheme becoming approved by the Equity Shareholders as per the requirements of Sections 391 to 394 of the Act, Alicon and Atlas will seek the sanction of the High Court of Judicature at Bombay to the Scheme. Upon this Scheme becoming effective and with effect from the Appointed Date, the Casting Business Undertaking of Atlas, as defined in Clause 1.6 of the Scheme, shall be transferred to Alicon as a going concern.
16. The rights and interests of the creditors of Alicon will not be prejudicially affected by the Scheme. There is no likelihood that any creditor of Alicon would lose or be prejudiced as a result of the Scheme being passed as Alicon, post the Scheme, will be able to

meet its liabilities as they arise in the ordinary course of business.

17. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified) in respect of Alicon and Atlas.
18. No winding up petitions are pending and / or admitted against Alicon and Atlas.
19. The Directors of Alicon may be deemed to be concerned and / or interested in the Scheme to the extent of the shareholding of the respective Companies, Firms and/or Institutions of which they are Directors, Partners, Members or Trustees and which hold shares in Alicon or Atlas.
20. The Equity Shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him, and such proxy need not be a member of Alicon. The instrument appointing the proxy should however be deposited at the registered office of Alicon not later than 48 (forty eight) hours prior to the scheduled time for commencement of the said meeting.
21. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution and / or Power of Attorney authorizing such person to attend and vote on their behalf at the Meeting.
22. A copy of the Scheme of Arrangement and this Explanatory Statement and Form of Proxy can also be obtained from the office of Hemant Sethi & Co. Advocates for Alicon at 1602, Nav Parmanu Building, Behind Amar Cinema, Chembur, Mumbai - 400071 or from the Registered Office of Alicon.
23. Copies of the following documents will be open for inspection at the Registered Office of Alicon upto two days prior to the said meeting between 11.00 a.m. and 1.00 p.m. on all working days of Alicon, except Thursdays, Sundays and Bank Holidays.
 - i) Authenticated / Certified True copy of the order dated 10th July, 2015 passed by the High Court of Judicature at Bombay in Company Summons for Direction No. 546 of 2015 directing the convening of the meeting of the equity shareholders of Alicon;
 - ii) Copy of the Scheme of Arrangement;
 - iii) The Memorandum and Articles of Association of Alicon and Atlas;
 - iv) The Annual Report of Alicon and Atlas for the year ended 31st March, 2014;
 - v) Audited Balance Sheet and Profit & Loss Account of Alicon and provisional (unaudited) Balance Sheet and Profit & Loss Account of Atlas as on 31st March, 2015;
 - vi) Report issued by M/s. SSPA & Co. for equity share entitlement ratio for the purpose of proposed demerger of "Casting Business Undertaking" of Atlas into Alicon;
 - vii) Fairness Opinion of M/s. Fortress Capital Management Services Pvt. Ltd. on such entitlement ratio; and
 - viii) Other documents submitted by Alicon to the Stock Exchanges and also displayed on the Alicon's website, in terms of the SEBI Circular dated 4th February, 2013, including Report of the Audit Committee of Alicon.

This Statement may be treated as the statement under Section 393 of the Companies Act, 1956 read with Sections 102 and Section 110 of the Companies Act, 2013. A copy of the Scheme and this statement may also be obtained by Equity Shareholders of Alicon from the registered office of Alicon during ordinary business hours on all working days (except Thursdays, Sundays and Government Holidays).

Dated this 14th day of July, 2015

Place: Pune

Registered Office:

Gat No. 1426, Village Shikrapur, Taluka Shirur,
District Pune - 412 208, Maharashtra

Sd/-

S. Rai
Chairman appointed for the Meeting

**SCHEME OF ARRANGEMENT
BETWEEN
ATLAS CASTALLOY LIMITED
AND
ALICON CASTALLOY LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956**

PREAMBLE

The Scheme of Arrangement has been formulated and prescribed under Sections 391 to 394 of the Companies Act, 1956 for the demerger of the Casting Business of Atlas Castalloy Limited into Alicon Castalloy Limited.

A. DESCRIPTION OF THE COMPANIES

- i) Atlas Castalloy Limited ("Atlas" or "Transferor Company") is an unlisted public company incorporated under the provisions of the Companies Act, 1956 and is an established aluminum foundry involved in manufacturing of aluminum castings. It mainly caters to Indian and international automotive and non-automotive customers.
- ii) Alicon Castalloy Limited ("Alicon" or "Transferee Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 and is an integrated aluminum foundry involved in manufacturing of aluminum castings and has in-house research and development facility. Further, Alicon has presence in Austria and Slovakia through its wholly owned subsidiaries. It mainly caters to Indian and international automotive and non-automotive customers. Equity shares of the Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited.

B. RATIONALE FOR THE SCHEME OF ARRANGEMENT

- The Transferee Company and the Casting Business Undertaking of the Transferor Company are engaged in similar business activities of manufacturing Aluminium Die Casting using LPDC (Low Pressure Die Casting) and GDC (Gravity Die Casting) processes.
- Restructuring of group operations and business are desirable for achieving better synergy, results and growth. Post the restructuring, it will help the Transferee Company in achieving economies of scale, optimal utilization of resources, better administration and reduction in cost. Further, it will also provide the Transferee Company with greater flexibility to pursue strategic objectives and accelerate growth of the Casting Business.
- This transfer will provide an access to the Transferee Company to a large customer base and give a boost to additional production capacity and capabilities of the Demerged Undertaking.
- The Transferor Company and the Transferee Company post transfer and vesting of the Demerged Undertaking will have better operational prospects including but not limited to efficient management of cost, resources, better maintenance of manufacturing facilities and improved administrative control of the Demerged Undertaking.
- The Scheme shall be beneficial and be in the best interest of the shareholders, creditors and other stake holders of both the Transferor Company and the Transferee Company. The Scheme shall not be in any manner prejudicial to the interest of concerned members, creditors and stakeholders.

C. PARTS OF THE SCHEME

This Scheme is presented pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for transfer of the Casting Business Undertaking of Atlas to Alicon. This Scheme is divided into the following parts:

- Part A – deals with Definitions and Share Capital
- Part B – deals with Demerger of Casting Business Undertaking; and
- Part C – deals with General Terms and Conditions that would be applicable to the Scheme.

PART A
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956, the rules and regulations made thereunder and shall include any statutory modification or re-enactment thereof for the time being in force and also mean and refer to corresponding sections of the Companies Act, 2013 the rules and regulations made thereunder, as and when such corresponding sections are notified by the Central Government.
- 1.2 **“Alicon” or “the Transferee Company”** means Alicon Castalloy Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Gat no. 1426, Village Shikrapur, Taluka Shirur, Pune - 412 208, Maharashtra.
- 1.3 **“Appointed Date”** means the 1st day of April 2014 or such other date as may be fixed or approved by the High Court.
- 1.4 **“Atlas” or “the Transferor Company”** means Atlas Castalloy Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 7/C, Udyog Mandir Compound, Bhagoji Keer Marg, Mahim, Mumbai - 400 016, Maharashtra.
- 1.5 **“Board of Directors” or “Board”** means and includes the respective Board of Directors of the Transferor Company and the Transferee Company and shall include any Committee, including the “Restructuring Committee” of the Transferee Company, whether existing or constituted by such Board of Directors for the purpose of this Scheme.
- 1.6 **“Casting Business Undertaking” or “the Demerged Undertaking”** means the business segment of the Transferor Company engaged inter alia in the casting business which deals with manufacturing of Aluminum Die castings using LPDC (Low pressure Die casting) and GDC (Gravity Die Castings) processes and shall include all properties (excluding land and building and same may be let-out to the Transferee Company) and assets (whether movable or immovable, tangible or intangible), licenses, permits, all rights / title or interest in property(ies) by virtue of any court order / decree, approvals, lease, tenancy rights, permissions, and all other rights, titles, interests, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever, pertaining or relating to the casting business, and shall be deemed to include:
 - (a) all properties (excluding land and building and same may be let-out to the Transferee Company) and assets, moveable and immovable, tangible and intangible, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, including all furniture, fixtures, plant and machinery, computers, installations, electrical equipments, tools, inventory, parts, spares, supplies, advances, deposits, sundry debtors, cash and bank balances, bills of exchange and other movable articles, pertaining or relating to the casting business of the Transferor Company, and all other interests or rights in or arising out of or relating to the casting business together with all respective rights, powers, interests, charges, privileges and benefits;
 - (b) all the debts, liabilities, duties, obligations and provisions, secured and unsecured, current and contingent, pertaining or relating to the casting business;
 - (c) all employees of the Transferor Company, engaged in the casting business and those employees that are determined by the Board to be substantially engaged in the casting business;
 - (d) all books, records, files, papers, engineering and process information, records of standard operating procedures, customer database, computer programmes along with their licenses, certificates, drawings, manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, open customer sales orders and open purchase orders issued to suppliers and other records whether in physical or electronic form, directly or indirectly, in connection with or relating to the casting business;
 - (e) any question that may arise as to whether a specified asset, liability or employee pertains or does not pertain to the casting business shall be decided by mutual agreement between the Board of Directors of the Transferor Company and the Transferee Company.
- 1.7 **“Effective Date”** means the date on which the certified copy of the Order of High Court of Judicature at Bombay under Sections 391 to 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor Company and with the Registrar of Companies, Maharashtra, Pune by the Transferee Company after receiving all approvals from various government authorities Further “Coming In to effect of this Scheme” or “effectiveness of this Scheme” shall mean the Effective Date.
- 1.8 **“High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if applicable.

- 1.9 **“Record Date”** means the date to be fixed by the Board of Directors of Alicon in consultation with the Board of Directors of Atlas for the purpose of determining the shareholders of Atlas who shall be entitled to receive consideration as per Clause 5.
- 1.10 **“Remaining Business”** means all the activities, operations, businesses, divisions and / or strategic business units of the Transferor Company excluding the Casting Business Undertaking as defined in this Scheme.
- 1.11 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement in its present form submitted to the High Court or with any modification(s) made under Clause 16 of this Scheme or with such other modifications / amendments as the High Court may direct.
- 1.12 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

- 3.1 The share capital structure of the Transferor Company as on 31st March 2014 is as follows:

PARTICULARS	AMOUNT (Rs.)
Authorized Capital 1,05,000 Equity Shares of Rs. 100/- each	1,05,00,000
TOTAL	1,05,00,000
Issued, Subscribed and Paid-up Capital 1,03,820 Equity Shares of Rs. 100/- each fully paid-up	1,03,82,000
TOTAL	1,03,82,000

Subsequent to 31st March 2014, the Transferor Company has increased its authorised share capital. The present share capital structure of the Transferor Company is as follows:

PARTICULARS	AMOUNT (Rs.)
Authorized Capital 1,25,000 Equity Shares of Rs. 100/- each	1,25,00,000
TOTAL	1,25,00,000
Issued, Subscribed and Paid-up Capital 1,03,820 Equity Shares of Rs. 100/- each fully paid-up	1,03,82,000
TOTAL	1,03,82,000

- 3.2 The share capital structure of the Transferee Company as on 31st March 2014 is as follows:

PARTICULARS	AMOUNT (Rs.)
Authorized Capital 1,10,00,000 Equity Shares of Rs. 5/- each	5,50,00,000
TOTAL	5,50,00,000
Issued, Subscribed and Paid-up Capital 1,10,00,000 Equity Shares of Rs. 5/- each fully paid-up	5,50,00,000
TOTAL	5,50,00,000

Subsequent to 31st March 2014, there has been no change in the issued, subscribed and paid-up capital of the Transferee Company

PART B
DEMERGER OF THE CASTING BUSINESS UNDERTAKING

4. TRANSFER AND VESTING OF THE CASTING BUSINESS UNDERTAKING

Upon this Scheme coming into effect and with effect from the Appointed Date, the Casting Business Undertaking of the Transferor Company, as defined in Clause 1.6 of this Scheme, shall stand transferred to and vested in the Transferee Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961, and in the following manner:

- 4.1 Upon this Scheme coming into effect, and with effect from the Appointed Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting, the Casting Business Undertaking shall, without any further act, instrument or deed, be and stand de-merged from the Transferor Company and transferred to and vested in or be deemed to be transferred to and vested in the Transferee Company as a going concern, so as to vest in the Transferee Company, all the rights, titles and interests pertaining to the Casting Business Undertaking, pursuant to Sections 391 to 394 of the Act and any other relevant provisions of the Act and the order of the Hon'ble High Court sanctioning the Scheme, subject however, to subsisting charges, if any.
- 4.2 Without prejudice to the provisions of Clause 4.1 above, in respect of such of the assets and properties (whether movable or immovable, tangible or intangible) of the Casting Business Undertaking, including cash in hand, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of the Transferee Company, without requiring any deed or instrument or conveyance for the same.
- 4.3 In respect of movable assets other than those specified in Clause 4.2 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, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following methodology shall to the extent possible be followed:
- The Transferor Company shall give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the High Court having sanctioned this Scheme, the said debt, loan, advance or deposit be paid to or made good to or held on account of the Transferee Company and that the right of the Transferor Company to recover or realise the same stands extinguished.
- 4.4 Upon this Scheme coming into effect, and with effect from the Appointed Date, and subject to the provisions of this Scheme, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company pertaining or relating to the Casting Business Undertaking shall, without any further act, instrument or deed, be and stand transferred from the Transferor Company and transferred to and vested in or be deemed to be transferred to and vested in and assumed by the Transferee Company so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, pursuant to Sections 391 to 394 of the Act and any other relevant provisions of the Act and the order of the Hon'ble High Court sanctioning the Scheme, and 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, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.5 All permits, no objection certificates, contracts, permissions, approvals, consents, sanctions, grants, subsidies, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Casting Business Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect on the Effective Date, shall stand transferred to and vested in the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting and transfer of Casting Business Undertaking pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of the Transferee Company, and may be enforced by the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been the original party or beneficiary or obligee thereto.
- 4.6 With effect from the Appointed Date, all motor vehicles of any description whatsoever of the Transferor Company relating to the Demerged Undertaking shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of the Transferee Company in place of the Transferor Company, as the case may be.
- 4.7 The Transferor Company and the Transferee Company are expressly permitted to make and / or revise their income tax returns and related TDS Certificates and the right to claim refund, advance tax credits, fringe benefit tax credits, etc. on the Scheme becoming effective from the Appointed Date and their right to make such revisions in the income tax returns and related TDS

Certificates and the right to claim refund, advance tax credits, fringe benefit tax credits, etc. pursuant to the sanction of the Scheme and the Scheme becoming effective is expressly granted.

- 4.8 In accordance with the CENVAT Credit Rules framed under the Central Excise Act, 1944, and the Service tax law as applicable and prevalent on the effective date, the unutilized credits relating to excise duties paid on inputs / capital goods / input services lying in the accounts of the Transferor Company relating to the Demerged Undertaking shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credit were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credit against the excise duty / service tax payable by it
- 4.9 In accordance with the legislations relating to value added tax as are prevalent on the Effective Date in respect of each state, the unutilized credits, benefits, exemptions, if any, relating to VAT paid on inputs / works in process / capital goods lying in the account of the Transferor Company relating to the Demerged Undertaking shall be permitted to be transferred to the credit of the Transferee Company, as if all such unutilized credit were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credit against the VAT / CST payable by it against their existing business.
- 4.10 Where the Transferor Company is entitled to various benefits under incentive schemes, Advance license, EPCG, DEPB, Duty draw-back or unclaimed benefits (including benefits pending utilization in full or in part based on past performance) including any other export schemes and policies in relation to the Demerged Undertaking and pursuant to the Scheme it is declared that the benefits under all of such Schemes and policies shall be transferred to and vest in the Transferee Company and all benefits, entitlements and incentives of any nature whatsoever, shall be claimed by the Transferee Company and these shall relate back to the Appointed Date as if the Transferee Company was originally entitled to all benefits under such incentive scheme and / or policies subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under the incentive schemes were made available to the Transferor Company with respect to the Demerged Undertaking
- 4.11 This part of the Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.

5. CONSIDERATION

- 5.1 Upon this Scheme coming into effect, and in consideration of the demerger, the Transferee Company shall, without any further application or deed, issue and allot fully paid-up equity shares on a proportionate basis to all the shareholders of the Transferor Company whose names appear in the register of members of the Transferor Company as on the Record Date, or his / her heirs, executors, administrators or successors-in-title, as the case may be, on the following basis:
- "For every 10 (ten) fully paid-up equity shares of Rs. 100/- each held by the equity shareholders in the Transferor Company on the Record Date, 121 (one hundred and twenty-one) fully paid-up equity shares of Rs. 5/- each of the Transferee Company".
- 5.2 Any fraction arising on issue of equity shares as above will be rounded off, or as the case may be, truncated, to the nearest integer.
- 5.3 The equity shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Company in accordance with Clause 5.1 above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* with the existing equity shares of the Transferee Company in all respects including dividend.
- 5.4 The equity shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Company in accordance with Clause 5.1 above shall be issued in dematerialized form provided all details relating to the account of those shareholders with the Depository Participant are available with the Transferee Company.
- 5.5 The equity shares being issued and allotted by the Transferee Company to the shareholders of the Transferor Company in accordance with Clause 5.1 above shall be listed on all the stock exchanges on which the equity shares of the Transferee Company are listed as on the Record Date.
- 5.6 It is clarified that the Transferee Company, for the purpose of issuing the aforesaid shares to the shareholders of the Transferor Company shall not be required to pass a separate Special Resolution under Section 62 of the Companies Act, 2013 or any other provisions of the Act, and on the shareholders of the Transferee Company giving their consent to the Scheme, it shall be deemed that the shareholders of the Transferee Company have given their consent to issue aforesaid shares to the shareholders of the Transferor Company as required under Section 62 of the Companies Act, 2013.

5.7 The Transferee Company shall file the requisite forms with the Registrar of Companies, Maharashtra, Pune upon issuance of equity shares.

6. CONTRACTS, DEEDS, ETC.

6.1 Upon this Scheme coming into effect, and subject to the provisions of this Scheme, all contracts, including contracts for tenancies, licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, operations manuals, guidelines and other instruments of whatsoever nature relating to the Casting Business Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.

6.2 The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and relating to the Casting Business Undertaking and to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed, to give effect to the provisions of this Scheme.

7. STAFF, WORKMEN AND EMPLOYEES

7.1 On the Scheme becoming effective, all staff, workmen and employees of the Transferor Company (excluding the contractual staff) relating to the Casting Business Undertaking and in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company with effect from the Appointed Date or joining date whichever is later, without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date.

7.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of the Transferor Company relating to the Casting Business Undertaking shall become trusts / funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Company will be treated as having been continuous for the purpose of the said Fund or Funds.

8. LEGAL PROCEEDINGS

8.1 If any suit, appeal, action or legal proceeding of whatever nature by or against the Transferor Company and relating to the Casting Business Undertaking is pending on or before the Effective Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the demerger or by anything contained in this Scheme, but the said suit, appeal, action or legal proceeding may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

8.2 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Casting Business Undertaking of the Transferor Company.

8.3 All disputes pending in relation to the Casting Business Undertaking under the arbitration mechanism of the Transferor Company shall be continued to be conducted without further act, deed or thing to be done, as if the arbitration mechanism had always been promulgated by the Transferee Company.

9. CONDUCT OF BUSINESS

9.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company :

- i) shall be deemed to have been carrying on all business activities relating to the Casting Business Undertaking and stand possessed of all the assets, rights, title, interest and authorities of the Casting Business Undertaking for and on account of, and in trust for the Transferee Company;

- ii) shall ensure that all profits or incomes accruing or losses or expenditures arising or incurred by it from the Appointed Date till the Effective Date, relating to the Casting Business Undertaking, shall for all purposes, be treated as the profits, incomes, taxes or losses or expenditures as the case may be, of the Transferee Company; and
- iii) shall carry on the business of the Casting Business Undertaking with reasonable care and diligence in the ordinary course of business, and in the same manner as it had been doing hitherto and the Transferor Company shall not alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof of the Casting Business Undertaking except in the ordinary course of business without the prior consent of the Transferee Company.

9.2 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, and all other agencies, departments and authorities concerned as are necessary under any law for such registrations, consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Casting Business Undertaking.

10. SAVING OF CONCLUDED TRANSACTIONS

10.1 The transfer and vesting of the Casting Business Undertaking of the Transferor Company under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company relating to the Casting Business Undertaking on or before the Appointed Date or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

11. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEEE COMPANY

On the Scheme becoming effective, the Transferee Company shall provide for the following accounting treatment in its books of accounts:-

- 11.1 Upon the Scheme becoming effective, the Transferee Company shall, record the assets and liabilities (including any additions and accretions thereto) pertaining to the Casting Business Undertaking of the Transferor Company vested in it pursuant to this Scheme, at their respective book values thereof as appearing in the books of the Transferor Company (excluding revaluation, if any).
- 11.2 The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to Clause 5 of this Scheme.
- 11.3 The difference between the Net Assets ("Net Assets" means excess of book value of assets transferred over the book value of liabilities transferred) and the amount credited as share capital shall be recorded as Capital Reserve where the difference is positive, and shall be recorded as Goodwill where the difference is negative.

12. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall provide for the following accounting treatment in its books of accounts:

- 12.1 Upon the Scheme becoming effective, the Transferor Company shall deduct the book values of the assets and liabilities transferred to and vested in the Transferee Company, from the respective assets and liabilities in its books of account.
- 12.2 The Net Assets transferred pursuant to the Scheme shall be adjusted to the extent required, against the balance in the Capital Reserve Account to the extent available, followed by the balance in the General Reserve Account to the extent available and balance, if any, against the balance in the Profit and Loss Account.

13. AMENDMENT TO THE MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

13.1 With effect from the Appointed Date and upon the Scheme becoming effective, the authorized share capital of the Transferee Company as detailed in Clause 3.2 of this Scheme shall be increased from the present Authorized Share Capital of Rs. 5,50,00,000/- (Rupees Five Crores Fifty Lakhs Only) divided into 1,10,00,000 (One Crore Ten Lakhs) equity shares of Rs. 5/- (Rupees Five Only) each to 6,50,00,000/- (Rupees Six Crore Fifty Lakhs Only) divided into 1,30,00,000 (One Crore Thirty Lakhs) equity shares of Rs. 5/- (Rupees Five Only) each. Accordingly, the Authorized Share Capital of the Transferee Company shall be increased to that effect by just filing requisite forms and no separate procedure shall be followed under the Act or Companies Act, 2013.

Consequently, the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61, 64 and other applicable provisions of the Companies Act, 2013 and other applicable provisions of the Act as follows:

The existing capital Clause V contained in the Memorandum of Association of the Transferee Company shall read as under:

“The Authorised Share Capital of the Company is Rs. 6,50,00,000/- (Rupees Six Crore Fifty Lacs Lakhs Only) divided into 1,30,00,000 (Once Crore Thirty Lakhs) Equity Shares of Rs. 5/- (Rupees Five Only) each. Any shares of the original or increased capital may from time to time be issued with guarantee or any rights or preference, whether in respect of dividend or repayment of capital or both or any other special privilege or advantage over any shares previously issued or then about to be issued or subject to any provisions or conditions and with any special rights or limited right or without any right of voting and generally on such terms as the Company may from time to time determine. The right of the holders of any class or shares, for the time being forming part of the capital of the Company may be modified, effected, carried, extended or surrendered either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a separate meeting of the holders of those shares.”

- 13.2 Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Company, Maharashtra, Pune for increasing its authorised share capital in accordance with the Clause 13.1 of this Scheme.
- 13.3 Pursuant to this Scheme, the Memorandum of Association and Articles of Association of the Transferee Company shall be revised / updated to the extent required for complying with the provisions of the Companies Act, 2013.
- 13.4 It is hereby clarified that for the purposes of Clause 13, the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the above increase in authorised share capital and revising / updating Memorandum of Association and Articles of Association (if required) of the Transferee Company, and no further resolution under Sections 13, 61, 64 and other applicable provisions of the Companies Act, 2013 and other applicable provisions of the Act, would be required to be separately passed.

14. REMAINING BUSINESS

The Transferor Company shall continue to carry on its business activities, other than the Casting Business Undertaking, and all the assets, liabilities and obligations pertaining to the businesses other than the Casting Business Undertaking arising prior to, on or after the Appointed Date shall continue to belong to, be vested in and be managed by the Transferor Company.

PART C **GENERAL TERMS AND CONDITIONS**

15. APPLICATIONS TO THE HIGH COURT

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications / petitions, under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court(s) for seeking sanction of this Scheme.

16. MODIFICATIONS / AMENDMENTS TO THE SCHEME

The Transferor Company and the Transferee Company by their respective Boards of Directors or such other person or persons, as the respective Boards of Directors may authorize including any committee or sub-committee thereof, may make and / or consent to any modifications / amendments to this Scheme or to any conditions or limitations that the court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or the Board, including the withdrawal of this Scheme and to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith. The power of the Board to modify / amend the Scheme shall be subject to the approval of the High Court.

17. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to:

- 17.1 The requisite consent, approval or permission of the Central Government, SEBI, concerned Stock Exchanges and any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme;
- 17.2 The approval by the requisite majority of the members / creditors of the Transferor Company and the Transferee Company as may be directed by the High Court or any other competent authority, as may be applicable;
- 17.3 The approval of the public shareholders of the Transferee Company shall be obtained through postal ballot and e-voting. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as required under the Securities and Exchange Board of India circulars CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by the Securities and

Exchange Board of India;

- 17.4 Sanctions and Orders under the provisions of the Act being obtained by the Transferor Company and the Transferee Company from the High Court;
- 17.5 Certified copies of the orders of the High Court, sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferor Company and with the Registrar of Companies, Maharashtra, Pune by the Transferee Company.

18. EFFECT OF NON RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in Clause 17 above not being obtained (unless otherwise released by the Board of Directors) and / or the Scheme not being sanctioned by the High Court or such other competent authority as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

19. COSTS

The Transferor Company and the Transferee Company shall bear and pay their respective compliance & legal costs (including fees to High Court, Corporate Law authorities, etc.), taxes including duties, levies, etc. arising out of, or incurred in implementing this Scheme and matters incidental thereto. Any other costs, charges and all other expenses (including professional charges), arising out of, or incurred in implementing this Scheme, shall be borne by the Transferee Company. Stamp duty cost, if any, shall be borne by the Transferee Company.

BSE Observation Letter

BSE Limited Registered Office: Floor 25, P. J. Towers, Dalal Street, Mumbai 400 001 India
T: 91 22 2272 1234-33 F: 91 22 2272 1003 www.bseindia.com
Corporate Identity Number : U67120MH2005PLC135188



DCS/AMAL/CS/24(f)/030/2015-16

April 27, 2015

The Company Secretary
Alicon Castalloy Limited
Gat No. 1426, Shikrapur,
Tal Shirur, Pune- 412 208,
Maharashtra.

Sub: Observation letter regarding the Draft Scheme of Arrangement involving demerger of Casting Business Undertaking of Atlas Castalloy Limited into Alicon Castalloy Limited.

We are in receipt of Scheme of Arrangement involving demerger of Casting Business Undertaking of Atlas Castalloy Limited with the company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter April 27, 2015 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *Company to ensure that additional information submitted by Alicon Castalloy Limited with respect to pre-scheme and post-scheme shareholding as submitted by company is displayed from the date of receipt of this letter on the website of the company along with various documents submitted pursuant to the circulars.*
- *Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

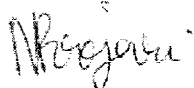
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable;
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,



Nitin Pujari
Manager



Lalit Phatak
Asst. Manager

NSE Observation Letter**NATIONAL STOCK EXCHANGE
OF INDIA LIMITED***Stock of the nation*

April 28, 2015

Ref: NSE/LIST/24106

The Managing Director
Alicon Castalloy Limited
Gat No.1426, Shikrapur, Taluka – Shirur,
Pune – 412208.

Kind Attn.: Mr. S. Rai

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement between Atlas Castalloy Limited and Alicon Castalloy Limited and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956.

This has reference to draft Scheme of Arrangement between Atlas Castalloy Limited and Alicon Castalloy Limited and their respective shareholders and creditors under sections 391 to 394 of the Companies Act, 1956 submitted to NSE vide your letter dated February 06, 2015.

Based on our letter reference no Ref: NSE/LIST/19596 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated April 27, 2015, has given following comments on the draft Composite Scheme of Arrangement and Amalgamation:

"1. The Company to ensure that additional information submitted with respect to pre-scheme and post-scheme shareholding vide BSE email dated April 09, 2015 is displayed from the date of receipt of this letter on the website of the listed company along with various documents pursuant to the Circulars.

2. The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from April 28, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;



Continuation Sheet

- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

Complaint Report



March 4, 2015

<p>To, Listing Department, BSE Limited, 25th Floor, P J Towers, Dalal Street, Fort, Mumbai 400 001 BSE Scrip Code: 531147</p>	<p>To, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E) , Mumbai – 400 051 NSE Scrip Code: ALICON</p>
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Ref: Application under Clause 24 (f) of the Listing Agreement in relation to Scheme of Arrangement between Atlas Castalloy Limited and Alicon Castalloy Limited and their respective shareholders and creditors

This is in reference to our application under Clause 24 (f) of the Listing Agreement filed with your office on February 10, 2015 and subsequent information / documents sought by you from time to time.

In furtherance to above, we hereby submit the Complaints Report containing details of complaints/comments on the Scheme of Arrangement (annexed hereto as **Annexure I**).

The soft copy of the Complaints Report has been separately sent to you by e-mail. We have also uploaded the Complaints Report on our website under the following link:

www.alicongroup.co.in

We request you to kindly take the same on record and upload the same on your website.

Thanking you,

**Yours Sincerely,
For Alicon Castalloy Limited**

**S Rai
Managing Director**

Fairness Opinion

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STRICTLY PRIVATE & CONFIDENTIAL

December 26, 2014

To,
The Board of Directors
Alicon Castalloy Limited
 Gat No. 1426, Shikrapur,
 Taluka – Shirur,
 District Pune – 412208,
 Maharashtra, India.

The Board of Directors
Atlas Castalloy Limited
 7/C, Udyog Mandir Compound,
 Bhagoji Keer Marg,
 Mahim, Mumbai – 400 016,
 Maharashtra, India.

Sub: Fairness Opinion on the valuation carried out by M/s SSPA & Co., Chartered Accountants in connection with the proposed demerger of Casting Business Undertaking of Atlas Castalloy Limited into Alicon Castalloy Limited under a Scheme of Arrangement.

Dear Sir(s),

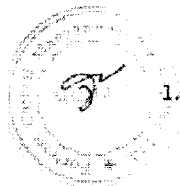
We refer to our discussion wherein the management of Alicon Castalloy Limited (hereinafter referred to as 'Alicon') and Atlas Castalloy Limited (hereinafter referred to as 'Atlas') (hereinafter collectively referred to as 'the Companies') have requested Fortress Capital Management Services Private Limited ('us') to give a fairness opinion on the valuation carried out by M/s SSPA & Co., Chartered Accountants ('Valuer') in connection with the proposed demerger of Casting Business Undertaking (as defined in the Scheme of Arrangement) of Atlas Castalloy Limited ('Atlas') into Alicon under the Scheme of Arrangement.

1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

1.1 ALICON CASTALLOY LIMITED

- 1.1.1 Alicon, formerly known as Enkei Castalloy Limited, is engaged in the business of manufacturing of aluminium castings. Alicon is an integrated aluminium casting manufacturer in India. Alicon is catering to various domains including auto, agricultural, medical, locomotive and power sector.
- 1.1.2 Alicon's products include cylinder heads for passenger cars, cylinder heads for four / two and three wheelers, support brackets, intake manifolds, EGR valve and rack

Page 1 of 4



FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.

Corporate Office: 10th Floor, 100 Park Street, West Bengal, India. Phone: +91 98999 99999

Branch Office: 10th Floor, 100 Park Street, West Bengal, India. Phone: +91 98999 99999

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housing and CAC tanks. Alicon supplies products to various Tier 1 / Tier II suppliers of global OEMs.

1.1.3 The registered office of Alicon is situated at Gat no. 1426, Village Shikrapur, Taluka – Shirur, District Pune – 412 208, Maharashtra, India.

1.1.4 The shares of Alicon are listed on BSE Limited and National Stock Exchange of India Limited.

1.2 ATLAS CASTALLOY LIMITED

1.2.1 Atlas Castalloy Limited is an unlisted public company incorporated under the provisions of the Companies Act, 1956 and is an established aluminum foundry. The registered office of Atlas is situated at 7/C, Udyog Mandir Compound, Bhagoji Keer Marg, Mahim, Mumbai – 400 016, Maharashtra.

1.2.2 'Casting Business Undertaking' of Atlas is involved in manufacturing of aluminum castings and mainly caters to Indian and international automotive and non-automotive customers. The core competencies consist of Gravity Die Casting and Low Pressure Die Castings. The 'Casting Business Undertaking' products mainly include manifold for commercial vehicles, military tank wheel, cylinder heads for passenger cars, tractor & motor cycle, crank case housing, valve body and locomotive braking housing.

1.3 We have been informed that the Board of Directors of the Companies are considering a proposal for demerger of the 'Casting Business Undertaking' of Atlas into Alicon in accordance with Section 2(19AA) of the Income Tax Act, 1961 and pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 (hereinafter referred to as the 'Demerger') and other relevant provisions of the Companies Act. Subject to necessary approvals, the 'Casting Business Undertaking' of Atlas would be demerged into Alicon with effect from the Appointed Date of April 1, 2014. In consideration of the demerger of the 'Casting Business Undertaking', equity shares of Alicon would be issued to the equity shareholders of Atlas.

1.4 In this connection, M/s SSPA & Co., Chartered Accountants (SSPA) has been appointed to carry out valuation of 'Casting Business Undertaking' of Atlas and equity shares of Alicon with a view to recommend fair share entitlement ratio for issue of equity shares of Alicon to the equity shareholders of Atlas for the consideration of the Board of Directors of the Companies.



1.5 Accordingly, Alicon and Atlas have appointed us to give a fairness opinion in connection with valuation carried out by M/s SSPA & Co., Chartered Accountants for the proposed

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demerger of the Casting Business Undertaking of Atlas into Alicon under the Scheme of Arrangement.

1.6 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- (a) Audited Financial Statements of Alicon and Atlas for the year ended March 31, 2014.
- (b) Management certified position of assets and liabilities of the 'Casting Business Undertaking' of Atlas that is proposed to be demerged into Alicon (in accordance with Section 2(19AA) of the Income tax Act, 1961) as at March 31, 2014.
- (c) Estimated Balance Sheet and Profit and Loss Account of Alicon and the 'Casting Business Undertaking' of Atlas for FY 2014-15 as provided by the management of the Companies.
- (d) Draft Scheme of Arrangement u/s 391 to 394 and other relevant provisions of the Companies Act, 1956.
- (e) Valuation Report dated 26th December, 2014 of the Valuer.
- (f) Such other information and explanations as required and which have been provided by the management of the Companies.

3. EXCLUSIONS AND LIMITATIONS

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies.
- 3.3 Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our liability (statutory or otherwise) for any economic loss or damage arising out of rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with Alicon and Atlas.



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- 3.6 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.7 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 3.8 We do not express any opinion as to the price at which shares of Alicon may trade at any time, including subsequent to the date of this opinion.
- 3.9 This certificate has been issued for the sole purpose to facilitate the Companies to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 and it shall not be valid for any other purpose.

4. VALUATION METHODOLOGY ADOPTED BY THE VALUER

For the purposes of valuation, the Valuer has adopted the Net Assets Method under "Underlying Assets" Approach and Comparable Company Method under "Income Approach" for determining the fair value of "Casting Business Undertaking" of "Atlas" and fair value per share of "Alicon" and has arrived at the fair share entitlement ratio for the proposed demerger of Casting Business Undertaking of Atlas into Alicon.

5. CONCLUSION

- 5.1 We have reviewed the methodologies as mentioned above, used by the Valuer for arriving at the fair value of Alicon and Casting Business Undertaking of Atlas.
- 5.2 On the basis of the foregoing, in our opinion for the proposed transfer of Casting Business Undertaking by Atlas to Alicon under the Scheme of Arrangement the fair share entitlement ratio of 121 (One Hundred and Twenty One) equity shares of Alicon of INR 5 each fully paid up for every 10 (Ten) equity shares of Atlas of INR 100 each fully paid up, as recommended by the Valuer, is fair and reasonable.

Thanking you,

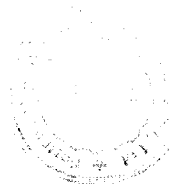
Yours faithfully,

For Fortress Capital Management Services Pvt. Ltd.

jitendra m. sharma
Authorized Signatory

Place: Mumbai

SEBI Registration No : INM000011146



Page 4 of 4

FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.

Registered Office: 211, 2nd Floor, 15, Park Road, Sector 17, Gurgaon, Haryana - 122002
 CIN: U72900HR2011PTC000011146 | Contact: 01299 299999 | Email: info@fortresscm.com

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 546 OF 2015**

in the matter of Companies Act, 1956 (or re-enactment thereof upon effectiveness of the Companies Act, 2013)

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 (or any corresponding provisions of the Companies Act, 2013 as may be notified);

AND

In the matter of Scheme of Arrangement between Atlas Castalloy Limited and Alicon Castalloy Limited and their respective shareholders and creditors

ALICON CASTALLOY LIMITED, a company)
 incorporated under the provisions of the Companies)
 Act, 1956 having its registered office at Gat No.1426,)
 Village Shikrapur, Taluka Shirur, District Pune - 412 208, Maharashtra).....Applicant Company

FORM OF PROXY

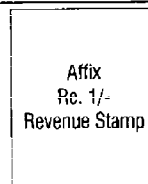
I/We, the undersigned Equity Shareholder(s) of Alicon Castalloy Limited, the Applicant Company do hereby appoint of or failing him/her of as my/our proxy, to act for me/us at the meeting of the Equity Shareholders of the Applicant Company to be held at Gat No. 1426, Village Shikrapur, Taluka Shirur, District Pune - 412 208, Maharashtra, on Monday, the 10th day of August, 2015 at 12.00 noon for the purpose of considering and if thought fit, approving, with or without modification(s) the arrangement embodied in the proposed Scheme of Arrangement between Atlas Castalloy Limited and Alicon Castalloy Limited and their respective shareholders and creditors at such meeting and any adjournment/ adjournments thereof, to vote for me/us and in my/our name(s) (here if `for` insert `FOR`; if `against` insert `AGAINST`, in the latter case, strike out the words "either with or without modification" after the word "Arrangement") the arrangement embodied in the proposed Scheme of Arrangement, either with or without modification(s), as my/our proxy may approve.

Dated this ____ day of _____ 2015

Name of Equity Shareholder (s): _____

Address: _____

Registered Folio No. : _____ (For Physical holding)
 DPID & Client ID : _____ (For Demat holding)
 No. of Shares : _____



Signature across the stamp

Notes:

- (1) THE FORM OF PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY, GAT NO.1426, VILLAGE SHIKRAPUR, TALUKA SHIRUR, DISTRICT PUNE - 412 208, MAHARASHTRA, AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
- (2) THE PROXY NEED NOT BE A MEMBER OF THE APPLICANT COMPANY.
- (3) ALL ALTERATIONS MADE IN THE FORM OF PROXY SHOULD BE INITIALED.
- (4) IN CASE OF MULTIPLE PROXIES, THE PROXY LATER IN TIME SHALL BE VALID AND ACCEPTED.

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ALICON CASTALLOY LIMITED

Registered Office: Gat No.1426, Village Shikrapur, Taluka Shirur, District Pune - 412 208, Maharashtra.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER (in block letters):

NAME AND ADDRESS OF THE PROXY (in block letters, to be filled in by the proxy attending instead of the Equity Shareholder):

I hereby record my presence at the meeting of the Equity Shareholders of the Applicant Company, convened pursuant to the Order dated 10th July, 2015 of the Hon'ble High Court of Judicature at Bombay at Gat No. 1426, Village Shikrapur, Taluka Shirur, District Pune - 412 208, Maharashtra on Monday, 10th day of August, 2015 at 12 noon.

Reg. Folio No. : _____ (for Physical holding)

DPID & Client ID : _____ (for Demat holding)

No. of Equity Shares : _____

Signature of the Equity Shareholder / Proxy

NOTE:

1. Interested joint members may obtain attendance slips from the Registered Office of the Applicant Company.
2. Members/joint members/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue of the meeting.
3. Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.
4. The proxy form must be deposited so as to reach the Registered Office of the Applicant Company not less than forty-eight hours before the time of the meeting.
5. Equity shareholders/Proxies are requested to bring with them a copy of the scheme of arrangement while attending the meeting.

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If undelivered please return to:

Registered Office:

Gat No.1426,

Village Shikrapur,

Taluka Shirur,

District Pune - 412 208,

Maharashtra.