

TAKATA INDIA PRIVATE LIMITED
CIN: U32102TN2007FTC102628

Registered Office: Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk
Kancheepuram Kancheepuram, Tamil Nadu, India

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**NOTICE OF NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF
UNSECURED CREDITORS OF TAKATA INDIA PRIVATE LIMITED**

(Convened pursuant to order dated September 13, 2019, passed by the Hon'ble National Company Law Tribunal, Chennai Bench)

MEETING:

Day	:	Wednesday
Date	:	October 23, 2019
Time	:	02:30 PM
Venue	:	Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk Kancheepuram, Tamil Nadu, India

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI

FORM NO. CAA. 2

[Pursuant to Section 230 (3) and Rule 6 and 7]]

CA/921/CAA/2019

In the Matter of Section 230 to 232 and Section 66 of The Companies Act, 2013

And

In the Matter of Scheme of Arrangement

Between

KSS Abhishek Safety Systems Private Limited

(Transferor Company)

And

Takata India Private Limited

(Transferee Company)

And

Their Respective Shareholders

TAKATA INDIA PRIVATE LIMITED

(CIN – U32102TN2007FTC102628),

A company incorporated under the
provisions of the Companies Act, 1956 and
having its registered office at

“Survey No. 43/4, 215 Thenur Village Ammanampakkam Post,
Chengalpattu Taluk Kancheepuram, Kancheepuram – 603002,
Tamil Nadu, India

Applicant Company/ Transferee Company

**NOTICE OF THE MEETING OF UNSECURED CREDITORS OF TAKATA INDIA PRIVATE LIMITED CONVENED AS
PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH**

To,

**The Unsecured Creditors of Takata India Private Limited
(“Transferee Company”/ “Applicant Company”)**

Notice is hereby given that by order dated September 13, 2019 (the “**Order**”), the Chennai Bench of the National Company Law Tribunal (the “**Tribunal**”) has directed a meeting to be held of the Unsecured Creditors of the Applicant Company (the “**Meeting**”) for the purpose of considering, and if thought fit, approving with or without modification, the proposed Scheme of Arrangement between KSS Abhishek Safety Systems Private Limited (“**Transferor Company**”) and Takata India Private Limited (“**Applicant Company**” / “**Transferee Company**”) and their respective shareholders and creditors (“**Scheme**”).

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of Unsecured Creditors of the Applicant Company will be held at Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram - 603002 on 23rd day of October 2019 at 02:30 PM at which the said Unsecured Creditors are requested to attend and to consider, and if thought fit, to approve with or without modification, the following resolution under section 230-232 and Section 66 along with other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force):

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and Section 66 of the Companies Act, 2013 along with Companies (Compromises, Arrangements and Amalgamations)

Rules, 2016 and other applicable provisions, if any, and / or any statutory modification(s) or re-enactment thereof, and as provided under the enabling provisions of the Memorandum and Articles of Association of the Applicant Company and subject to the approval of the Hon'ble National Company Law Tribunal, Chennai Bench, (the "Tribunal") and subject to such other approvals, permissions and sanctions of any regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed by the Tribunal or by any other appropriate authority, while granting approval(s) or confirmation(s), and which may be agreed by the Board of directors of the Company (hereinafter referred to as the "Board"), the Scheme of Arrangement between KSS Abhishek Safety Systems Private Limited ("Transferor Company") and Takata India Private Limited ("Applicant Company" / "Transferee Company") and their respective shareholders and creditors ("Scheme"), which is placed before this meeting and initialled by the Chairperson of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Mitsuhiro Oyama Ohyama, Director of the Applicant Company, or Mr. Thinniyam Vaidyanathan Venkataramanan, Company Secretary of the Applicant Company, be and are hereby severally authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the Scheme or by any authorities under law, as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper."

TAKE FURTHER NOTICE that persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form, duly signed by the Unsecured Creditors or their authorized representative, are deposited at the registered office of the Applicant Company at "Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk Kancheepuram, Kancheepuram - 603002, Tamil Nadu, India" not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting. The form of proxy can be obtained free of charge at the registered office of the Applicant Company.


The Tribunal has appointed Mr. Seshadri Sarathi, Director of the Applicant Company and failing him Mr. Krishna Kumar, VP and Group Head Internal Audit of the Applicant Company as the Chairman of the said Meeting, including for any adjournment or adjournments thereof. The quorum for the Meeting shall be 10 (Ten). In case the quorum is not in place at the designated time, the Meeting shall be adjourned by half an hour and thereafter, the persons present for voting shall be deemed to constitute the quorum.

The above-mentioned Scheme, if approved by the Meeting, will be subject to the subsequent approval of the Tribunal.

A copy of the said Scheme and of the Explanatory Statement under sections 230, 232 and Section 102 of the Act read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with other enclosures, including the Form of Proxy and the Attendance Slip are enclosed and form part of this notice.

Copies of such Scheme of Arrangement, and of the Explanatory Statement can be obtained free of charge at the Registered Office of the Applicant Company.

For Takata India Private Limited


Seshadri Sarathi
Director
(Chairman of the Meeting)
Date: 19/09/2019
Place: CHENNAI



Registered Office:

Survey No. 43/4, 215 Thenur Village Ammanampakkam Post,
Chengalpattu Taluk Kancheepuram,
Kancheepuram – 603002,
Tamil Nadu, India

Notes:

1. Only Unsecured Creditors of the Applicant Company may attend and vote (either in person or by proxy or by authorized representative) at the Meeting. The authorized representative of a body corporate which is an Unsecured Creditor of the Applicant Company may attend and vote at the Meeting provided that 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 Meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the Meeting.
2. An Unsecured Creditor entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be an Unsecured Creditor of the Applicant Company. Proxies, in order to be effective, must be in the prescribed form, duly filled, stamped, signed and deposited not less than 48 hours before the scheduled time of commencement of the Meeting at the Registered Office of the Applicant Company. A blank proxy form is annexed to this Notice and can also be obtained free of charge from the registered office of the Applicant Company.
3. All alterations made in the Form of Proxy should be initialled.
4. An Unsecured Creditor or his/her authorised representative or Proxy is requested to bring the copy of the Notice to the Meeting and produce the Attendance slip, duly completed and signed, at the entrance of the Meeting venue.
5. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an Unsecured Creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Applicant Company, provided that not less than 3 (three) days of notice in writing is given to the Applicant Company addressed at the registered office address.
6. The Unsecured Creditors/authorised representatives/proxies should carry any of their identity proof i.e. a Pan Card / Aadhaar Card / Passport / Driving License / Voter ID Card or such other proof at the venue of the Meeting.
7. In accordance with the Order of the Tribunal, dated September 13, 2019 the Notice is being sent to all the Unsecured Creditors whose names appear in the Chartered Accountant's certificate certifying the list of Unsecured Creditors as on 31st May 2019, as has been filed with the Hon'ble Tribunal.
8. The quorum of the Meeting of the unsecured creditors of the Applicant Company shall be 10 (Ten) unsecured creditors of the Applicant Company present in person.
9. In case the quorum as noted above for the Meeting is not complete at the scheduled time for commencement of the Meeting, then the Meeting shall be adjourned by half an hour, and thereafter, the persons present and voting at the Meeting shall be deemed to constitute the quorum.
10. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Unsecured Creditors of the Applicant Company if the resolution mentioned above in the notice have been approved at the Meeting by a majority of persons representing three-fourths in value of the total unsecured debts of the Unsecured Creditors of the Applicant Company, voting in person or by proxy.
11. In terms of the directions contained in the Order, the notice convening the aforesaid meeting will be published through advertisement in Tamil Nadu Edition of 'Business Line' (English newspaper) and 'Makkal Kural' (Vernacular newspaper), indicating the day, date, place and time of the Meeting and stating that the copies of the Scheme, the Explanatory Statement and the form of Proxy can be obtained free of charge on all working days (except Saturdays, Sundays and Public Holidays) during 11.00 AM to 5.00 PM from the Registered Office of the Applicant Company.
12. All the documents referred to in para 21 of the Explanatory Statement to be kept open for inspection, are open for inspection by Unsecured Creditors of the Applicant Company at the registered office of the Applicant Company at "Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk Kancheepuram, Kancheepuram - 603002, Tamil Nadu, India" between 11.00 AM to 05.00 PM on

all working days (except Saturdays, Sundays and public holidays) up to the date of the Meeting. The said documents shall also be available for inspection at the venue of the Meeting.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI
FORM NO. CAA. 2
[Pursuant to Section 230(3) and Rule 6 and 7]
CA/921/CAA/2019
In the Matter of Section 230 to 232 and Section 66 of The Companies Act, 2013
And
In the Matter of Scheme of Arrangement
Between
KSS Abhishek Safety Systems Private Limited
(Transferor Company)
And
Takata India Private Limited
(Transferee Company)
And
Their Respective Shareholders**

TAKATA INDIA PRIVATE LIMITED

(CIN – U32102TN2007FTC102628),

A company incorporated under the provisions of the Companies Act, 1956 and having its registered office at

“Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk Kancheepuram, Kancheepuram – 603002, Tamil Nadu, India

Applicant Company/ Transferee Company

EXPLANATORY STATEMENT UNDER SECTIONS 230, 232 AND SECTION 102 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 FOR THE MEETING OF THE UNSECURED CREDITORS OF TAKATA INDIA PRIVATE LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, CHENNAI BENCH

1. This is the statement accompanying the Notice convening the meeting of the Unsecured Creditors ("Creditors") of the Applicant Company pursuant to the Order dated September 13, 2019 passed by the National Company Law Tribunal, Chennai Bench ("NCLT"), in the Company Application Number CA/921/CAA/2019 to be held at Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram - 603002 on 23rd day of October 2019 at 02:30 PM, for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Amalgamation of KSS Abhishek Safety Systems Private Limited ("Transferor Company") with Takata India Private Limited ("Applicant Company" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made there under ("Scheme").
A copy of the Scheme setting out details of parties involved in the proposed Scheme, appointed date, effective date, valuation etc., is enclosed as **Annexure 1**. Terms used in this document not defined anywhere shall have the meaning assigned to them in the Scheme, unless otherwise stated.
2. In terms of the said Order, the Tribunal has appointed Mr. Seshadri Sarathi, Director of the Applicant Company and failing him Mr. Krishna Kumar, VP and Group Head Internal Audit of the Applicant Company as the Chairman of the said Meeting, including for any adjournment or adjournments thereof.

3. In terms of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Unsecured Creditors of the Applicant Company if the resolution mentioned above in the notice have been approved at the Meeting by a majority of persons representing three-fourths in value of the total unsecured debt of the Unsecured Creditors of the Applicant Company, voting in person or by proxy.
4. This statement is being furnished as required under Sections 230 - 232 and Section 102 of the Companies Act, 2013 (the "Act"), read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

5. BACKGROUND OF THE COMPANIES

DETAILS OF TAKATA INDIA PRIVATE LIMITED

- a) Name of the Company: TAKATA INDIA PRIVATE LIMITED
- b) Corporate Identification Number (CIN): U32102TN2007FTC102628.
- c) Permanent Account Number (PAN): AACCT7200N
- d) Date of Incorporation: 20/07/2007
- e) Type of the company: PRIVATE LIMITED COMPANY
- f) Name of Stock Exchange: NOT APPLICABLE
- g) Current Registered Office Address: SURVEY NO. 43/4, 215 THENUR VILLAGE AMMANAMPAKKAM POST, CHENGALPATTU TALUK, KANCHEEPURAM, KANCHEEPURAM - 603002, TAMIL NADU, INDIA
- h) Email id: mic.oyama@takata.co.jp
- i) The authorized, issued, subscribed and paid-up share capital of Takata India Private Limited as on date, is as under:

Particulars	No. of shares	Amount of share capital
Authorised equity share capital	4,04,00,000	1,800,000,000
Authorised preference share capital	1,00,00,000	1,000,000,000

Prior to Capital Reduction		
Particulars	No. of shares	Amount of share capital
Paid up, issued and subscribed equity share capital	17,44,00,000	1,74,40,00,000
Paid up, issued and subscribed preference share capital	1,00,00,000	1,00,00,00,000

Post Capital Reduction		
Particulars	No. of shares	Amount of share capital
Paid up, issued and subscribed equity share capital	4,04,00,000	40,40,00,000
Paid up, issued and subscribed preference share capital	1,00,00,000	1,00,00,00,000

- j) Details of Changes in last 5 years
 - Change in Name: Not Applicable
 - Change in Registered Office: Not Applicable
 - Change in Objects: Not Applicable

There is no change in name, Registered Office and objects of the Transferee Company during last five years.
- k) The Applicant Company is primarily engaged in the manufacture and supply of products relating to safety airbags, steering wheels, seat belt systems and their respective components as designed by licensors and such other automotive safety systems and products as may be mutually agreed

between the licensor and transferee company be added from time to time. The main objects of the Applicant Company as set out in the Memorandum of Association are inter-alia as under:

1) *To carry on the business of manufacturing, fabricating, assembling, producing, developing, designing, prototyping, processing, importing, buying, selling, exporting, servicing or otherwise dealing in all kinds of automotive devices equipments, components, parts, accessories, spares including but not limited to safety systems of all kinds, electronic, electrical or otherwise for automotive safety air-bags, steering wheels, seat belts, seats, child-safety seat systems and electronics and electrical systems and features for automotive interiors and accessories as may be required in India and elsewhere.*

2) *To carry on the business of manufacturing, fabricating, assembling, producing, developing, designing, prototyping, processing, importing, buying, selling, exporting, servicing or otherwise dealing in all kinds of safety systems, electrical or otherwise for all applications as may be required in India and elsewhere.*

3) *To carry on all or any of the business of designers, manufacturers, installers, maintainers, repairers of and dealers in electrical and electronic appliances and apparatus of every description.*

- l) The amount due to Unsecured Creditors as on May 31, 2019 is Rs. 1,37,84,76,161.48.
- m) As on 31.05.2019, the Transferee Company has no Secured Creditors.
- n) Names of the Directors and Promoters of the Applicant Company along with their addresses:

S. No.	Name of Directors	DIN	Designation	Address
1.	DEEPAK CHOPRA	00028770	Director	7 & 8, Anfilco Housing Colony Anand Farm, Palam Gurgaon road Industrial Complex Dundahera GURGAON 122016 HR IN
2.	JAGDISH KUMAR	00318558	Director	C-2/1001, Uniworld City, Sector-30/41 Gurgaon 122001 HR IN
3.	SESHADRI SARATHI	01639258	Director	G-2 Melody Castle, No.3, Soundrapandian Street, Near ESI Hospital K K Nagar, Ashok Nagar S.O, Chennai 600083 Tn In
4.	HISAYOSHI WAMITSU	08485363	Director	214-8 Obacho Aoba-Ku Yokohama Kanagawa Japan 2250023
5.	MIZOBUCHI KENJI	07261180	Director	Crea Homes kosugi 805,3-249-2 Nakahara-ku Kawasaki 2130063 JP
6.	MITSUHIKO OYAMA OHYAMA	07373080	Director	Survey No 43/4-215 Thenur(V) Ammanapakkam (PO) Chengampattu Kanchipuram 603002 TN IN

7.	GUIDO WERNER DURRER	08540238	Director	Stöcklerweg 1 VADUZ Liechtenstein 9490
8.	THINNIYAM VAIDYANATHAN VENKATARAMANAN	AABPV1893K	Company Secretary	Survey NO. 43/4, 215 Thenur Village, Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram 603002 TN IN

DETAILS OF KSS ABHISHEK SAFETY SYSTEMS PRIVATE LIMITED

- a) Name of the Company: KSS ABHISHEK SAFETY SYSTEMS PRIVATE LIMITED
b) Corporate Identification Number (CIN): U34101TN1985PTC128107
c) Permanent Account Number (PAN): AAACA2837J
d) Date of Incorporation: 05/09/1985
e) Type of the company: PRIVATE LIMITED COMPANY
f) Name of Stock Exchange: NOT APPLICABLE
g) Current Registered Office Address: SURVEY NO. 43/4, 215 THENUR VILLAGE AMMANAMPAKKAM POST, CHENGALPATTU TALUK, KANCHEEPURAM, KANCHEEPURAM - 603002, TAMIL NADU, INDIA
h) Email id: info@abhishekauto.co.in
i) The authorized, issued, subscribed and paid-up share capital of KSS Abhishek Safety Systems Private Limited as on date, is as under:

Particulars	No. of shares	Amount of share capital
Authorised share capital Equity Share Capital	50,00,000	5,00,00,000

Particulars	No. of shares	Amount of share capital
Issued, Subscribed and Paid-up Share Capital Equity Share Capital	18,20,000	1,82,00,000

- j) Details of Changes in last 5 years
- Change in Name: Not Applicable
- Change in Registered Office: The Registered office of the company changed from 1 Under Hill Lane, Civil Lines, Delhi to Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk Kancheepuram Kancheepuram, Tamil Nadu, India vide order dated 19th March, 2019 issued by MCA.
- Change in Objects: Not Applicable

There is no change in name and objects of the Transferor Company during last five years.

- k) The Transferor Company operates primarily in manufacture and supply of products relating to seatbelt assemblies, Airbag module assemblies and steering wheels and other similar products as agreed to from time to time with the customers. The main objects of the Transferor Company are mentioned in its Memorandum of Association ("MoA"), Clause III (A). The same are stated below:

1) *To carry on the business of manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, stockist, suppliers, distributors, wholesale and retail dealers, repairers, stores and a ware-housers, hires of components, parts, spares, accessories, fittings, assemblies and sub-assemblies and all articles and things which are used, fitted, attached, assembled or required in the manufacture, fabrication, assembly, repair service of the products vehicles of all description viz. passenger cars, commercial vehicles, motor buses, lorries, trucks, tractors, scooters, motor cycles, vans and carriages launches, boats, ships, aeroplanes, hydroplanes and other vehicles and other vehicles and conveyances of all*

description for carrying passengers or other personnel, goods, commodities, cargoes and other things on land or sea or by air.

2) To act as suppliers of technical know-how relating to the producing and marketing of items referred to in clause (1) above.

- l) The amount due to Unsecured Creditors as on May 31, 2019 is Rs. 47,98,80,728
- m) The Transferor Company has 1 (One) Secured Creditor with an outstanding amount of Rs. 6,18,736 (Six Lakhs Eighteen Thousand Seven Hundred and Thirty-Six).
- n) Names of the Directors and Promoters of the Transferor Company along with their addresses:

S. No.	Name of Directors	DIN	Designation	Address
1.	ANJALI SINGH	02082840	Director	1,Sri Aurobindo Marg Hauz Khas New Delhi 110016 DL IN
2.	JAGDISH KUMAR	00318558	Director	C-2/1001, Uniworld City, Sector- 30/41 Gurgaon 122001 HR IN
3.	MIZOBUCHI KENJI	07261180	Director	crea Homes kosugi 805,3-249-2 Nakahara-ku Kawasaki 2130063 JP
4.	MAHENDRA SINGH RAJAWAT	06360911	Director	H No. 70, Deerwood Chase, Nirvana country,
5.	DHIRAJ DHAR GUPTA	01089718	Director	sector 50, south city-II, Gurgaon- 122018
6.	HISAYOSHI WAMITSU	08485363	Director	1, Under Hill Lane, Civil Lines, Delhi-110054
7.	GUIDO WERNER DURRER	08540238	Director	214-8 Obacho Aoba-Ku Yokohama Kanagawa Japan 2250023

6. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

The Transferor Company and Transferee Company are engaged in similar businesses of manufacturing and supply of products relating to safety airbags, steering wheels, seat belt systems and airbag module assemblies and their respective components along with such other automotive safety systems and products. The Transferor Company and the Transferee Company are engaged in similar business activities. Joyson Group presently owns 75% stake in Transferee Company and 58.31% in Transferor Company. The proposed Scheme of Arrangement would result in business synergy, pooling of resources and consolidation of the Companies

7. BOARD MEETING OF TRANSFEROR COMPANY AND TRANSFEE COMPANY / APPLICANT COMPANY FOR APPROVAL OF THE SCHEME

- a) The Scheme has been unanimously approved by the Board of Directors of the Applicant Company vide resolution passed in the meeting held on June 3, 2019. Out of seven (7) directors and one (1) Company Secretary, all of the directors (including Company Secretary) of the Transferee Company were present in the meeting, all of whom voted in favour of the resolution, as summarised below:

S. No.	Name of directors	Voting on the resolution
1.	Deepak Chopra	In Favour

2.	Jagdish Kumar	In Favour
3.	Seshadri Sarathi	In Favour
4.	Hikoto Watanabe	In Favour
5.	Mizobuchi Kenji	In Favour
6.	Mitsuhiko Oyama	In Favour
7.	Wataru Yamamoto	In Favour
8.	Thinniyam Vaidyanathan Venkataramanan	In Favour

- b) The Scheme has been unanimously approved by the Board of Directors of Transferor Company vide resolution passed in the meeting held on June 3, 2019. Out of seven (7) directors, all of the directors of the Transferor Company were present in the meeting, all of whom voted in favour of the resolution, as summarised below:

S. No.	Name of the Personnel	Voting on the resolution
1.	Anjali Singh	In Favour
2.	Robert Benjamin Weiss	In Favour
3.	Dhiraj Dhar Gupta	In Favour
4.	Mark Frederick Wehner	In Favour
5.	Mizobuchi Kenji	In Favour
6.	Jagdish Kumar	In Favour
7.	Mahendra Singh Rajawat	In Favour

8. RATIONALE AND BENEFITS OF THE SCHEME

The Transferor Company and Transferee Company are engaged in similar businesses of manufacturing and supply of products relating to safety airbags, steering wheels, seat belt systems and airbag module assemblies and their respective components along with such other automotive safety systems and products.

Management of both the Transferor Company and Transferee Company believe that the arrangement proposed in the Scheme would be in the best interests of all the stakeholders of Transferor Company and Transferee Company, and would result in inter-alia achievement of the following:

- (i) The Board of Directors of the transferee company are of the opinion that in order to present a true and factual financial position of the company, it would be prudent to set-off the amount of accumulated book losses against the issued and paid up equity capital of the transferee company. Further, reduction of capital will enable the company to have a rationale capital structure which commensurate with the current business of the transferee company.
- (ii) The Transferor Company and the Transferee Company are engaged in similar business activities. Joyson Group presently owns 75% stake in Transferee Company and 58.31% in Transferor Company. The proposed Scheme of Arrangement would result in business synergy, pooling of resources and consolidation of the Companies (hereinafter defined).

- (iii) The proposed Scheme of Arrangement would result in business synergy, pooling of financial and human resource of the Companies and strengthen the operations and management of the Companies for the most beneficial utilization of these factors in the combined entity. The Transferee Company would be able to consolidate operations through optimum utilization of its resources and avoidance of duplication.
- (iv) The proposed Scheme of Arrangement will result in elimination of duplicate work, reduction in overheads and costs, operational rationalisation, optimal utilization of financial, human and other resource, consolidation of managerial expertise and enhancement of overall business efficiency. The proposed Scheme will enable the Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- (v) The proposed Scheme of Arrangement will result in enhanced leveraging capability of the combined entity to undertake future expansion strategies and to tap bigger opportunities in the industry.
- (vi) The proposed amalgamation would enhance the shareholders' value of the Transferor Company and the Transferee Company by way of improved financial structure and cash flows, increased asset base and consolidated revenue and profitability and result in a stronger balance sheet of the Transferee Company.
- (vii) The proposed Scheme of Arrangement will have beneficial impact on the Transferor Company and the Transferee Company, their shareholders, creditors, employees and other stakeholders and all concerned.
- (viii) The proposed scheme of Arrangement intends to result in business synergy & operational efficiency and hence any change in shareholding of the Transferee company within the Joyson Group will have no impact on the viability of this scheme and shall not be considered as void.

In view of the aforesaid the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the reduction of the the subscribed, issued and paid up equity share capital of the Transferee Company and amalgamation of the Transferor Company into and with the Transferee Company.

9. SALIENT FEATURES OF THE SCHEME

The salient features/ Extracts of the Scheme are as follows:

PART – I: DEFINITIONS AND INTERPRETATION

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

2.1.3 “Appointed Date” means 01 January 2019, or such other date as may be agreed by the Boards of the Transferor Company and the Transferee Company or approved by the Hon’ble NCLT (hereinafter defined), and with effect from which date, the reduction of the issued, subscribed and paid up share capital of the Takata India, as detailed in Part-III shall take effect and the amalgamation of the Transferor Company into and with the Transferee Company, as detailed in Part-III shall take effect and such date will be the date from which the Scheme shall be effective;

2.1.6 “Capital Reduction Record Date” means 31 December 2018, or such other date on or subsequent to the Effective Date, to be fixed by the Board of the Transferee Company with reference to which the eligibility of the shareholders of the Transferee Company, whose shareholding in the Transferee Company shall be reduced, as per the provisions of this Scheme;

2.1.8 “Effective Date” means the last of the dates on which certified copy of the order of the Hon’ble NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Transferor Company and Transferee Company;

2.1.14 “Record Date” means the date, being a date on or subsequent to the Effective Date or Capital Reduction Record Date whichever is later, to be fixed by the Board of the Transferee Company in consultation with the Transferor Company, after the Effective Date with reference to which the eligibility of the shareholders of the Transferor Company, for allotment of shares in the Transferee Company pursuant to the amalgamation in terms of this Scheme, shall be determined.

2.1.15 “Scheme” or “Scheme of Arrangement” or “the Scheme” or “this Scheme” means the present Scheme of Arrangement framed under the provisions of sections 230 and 232 of the Companies Act, 2013, and other applicable provisions, if any, where under the Transferor Company is proposed to be amalgamated with the Transferee Company in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of the respective Companies and/or by any competent authority and/or by the Hon’ble Tribunal or as may otherwise be deemed fit by the Board of Directors of these Companies.

PART – III: REORGANIZATION AND CAPITAL REDUCTION OF “TAKATA”

5. REORGANIZATION AND CAPITAL REDUCTION

5.1 Upon the Scheme becoming effective and after obtaining the necessary approvals, consents, permissions etc, from the applicable statutory authorities, the subscribed, issued and paid up equity share capital of the Transferee Company will be reduced from Rs.

1,74,40,00,000/- (Rupees One Hundred Seventy-Four Crores and Forty Lakh only) divided into 17,44,00,000 (Seventeen Crores and Forty-four Lakh only) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 40,40,00,000 (Rupees Forty Crores and Forty Lakh only) divided into 4,04,00,000 (Four Crore and Four Lakh only) fully paid up equity shares of Rs. 10/- (Rupees Ten only) each by cancelling and extinguishing paid up equity share capital of Rs. 1,34,00,00,000 (Rupees One Hundred and Thirty-Four Crores only) divided into 13,40,00,000 (Thirteen Crore and Forty Lakh only) equity shares of Rs. 10/- (Rupees Ten only) each.

5.2 The aforesaid reduction of paid up share capital shall be affected by cancelling and extinguishing upto 13,40,00,000 (Thirteen Crore and Forty Lakh only) equity shares of Rs. 10/- (Rupees Ten only) each on proportionate basis, constituting up to 76.83% of the existing paid-up share capital of the Company. No consideration to be paid to shareholders for cancellation of equity share capital of the company and hence no amount will be considered as deemed dividend u/s 2(22) of the Income Tax Act, 1961.

5.3 The aforesaid reduction in the subscribed, issued and paid up equity share capital of the Transferee Company, shall be effected on a proportionate basis in proportion to the shares held, on the Capital Reduction Record Date by the shareholders in the existing paid up capital of the Transferee Company

5.4 The reduction of the issued and paid up equity share capital shall be effected as an integral part of the Scheme in accordance with the provisions of Section 230 to 232 read with section 66 and all other applicable provisions of the Act and rules, including any statutory modification(s), amendment(s) or re-enactment(s) thereof in the said Act and rules for the time being in force, pursuant to filing of the order sanctioning this Scheme with RoC and upon registration by the RoC of such order and of the minutes approved with respect to share capital of the Transferee company as altered by the order: (a) amount of issued, subscribed, and paid up share capital (b) No. of shares into which it is to be divided and (c) the amount of each share.

5.5 The order approving this Scheme shall be deemed to be an order passed under section 230 to 232 read with section 66 of the Act for the purpose of confirming the reduction. Further, the consent of the shareholders and creditors of the Transferee Company for this Scheme shall be deemed to suffice of the purpose of effecting the above reorganization in the share capital of the Transferee Company resulting in reduction of issued and paid-up share capital and no further resolution of actions would be required to be separately passed or taken under section 66 of the Act or any other applicable provisions of the Act and rules.

5.6 Since the number. of shares held by the shareholders of Transferee Company would change as there is reduction in paid-up share capital of the Transferee Company, the pre-and post-share holding pattern of the Transferee company will be as follows:

Particular	Prior to capital reduction
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	No. of shares	Face Value	Amount of share capital
<i>Paid up, issued and subscribed equity share capital</i>	17,44,00,000	10	1,74,40,00,000
<i>Paid up, issued and subscribed preference share capital</i>	1,00,00,000	100	1,00,00,00,000

Particular	Post capital reduction		
	No. of shares	Face Value	Amount of share capital
<i>Paid up, issued and subscribed equity share capital</i>	4,04,00,000	10	40,40,00,000
<i>Paid up, issued and subscribed preference share capital</i>	1,00,00,000	100	1,00,00,00,000

5.7 *The reduction would not involve diminution of liability in respect of unpaid share capital of the Transferee Company. No prejudice will be caused to the creditors of the Transferee Company by the aforesaid reduction.*

5.8 *On effecting the reduction of the share capital as stated in Clause 5.2 above, the share certificates in respect of the cancelled shares of Transferee Company held by their respective holders shall also be deemed to have been cancelled.*

5.9 *The Transferee Company will pass accounting entries for cancellation of 13,40,00,000 (Thirteen Crore and Forty Lakh only) issued, subscribed and paid up equity shares of INR 10 each against the amount of accumulated losses of INR 1,34,00,00,000 (Rupees One Hundred and Thirty-Four Crores only) as mentioned in clause 5.1 to 5.7 above.*

PART – IV: AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH TRANSFeree COMPANY AND OTHER RELEVANT ASPECTS

6. AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND WITH THE TRANSFeree COMPANY

6.1 Transfer and vesting

Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets, and liabilities of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in Transferee Company under Section 230 & 232 of the Act, and other applicable provisions of the law for time being in force and

sanction of this Scheme by the Hon'ble NCLT, without requiring any further act or deed, on the Appointed Date, on a going concern, so as to become as from the Appointed Date the assets and liabilities of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

6.2 Transfer of assets

6.2.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all immovable property of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, and licenses, registrations, approvals, exemptions etc. pertaining to the subject immovable property, shall pursuant to the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Hon'ble NCLT or any other appropriate authority sanctioning this Scheme, stand vested in Transferee Company, without requiring any act or deed to be done by the Transferor Company or Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges including right to use, enjoy, occupy, develop, possess the immovable property (whether leasehold or freehold) along with all lease rights of ownership, power, facilities and right to deal with and dispose of such immovable properties and appropriate all consideration arising there from as the Transferee Company deems fit and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble NCLT and the Scheme becoming effective in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to Transferee Company. Any inchoate title or possessory title of the Transferor Company shall be deemed to be the title of the Transferee Company.

6.2.2 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery (together with duly executed transfer forms or other documents as may be required), shall stand vested in the Transferee Company, without requiring any separate deed or instrument of conveyance for the same, and shall become the property and an integral part of Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly.

6.2.3 In respect of movables other than those dealt with in Clause 6.2.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, advances paid to any parties for acquisition of development rights, investments, earnest

money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without requiring any notice or other intimation to the debtors (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company). All investments of the Transferor Company shall be recorded in the name of the Transferee Company by operation of law as transmission in favour of the Transferee Company as a successor in interest and any documents of title in the name of the Transferor Company shall also be deemed to have been mutated and recorded in the name of the Transferee Company to the same extent and manner as originally held by the Transferor Company and enabling the ownership, right, title and interest therein as if the Transferee Company was originally the Transferor Company.

6.2.4 all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks and other intellectual property rights, appertaining to the Transferor Company, if any, shall stand vested in the Transferee Company without any further act, instrument or deed

6.2.5 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included above or in the books of the Transferor Company, shall be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme without any further act, instrument or deed, and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme, as of the Appointed Date.

6.2.6 All assets and properties acquired by the Transferor Company after the Appointed Date, but prior to the Effective Date, shall be deemed to have been acquired for and on behalf of the Transferee Company and shall also stand transferred to and vested in the Transferee Company with effect from the Scheme coming into effect.

6.2.7 All Intellectual Property shall be transferred to and be deemed to be transferred to and vested in the Transferee Company pursuant to this Scheme, upon the coming into effect of the Scheme with effect from the Appointed Date.

6.3 Transfer of liabilities

6.3.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Transferor Company, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), guarantees, duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities

and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in Transferee Company under the provisions of Sections 230 & 232 and other applicable provisions, if any, of the Companies Act, without requiring any further act, instrument, deed, matter or thing. The above include such debts, liabilities and loans which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date, if any, whether quantified or not and obligations incurred or undertaken by the Transferor Company as on the Appointed Date.

6.3.2 It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

6.3.3 Where any of the liabilities and obligations pertaining to the Transferor Company on the Appointed Date have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Transferee Company.

6.3.4 All loans raised and used, and liabilities incurred, if any, by the Transferor Company after the Appointed Date, but prior to the Effective Date, shall be deemed to be transferred to, and discharged by Transferee Company without any further act or deed.

6.3.5 The provisions of this Clause 6.3 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

6.3.6 The amalgamation shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company, except to the extent modified in consultation with the lenders in favour of whom any such encumbrances have been created.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company and the lenders of these Transferor Company shall not get any further or additional security over the assets of the Transferee Company, and the Transferee Company, post amalgamation, shall not be obliged to create any further or additional security after the Scheme has become operative.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferee Company and the lenders of the Transferee Company shall not get any further or additional security over the assets of Transferor Company, received on the amalgamation and the Transferee Company, post amalgamation, shall not be obliged to create any further or additional security after the Scheme has become operative.

6.3.7 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

6.6 Staff, Workmen and Employees

6.6.1 Upon the Scheme becoming effective, all the staff, workmen and employees of the Transferor Company shall be deemed to have become employees of Transferee Company, without any break or interruption of service and on the basis of continuity of service with reference to the date of joining the Transferor Company and, subject to the provisions, hereof and on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company. The services of such employees with the Transferor Company up to the Effective Date shall be considered for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any gratuity and other terminal benefits. The services of the staff, workmen and other employees of the Transferor Company will be treated as having been continuous for the aforesaid purposes

6.6.2 With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special/statutory schemes, funds or benefits created or existing for the benefit of such employees of the Transferor Company, Transferee Company shall, upon this Scheme becoming effective, stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to the said funds and schemes, in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.

6.6.3 The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created for such employees of the Transferor Company shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by Transferee Company without any separate act or deed/ approval. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Company would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.

6.6.4 The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/ permanent employees by the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services

of such permanent employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

6.11 Dissolution Without Winding Up

6.11.1 Upon this Scheme becoming effective, the Transferor Company shall, without any further act or deed, stand dissolved without the process of winding up.

6.12 Validity of Existing Resolutions, etc.

Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

6.13 Authorized share capital

6.13.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall be added to and shall form part of the authorized share capital of the Transferee Company. Accordingly, the authorized share capital of the Transferee Company shall stand increased to the extent of the authorized share capital of the Transferor Company as on the Effective Date. Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorized share capital of the Transferee Company. With the increase in Authorized share capital of the Transferee Company it shall be deemed that all the provisions under section 13, 14 and 61 of the Companies Act, 2013 and Section 232 and other applicable provisions of Companies Act, 2013 are duly complied with. The replica of the new Clause V/ Capital clause is as follows:

"[V]. The Authorized Share Capital of the Company is:

- 185,000,000 equity shares of INR 10 each and*
- 10,000,000 Redeemable Cumulative Preference shares of INR 100 each*

6.13.2 It is hereby clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed as their consent / approval also to the alteration of the Memorandum of Association and any other provisions of the Memorandum of Association and Article of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum of Association or Article of Association of the Transferee Company as required under Section 13, 14 and 61 of the Act.

6.13.3 In terms of the provisions of section 232(3)(i) of the Act and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorized capital shall be set-off against the fees to be paid by the Transferee Company on the increase in the authorized share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee and other charges, if any, on the aforesaid increase in the authorized share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorized share capital.

6.13.4 In addition to the above, upon coming into effect of this Scheme, the Transferee Company shall file the requisite form(s) with the RoC for alteration of its authorized share capital.

6.14 Issue of shares by Transferee Company

6.14.1 Upon the Scheme coming into effect and in consideration of the amalgamation of the Transferor Company into and with the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further act or deed and without any further consideration (cash or non-cash) shall issue and allot 566 equity shares of the Transferee Company (with face value of Rs. 10/- each) for every 17 shares held by the shareholders of Transferor company in the transferor company (with face value of Rs. 10/- each) ("share exchange ratio"). Basis the share exchange ratio, the transferee company will issue and allot 6,05,95,294 equity shares of Rs. 10 each, credited as fully paid-up (hereinafter referred to as the "New Equity Shares") at par to the equity shareholder of the Transferor Company whose name is recorded in the register of shareholders of the Transferor Company as on the Record Date.

6.15 Change in name of the Transferee Company

With effect from the Effective Date or as soon as may be practicable thereafter, and subject to the approval of the Registrar of Companies, the name of the Transferee Company shall be changed from "Takata India Private Limited" to "Joyson Anand Abhishek Safety Systems Private Limited" or such other name as may be as approved by and made available by the Registrar of Companies and accepted by the Board of Directors of the Company. in accordance with Section 13 of the Companies Act and other relevant provisions of the Act, as applicable.

The consent of the shareholders and creditors of Transferee Company to this Scheme shall be deemed to be sufficient of the purpose of effecting the above change in name of the Transferee Company and no further resolution of actions would be required to be separately passed or taken under Section 13 of the Act or any other applicable provisions of the Act and rules. Pursuant to this Scheme, Transferee Company shall file the requisite forms with the RoC for change of the name of Transferee Company.

6.16 Accounting Treatment

Upon the scheme becoming effective, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with the applicable accounting standards as prescribed under the provisions of the Act and as specified by the Central Government on recommendations and pronouncements received from the Institute of Chartered Accountant of India.

In terms of the Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006, amalgamation of the Transferor Company with the Transferee Company will be accounted as per applicable Accounting Standards. Following are the salient features of the accounting treatment to be given:

6.16.1 Upon the Scheme becoming effective, the Transferee Company shall record the assets, liabilities and reserves of the Transferor Company in its books of accounts.

6.16.2 All the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts, as appearing in the books of the Transferor Company as on the Appointed Date, in the books of Transferee Company, and no adjustments shall be made to reflect their respective fair values, or recognize any new assets or liabilities.

6.16.3 The difference, if any, between the book value of assets of Transferor Company and the aggregate of (a) book value of liabilities of Transferor Company vested in the Transferee Company pursuant to this Scheme, (b) book value of reserves of Transferor Company vested in the Transferee Company pursuant to this Scheme and (c) aggregate face value of New Equity Shares issued and allotted by the Transferee Company pursuant to this Scheme, shall be recorded as capital reserve in the books of the Transferee Company.

The Salient features as set out above being only the salient features of the Scheme of Arrangement as are statutorily required to be included in this explanatory statement, all are requested to read the entire text of the Scheme of Arrangement (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Arrangement.

10. SUMMARY OF THE VALUATION REPORT INCLUDING BASIS OF VALUATION

- a) Madhvi Takiar Sehgal, Registered Valuer, IBBI based on their Valuation Report dated 16.05.2019, recommended to the Board of Directors of the Transferee Company, the share exchange ratio in which equity share of Transferee Company/ Takata India Private Limited should be issued to the shareholders of the Transferor Company/ KSS Abhishek Safety Systems Private Limited. A copy of the Valuation Report Issued by the Valuer, Madhvi Takiar Sehgal, Registered Valuer, IBBI, dated 16.05.2019 issued by is enclosed herewith as **Annexure 2**.
- b) The Board of Directors of the Transferor and Transferee Companies have at its Board Meeting which was held on 03.05.2019 noted the recommendation of the Valuer and then determined the Share Exchange Ratio in which the equity shares of the Transferee Company should be issued to the shareholders of the Transferor Company and unanimously approved the Scheme of Arrangement.
- c) At their respective Board Meetings held 03.05.2019, all the Directors of the Transferor and Transferee Company have approved the Scheme of Arrangement.

- d) The Valuation report is available for inspection at the Registered Office of the Applicant Company upto the date of the Meeting between 11.00 AM to 05.00 PM on all working days (except Saturdays, Sundays and public holidays).
 - e) Upon the Scheme coming into effect and in consideration of the amalgamation of the Transferor Company into and with the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further act or deed and without any further consideration (cash or non-cash) shall issue and allot 566 equity shares of the Transferee Company (with face value of Rs. 10/- each) for every 17 shares held by the shareholders of Transferor company in the transferor company (with face value of Rs. 10/- each) ("share exchange ratio"). Based on the share exchange ratio, the transferee company will issue and allot 6,05,95,294 equity shares of Rs. 10 each, credited as fully paid-up (hereinafter referred to as the "New Equity Shares") at par to the equity shareholder of the Transferor Company whose name is recorded in the register of shareholders of the Transferor Company as on the Record Date.
11. A copy of the Provisional Unaudited Financial Statements of the Transferor Company/ KSS Abhishek Safety Systems Private Limited for the period ending 30.06.2019 and the Provisional Unaudited Financial Statements of the Transferee Company/ Takata India Private Limited for the period ending 30.06.2019 are enclosed herewith as Annexure C.
 12. The Scheme does not contemplate any debt restructuring nor is the Transferor Company and the Applicant Company undergoing any debt restructuring.
 13. There are no proceedings for inspection or investigation under the Companies Act, 1956 or Companies Act, 2013 pending against the Transferor Company or the Applicant Company.
 14. **DETAILS OF APPROVALS, SANCTIONS OR NO-OBJECTION(S), IF ANY, FROM REGULATORY OR ANY OTHER GOVERNMENTAL AUTHORITIES REQUIRED, RECEIVED OR PENDING FOR THE PROPOSED SCHEME:**
 - a) The Transferor Company and the Transferee Company / Applicant Company have filed a joint application before the Chennai Bench of the Hon'ble National Company Law Tribunal (NCLT) for the sanction of the Scheme under sections 230 to 232 and Section 66 along with other applicable provisions of the Companies Act, 2013, and the Rules made thereunder and the Tribunal has given directions to, inter alia, dispense off the meeting of Equity Shareholders of the Applicant Company, vide order dated September 13, 2019.
 - b) The Companies will obtain such other approvals/sanctions/no objection(s) from regulatory or other governmental authorities in respect of the Scheme as may be required in accordance with law.
 15. **DISCLOSURE ABOUT EFFECT OF THE COMPROMISE OR ARRANGEMENT ON THE FOLLOWING PARTIES AND THEIR INTEREST IN THE SCHEME, IF ANY:**
 - a) **Key Managerial Personnel (KMPs)**
The Scheme doesn't have a prejudicial effect on the KMPs of the Applicant Company and the Transferor Company, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner. Further, none of the KMPs of the Applicant Company and the Transferor Company involved in the Scheme have any interest in the proposed Scheme.
 - b) **Directors**
The Scheme doesn't have a prejudicial effect on the Directors of the Applicant Company, as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any

manner. Further, none of the Directors of the Applicant Company or the Transferor Company involved in the Scheme have any interest in the proposed Scheme.

Further, upon the Effective Date, the Transferor Company shall stand dissolved without winding up and accordingly, its board shall cease to exist.

c) Promoters and non-promoter members

The Scheme would not have any effect on promoter shareholders of the Applicant Company and the Transferor Company.

Further, the Transferor Company and Applicant Company do not have any non-promoter members.

d) Creditors

The proposed Scheme of Arrangement will not adversely affect the rights of any of the creditors of the Applicant Company or the Transferor Company, in any manner whatsoever.

e) Depositors, Debenture holders, Deposit trustee and debenture trustee and Employees

As of date, the Applicant Company and the Transferor Company have not accepted any deposits or issued any debentures, therefore the effect of the Scheme on any such public deposit holders or debenture holders or debenture trustees does not arise.

Further, the Scheme will have no effect on the employees of the Applicant Company.

All employees of the Transferor Company in service on the date immediately preceding the Effective Date shall, on and from the Effective Date, be deemed to have become the employees of the Applicant Company on the same terms and conditions on which they are engaged by the Transferor Company without treating it as a break, discontinuance or interruption in service.

16. Unsecured Creditors to whom the Notice is sent may vote in the meeting either in person or by proxies.

17. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMPs")

a) Extent of shareholding of directors and KMPs of Takata India Private Limited (Transferee Company / Applicant Company) in the Applicant Company and in the Transferor Company as on date are as follows: - None of the directors and KMPs of the Applicant Company hold any shares in the Applicant Company or the Transferor Company.

b) Extent of shareholding of directors and KMPs of KSS Abhishek Safety Systems Private Limited (Transferor Company) in the Applicant Company and in the Transferor Company as on date are as follows: None of the directors or the KMPs of the Transferor Company hold any shares in the Applicant Company or the Transferor Company.

18. Notice under Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is being given to the Central Government (Regional Director), Registrar of Companies, Chennai, Income Tax Department, Official Liquidator and RBI in respect of the Transferor Company and the Applicant Company.

19. It is confirmed that the copy of the draft Scheme has been filed with the Registrar of Companies, Chennai, by the Transferor Company and the Applicant Company, respectively, in compliance with the requirement of Section 232(2) of the Companies Act, 2013.

20. No winding up petition is pending against the Applicant Company and the Transferor Company.

21. In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Applicant Company and the Transferor Company, in their respective meetings held June 3, 2019 have adopted a report, *inter alia*, explaining the effect of the Scheme on each class of

shareholders, key managerial personnel, promoter and non-promoter shareholders. Copy of the report adopted by the Board of Directors of the Applicant Company and the Transferor Company are enclosed herewith as **Annexure 3 and Annexure 4** respectively. Further, the Supplementary Unaudited accounting statement of Transferee Company / Applicant Company and the Transferor Company for the period ended June 30, 2019 are enclosed herewith as **Annexure 5 and Annexure 6**, respectively.

22. INSPECTION OF DOCUMENTS:

The following documents will be open for inspection to the Unsecured Creditors of the Applicant Company at the registered office of the Applicant Company situated at Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram, Kancheepuram - 603002, Tamil Nadu, India on all working days (except Saturday, Sunday and public holidays) between 11:00 AM and 05:00 PM up to the date of the ensuing Meeting:

- a) Copy of the Order dated September 13, 2019 passed by the Chennai Bench of the Hon'ble Tribunal in Company Application CA/921/CAA/2019 directing inter alia the convening of the Meeting
- b) Copy of the Scheme as filed before the Hon'ble Tribunal
- c) Copy of the Valuation report dated May 16, 2019, obtained from Madhvi Takiar Sehgal, Registered Valuer, IBBI.
- d) Copy of the certificates issued by the Statutory Auditors of the Applicant Company and the Transferor Company certifying that the accounting treatment proposed in the Scheme is in compliance with the applicable Accounting Standards
- e) Copy of the audited financials of the Applicant Company and the Transferor Company for the year ended March 31, 2018
- f) Copy of the unaudited financials of the Applicant Company and the Transferor Company for the year ended June 30, 2019
- g) Copy of the Report adopted by the Board of Directors of Applicant Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013
- h) Copy of the Report adopted by the Board of Directors of Transferor Company pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013

For Takata India Private Limited



Seshadri Sarathi
Director
(Chairman Appointed for the Meeting)

Date: 19/09/2019

Place: CHENNAI

Registered Office:

Survey No. 43/4,
215 Thenur Village Ammanampakkam Post,
Chengalpattu Taluk, Kancheepuram,
Kancheepuram - 603002, Tamil Nadu, India

SCHEME OF ARRANGEMENT

BETWEEN

KSS ABHISHEK SAFETY SYSTEMS PRIVATE LIMITED

("TRANSFEROR COMPANY")

WITH

TAKATA INDIA PRIVATE LIMITED

("TRANSFeree COMPANY")

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 AND SECTION 66 ALONG WITH
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT,
2013 AND THE RULES MADE THEREUNDER)**

1. PREAMBLE

1.1 Description of Companies:

**1.1.1 KSS Abhishek Safety Systems Private Limited ("KSS Abhishek" or
"Transferor Company")**

- (i) The Transferor Company is a private company incorporated on 05 September 1985 under the Companies Act, 1956, having its registered office at Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk Kancheepuram

Kancheepuram, Tamil Nadu, India. The Registered office of the company changed from 1 Under Hill Lane, Civil Lines, Delhi to Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk Kancheepuram Kancheepuram, Tamil Nadu, India vide order dated 19th March, 2019 issued by MCA. The Corporate Identification Number (“CIN”) of the Transferor Company is U34101TN1985PTC128107.

- (ii) The Transferor Company operates primarily in manufacture and supply of products relating to seatbelt assemblies, Airbag module assemblies and steering wheels and other similar products as agreed to from time to time with the customers. The main objects of the Transferor Company are mentioned in its Memorandum of Association (“MoA”), Clause III (A). The same are stated below:

- 1) To carry on the business of manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, stockist, suppliers, distributors, wholesale and retail dealers, repairers, stores and a ware-housers, hires of components, parts, spares, accessories, fittings, assemblies and sub-assemblies and all articles and things which are used, fitted, attached, assembled or required in the manufacture, fabrication, assembly, repair service of the products vehicles of all description viz. passenger cars, commercial vehicles, motor buses, lorries, trucks, tractors, scooters, motor cycles, vans and carriages launches, boats, ships, aeroplanes, hydroplanes and other vehicles and other vehicles and conveyances of all description for carrying passengers or other personnel, goods, commodities, cargoes and other things on land or sea or by air.*
- 2) To act as suppliers of technical know-how relating to the producing and marketing of items referred to in clause (1) above.*

1.1.2 Takata India Private Limited (“Takata India” or “Transferee Company”):

(i) The Transferee Company is a private company incorporated on 20 June 2007 under the Companies Act, 1956 having its registered office at Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram, Kancheepuram - 603002, Tamil Nadu, India. The CIN of the Transferee company is U32102TN2007FTC102628.

(ii) The Transferee Company is primarily engaged in the business of manufacture and supply of products relating to safety airbags, steering wheels, seat belt systems and their respective components as designed by licensors and such other automotive safety systems and products as may be mutually agreed between the licensor and transferee company be added from time to time. The main objects of the Transferee Company are mentioned in its MoA, Clause III (A). The same are stated below:

1) To carry on the business of manufacturing, fabricating, assembling, producing, developing, designing, prototyping, processing, importing, buying, selling, exporting, servicing or otherwise dealing in all kinds of automotive devices equipments, components, parts, accessories, spares including but not limited to safety systems of all kinds, electronic, electrical or otherwise for automotive safety airbags, steering wheels, seat belts, seats, child-safety seat systems and electronics and electrical systems and features for automotive interiors and accessories as may be required in India and elsewhere.

2) To carry on the business of manufacturing, fabricating, assembling, producing, developing, designing, prototyping, processing, importing, buying, selling, exporting, servicing or otherwise dealing in all kinds of safety systems, electrical or otherwise for all applications as may be required in India and elsewhere.

- 3) To carry on all or any of the business of designers, manufacturers, installers, maintainers, repairers of and dealers in electrical and electronic appliances and apparatus of every description.*

1.2 Background of the Scheme of Arrangement (“Scheme”)

This Scheme is presented under Sections 230 & 232 of the Companies Act, 2013 read with the Section 66 of Companies Act, 2013 and Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and all other applicable provisions of the Act and rules, including any statutory modification(s), amendment(s) or re-enactment(s) thereof in the said Act and rules for the time being in force for the reduction of the subscribed, issued and paid up equity share capital of the Transferee Company and amalgamation of Transferor Company, as a going concern, into and with Transferee Company.

1.3 Rationale/ Objectives of this Scheme:

The Transferor Company and Transferee Company are engaged in similar businesses of manufacturing and supply of products relating to safety airbags, steering wheels, seat belt systems and airbag module assemblies and their respective components along with such other automotive safety systems and products.

Management of both the Transferor Company and Transferee Company believe that the arrangement proposed in the Scheme would be in the best interests of all the stakeholders of Transferor Company and Transferee Company, and would result in inter-alia achievement of the following:

- (i) The Board of Directors of the transferee company are of the opinion that in order to present a true and factual financial position of the company, it would be prudent to set-off the amount of accumulated book losses against the issued and paid up equity capital of the transferee company. Further, reduction of capital will enable the company to have a rationale capital

structure which commensurate with the current business of the transferee company.

- (ii) The Transferor Company and the Transferee Company are engaged in similar business activities. Joyson Group presently owns 75% stake in Transferee Company and 58.31% in Transferor Company. The proposed Scheme of Arrangement would result in business synergy, pooling of resources and consolidation of the Companies (hereinafter defined).
- (iii) The proposed Scheme of Arrangement would result in business synergy, pooling of financial and human resource of the Companies and strengthen the operations and management of the Companies for the most beneficial utilization of these factors in the combined entity. The Transferee Company would be able to consolidate operations through optimum utilization of its resources and avoidance of duplication.
- (iv) The proposed Scheme of Arrangement will result in elimination of duplicate work, reduction in overheads and costs, operational rationalisation, optimal utilization of financial, human and other resource, consolidation of managerial expertise and enhancement of overall business efficiency. The proposed Scheme will enable the Companies to combine their managerial and operating strength, to build a wider capital and financial base and to promote and secure overall growth.
- (v) The proposed Scheme of Arrangement will result in enhanced leveraging capability of the combined entity to undertake future expansion strategies and to tap bigger opportunities in the industry.
- (vi) The proposed amalgamation would enhance the shareholders' value of the Transferor Company and the Transferee Company by way of improved financial structure and cash flows, increased asset base and consolidated revenue and profitability and result in a stronger balance sheet of the Transferee Company.

- (vii) The proposed Scheme of Arrangement will have beneficial impact on the Transferor Company and the Transferee Company, their shareholders, creditors, employees and other stakeholders and all concerned.
- (viii) The proposed scheme of Arrangement intends to result in business synergy & operational efficiency and hence any change in shareholding of the Transferee company within the Joyson Group will have no impact on the viability of this scheme and shall not be considered as void.

In view of the aforesaid the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the reduction of the the subscribed, issued and paid up equity share capital of the Transferee Company and amalgamation of the Transferor Company into and with the Transferee Company.

The arrangement proposed in the Scheme would thus have beneficial results for the Companies, their shareholders, creditors and all stakeholders, and will not be prejudicial to the interests of the shareholders, creditors and other stakeholders.

1.4 Scope of the Scheme

The Scheme of Arrangement provides for:

1. Reduction of Equity Share Capital of the Transferee Company.
2. Amalgamation of Transferor Company with Transferee Company
3. Consequent issue of equity shares by the Transferee Company to each shareholder of the Transferor Company in accordance with the provisions of the Act.
4. Change of name of Transferee company in accordance with the provision of this Scheme.

OVERVIEW OF THE SCHEME

This Scheme is segregated into the following five (5) parts:

- (i) Part – I deals *inter alia* with definitions and interpretation;
- (ii) Part – II sets forth the capital structure of the Transferor Company and the Transferee Company;
- (iii) Part – III deals with Reorganization and Capital Reduction of “Takata India” (the Transferee Company).
- (iv) Part – IV deals with amalgamation of the Transferor Company into and with Transferee Company and other relevant aspects;
- (v) Part – V deals with the general terms and conditions and sets forth certain additional arrangements that form part of this Scheme.

This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

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PART – I: DEFINITIONS AND INTERPRETATION

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Scheme, unless repugnant to the subject, context or meaning thereof, the following capitalised words and expressions have the meanings set forth below:

- 2.1.1 **“Accounting Standards”** means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India and as prescribed by Central Government under Section 133 of the Act (hereinafter defined);
- 2.1.2 **“Act” or “Companies Act”** means the Companies Act, 2013 and rules, regulations, guidelines, notifications made thereunder, if any, and includes any statutory modifications, re-enactments or amendments thereof, including, the rules and regulations made thereunder, if any;
- 2.1.3 **“Appointed Date”** means 01 January 2019, or such other date as may be agreed by the Boards of the Transferor Company and the Transferee Company or approved by the Hon’ble NCLT (hereinafter defined), and with effect from which date, the reduction of the issued, subscribed and paid up share capital of the the Transferee Company, as detailed in Part-III shall take effect and the amalgamation of the Transferor Company into and with the Transferee Company, as detailed in Part-III shall take effect and such date will be the date from which the Scheme shall be effective;
- 2.1.4 **“Board of Directors” or “Board”** in relation to the Transferee Company and Transferor Company, as the case may be, means their respective board of directors, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including committee of directors) or any person authorized by the board of directors or by any such committee;
- 2.1.5 **“Book Value(s)”** means the value(s) of the assets and liabilities of Transferor Company, as appearing in the books of accounts of the Transferor Company, and the value(s) of the assets and liabilities of the Transferee Company, as appearing in the books of accounts of the Transferee Company at the close of business as

on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets;

- 2.1.6 **"Capital Reduction Record Date"** means 31 December 2018, or such other date on or subsequent to the Effective Date, to be fixed by the Board of the Transferee Company with reference to which the eligibility of the shareholders of the Transferee Company, whose shareholding in the Transferee Company shall be reduced, as per the provisions of this Scheme;
- 2.1.7 **"Companies"** shall collectively mean and include Takata India and KSS Abhishek;
- 2.1.8 **"Effective Date"** means the last of the dates on which certified copy of the order of the Hon'ble NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Transferor Company and Transferee Company;
- 2.1.9 **"Governmental Authority"** means any legislative, executive, judicial, governmental, quasi-governmental, regulatory, statutory or administrative authority, agency, department, commission agency, bureau or instrumentality (whether local, municipal, national or otherwise), court(s), board or tribunal of competent jurisdiction or other law, rule or regulation making entity having requisite jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 2.1.10 **"IT Act"** means the Income-tax Act, 1961 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;
- 2.1.11 **"Joyson Group"** includes body corporates in the name of Joyson Safety systems Inc., Joyson Safety Systems International Finance B.V. and Key Safety Systems Inc. USA.
- 2.1.12 **"KSS Abhishek"** or **"Transferor Company"** is a private company as defined in Clause 1.1.1
- 2.1.13 **"NCLT"** or **"Tribunal"** means the National Company Law Tribunal, Chennai Bench at Chennai or any other Bench of the Hon'ble NCLT having jurisdiction in relation to the Transferee Company and the Transferor Company;

2.1.14 **"Record Date"** means the date, being a date on or subsequent to the Effective Date or Capital Reduction Record Date whichever is later, to be fixed by the Board of the Transferee Company in consultation with the Transferor Company, after the Effective Date with reference to which the eligibility of the shareholders of the Transferor Company, for allotment of shares in the Transferee Company pursuant to the amalgamation in terms of this Scheme, shall be determined.

2.1.15 **"Scheme" or "Scheme of Arrangement" or "the Scheme" or "this Scheme"** means the present Scheme of Arrangement framed under the provisions of sections 230 and 232 of the Companies Act, 2013, and other applicable provisions, if any, where under the Transferor Company is proposed to be amalgamated with the Transferee Company in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of the respective Companies and/or by any competent authority and/or by the Hon'ble Tribunal or as may otherwise be deemed fit by the Board of Directors of these Companies.

2.1.16 **"Takata India" or "Transferee Company"** is a private company as defined in Clause 1.1.2.

2.2 Interpretation

2.2.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under relevant statutes, such as IT Act, Foreign Exchange Management Act, 1999, Consolidated Foreign Direct Investment Policy dated August 28, 2017 issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry (as amended from time to time) 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.

2.2.2 In this Scheme, unless the context otherwise requires:

- (i) Reference to statutory provision include any subordinate legislation made from time to time under that provision;
- (ii) References to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;

- (iii) Heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- (iv) The term “Clause” and “Schedule” refers to the specified clause of this Scheme or to the specified schedule to this Scheme;
- (v) References to one gender includes all genders;
- (vi) Any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding/ succeeding those terms;
- (vii) Words in the singular shall include the plural and vice versa; and
- (viii) Reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.

2.3 Date of taking Effect

The Scheme shall come into legal operation from the Appointed Date as defined under Clause 2.1.3, though it shall be effective from the Effective Date as defined under Clause 2.1.8.

2.4 Compliance with tax laws

2.4.1 The amalgamation of Transferor Company into and with Transferee Company (as detailed in Part – III of the Scheme) shall comply with the provisions of Section 2(1B) of the IT Act, such that:

- (i) all the properties of the Transferor Company, immediately before the amalgamation, become the properties of the Transferee Company by virtue of the amalgamation;
- (ii) all the liabilities of the Transferor Company, immediately before the amalgamation, become the liabilities of the Transferee Company by virtue of the amalgamation; and
- (iii) shareholders holding not less than 75% in value of the shares in the Transferor Company or companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the Transferee Company or its subsidiary) become shareholders of the Transferee Company by virtue of the amalgamation;

otherwise than as a result of the acquisition of the property of one company by another company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first-mentioned company.

- 2.4.2 This Scheme has been drawn up to comply with the conditions relating to “amalgamation” as defined under Section 2(1B) of the IT Act and other relevant sections of the IT Act. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the IT Act shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

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<p align="center">PART – II: CAPITAL STRUCTURE OF TRANSFEROR COMPANY AND TRANSFeree COMPANY</p>
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3. CAPITAL STRUCTURE

3.1 KSS Abhishek

3.1.1 The capital structure of Transferor Company as of 31 March 2019 is as under:

Share Capital	Amount (in INR)
Authorized	
5,000,000 equity shares of INR 10 each	50,000,000
Total	50,000,000
Issued, Subscribed and Paid-up	
1,820,000 equity shares of INR 10 each	18,200,000
Total	18,200,000

3.1.2 The shares of Transferor Company are, at present, not listed on any stock exchange, either in India or in any other jurisdiction.

3.1.3 Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital of the Transferor Company till the date of approval of the Scheme by the Board on June 3, 2019.

3.2 Takata India

3.2.1 The capital structure of Transferee Company as on 31 March 2019 is as under:

Share Capital	Amount (in INR)
Authorized	
180,000,000 equity shares of INR 10 each	1,800,000,000
10,000,000 Redeemable Cumulative Preference shares of INR 100 each	1,000,000,000
Total	2,800,000,000
Issued, Subscribed and Paid-up	
174,400,000 equity shares of INR 10 each	1,744,000,000
10,000,000 Redeemable Cumulative Preference shares of INR 100 each	1,000,000,000
Total	2,744,000,000

- 3.2.2 The shares of Transferee Company are, at present, not listed on any stock exchange, either in India or in any other jurisdiction.
- 3.2.3 Subsequent to the above date, there has been no change in authorised, issued, subscribed and paid up share capital till the date of approval of the Scheme by the Board on June 3, 2019.

4. DIRECTORS/ KEY MANAGERIAL PERSONS

4.1 KSS Abhishek

- 4.1.1 The List of Directors/ Key Managerial Persons of the Transferor company as on 31 March 2019 is as under:

S. No.	Name of the Personnel	DIN
1.	Shreedhar Gupta	00077810
2.	Dhiraj Dhar Gupta	01089718
3.	Gregory Daniel Heald	02722494
4.	Mahendra Singh Rajawat	06360911

- 4.1.2 There has been a change in the Directors of the Transferor Company as on the date of filing of this Scheme before the Hon'ble NCLT.

The same is as follows:

S. No.	Name of the Personnel	DIN
1.	Anjali Singh	02082840
2.	Robert Benjamin Weiss	08468384
3.	Dhiraj Dhar Gupta	01089718
4.	Mark Frederick Wehner	02722502
5.	Mizobuchi Kenji	07261180
6.	Jagdish Kumar	00318558
7.	Mahendra Singh Rajawat	06360911

4.2 Takata India

- 4.2.1 The List of Directors/ Key Managerial Persons of the Transferee company as on 31 March 2019 is as under:

S. No.	Name of the Personnel	DIN
1.	Deepak Chopra	00028770

2.	Jagdish Kumar	00318558
3.	Seshadri Sarathi	01639258
4.	Hikoto Watanabe	07046930
5.	Mizobuchi Kenji	07261180
6.	Mitsuhiko Oyama	07373080
7.	Wataru Yamamoto	07649377
8.	Thinniyam Vaidyanathan Venkataramanan	AABPV1893K

- 4.2.2 There has been no change in the Directors of the Transferee Company as on the date of filing of this Scheme before the Hon'ble NCLT.

**PART – III : REORGANIZATION AND CAPITAL REDUCTION OF “TAKATA
INDIA”**

5. REORGANIZATION AND CAPITAL REDUCTION

- 5.1** Upon the Scheme becoming effective and after obtaining the necessary approvals, consents, permissions etc, from the applicable statutory authorities, the subscribed, issued and paid up equity share capital of the Transferee Company will be reduced from Rs. 1,74,40,00,000/- (Rupees One Hundred Seventy-Four Crores and Forty Lakh only) divided into 17,44,00,000 (Seventeen Crores and Forty-four Lakh only) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 40,40,00,000 (Rupees Forty Crores and Forty Lakh only) divided into 4,04,00,000 (Four Crore and Four Lakh only) fully paid up equity shares of Rs. 10/- (Rupees Ten only) each by cancelling and extinguishing paid up equity share capital of Rs. 1,34,00,00,000 (Rupees One Hundred and Thirty-Four Crores only) divided into 13,40,00,000 (Thirteen Crore and Forty Lakh only) equity shares of Rs. 10/- (Rupees Ten only) each.
- 5.2** The aforesaid reduction of paid up share capital shall be affected by cancelling and extinguishing upto 13,40,00,000 (Thirteen Crore and Forty Lakh only) equity shares of Rs. 10/- (Rupees Ten only) each on proportionate basis, constituting up to 76.83% of the existing paid-up share capital of the Company. No consideration to be paid to shareholders for cancellation of equity share capital of the company and hence no amount will be considered as deemed dividend u/s 2(22) of the Income Tax Act, 1961.
- 5.3** The aforesaid reduction in the subscribed, issued and paid up equity share capital of the Transferee Company, shall be effected on a proportionate basis in proportion to the shares held, on the Capital Reduction Record Date by the shareholders in the existing paid up capital of the Transferee Company.
- 5.4** The reduction of the issued and paid up equity share capital shall be effected as an integral part of the Scheme in accordance with the provisions of Section 230 to 232 read with section 66 and all other applicable provisions of the Act and rules, including any statutory modification(s), amendment(s) or re-enactment(s) thereof in the said Act and rules for the time being in force, pursuant to filing of the order sanctioning this Scheme with RoC and upon registration by the RoC of such order and of the minutes approved with respect to share capital of the Transferee company as altered by the order: (a) amount of issued, subscribed, and paid up share capital (b) No. of shares into which it is to be divided and (c) the amount of each share.

- 5.5 The order approving this Scheme shall be deemed to be an order passed under section 230 to 232 read with section 66 of the Act for the purpose of confirming the reduction. Further, the consent of the shareholders and creditors of the Transferee Company for this Scheme shall be deemed to suffice of the purpose of effecting the above reorganization in the share capital of the Transferee Company resulting in reduction of issued and paid-up share capital and no further resolution of actions would be required to be separately passed or taken under section 66 of the Act or any other applicable provisions of the Act and rules.
- 5.6 Since the number. of shares held by the shareholders of Transferee Company would change as there is reduction in paid-up share capital of the Transferee Company, the pre- and post-share holding pattern of the Transferee company will be as follows:

Particular	Prior to capital reduction		
	No. of shares	Face Value	Amount of share capital
Paid up, issued and subscribed equity share capital	17,44,00,000	10	1,74,40,00,000
Paid up, issued and subscribed preference share capital	1,00,00,000	100	1,00,00,00,000

Particular	Post capital reduction		
	No. of shares	Face Value	Amount of share capital
Paid up, issued and subscribed equity share capital	4,04,00,000	10	40,40,00,000
Paid up, issued and subscribed preference share capital	1,00,00,000	100	1,00,00,00,000

- 5.7 The reduction would not involve diminution of liability in respect of unpaid share capital of the Transferee Company. No prejudice will be caused to the creditors of the Transferee Company by the aforesaid reduction.

- 5.8 On effecting the reduction of the share capital as stated in Clause 5.2 above, the share certificates in respect of the cancelled shares of Transferee Company held by their respective holders shall also be deemed to have been cancelled.
- 5.9 The Transferee Company will pass accounting entries for cancellation of 13,40,00,000 (Thirteen Crore and Forty Lakh only) issued, subscribed and paid up equity shares of INR 10 each against the amount of accumulated losses of INR 1,34,00,00,000 (Rupees One Hundred and Thirty-Four Crores only) as mentioned in clause 5.1 to 5.7 above.

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**PART – IV: AMALGAMATION OF THE TRANSFEROR COMPANY INTO
AND WITH TRANSFEREE COMPANY AND OTHER RELEVANT
ASPECTS**

**6. AMALGAMATION OF THE TRANSFEROR COMPANY INTO AND
WITH THE TRANSFEREE COMPANY**

6.1 Transfer and vesting

Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets, and liabilities of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in Transferee Company under Section 230 & 232 of the Act, and other applicable provisions of the law for time being in force and sanction of this Scheme by the Hon'ble NCLT, without requiring any further act or deed, on the Appointed Date, on a going concern, so as to become as from the Appointed Date the assets and liabilities of the Transferee Company and to vest in the Transferee Company all the rights, title, interest or obligations of the Transferor Company therein.

6.2 Transfer of assets

- 6.2.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all immovable property of the Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, and licenses, registrations, approvals, exemptions etc. pertaining to the subject immovable property, shall pursuant to the provisions of Sections 230 to 232 of the Act and pursuant to the orders of the Hon'ble NCLT or any other appropriate authority sanctioning this Scheme, stand vested in Transferee Company, without requiring any act or deed to be done by the Transferor Company or Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges including right to use, enjoy, occupy, develop, possess the immovable property (whether leasehold or freehold) along with all lease rights of ownership, power, facilities and right to deal with and dispose of such immovable properties and appropriate all consideration arising there from as the Transferee Company deems fit and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of Transferee Company by the

appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble NCLT and the Scheme becoming effective in accordance with the terms hereof. The Transferor Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to Transferee Company. Any inchoate title or possessory title of the Transferor Company shall be deemed to be the title of the Transferee Company.

6.2.2 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the assets of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery (together with duly executed transfer forms or other documents as may be required), shall stand vested in the Transferee Company, without requiring any separate deed or instrument of conveyance for the same, and shall become the property and an integral part of Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly.

6.2.3 In respect of movables other than those dealt with in Clause 6.2.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, advances paid to any parties for acquisition of development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company without requiring any notice or other intimation to the debtors (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company). All investments of the Transferor Company shall be recorded in the name of the Transferee Company by operation of law as transmission in favour of the Transferee Company as a successor in interest and any documents of title in the name of the Transferor Company shall also be deemed to have been mutated and recorded in the name of the Transferee Company to the same extent and manner as originally held by

the Transferor Company and enabling the ownership, right, title and interest therein as if the Transferee Company was originally the Transferor Company.

- 6.2.4 all registrations, goodwill, licenses, trademarks, service marks, copyrights, domain names, applications for copyrights, trade names and trademarks and other intellectual property rights, appertaining to the Transferor Company, if any, shall stand vested in the Transferee Company without any further act, instrument or deed;
- 6.2.5 All assets and properties of the Transferor Company as on the Appointed Date, whether or not included above or in the books of the Transferor Company, shall be deemed to be and shall become the assets and properties of the Transferee Company by virtue of and in the manner provided in this Scheme without any further act, instrument or deed, and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme, as of the Appointed Date.
- 6.2.6 All assets and properties acquired by the Transferor Company after the Appointed Date, but prior to the Effective Date, shall deemed to have been acquired for and on behalf of the Transferee Company and shall also stand transferred to and vested in the Transferee Company with effect from the Scheme coming into effect.
- 6.2.7 All Intellectual Property shall be transferred to and be deemed to be transferred to and vested in the Transferee Company pursuant to this Scheme, upon the coming into effect of the Scheme with effect from the Appointed Date.

6.3 Transfer of liabilities

- 6.3.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Transferor Company, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), guarantees, duties and obligations and undertakings of the Transferor Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in Transferee Company under the provisions of Sections 230 & 232 and other applicable provisions, if any, of the Companies Act, without requiring any further

act, instrument, deed, matter or thing. The above include such debts, liabilities and loans which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date, if any, whether quantified or not and obligations incurred or undertaken by the Transferor Company as on the Appointed Date.

- 6.3.2 It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- 6.3.3 Where any of the liabilities and obligations pertaining to the Transferor Company on the Appointed Date have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of Transferee Company.
- 6.3.4 All loans raised and used, and liabilities incurred, if any, by the Transferor Company after the Appointed Date, but prior to the Effective Date, shall be deemed to be transferred to, and discharged by Transferee Company without any further act or deed.
- 6.3.5 The provisions of this Clause 6.3 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- 6.3.6 The amalgamation shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Company, except to the extent modified in consultation with the lenders in favour of whom any such encumbrances have been created.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company and the lenders of these Transferor Company shall not get any further or additional security over the assets of the Transferee Company, and the Transferee Company, post amalgamation, shall not be obliged to create any further or additional security after the Scheme has become operative.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferee Company and the lenders of the Transferee Company shall not get any further or additional security over the assets of Transferor Company, received on the amalgamation and the Transferee Company, post amalgamation, shall not be obliged to create any further or additional security after the Scheme has become operative.

- 6.3.7 Without prejudice to the generality of the provisions contained in aforesaid clauses, upon the Scheme becoming effective, requisite form(s) will be filed with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

6.4 Contracts, deeds, bonds, regulatory approvals and other instruments

- 6.4.1 Upon the coming into effect of the Scheme and with effect from Appointed Date, and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiaries/ associate companies, arrangements and other instruments of whatsoever nature in relation 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 have effect immediately before the coming into effect of the Scheme, shall continue in full force and effect on or against or in favour, as the case may be, of Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- 6.4.2 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, agreements, permissions, all statutory, regulatory or sectoral licences, registrations, all statutory, regulatory or sectoral approvals, certificates, insurance covers, exemptions, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to Transferee Company as if the same were originally given by, issued to or executed in favour of Transferee Company, and Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Transferee Company. In so far as the various incentives, tax

benefits (to the extent statutorily available), grants, claims, deferrals, concessions, refunds, subsidies, schemes, special status, liberties and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor Company, the same shall vest with and be available to Transferee Company on the same terms and conditions as applicable to the Transferor Company, as if the same had been allotted and/or granted and/ or sanctioned and/or allowed to Transferee Company. It is hereby clarified that all rates, fees, etc. paid by the Transferor Company till the Effective Date shall be deemed to have been paid by or for the Transferee Company and shall be considered part of the total sum payable in relation to such licence, etc. and the Transferee Company shall not be called upon or required to pay the same again.

- 6.4.3 The Transferee Company may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Transferor Company and the Transferee Company, as on the Effective Date shall stand cancelled and cease to operate in the Transferee Company.
- 6.4.4 Transferee Company may at its discretion, but shall not be compulsorily required to file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets/ properties including, but not limited to, permissions, approvals, consents, licenses, grants, sanctions, remissions, special reservations, incentives, concessions and other authorisations of the Transferor Company. However, the same shall not be contrary to the provisions of any law, rules, regulations, which are applicable to Companies which necessitate filing of intimations or approvals for such abovementioned transfers.
- 6.4.5 Further, Transferor Company and Transferee Company shall make appropriate filings with the Governmental Authorities, in order to give formal effect to the provisions of this Scheme, and the relevant Governmental Authorities to take on

record the provisions of this Scheme, and make and duly record the necessary substitution/endorsement in the name of Transferee Company upon this Scheme becoming effective in accordance with the terms hereof. However, till the time such substitution/ endorsement is actually effected, the Transferee Company is authorized and shall always be deemed to have been authorised to carry on business in the name and style of the Transferor Company and under the relevant license and or permit and / or approval, as the case may be.

6.5 Compliance with Applicable Laws

The Transferee Company undertake to comply with all applicable Laws (including all applicable compliances required under the Foreign Exchange Management Act, 1999, Consolidated Foreign Direct Investment Policy dated August 28, 2017 issued by Department of Industrial Policy and Promotion, Ministry of Commerce and Industry (as amended from time to time) and other rules, regulations, Government of India policies and guidelines issued thereunder as may be prescribed by the RBI, from time to time), including making the requisite intimations and disclosures to any Governmental Authority and obtaining the requisite consent, approval or permission of the CCI or any other Governmental Authority; if any, which by Law may be required for the implementation of this Scheme or which by Law may be required in relation to any matters connected with this Scheme.

Additionally, any benefit provided under the said regulations, policies and guidelines will vest with the Transferee Company basis applicable requirements and provisions of those regulations, policies and guidelines.

6.6 Staff, Workmen and Employees

- 6.6.1 Upon the Scheme becoming effective, all the staff, workmen and employees of the Transferor Company shall be deemed to have become employees of Transferee Company, without any break or interruption of service and on the basis of continuity of service with reference to the date of joining the Transferor Company and, subject to the provisions, hereof and on the terms and conditions not less favorable than those on which they are engaged by the Transferor Company. The services of such employees with the Transferor Company up to the Effective Date shall be considered for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any gratuity and other terminal benefits. The services of the staff, workmen and other

employees of the Transferor Company will be treated as having been continuous for the aforesaid purposes

- 6.6.2 With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special/statutory schemes, funds or benefits created or existing for the benefit of such employees of the Transferor Company, Transferee Company shall, upon this Scheme becoming effective, stand substituted for the Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to the said funds and schemes, in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents.
- 6.6.3 The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created for such employees of the Transferor Company shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by Transferee Company without any separate act or deed/ approval. Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees of the Transferor Company would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Transferor Company.
- 6.6.4 The Transferee Company undertakes to continue to abide by any agreement(s)/settlement(s) entered into with any labour unions/ permanent employees by the Transferor Company. The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits, the past services of such permanent employees with the Transferor Company shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- 6.7 Continuation of Legal Proceedings**
- 6.7.1 From the coming into effect of the Scheme, all suits, actions, show cause notices/ cases, demands, legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) of whatsoever nature, by or against the Transferor Company under any statute, , whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the

Transferor Company ("**Transferor Company Proceedings**") shall be continued and enforced by or against Transferee Company after the coming into effect of the Scheme.

6.7.2 If any Transferor Company Proceedings are pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

6.7.3 After the Appointed Date, if any proceedings are taken against the Transferor Company, in respect of Transferor Company Proceedings, the Transferor Company, shall defend the same at the cost of the Transferee Company, and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by them in respect thereof. The Transferee Company shall further, reimburse all amounts including interest, penalties, damages, costs etc. which the Transferor Company may be called upon to pay or secure in respect of any liability or obligation relating to the Transferor Company.

6.8 Treatment of taxes

6.8.1 Any tax liabilities under the Income-tax Act, 1961, Customs Act, 1962, State Sales Tax laws, Central Sales Tax Act, 1956, Service Tax laws, Goods and Service tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies (hereinafter referred to as "**Tax Laws**") of the Transferor Company, and to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company. Any surplus in the provision for taxation/ duties/ levies account including advance tax and withholding tax as on the date immediately preceding the Appointed Date will also be transferred to the account of the Transferee Company. Any refund under the Tax Laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 6.8.2 All taxes (including but not limited to income tax, sales tax, customs duty, goods and services tax, service tax, VAT, works contract tax, etc.) paid or payable by the Transferor Company in respect of the operations and/ or the profits of the business before the Appointed Date, shall be on account of the Transferor Company, insofar as it relates to the tax payment (including, without limitation, sales tax, custom duty, income tax, goods and service tax, service tax, VAT, works contract tax, etc.), whether by way of deduction at source, advance tax, duty under protest or otherwise howsoever, in respect of the profits or activities or operation of the business of the Transferor Company after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- 6.8.3 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes and duties payable by Transferor Company, accruing and relating to the operations of the Transferor Company from the Appointed Date onwards, including all advance tax payments, self-assessment tax, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims, as the case may be, of Transferee Company.
- 6.8.4 Upon the Scheme becoming effective, all unavailed credits and exemptions, and other statutory benefits, including in respect of income tax, Cenvat, customs duty, goods and service tax, VAT, sales tax, service tax, works contract tax, etc. relating to the Transferor Company, to the extent statutorily permissible, shall be available to and vest in Transferee Company, without any further act or deed.
- 6.8.5 Upon this Scheme becoming effective, Transferee Company is permitted to revise and file its income tax returns, including tax deducted at source returns/ certificates, sales tax/ value added tax returns, goods and service tax returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.
- 6.8.6 All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date, or which may be instituted at any time in the future and in each case relating to the Transferor Company shall be continued and/or enforced by or against the Transferee

Company after the Effective Date. The pending assessment proceedings/ appeals shall not abate, be discontinued or in any way be prejudicially be affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

6.9 Saving of concluded transactions

- 6.9.1 The transfer of properties and liabilities to, and the continuance of proceedings by, or against, Transferee Company as envisaged in Part-III above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

6.10 Conduct of Business

- 6.10.1 With effect from the Appointed Date and up to and including the Effective Date:
- (i) The Transferor Company undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Transferor Company, for and on account of and in trust for Transferee Company.
 - (ii) All profits accruing to the Transferor Company and all taxes thereon or losses arising or incurred by it with respect to the Transferor Company shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of Transferee Company.
 - (iii) All loans raised and all liabilities and obligations incurred by the Transferor Company after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the undertaking of the Transferor Company shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Transferee Company;

6.10.2 With effect from the date of approval to the Scheme by the Board of Directors of Transferor Company and Transferee Company, and upto and including the Effective Date:

- (i) The Transferor Company shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- (ii) The Transferor Company, except with the consent of the Board of Directors of the Transferor Company and Transferee Company, shall not make any change in its respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner effect the reorganisation of capital of Transferor Company.
- (iii) The Transferor Company shall not without the prior consent in writing of the Board of Directors of the Transferee Company, sell, alienate, charge, mortgage, encumber, or otherwise deal with or dispose of its assets or undertake any financial commitments, issue any additional guarantees, indemnities, letters of comfort, of any nature whatsoever, either for itself or on behalf of any third party, except in the ordinary course of business, nor shall it undertake any new business or substantially expand its existing business.
- (iv) The Transferor Company shall not without the prior consent in writing of any of persons authorised by the Board of Directors of the Transferee Company undertake (i) any material decision in relation to its business and affairs and operations (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business) (iii) any new business, or discontinue any existing business or change the installed capacity of facilities unless already provided in this Scheme.

6.10.3 Transferee Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which Transferee Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under any law for time being in force for carrying on business of the Transferor Company.

6.10.4 On the Effective Date but with effect from the Appointed Date, the Transferee Company shall be authorised to carry on the businesses carried on by the Transferor Company.

6.11 Dissolution Without Winding Up

6.11.1 Upon this Scheme becoming effective, the Transferor Company shall, without any further act or deed, stand dissolved without the process of winding up.

6.12 Validity of Existing Resolutions, etc.

Upon the coming into effect of the Scheme, the resolutions of the Transferor Company as are considered necessary by the Board of Directors of Transferee Company which are validly subsisting be considered as resolutions of Transferee Company. If such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Transferee Company, shall be added to the limits, if any, under the like resolutions passed by Transferee Company.

6.13 Authorized share capital

6.13.1 Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall be added to and shall form part of the authorized share capital of the Transferee Company. Accordingly, the authorized share capital of the Transferee Company shall stand increased to the extent of the authorized share capital of the Transferor Company as on the Effective Date. Clause V/Capital Clause of the Memorandum of Association and relevant article(s) of the Articles of Association, if any, of the Transferee Company shall stand modified to give effect to the aforesaid increase in the authorized share capital of the Transferee Company. With the increase in Authorized share capital of the Transferee Company it shall be deemed that all the provisions under section 13, 14 and 61 of the Companies Act, 2013 and Section 232 and other applicable provisions of Companies Act, 2013 are duly complied with. The replica of the new Clause V/ Capital clause is as follows:

“[V]. The Authorized Share Capital of the Company is:

- 185,000,000 equity shares of INR 10 each and*
- 10,000,000 Redeemable Cumulative Preference shares of INR 100 each*

6.13.2 It is hereby clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed as their consent / approval also to the alteration of the Memorandum of Association and any other provisions of the Memorandum of Association and Article of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum of Association or Article of Association of the Transferee Company as required under Section 13, 14 and 61 of the Act.

6.13.3 In terms of the provisions of section 232(3)(i) of the Act and other applicable provisions, if any, the aggregate fees paid by the Transferor Company on the authorized capital shall be set-off against the fees to be paid by the Transferee Company on the increase in the authorized share capital as mentioned above. It is hereby clarified that the Transferee Company will pay the balance fee and other charges, if any, on the aforesaid increase in the authorized share capital after deducting the aggregate fees paid by the Transferor Company on the pre-merger authorized share capital.

6.13.4 In addition to the above, upon coming into effect of this Scheme, the Transferee Company shall file the requisite form(s) with the RoC for alteration of its authorized share capital.

6.14 Issue of shares by Transferee Company

6.14.1 Upon the Scheme coming into effect and in consideration of the amalgamation of the Transferor Company into and with the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further act or deed and without any further consideration (cash or non-cash) shall issue and allot 566 equity shares of the Transferee Company (with face value of Rs. 10/- each) for every 17 shares held by the shareholders of Transferor company in the transferor company (with face value of Rs. 10/- each) ("share exchange ratio"). Based on the share exchange ratio, the transferee company will issue and allot 6,05,95,294 equity shares of Rs. 10 each, credited as fully paid-up (hereinafter referred to as the "**New Equity Shares**") at par to the equity shareholder of the Transferor Company whose name is recorded in the register of shareholders of the Transferor Company as on the Record Date.

- 6.14.2 Any fraction arising out of the aforesaid exchange process, if any, will be rounded off to nearest whole number.
- 6.14.3 The New Equity Shares, to be issued in terms of this Scheme, shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company, as the case may be. The New Equity Shares shall rank pari passu in all respects, including dividend, with the existing equity shares of the Transferee Company.
- 6.14.4 The issue and allotment of New Equity Shares by the Transferee Company, as provided in this Scheme, is an integral part thereof. The members of the Transferee Company, on approval of the Scheme, shall be deemed to have given their approval under sections 42 & 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of such New Equity Shares in terms of this Scheme.
- 6.14.5 Entire issued share capital and share certificates of the Transferor Company shall automatically stand cancelled. Shareholders of the Transferor Company will not be required to surrender the Share Certificates held in the Transferor Company.

6.15 Change in name of the Transferee Company

With effect from the Effective Date or as soon as may be practicable thereafter, and subject to the approval of the Registrar of Companies, the name of the Transferee Company shall be changed from “Takata India Private Limited” to “Joyson Anand Abhishek Safety Systems Private Limited” or such other name as may be as approved by and made available by the Registrar of Companies and accepted by the Board of Directors of the Company. in accordance with Section 13 of the Companies Act and other relevant provisions of the Act, as applicable.

The consent of the shareholders and creditors of Transferee Company to this Scheme shall be deemed to be sufficient of the purpose of effecting the above change in name of the Transferee Company and no further resolution of actions would be required to be separately passed or taken under Section 13 of the Act or any other applicable provisions of the Act and rules. Pursuant to this Scheme, Transferee Company shall file the requisite forms with the RoC for change of the name of Transferee Company.

6.16 Accounting Treatment

Upon the scheme becoming effective, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with the applicable accounting standards as prescribed under the provisions of the Act and as specified by the Central Government on recommendations and pronouncements received from the Institute of Chartered Accountant of India.

In terms of the Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006, amalgamation of the Transferor Company with the Transferee Company will be accounted as per applicable Accounting Standards. Following are the salient features of the accounting treatment to be given:

- 6.16.1 Upon the Scheme becoming effective, the Transferee Company shall record the assets, liabilities and reserves of the Transferor Company in its books of accounts.
- 6.16.2 All the assets and liabilities of the Transferor Company shall be recorded at their existing carrying amounts, as appearing in the books of the Transferor Company as on the Appointed Date, in the books of Transferee Company, and no adjustments shall be made to reflect their respective fair values, or recognize any new assets or liabilities.
- 6.16.3 The difference, if any, between the book value of assets of Transferor Company and the aggregate of (a) book value of liabilities of Transferor Company vested in the Transferee Company pursuant to this Scheme, (b) book value of reserves of Transferor Company vested in the Transferee Company pursuant to this Scheme and (c) aggregate face value of New Equity Shares issued and allotted by the Transferee Company pursuant to this Scheme, shall be recorded as capital reserve in the books of the Transferee Company.
- 6.16.4 To the extent that there are inter-corporate loans or balances, dues between Transferor Company and Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of Transferee Company for the reduction of any assets or liabilities, as the case may be.

- 6.16.5 In case of any differences in the accounting policies of the Transferor Company and the Transferee Company, the impact of the same will be quantified and recorded in accordance with the applicable accounting Standards and policies adopted by the transferee company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

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PART – V: GENERAL TERMS AND CONDITIONS

7. APPLICATION TO THE HON'BLE NCLT

- 7.1** The Transferor Company and Transferee Company shall, with all reasonable dispatch make joint/separate applications/ petitions under the provisions of sections 230 & 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the Hon'ble National Company Law Tribunal, under whose jurisdiction the registered office of the Transferor and the Transferee Company is situated, for sanctioning of this Scheme, dissolution of the Transferor Company without the process of winding up and other connected matters.

8. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 8.1** The Transferee Company and Transferor Company (acting through their respective Board of Directors) may, in their full and absolute discretion, assent to any amendments, alterations or modifications to this Scheme, which the Hon'ble NCLT and/ or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out this Scheme. The Transferee Company and the Transferor Company (acting through their respective Board of Directors) be and are hereby authorized to take such steps and do all acts, deeds and things, as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon this Scheme at any stage prior to the Effective Date.
- 8.2** If any part of this Scheme is held invalid, ruled illegal by any Court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.

9. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

9.1 The Scheme is and shall be conditional upon and subject to the:

- (i) Approval of the Scheme by the Hon'ble NCLT;
- (ii) The approval by the requisite majorities of the classes of persons, including shareholders, creditors of the Companies, as may be directed by the Hon'ble NCLT under Section 230- 232 of the Act and other applicable provisions of the Act;
- (i) Certified copies of the order of the Hon'ble NCLT, sanctioning the Scheme being filed with the jurisdictional Registrar of Companies.

10. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

10.1 In the event of the Scheme not being sanctioned by the Hon'ble NCLT and/ or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, 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. In such event, each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with the Scheme.

11. COST, CHARGES, AND EXPENSES

11.1 All costs, expenses, charges, fees, taxes, duties, levies and all other expenses, if any, arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and incidental thereto shall be borne and paid by the Transferee Company.

**Report on Fair Valuation of Takata India Private Limited and KSS
Abhishek Safety Systems Private Limited as on 31st December 2018**

Madhvi Takiar Sehgal, Registered Valuer, IBBI

16th May 2019

Strictly private and confidential

The Board of Directors
Takata India Private Limited
Survey No. 43/4 ,215 Thenur Village,
Ammanampakam Post, Chengalpattu Taluk,
Kancheepuram, Tamil Nadu – 603 002

The Board of Directors
KSS Abhishek Safety Systems Private Limited
Survey No. 43/4 ,215 Thenur Village,
Ammanampakam Post, Chengalpattu Taluk,
Kancheepuram, Tamil Nadu – 603 002

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17th May 2019

Dear Sirs,

In accordance with our discussions and our Engagement Letter dated 1st May 2019, I have prepared this Report for (a) fair valuation of Takata India Private Limited ("TKI") and KSS Abhishek Safety Systems Private Limited ("KSSA") (together referred to as the "Companies") as on December 31, 2018 and (b) recommendation of share exchange ratio for consideration by the Board of Directors of the Companies for the proposed scheme of arrangement under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the relevant rules ("Purpose")

This Report was prepared solely for the above-mentioned Purpose and should not be used or relied upon for any other purpose. The nature and scope of my services, including the basis and limitations, are detailed in this report ("Report").

This Report and its contents may not be quoted, referred to or shown to any other parties, (except to your auditors or for submission to regulatory authorities in connection with the Purpose defined above) or used for any other purpose without my prior written consent. I accept no responsibility or liability to any person other than to you and accordingly if such other persons choose to rely upon any of the contents of this Report they do so at their own risk.

For carrying out my analysis, I have used and relied upon financial and other information of the Companies shared by the management of TKI and KSSA (the "Management") and obtained from public sources. My conclusions are dependent on such information being complete and accurate in all material respects.

My work commenced on 1st May 2019 and was completed on 17th May 2019. Therefore, my Report does not take account of events or circumstances arising after this date.

Yours faithfully,



Madhvi Takiar Sehgal
Registered Valuer, IBBI
Registration Number: IBBI/RV/02/2018/10289

Place: Gurgaon
Date: 17th May 2019

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1. Background and Summary

Background and scope of engagement

Background

- Takata India Private Limited ("TKI"), is a private limited company incorporated on 20th June 2007 and its registered office is located at Survey No. 43/4, 215 Thenur Village, Ammanampakam Post, Chengalpattu Taluk, Kancheepuram, Tamil Nadu – 603 002. For the financial year ended 31st March 2018, TKI reported revenue from operations and net profit of Rs. 4,850 mn and Rs. 292 mn respectively.
- KSS Abhishek Safety Systems Private Limited ("KSSA"), is a private limited company incorporated on 5th September 1985 and its registered office is located at Survey No. 43/4, 215 Thenur Village, Ammanampakam Post, Chengalpattu Taluk, Kancheepuram, Tamil Nadu – 603 002. For the financial year ended 31st March 2018, KSSA reported revenue from operations and net profit of Rs. 2,498 mn and Rs. 289 mn.
- Both TKI and KSSA (together referred to as "Companies") are engaged in the manufacturing and supply of seat belts, airbags and steering wheels to leading OEMs in the automotive sector in India. Both Companies are part of the same group and are joint ventures between Joyson Safety Systems, China and the Anand Group in India.
- I understand that as part of a Draft Scheme of Arrangement ("Scheme") under the Companies Act 2013, it is proposed that KSSA ("Transferor Company") will be merged into TKI ("Transferee Company") ("Proposed Merger") and that the Appointed Date of the Proposed Merger will be January 1, 2019.
- In connection with the Proposed Merger, the management of TKI and KSSA (the "Management") requires a report on (a) fair valuation of TKI and KSSA as on December 31, 2018 and (b) recommendation of share exchange ratio to determine number of shares to be issued by TKI to the shareholders of KSSA for consideration by the Board of Directors of the Companies for the Proposed Merger under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the relevant rules ("Purpose").

Background and scope of engagement

- Accordingly, as per terms of our Engagement Agreement dated 1st May 2019, I have summarized the fair valuation analysis of TKI and KSSA and recommendation of share exchange ratio in this report ("Report"), as of 31st December, 2018 ("Valuation Date") together with the description of assumptions and methodology used and limitations on the scope of work. It is my understanding that the valuation results and recommended share exchange ratio for the Proposed Merger will be used by the Management for the abovementioned Purpose.
- As part of the draft Scheme, TKI is also proposing a capital reduction, as per which 134.0 mn existing equity shares with face value of Rs. 10/- each (out of a total of 174.4 mn issued and outstanding equity shares with face value of Rs. 10/- each) shall be cancelled. The reduction in number of equity shares of TKI will be part of the composite Scheme and the reduction will become effective on approval of the. The impact of this capital reduction has been considered in computing the fair value of equity shares of TKI. (Please refer to the Overview of Business and Financial Information Section for more details).
- In the following paragraphs, I have summarized the valuation analysis of TKI and KSSA, as of December 31, 2018, ("Valuation Date") and recommendation on share exchange ratio for the Proposed Merger together with the description of methodologies used and limitations on my scope of work.

Scope of Work

Based on the above and our Engagement Letter, my scope of work is (a) estimation of fair valuation of TKI and KSSA as on December 31, 2018 (the "Valuation Date") and (b) recommendation of share exchange ratio for consideration by the Board of Directors of the Companies for the proposed scheme of arrangement under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the relevant rules.

Sources of Information

My analysis is based on the following information shared by the Management, either in written form or through discussions:

- Provisional and unaudited financial statements as on 31st December 2018 for the Companies
- Audited financial statements for the financial years ending 31st March 2016, 31st March 2017 and 31st March 2018 for the Companies
- Financial projections of the Companies for the period 1st January 2019 till 31st December 2023
- Shareholding pattern of the Companies as on the Valuation Date
- Draft scheme of arrangement for the Proposed Merger
- Industry and other information available in the public domain; and
- Such other information, explanations and representations as were required, and were provided to me, from time to time by the Management, either in written form or in form of soft copy or through discussions.
- In addition to the above, the Management has represented that the Companies do not have any contingent liabilities as on the Valuation Date that are expected to materialize into actual liabilities in the foreseeable future.
- Based on our discussions, I understand that the Management is of the view that the financial projections shared with me for the Purpose of this valuation exercise represent a realistic scenario of performance of business of the Companies during the forecast period.
- The Management has also represented that the Companies do not have any surplus / non-operating assets as on the Valuation Date

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Valuation Summary

Considering the nature of business of TKI and KSSA and due to non-availability of comparable companies having similar business profile and risk, I have considered it appropriate to use the Discounted Cash Flows ("DCF") method to compute the fair value of the Companies. A detailed discussion on the appropriateness of use of valuation methods has been given in the Section "Valuation Methodology".

The equity value of TKI and KSSA are summarised in the tables alongside.

TKI

Enterprise and Equity Value of TKI have been estimated at Rs. 2,432.3 mn and Rs. 2,171.3 mn which translates into a per share equity value of Rs. 53.75 (with face value of Rs. 10.00 each)

KSSA

Enterprise and Equity Value of KSSA have been estimated at Rs. 3,239.6 mn and Rs. 3,257.0 mn which translates into a per share equity value of Rs. 1,789.56 (with face value of Rs. 10.00 each)

Recommended Share Exchange Ratio

Based on the above valuation results, the recommended share exchange ratio for issue of shares by TKI to KSSA is:

566 fully paid-up shares with face value of Rs. 10.00 each of TKI for every 17 fully paid-up shares with face value of Rs. 10.00 each held in KSSA

Equity Valuation of TKI as on 31st December 2018

Enterprise Value	Rs. mn
Less: Debt	2,432.3
Less: Fair value of RCPS ¹	(320.3)
Less: Present value of dividend payable on RCPS ¹	(702.1)
Add: Cash and cash equivalents	(368.6)
Add: Present value of tax benefits	1,058.4
Equity Value	71.7
Number of equity shares ² (mn)	2,171.3
Fair value per share (Rs.)	40.4
	53.75

1. Please refer to Section "Discounted Cash Flows Workings" for calculation of fair value and interest payable on Redeemable Cumulative Preference Shares ("RCPS")
2. After taking into account the effect of proposed capital reduction, Please refer to Section "Company and Business Overview" for details

Equity Valuation of KSSA as on 31st December 2018

Enterprise Value	Rs. mn
Less: Debt	3,239.6
Add: Cash and cash equivalents	(49.0)
Equity Value	66.4
Number of equity shares (mn)	3,257.0
Fair value per share (Rs.)	1.8
	1,789.56

Scope Exclusions and Limitations

- This Report is subject to the limitations detailed hereinafter. As such, the Report has to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- The valuation results outlined in this Report represent valuation as on 31st December 2018, the Valuation Date and the same shall not be valid for valuation as on any other date .
- The valuation results for TKI are based on the assumption that the proposed capital reduction in TKI shares will be approved as part of the Scheme (and will not be valid for a scenario in which the proposed capital reduction is not approved).
- This Report was prepared solely to (a) determine valuation of equity shares of TKI and KSSA as on December 31, 2018, the Valuation Date and (b) recommendation of share exchange ratio for consideration by the Board of Directors of the Companies for the proposed scheme of arrangement under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the relevant rules ("Purpose") and should not be used or relied upon for any other purpose.
- My scope of work did not include the following:
 - Performing financial or other due diligence on the Companies, or in any case, verifying the completeness or accuracy of information provided by the Management.
 - Provision of any accounting, legal, tax or other specialist advice.
- I have not independently validated the information provided s or explanations given by the Management, with actual records maintained by any regulatory authorities or any other external source.
- The valuation exercise has relied on the audited financial statements of the Companies for FY16, FY17 and FY18 and the unaudited provisional financial statements of the Companies for the 9 month period ended 31st December 2018 provided by the Management. I have not audited, reviewed or otherwise investigated this historical financial information provided to me.
- I undertake no responsibility for information relevant and material to my exercise that has been omitted or concealed from me or given inaccurately to me.
- While carrying out my work, I may have relied on inputs sourced from information available in the public domain and I do not undertake any responsibility for the accuracy of such information.

Scope Exclusions and Limitations

- I have relied on the financial projections prepared by the Management and have not independently verified the assumptions and accordingly, do not express an opinion on the achievability of projections provided to me. My role with regards to financial projections has been limited to carrying out a broad review of the projections provided to me, as a valuation specialist (and not as a business or industry specialist) and estimating fair valuation of the Companies based on the same.
- The determination of fair valuation involves considerable exercise of professional judgment as regards alternative methodologies and is also significantly influenced by prevailing industry, economic and market (including capital market) conditions. I have exercised reasonable care while exercising professional judgment and consideration of the aforesaid factors; however, it is possible that any other valuer may not agree with the methodologies used and the relevant factors considered by me.
- The valuation results are, to a significant extent, subject to continuance of prevailing industry, economic and market (including capital market) trends beyond the date of Report. I, however have no obligation to update this Report for events, trends or transactions occurring subsequent to the date of this Report.
- This Report and its contents may not be quoted, referred to or shown to any other parties, except to your auditors or for submission to tax and regulatory authorities in connection with the Purpose or used for any other purpose other than as defined above without my prior written consent. I accept no responsibility or liability to any person other than to you and accordingly if such other persons choose to rely upon any of the contents of this Report they do so at their own risk.

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2. Overview of Business and Financial Information

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TKI – Company and Business Overview

Overview

- TKI is a private limited company incorporated on 20th June 2007 and its registered office is located at Survey No. 43/4 ,215 Thenur Village, Ammanampakam Post, Chengalpattu Taluk, Kancheepuram, Tamil Nadu – 603 002. For the financial year ended 31st March 2018, TKI reported revenue from operations and net profit of Rs. 4,850 mn and Rs. 292 mn respectively.
- TKI is engaged in the manufacturing and supply of seat belts, airbags and steering wheels to leading OEMs in the automotive sector in India. Its key customers include Honda, Renault Nissan, Suzuki, Toyota, Hyundai, Volkswagen and Ford. It has two plants located at Neemrana and Chennai.

Capital Structure and Shareholding Pattern

- Other than equity shares, TKI has issued 7.5% Redeemable Cumulative Preference Shares ("RCPS") of Rs. 1,000 mn to Takata International Finance B.V., its Holding Company during February 2015. These are redeemable along with cumulative dividend payable on them during February 2022.
- TKI's shareholding pattern for equity shares as on 31st December 2018 is summarised below:

Shareholding pattern - Equity shares			
	Number	Number (mn)	% Holding
Takata International Finance B.V.	130,800,000	130.80	75.0%
Asia Investments Private Limited	43,600,000	43.60	25.0%
Total	174,400,000	174.40	100.0%

Proposed Capital Reduction

- Based on information shared by the Management, we understand that as part of the Scheme, a capital reduction for TKI is proposed which would lead entail cancellation of 134.00 mn existing equity shares of TKI with face value of Rs. 10/- each (out of a total of 174.40 mn issued and outstanding equity shares with face value of Rs. 10/- each). The cancellation in number of shares of TKI will be part of the composite Scheme and the reduction will become effective on approval of the Scheme. The reduction will be done proportionately based on the respective shareholding of equity shareholders. Revised number of equity shares post capital reduction will be 40.40 mn

TKI – Income statement

Historical and projected income statement of TKI shared by the Management is summarised below:

INR mn	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
No. of Months	12	12	12	9	12	12	12	12	12
Rs. mn	Audited	Audited	Audited	Provisional	Forecast	Forecast	Forecast	Forecast	Forecast
Income Statement									
Sales	3,787.9	4,986.6	4,850.3	2,939.4	3,712.0	2,632.0	4,319.0	6,691.0	7,250.0
Add: Other operating income	16.0	28.8	19.9	13.5	20.4	37.0	27.5	25.8	24.2
Revenue from Operations	3,803.9	5,015.4	4,870.2	2,952.9	3,732.3	2,669.0	4,346.5	6,716.8	7,274.2
Less: Raw material cost	(3,079.9)	(3,984.0)	(3,787.3)	(2,349.2)	(2,828.7)	(1,976.7)	(3,245.2)	(4,949.5)	(5,254.0)
Gross Margin	724.1	1,031.4	1,082.9	603.8	903.6	692.3	1,101.3	1,767.2	2,020.2
Less: Other operating expenses	(727.3)	(590.6)	(682.0)	(464.8)	(804.0)	(638.7)	(850.7)	(1,134.5)	(1,105.3)
EBITDA	(3.2)	440.8	400.9	139.0	99.6	53.6	250.6	632.8	914.9
Less: Depreciation	(205.7)	(182.2)	(224.9)	(135.7)	(158.7)	(201.1)	(199.1)	(214.1)	(218.1)
EBIT	(208.9)	258.6	176.1	3.3	(59.1)	(147.5)	51.5	418.7	696.8
Sales growth¹		31.8%	-2.9%	-19.2%	-5.2%	-28.5%	62.9%	54.5%	8.3%
Gross margin	19.0%	20.6%	22.2%	20.4%	24.2%	25.9%	25.3%	26.3%	27.8%
EBITDA margin	-0.1%	8.8%	8.2%	4.7%	2.7%	2.0%	5.8%	9.4%	12.6%
EBIT margin	-5.5%	5.2%	3.6%	0.1%	-1.6%	-5.5%	1.2%	6.2%	9.6%

1. Based on annualized figures for the 9 month period ended 31st December 2018

- **Sales growth:** Sales projections are based on TKI's order book. Recent and projected decline in sales growth for CY19 and CY20 is on account of decline / end of production for certain vehicle models of TKI's customers. Subsequently, higher growth during CY21 and CY22 is on account of sales from new customers (Volkswagen and Ford) and expected increase in sales to existing customers (Suzuki) for newer models.
- **Gross margin:** Based on discussions with Management, we understand that increase in gross margins are expected on account of (a) localized assembly of a part beginning CY19 and (b) local sourcing of some components that are currently being imported from CY20 onwards

TKI – Key balance sheet items

INR mn	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
No. of Months	12	12	12	9	12	12	12	12	12
Rs. mn	Audited	Audited	Audited	Provisional	Forecast	Forecast	Forecast	Forecast	Forecast
Working Capital									
Current Assets									
Inventory	594.7	588.8	634.2	579.6	428.9	314.4	522.5	745.8	791.7
Receivables	719.3	921.4	890.6	568.6	613.4	425.8	688.4	1,014.0	1,056.3
Loans and advances	691.5	625.4	513.1	238.8	226.6	156.6	250.6	304.6	358.6
Current Liabilities									
Payables	2,136.1	2,382.6	1,809.3	1,629.6	1,299.9	917.8	1,103.1	1,336.9	1,400.0
Other current liabilities and provisions	169.7	109.0	159.5	133.3	135.9	125.0	127.5	188.1	196.4
Working capital days									
Inventory days	70	54	61	68	55	58	59	55	55
Receivable days	69	67	67	53	60	58	58	55	53
Payable days	253.2	218.3	174.4	189.9	167.7	169.5	124.1	98.6	97.3
Other CL and provisions / sales ¹	4.5%	2.2%	3.3%	3.4%	3.6%	4.7%	2.9%	2.8%	2.7%
Loans and advances / sales ¹	18.2%	12.5%	10.5%	6.1%	6.1%	5.9%	5.8%	4.5%	4.9%
Net Working Capital (NWC)	(300.3)	(355.9)	69.1	(376.0)	(167.1)	(146.0)	231.0	539.4	610.1
NWC / Revenue¹	-7.9%	-7.1%	1.4%	-9.5%	-4.5%	-5.5%	5.3%	8.0%	8.4%
Capex									
Net Fixed Assets	1,303.5	1,161.1	1,106.1	1,026.1	1,213.2	1,062.1	963.0	898.9	830.8
CWIP	2.3	1.8	19.9	9.4					
Capex		39.5	187.9	45.2	336.4	50.0	100.0	150.0	150.0

1. Based on annualized figures of sales for the 9 month period ended 31st December 2018

- **Working Capital:** Net Working Capital / Sales was negative historically primarily on account of a high amount of payables to TKI's holding company. This is expected to be normalized in the future.
- **Capex:** Management has projected a high amount of capex (primarily on Plant and Machinery) during CY19 post which only maintenance capex is expected to be incurred

KSSA – Company and Business Overview

Overview

- KSSA is a private limited company incorporated on 5th September 1985 and its registered office is located at Survey No. 43/4, 215 Thenur Village, Ammanampakam Post, Chengalpattu Taluk, Kancheepuram, Tamil Nadu – 603 002. For the financial year ended 31st March 2018, KSSA reported revenue from operations and net profit of Rs. 2,498 mn and Rs. 289 mn.
- KSSA is engaged in the manufacturing and supply of seat belts, airbags and steering wheels to leading OEMs in the automotive sector in India. Its key customers include Suzuki, Volkswagen and Fiat. It has a manufacturing plant located at Manesar, Gurgaon.

Shareholding Pattern

- KSSA's shareholding pattern for equity shares as on 31st December 2018 is summarised below:

Shareholding pattern - Equity shares		
	Number	% Holding
Dhiraj Dhar Gupta	3,67,300	20.2%
Chitra Gupta	2,70,000	14.8%
Key Safety Systems Inc. (USA)	11,82,700	65.0%
Total	18,20,000	100.0%

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KSSA – Income statement

Historical and projected income statement of TKI shared by the Management is summarised below:

INR mn	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
No. of Months	12	12	12	9	12	12	12	12	12
Rs. mn	Audited	Audited	Audited	Provisional	Forecast	Forecast	Forecast	Forecast	Forecast
P&L									
Sales	1,728.4	1,966.6	2,498.2	1,977.3	2,924.0	3,431.1	3,730.6	4,023.1	4,284.5
Add: Other operating income	11.8	45.2							
Revenue from Operations	1,740.2	2,011.7	2,498.2	1,977.3	2,924.0	3,431.1	3,730.6	4,023.1	4,284.5
Less: Raw material cost	(1,218.6)	(1,387.1)	(1,716.4)	(1,409.3)	(2,065.0)	(2,436.1)	(2,615.2)	(2,816.2)	(2,999.2)
Gross Margin	521.6	624.6	781.8	568.0	859.0	995.0	1,115.5	1,206.9	1,285.4
Less: Other operating expenses	(283.7)	(321.6)	(405.5)	(319.8)	(467.7)	(553.4)	(582.3)	(632.2)	(662.3)
EBITDA	237.9	303.0	376.4	248.2	391.3	441.6	533.2	574.7	623.0
Less: Depreciation	(30.6)	(44.1)	(104.8)	(98.1)	(117.0)	(130.0)	(147.0)	(146.0)	(149.0)
Less: Amortisation					(29.6)	(30.0)	(30.0)	(32.0)	(32.0)
EBIT	207.3	258.9	271.5	150.1	244.7	281.6	356.2	396.7	442.0
Revenue growth¹		15.6%	24.2%	5.5%	10.9%	17.3%	8.7%	7.8%	6.5%
Gross margin	30.0%	31.0%	31.3%	28.7%	29.4%	29.0%	29.9%	30.0%	30.0%
EBITDA margin	13.7%	15.1%	15.1%	12.6%	13.4%	12.9%	14.3%	14.3%	14.5%
EBIT margin	11.9%	12.9%	10.9%	7.6%	8.4%	8.2%	9.5%	9.9%	10.3%

1. Based on annualized figures for the 9 month period ended 31st December 2018

- **Sales growth:** Sales projections are based on KSSA's order book. Key customers of KSSA including Suzuki and Volkswagen are expected to contribute to the major portion of projected increase in sales. Other customers of the Company include Fiat, Tata and Bajaj.
- **Gross margin:** Based on discussions with Management, we understand that gross margins are expected to remain relatively stable and in line with historical levels.

KSSA – Key balance sheet items

INR mn	31-Mar-16	31-Mar-17	31-Mar-18	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23
No. of Months	12	12	12	9	12	12	12	12	12
Rs. mn	Audited	Audited	Audited	Provisional	Forecast	Forecast	Forecast	Forecast	Forecast
Working Capital									
Current Assets									
Inventory	136.8	132.6	244.2	250.6	220.0	233.6	250.8	270.0	287.6
Receivables	139.3	163.6	236.8	264.7	281.9	337.4	366.8	393.5	380.8
Loans and advances	130.7	149.7	274.5	276.1	201.2	233.4	249.8	253.3	250.2
Current Liabilities									
Payables	310.3	347.8	527.2	376.9	420.9	440.0	429.9	415.3	441.9
Other current liabilities and provisions	233.0	319.5	302.0	172.3	175.8	179.3	182.9	186.5	190.2
Working capital days									
Inventory days	41	35	52	49	39	35	35	35	35
Receivable days	29	30	35	37	35	36	36	36	32
Payable days	92.9	91.5	112.1	73.2	74.4	65.9	60.0	53.8	53.8
Other CL and provisions / sales ¹	13.4%	15.9%	12.1%	6.5%	6.0%	5.2%	4.9%	4.6%	4.4%
Loans and advances / sales ¹	7.5%	7.4%	11.0%	10.5%	6.9%	6.8%	6.7%	6.3%	5.8%
Net Working Capital (NWC) ¹	(136.4)	(221.5)	(73.7)	242.3	106.5	185.1	254.7	315.0	286.4
NWC / Revenue	-7.8%	-11.0%	-3.0%	9.2%	3.6%	5.4%	6.8%	7.8%	6.7%
Capex									
Net Fixed Assets	317.9	650.4	760.4	801.5	778.5	748.5	754.5	708.5	659.5
CWIP	8.1	0.3	112.6	0.0	0.0	0.0	0.0	0.0	0.0
Capex		368.7	327.1	236.6	94.0	100.0	153.0	100.0	100.0

1. Based on annualized figures of sales for the 9 month period ended 31st December 2018

- **Working Capital:** Net Working Capital / Sales was negative historically primarily on account of a high amount of payables to KSSA's holding company. This is expected to be normalized in the future.
- **Capex:** We understand from Management that KSSA's currently has excess capacity and therefore, only maintenance capex is expected to be incurred over the forecast period.

3. Valuation Analysis

Valuation Methodology

Fair valuation of a company could be determined based on various methodologies. However, the following are the most commonly, used for arriving at fair valuation:

1. Market approach

The Market approach measures value based on what other purchasers in the market have paid for assets that can be considered reasonably similar to those being valued. Under this method, value of a company is estimated using multiples (of revenue, income, other relevant metrics etc.) derived from valuations of publicly listed comparable companies and / or transaction valuations involving purchase of equity interest in comparable companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Though there are several publicly traded companies in the auto components sector in India, we were unable to find any with operating business (manufacturing of airbags, seat belts and steering wheels) similar to that of TKI and KSSA. Therefore, we have not used the market approach for valuing the Companies.

2. Asset approach

The asset or Net Asset Value ("NAV") method seeks to determine the business value based on the value of its assets. The fair value/ realizable value of all assets appearing in the balance sheet of a company are aggregated and the value of all external liabilities is reduced to arrive at the 'Net Assets' owned by the company.

Asset values reflected in books of accounts do not usually include intangible assets enjoyed by the businesses and are generally not a true indicator of the future distributable cash/profit generating ability of the businesses which is widely regarded as the true determinant of value of assets for most of the industries. The asset values recorded in books of accounts are also impacted by accounting policies which may be discretionary at times. Therefore, we have not used the asset approach for valuing the Companies.

Valuation Methodology

3. Income approach

The income approach determines the value of a business based on its ability to generate economic benefits for the owners. The key objective of the income based methods is to determine the business value as a function of the expected economic benefits. Generally, for valuation of Companies, discounted cash flow ("DCF") method is a commonly used approach. Under this method, future cash flows of an entity are projected and discounted back to present value using an appropriate discount rate which reflects the opportunity cost of investment and also the risks/ premium's associated with the business being valued. TKI and KSSA operate in a stable and mature market. Additionally, the Companies have significant operating history. Considering this, we are of the view that the DCF method is the most appropriate methodology for arriving at the fair valuation of the Companies. Therefore, we have used DCF method to arrive at fair value of the Companies.

- In this case, we have used the Free Cash Flows to Firm ("FCFF") approach for valuation. FCFF has been determined based on financial projections for TKI and KSSA provided by the Management for the period 1-Jan-2019 to 31-Dec-2023 covering income statement, key balance sheet items, capex and working capital;
- To compute FCFF, earnings before interest and taxes were reduced by tax to arrive at EBIT after tax and then adjusted for net investment (capital expenditures less depreciation) and changes in working capital.
- Projected FCFF for the Companies has then been discounted to present value using estimated Cost of Capital of the respective Company. Cost of Capital for a Company is the weighted average Cost of Debt (based on after-tax borrowing rate) and Cost of Equity of the Company (derived based on Capital Asset Pricing Model ("CAPM")).

Present value of aggregate FCFF is then adjusted for debt and cash-like items of the Company as on the Valuation to arrive at the Equity Value.

A summary of key valuation assumptions and valuation results are detailed in the following sections.

Valuation Standards

This Valuation Report complies with the International Valuation Standards and Guidance Notes of the International Valuation Standards Council (IVSC).

DCF Assumptions

TKI

Discount Rate	
Risk-free Rate ¹	7.4%
Equity risk premium ²	7.5%
Beta ³	1.10
Cost of Equity	15.6%
Cost of redeemable preference shares⁴	12.0%
Debt weight (RCPS)⁵	20.0%
Equity weight⁵	80.0%
WACC	14.9%

1. Based on yield on 10-year Indian Government Bonds as on the Valuation Date
2. Based on market studies of equity risk premium in India
3. Based on the average unlevered betas of publicly traded Indian auto component companies (Please see Annexure – Beta – comparable companies for details). The beta has been re-levered based on the debt-equity ratio and effective tax rates of TKI
4. TKI had Rs. 320.3 mn of external commercial borrowings as on the Valuation Date. However, we understand from Management that these have been repaid during early 2019 and the Management does not plan to raise external debt. Additionally, TKI has RCPS of Rs. 1,000 mn that are scheduled for redemption during February 2022. The dividend payable on these is 7.5% - however, we have considered a cost of 12.0% for these based on the expected unsecured borrowing rate of 11.0% for the Company along with 1.0% additional risk premium on account of relative riskiness of preference shares vis-à-vis debt.
5. We understand that Management does not plan to take external debt and might re-issue instruments similar to current RCPS once they are redeemed.

KSSA

Discount Rate	
Risk-free Rate ¹	7.4%
Equity risk premium ²	7.5%
Beta ³	0.91
Cost of Equity	14.2%
Pre-tax cost of debt⁴	11.0%
After-tax cost of debt	7.2%
Debt weight⁵	5.0%
Equity weight⁵	95.0%
WACC	13.8%

1. Based on yield on 10-year Indian Government Bonds as on the Valuation Date
2. Based on market studies of equity risk premium in India
3. Based on the average unlevered betas of publicly traded Indian auto component companies (Please see Annexure – Beta – comparable companies for details). The beta has been re-levered based on the debt-equity ratio and effective tax rate of KSSA
4. Based on the current borrowing rate and expected unsecured borrowing rate for KSSA.
5. We understand that Management does not plan to take external debt and might avail some working capital facilities.

DCF result - TKI

Rs. mn	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	Terminal Year
No. of Months	12	12	12	12	12	
Discounted Cash Flows						
Revenue	3,732.3	2,669.0	4,346.5	6,716.8	7,274.2	7,637.9
EBITDA	99.6	53.6	250.6	632.8	914.9	960.6
Less: Depreciation	(172.7)	(144.8)	(136.1)	(141.8)	(143.8)	(150.0)
EBIT	(73.1)	(91.2)	114.4	490.9	771.1	810.6
Less: Taxes	0.0	0.0	0.0	(109.8)	(143.5)	(283.3)
Add: Depreciation	172.7	144.8	136.1	141.8	143.8	150.0
Less: Investment in net working capital	(208.9)	(21.1)	(377.0)	(308.4)	(70.8)	(30.5)
Less: Capex	(336.4)	(50.0)	(100.0)	(150.0)	(150.0)	(150.0)
Free cash flows	(445.7)	(17.5)	(226.4)	64.6	550.6	496.9
Terminal value						5,020.8
Time period (years)	0.5	1.5	2.5	3.5	4.5	
Discount factor (mid-year)	0.93	0.81	0.71	0.62	0.54	0.54
Discounted cash flows	(415.8)	(14.2)	(160.0)	39.7	294.8	2,687.8

Enterprise Value	2,432.3
Less: Debt	(320.3)
Less: Fair value of RCPS ¹	(702.1)
Less: Present value of dividend payable on RCPS ¹	(368.6)
Add: Cash and cash equivalents	1,058.4
Add: Present value of tax benefits ²	71.7
Equity Value	2,171.3
Number of equity shares (mn) ³	40.4
Fair value per share (Rs.)	53.75

1. Calculated using a discount rate of 12.0% (please refer to DCF assumptions section for explanation)
2. Based on utilisation of carry forward tax losses and MAT credit after CY23
3. After considering impact of proposed capital reduction

Terminal Year Assumptions	
Growth rate ¹	5.0%
EBITDA margin ²	12.6%
Capex ³	150.0
Tax rate ⁴	34.9%
NWC / Sales ²	8.4%

1. Based on long term expected growth rate of Indian economy
2. Assumed at CY23 levels
3. Based on Management inputs
4. Based on prevailing Indian corporate tax rate

DCF result - KSSA

Rs. mn	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	Terminal Year
No. of Months	12	12	12	12	12	12
Discounted Cash Flows						
Revenue	2,924.0	3,431.1	3,730.6	4,023.1	4,284.5	4,498.8
EBITDA	391.3	441.6	533.2	574.7	623.0	654.2
Less: Depreciation	(130.8)	(129.6)	(131.5)	(125.3)	(119.8)	(100.0)
EBIT	260.5	312.0	401.7	449.5	503.2	554.2
Less: Taxes	(52.1)	(57.5)	(116.6)	(144.5)	(161.9)	(193.7)
Add: Depreciation	130.8	129.6	131.5	125.3	119.8	100.0
Less: Investment in net working capital	135.9	(78.7)	(69.6)	(60.4)	28.6	(14.3)
Less: Capex	(94.0)	(100.0)	(153.0)	(100.0)	(100.0)	(100.0)
Free cash flows	381.0	205.4	194.0	269.9	389.8	346.2
Terminal value						3,914.6
Time period (years)	0.5	1.5	2.5	3.5	4.5	
Discount factor (mid-year)	0.94	0.82	0.72	0.64	0.56	0.56
Discounted cash flows	357.1	169.1	140.3	171.4	217.5	2,184.2

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Enterprise Value	3,239.6	Terminal Year Assumptions	
Less: Debt	(49.0)	Growth rate ¹	5.0%
Add: Cash and cash equivalents	66.4	EBITDA margin ²	14.5%
Equity Value	3,257.0	Capex ³	100.0
Number of equity shares (mn)	1.8	Tax rate ⁴	34.9%
Fair value per share (Rs.)	1,789.56	NWC / Sales ²	6.7%

1. Based on long term expected growth rate of Indian economy
2. Assumed at CY23 levels
3. Based on Management inputs
4. Based on prevailing Indian corporate tax rate

Annexures

Beta – comparable companies

Company	Unlevered Beta
Motherson Sumi Systems Limited	0.98
Sundaram-Clayton Limited	0.43
Bosch Limited	1.03
Bharat Forge Limited	0.91
Minda Industries Limited	1.14
Minda Corporation Limited	1.02
Wheels India Limited	0.62
Rane Holdings Limited	0.87
Jamna Auto Industries Limited	0.92
Average	0.88

Source: Infront Analytics

Abbreviations

CAPM	Capital Asset Pricing Model
Companies	TKI and KSSA
CY	Calendar Year
DCF	Discounted Cash Flow
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
FCFF	Free Cash Flows to Firm
FY	Financial Year ending 31st March
KSSA or Transferor	KSS Abhishek Safety Systems Private Limited
Management	Management of TKI and KSSA
mn	Million
NAV	Net Asset Value
OEMs	Original Equipment Manufacturers
PAT	Profit after Tax
PBT	Profit before Tax
RCPS	Redeemable Cumulative Preference Shares issued by TKI
Rs.	Indian Rupee
TKI or Transferee	Takata India Private Limited
Valuation Date	31st December 2018
WACC	Weighted Average Cost of Capital

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF TAKATA INDIA PRIVATE LIMITED AT ITS MEETING HELD ON 03RD JUNE 2019 AS PER THE PROVISION OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 AT CHAIRMAN BLOCK OF ANAND COPORATE OFFICE, 1 SRI AUROBINDO MARG HAUZ KHAS NEW DELHI.

1. A meeting of the Board of Directors of Takata India Private Limited ("Board") was held on June 03, 2019 wherein the Board approved the proposed Comprehensive Scheme of Arrangement between KSS Abhishek Safety Systems Private Limited ("Transferor Company" or "KSS") and Takata India Private Limited ("Transferee Company" or "Takata") and their respective Shareholders and creditors ("Scheme").
2. In terms of Section 232(2)(c) of Companies Act, 2013 ("the Act"), a report from the Board explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.



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3. The Transferor Company and Transferee Company are engaged in similar businesses of manufacturing and supply of products relating to safety airbags, steering wheels, seat belt systems and airbag module assemblies and their respective components along with such other automotive safety systems and products. Management of both the Transferor Company and Transferee Company believe that the arrangement proposed in the Scheme would be in the best interests of all the stakeholders of Transferor Company and Transferee Company

Having regard to the aforesaid provision, the following was discussed by the Board in their meeting held on 3rd June, 2019:

- For the purposes of the Scheme, a valuation report was obtained from Ms. Madhvi Takiar Sehgal, Registered Valuer, IBBI. The valuation report provided the following swap ratio:-

"566 (Five Hundred and Sixty Six) fully paid up equity shares of face value of Rs. 10/- (Rupees ten) each of Transferee Company against 17 (Seventeen) fully paid up equity shares of face value of Rs. 10/- (Rupees ten) each held in Transferor Company"

- Reduction of Equity Share Capital of the Transferee Company & the reduction would not involve diminution of liability in respect of unpaid share capital of the Transferee Company. No prejudice will be caused to the creditors of the Transferee Company by the aforesaid reduction.
- Change of name of Transferee company in accordance with the provision of this Scheme.
- Upon the Scheme becoming effective, all the staff, workmen and employees of the Transferor Company shall be deemed to have become employees of Transferee Company, without any break or interruption of service and on the basis of continuity of service with reference to the date of joining the Transferor Company.



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- As far as the shareholders of the transferor Company are concerned, equity shares of Transferee Company will be issued in lieu of their shareholding in the transferor Company basis the valuation report.
- The Scheme would not have any effect on the Key Managerial Personnel's, Promoters and non-promoter shareholders of the Company.

FOR TAKATA INDIA PRIVATE LIMITED**MITSUHIKO OYAMA OHYAMA****DIRECTOR****DIN: - 07373080****Address: - Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk
Kancheepuram Kancheepuram, Tamil Nadu - 603002****Place: Chennai****Date: 10/06/2019****Regd. Office :****Survey No. 43/4, 215, Thenur Village, Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram - 603002, Tamil Nadu, INDIA**



KSS ABHISHEK SAFETY SYSTEMS PVT. LTD.

Plot No.20, Sector - 5, IMT Manesar
Gurgaon 122 050, (Haryana), India
Tel.: +91 124 4172400
Fax: +91 124 4172401
Email: info@abhishekauto.co.in
CIN: U34101TN1985PTC128107

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF KSS ABHISHEK SAFETY SYSTEMS PRIVATE LIMITED AT ITS MEETING HELD ON 3RD DAY OF JUNE 2019 AS PER THE PROVISION OF SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 AT CONFERENCE ROOM, A-BLOCK, 1 SRI AUROBINDO MARG HAUZ KHAS NEW DELHI.

- A meeting of the Board of Directors of KSS Abhishek Safety Systems Private Limited ("Board") was held on June 03, 2019 wherein the Board approved the proposed Comprehensive Scheme of Arrangement between KSS Abhishek Safety Systems Private Limited ("Transferor Company" or "KSS") and Takata India Private Limited ("Transferee Company" or "Takata") and their respective Shareholders and creditors ("Scheme").
- In terms of Section 232(2)(c) of Companies Act, 2013 ("the Act"), a report from the Board explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of shareholders and creditors. Further the said report has to specify any special valuation difficulties, if any in the valuation. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of the Act.

Having regard to the aforesaid provision, the following was discussed by the Board in their meeting held on June 03, 2019:

1. For the purposes of the Scheme, a valuation report was obtained from Madhvi Takiar Sehgal, Registered Valuer, IBBI. The valuation report provided the following swap ratio:-

"566 (Five Hundred and Sixty Six) fully paid up equity shares of face value of Rs. 10/- (Rupees ten) each of Transferee Company against 17 (Seventeen) fully paid up equity shares of face value of Rs. 10/- (Rupees ten) each held in Transferor Company"



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For KSS Abhishek Safety Systems Pvt. Ltd.

Director

2. Upon the Scheme becoming effective, all the staff, workmen and employees of the Transferor Company shall be deemed to have become employees of Transferee Company, without any break or interruption of service and on the basis of continuity of service with reference to the date of joining the Transferor Company.
3. As far as the shareholders of the Company are concerned, equity shares are being issued in Transferee Company in lieu of their shareholding in the Company basis the valuation report. Further, there would be a reduction of Share Capital in the existing share capital of the Transferee Company.
4. No prejudice will be caused to the creditors of the Transferor Company.
5. The Scheme would not have any effect on the Key Managerial Personnel's, Promoters and non-promoter shareholders of the Company.

FOR KSS ABHISHEK SAFETY SYSTEMS PRIVATE LIMITED



MAHENDRA SINGH RAJAWAT

DIRECTOR

DIN: 06360911

**ADDRESS: H NO. 70, DEERWOOD CHASE NIRVANA COUNTRY,
SECTOR 50, SOUTH CITY II GURGAON 122018 HR IN**



TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

		As at	(in rupees)
	Note	Jun 30, 2019	As at March 31, 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,74,40,00,000	2,74,40,00,000
Reserves and surplus	4	(1,35,18,39,014)	(1,34,30,31,405)
		<u>1,39,21,60,986</u>	<u>1,40,09,68,595</u>
Non-current liabilities			
Long-term borrowings	5	-	-
Other long-term liabilities	6	78,00,00,000	78,00,00,000
Long-term provisions	7	3,81,04,899	3,47,78,531
		<u>81,81,04,899</u>	<u>81,47,78,531</u>
Current liabilities			
Trade payables	8		
- Total outstanding dues to micro enterprises and small enterprises		3,68,48,173	4,51,67,655
- Total outstanding dues to other than micro enterprises and small enterprises		67,87,66,999	65,75,09,398
Other current liabilities	9	3,72,64,437	4,16,02,121
Short-term provisions	7	2,83,88,120	2,75,35,340
		<u>78,12,67,729</u>	<u>77,18,14,514</u>
Total		<u>2,99,15,33,614</u>	<u>2,98,75,61,640</u>
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	90,47,02,066	93,88,55,915
Intangible assets	11	1,41,64,152	1,60,90,769
Capital work-in-progress	12	1,73,46,467	62,33,884
Deferred tax assets (net)	13	-	-
Long-term loans and advances	14	4,95,94,616	4,22,02,804
		<u>98,58,07,301</u>	<u>1,00,33,83,372</u>
Current assets			
Inventories	15	51,01,40,808	55,04,63,817
Trade receivables	16	54,48,47,705	52,84,56,869
Cash and bank balances	17	83,34,93,610	77,47,25,058
Short-term loans and advances	14	10,49,45,681	12,07,17,895
Other current assets	18	1,22,98,509	98,14,629
		<u>2,00,57,26,313</u>	<u>1,98,41,78,269</u>
Total		<u>2,99,15,33,614</u>	<u>2,98,75,61,641</u>
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

TAKATA INDIA PRIVATE LIMITED
Balance sheet as at Jun 30, 2019
(All amounts are in Indian Rupees, except share data and unless stated otherwise)

	Note	For the period ended Jun 30, 2019	For the year ended March 31, 2019
Revenue from operations	19		
Sale of products (gross)		86,99,95,307	3,81,63,14,455
Sale of products (net)		<u>86,99,95,307</u>	<u>3,81,63,14,455</u>
Sale of services		55,516	69,78,546
Other operating revenues		23,43,799	2,31,96,509
Total		<u>87,23,94,622</u>	<u>3,84,64,89,510</u>
Other income	20	1,36,75,637	10,11,04,689
Total revenue		<u>88,60,70,259</u>	<u>3,94,75,94,199</u>
Expenses			
Cost of materials consumed	21	65,28,97,201	3,04,77,53,499.00
Purchases of stock-in-trade	22	19,90,642	1,76,46,124.00
Changes in inventories of finished products, work-in-progress and stock-in-trade	23	2,29,52,321	(6,26,52,039.24)
Employee benefits	24	8,51,41,007	31,61,63,012.00
Finance costs	25	2,09,098	65,38,963.00
Depreciation and amortisation	26	4,10,58,649	21,68,92,013.00
Other expenses	27	9,06,28,950	37,04,70,247.00
Total expenses		<u>89,48,77,868</u>	<u>3,91,28,11,819</u>
Profit before tax		<u>(88,07,609)</u>	<u>3,47,82,380</u>
Tax expense			
Current tax		-	-
Deferred tax charge (net)		-	-
Profit for the year		<u>(88,07,609)</u>	<u>3,47,82,380</u>
Earnings per equity share	39		
Weighted average number of equity shares outstanding during the year (in nos)		17,44,00,000	17,44,00,000
Basic and diluted earnings per share (in Rs.)		(0.57)	(0.32)
Nominal value of equity shares (in Rs.)		10	10
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

1 Company overview

Takata India Private Limited ('Takata India' / 'the Company') was incorporated on June 20, 2007. The Company is into manufacturing and assembling of automotive airbag modules, seat belts and steering wheels. The Company has its manufacturing facility at Thenur village, Chennai and at Neemrana, Rajasthan.

2 Significant accounting policies

a Basis of preparation of financial statements

The financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention using the accrual basis. GAAP comprises accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') and rules framed thereunder, other pronouncements of the Institute of Chartered Accountants of India and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

During the past few years, the Company's performance has been significantly impacted due to sluggish market, inability to scale up operations and various adverse market conditions, including inability to bid for projects owing to issues surrounding product quality connected with the market recall of vehicles containing airbags manufactured by the Group. As a result of the aforesaid matters, the accumulated losses have significantly eroded the net worth of the Company raising doubts about the ability of the Company to continue as going concern.

During the current and previous year, the Company has initiated various measures to improve operational performance and liquidity. The Company has also been able to bid for projects after the global takeover by Ningbo Joyson Electronic Corporation, China. In addition, Joyson Safety Systems, Japan (formerly known as Takata Corporation Japan), the parent of the holding company, has continued to support the Company in the current year also by giving an extended credit period for payments due to them amounting to Rs. 780,000,000 (Previous year : Rs. 1,000,000,000). The operating cash flows have improved and the Company has been able to reduce its current liabilities significantly. However, the accumulated losses as at March 31, 2019 continue to be more than half of the net worth of the Company.

Further, the Company has also filed a Composite Scheme of Arrangement between the Company ('the transferee company') and KSS Abhishek Safety Systems Private Limited ('KSS Abhishek / the transferor company') (which is also a step down subsidiary of Ningbo Joyson), pursuant to which -

- a) the capital of the Company is proposed to be reduced from Rs. 1,744,000,000 to Rs. 40,40,00,000 each by cancelling and extinguishing paid up equity share capital of Rs. 1,34,00,00,000 with its accumulated losses ('capital reduction') w.e.f January 1, 2019 ('Appointed date') and,
- b) Post the capital reduction, merger of KSS Abhishek with Takata India with effect from January 1, 2019,

Based on the approved business plans, availability of cash balance, extended credit from a group company and plans to improve profitability and liquidity and capital restructuring along with amalgamation of a profitable entity with the Company, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. The ability of the Company to continue as a going concern is significantly dependent on the consistent and continued improvement in its operational performance in the future. Accordingly, the financial statements have been prepared on a going concern basis.

b Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

c Current-non-current classification

All assets and liabilities are classified as current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

TAKATA INDIA PRIVATE LIMITED**Balance sheet as at Jun 30, 2019**

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

c Current-non-current classification (continuation)*Liabilities*

A liability is classified as current when it satisfies any of the following criteria

- it is expected to be settled within the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of the services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

d Property, plant and equipment

Property, plant and equipment are stated at cost (adjusted for exchange differences on long term foreign currency borrowings) of acquisition less accumulated depreciation. The cost of property, plant and equipment includes freight, duties and taxes and other incidental expenses related to the acquisition, but exclude duties and taxes that are recoverable subsequently from tax authorities.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of property, plant and equipment acquired but not ready for their intended use before such date are disclosed as capital advances and capital work in progress respectively.

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Exchange differences (favorable as well as unfavorable) arising in respect of translation / settlement of long term foreign currency borrowings attributable to the acquisition of a depreciable asset are also included to the cost of the asset.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

e Depreciation

Depreciation on property, plant and equipment is provided using straight line method over the useful lives of the asset, estimated by the management based on internal technical assessment. The management believes that the useful lives given below represent the period over which management expects to use such assets and hence may differ from the lives prescribed under Part C of Schedule II of the Companies Act,

Asset description	Estimated useful life
Buildings	30 years
Plant and machinery	5 - 15 years
Computers and accessories	3 - 6 years
Furniture and fittings	10 years
Vehicles	6 years
Office equipments	5 years

Leasehold land is amortized using the straight-line method over the period of lease i.e. 99 years.

Assets individually costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

TAKATA INDIA PRIVATE LIMITED**Balance sheet as at Jun 30, 2019**

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

f Intangible assets and amortisation

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortised over their estimated economic useful lives on a straight line basis commencing from the date the asset is available for its use. Intangible assets represents computer software amortised over their estimated useful life of 3 years.

g Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realisable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

h Revenue recognition**Sale of goods:**

Revenue from the sale of goods in the course of ordinary activities is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods and regarding its collection. The amount recognized as sale is exclusive of excise duty, Goods and Services Tax ('GST'), sales tax, value added tax ('VAT'), service tax, and is net of returns, trade discounts and quantity discounts.

Sale of services:

Income for services rendered for testing and modification are accrued upon rendering of the service.

Unbilled revenue:

Retrospective price revisions yet to be invoiced, based on the contractual commitments of the customers for the goods delivered during the year are carried in the books of account as unbilled revenue.

Insurance:

Insurance / other claims are recognized on the basis of claims admitted / expected to be admitted and the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Interest income:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

i Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from tax authorities.

Description	Method of determining cost
Raw materials and Stock-in-trade	First in and first out ('FIFO')
Work-in-progress and Finished goods	Cost includes direct materials (determined on FIFO basis), labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of the minimum lease rental and other incidental expenses during the lease term or the asset's fair value. The rental obligations, net of interest charges, are reflected in secured loan. Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made over the lease term.

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

k Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services are recognised as an expense as the related services are rendered by employees.

Post employment benefits

Provisions for / contributions to retirement benefit scheme are made as follows:

Defined contribution plan

Provident fund:

Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company's contribution to the Employees' Provident Fund scheme maintained by the Central Government is charged to the statement of profit and loss.

Defined benefit plan

Gratuity:

The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides a lump sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's last drawn salary and the tenure of employment with the Company. Liabilities related to the gratuity plan are determined by actuarial valuation performed by an independent actuary as per the projected unit credit method as at the balance sheet date. The plan is not funded and further, all actuarial gains and losses arising during the year are recognised in the statement of profit and loss.

Compensated absences:

The employees can carry forward a portion of the unutilised accrued leave balance and utilise in the following year or receive cash compensation at the end of the following year. Since the leave balance falls due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a short-term-benefit. Liabilities related to compensated absences are determined by actuarial valuation by an independent actuary using projected unit credit method as at the balance sheet date.

Other employee benefits:

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

l Foreign currency transactions

Foreign exchange transactions are recorded in Indian rupees using the average of the opening and closing spot rates on the dates of the respective transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the statement of profit and loss except that:

- (i) exchange differences pertaining to long-term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets;
- (ii) exchange differences arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation (FCMIT) difference reserve' and are amortised over the balance period of the relevant foreign currency item.

A foreign currency monetary item is classified as long-term if it has original maturity of one year or more.

Premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognised as income or as expense for the period. In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

m Taxation

Income tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income tax law), and deferred tax charge or credit (reflecting that tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

n Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares.

o Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

p Cash flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions

q Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

r Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the Company will be able to comply with the conditions attached to them and the grant/subsidy will be received.

Government grants of the nature of promoter's contribution is credited to the capital reserve and treated as a part of shareholder's funds. Government grants related to depreciable property, plant and equipment is treated as deferred income and then recognised in the statement of profit and loss on a systematic and rational basis over the useful life of the asset.

Government grants related to revenue, is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

	As at Jun 30, 2019	As at March 31, 2019
3 Share capital		
Authorised		
180,000,000 (Previous year : 180,000,000) Equity Shares of Rs. 10/- each	1,80,00,00,000	1,80,00,00,000
10,000,000 (Previous year : 10,000,000) 7.5% Redeemable Cumulative Preference Shares of Rs. 100/- each	1,00,00,00,000	1,00,00,00,000
Issued, subscribed and paid up		
174,400,000 (Previous year : 174,400,000) Equity Shares of Rs. 10/- each	1,74,40,00,000	1,74,40,00,000
10,000,000 (Previous year : 10,000,000) 7.5% Redeemable Cumulative Preference Shares of Rs. 100/- each	1,00,00,00,000	1,00,00,00,000
	2,74,40,00,000	2,74,40,00,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at Jun 30, 2019		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the beginning and at the end of the year	17,44,00,000	1,74,40,00,000	17,44,00,000	1,74,40,00,000
7.5% Redeemable Cumulative Preference shares				
At the beginning and at the end of the year	1,00,00,000	1,00,00,00,000	1,00,00,000	1,00,00,00,000

b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10/- each. Each holder of equity shares is entitled to one vote per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets.

As per the agreement between the shareholders, shareholding in the company cannot be disposed off to a third party without written confirmation of other shareholder. Further both the shareholders have to bring fresh share capital in the existing shareholding ratio, unless otherwise agreed by both

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c. Terms of redemption of Redeemable Cumulative Preference Shares (RCPS)

10,000,000 7.5% redeemable cumulative preference shares of Rs. 100 each were subscribed by Takata International Finance B.V., Netherland, the holding company on February 12, 2015 at par. These shares are to be redeemed, in whole after 7 years from the date of issue. The holders of these shares are entitled to a cumulative dividend of 7.5 %. Also, refer note 31(b), for the amount of cumulative dividend.

d. Shares held by holding / ultimate holding company and /or their subsidiaries/associates

	As at Jun 30, 2019		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each fully paid up held by:				
Joyson Safety Systems International Finance B.V (formerly known as Takata International Finance B.V., Netherland) (the holding company)	13,08,00,000	1,30,80,00,000	13,08,00,000	1,30,80,00,000
Asia Investments Private Limited	4,36,00,000	43,60,00,000	4,36,00,000	43,60,00,000
7.5% Redeemable Cumulative Preference shares of Rs. 100 each fully paid up held by:				
Joyson Safety Systems International Finance B.V (formerly known as Takata International Finance B.V., Netherland) (the holding company)	1,00,00,000	1,00,00,00,000	1,00,00,000	1,00,00,00,000

e. Particulars of shareholders holding more than 5% of equity shares

	As at Jun 30, 2019		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Joyson Safety Systems International Finance B.V (formerly known as Takata International Finance B.V., Netherland) (the holding company)	13,08,00,000	75%	13,08,00,000	75%
Asia Investments Private Limited	4,36,00,000	25%	4,36,00,000	25%

f. Particulars of shareholders holding more than 5% of 7.5% Redeemable Cumulative Preference shares

	As at Jun 30, 2019		As at March 31, 2019	
	No. of shares	% of holding	No. of shares	% of holding
Joyson Safety Systems International Finance B.V (formerly known as Takata International Finance B.V., Netherland) (the holding company)	1,00,00,000	100%	1,00,00,000	100%

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

	As at Jun 30, 2019	As at March 31, 2019
4 Reserves and surplus		
Deficit in the statement of profit and loss		
Balance as at the commencement of the year	(1,34,30,31,405)	(1,37,78,13,785)
Add: Profit for the year	(88,07,609)	3,47,82,380
Balance as at the end of the year	<u>(1,35,18,39,014)</u>	<u>(1,34,30,31,405)</u>
Foreign Currency Monetary Item Translation ('FCMIT') difference reserve		
Balance as at the commencement of the year	-	-
Less: Amortised during the year	-	-
Balance as at the end of the year	<u>-</u>	<u>-</u>
	<u>(1,35,18,39,014)</u>	<u>(1,34,30,31,405)</u>

Since the Company does not have sufficient surplus, no amount has been appropriated towards Capital Redemption Reserve.

	As at Jun 30, 2019	As at March 31, 2019
5 Long-term borrowings		
(Unsecured)		
Foreign currency loan from holding company	<u>-</u>	<u>-</u>

Foreign currency unsecured loan of Euro 4,000,000 - Nil (Previous year : Rs. 323,029,250) from Takata International Finance B.V. (Holding Company) was taken on January 2, 2015. The loan carries interest @ 6 months Euribor plus 0.5% published 2 business days before the first day of each interest payment date, (interest payable half yearly). The loan was repaid on January 29, 2019.

	As at Jun 30, 2019	As at March 31, 2019
6 Other long-term liabilities		
Trade payables (parent of holding company)*	<u>78,00,00,000</u>	<u>78,00,00,000</u>
	<u>78,00,00,000</u>	<u>78,00,00,000</u>

*represents amount for which extended credit period has been granted as part of financial support (also refer note 2a).

	Long-term		Short-term	
	As at Jun 30, 2019	As at March 31, 2019	As at Jun 30, 2019	As at March 31, 2019
7 Provisions				
Provision for employee benefits				
Gratuity (refer note 28)	1,69,63,194	1,58,59,290	5,28,716	4,78,716
Compensated absences	2,11,41,705	1,89,19,241	10,50,052	9,75,052
Other provisions				
Provision for rate amendment	-	-	70,00,000	70,00,000
Provision for warranty	-	-	1,98,09,352	1,90,81,572
Provision for others	-	-	-	-
	<u>3,81,04,899</u>	<u>3,47,78,531</u>	<u>2,83,88,120</u>	<u>2,75,35,340</u>

Additional disclosures relating to certain provisions (as per Accounting Standard 29 - Provisions, Contingent liabilities and Contingent assets)

Particulars	Provision for rate amendment	Provision for warranty	Provision for others
Balance as at April 1, 2018	70,00,000	2,56,72,796	-
Provisions made during the year	-	1,44,86,793	-
Provisions utilized during the year	-	2,10,78,017	-
Unutilized provisions written back during the year	-	-	-
Balance as at March 31, 2019	<u>70,00,000</u>	<u>1,90,81,572</u>	<u>-</u>
Provisions made during the year	-	63,65,471	-
Provisions utilized during the year	-	56,37,691	-
Unutilized provisions written back during the year	-	-	-
Balance as at Jun 30, 2019	<u>70,00,000</u>	<u>1,98,09,352</u>	<u>-</u>

Provision for rate amendment: This represents provisions made for potential claims arising out of the ongoing negotiation with customers with respect to price reductions on sales made during the previous periods / sharing of customs duty rebate benefits with the customers. Timing of outflow of resources will depend upon completion of negotiation process with the customers. The negotiations with the customers were concluded during the year financial year 2018-19 and accordingly, the provisions has been reversed.

Provision for warranty: A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. The provision for warranty is maintained

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)
over the period of the warranty which varies from 24 months to 36 months.

Provision for others: This represents provisions made for probable liabilities / claims arising out of ongoing reconciliation with certain related parties. Timing of outflow of resources will depend upon completion of reconciliation with the parties.

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

	As at Jun 30, 2019	As at March 31, 2019
8 Trade payables		
- Total outstanding dues to micro enterprises and small enterprises*	3,68,48,173	4,51,67,655
- Total outstanding dues to other than micro enterprises and small enterprises	67,87,66,999	65,75,09,398
	71,56,15,172	70,26,77,053

*** Dues to micro enterprises and small enterprises**

The management has identified the enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED]. Such determination / identification has been done on the basis of information received and available with the Company and relied upon by the auditors. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 has been made in the financial statements based on information received and available with the Company.

Particulars	As at Jun 30, 2019	As at March 31, 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
Principal	3,68,48,173	4,51,67,655
Interest	-	-
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

	As at Jun 30, 2019	As at March 31, 2019
9 Other current liabilities		
Creditors for capital goods	4,20,757	15,68,666
Advance received from customers	90,74,657	88,97,198
Retention money payable	4,77,169	4,77,169
Statutory dues	34,18,762	94,04,190
Employee benefits payable	2,38,73,092	2,12,54,897
	3,72,64,437	4,16,02,121

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

13 Deferred tax assets (net)	As at Jun 30, 2019	As at March 31, 2019
Deferred tax liabilities		
Excess of depreciation / amortization on fixed assets under income tax law over depreciation / amortization provided in books of accounts	9,55,54,306	6,92,28,420
	<u>9,55,54,306</u>	<u>6,92,28,420</u>
Deferred tax assets		
Provision for employee benefits	1,42,71,217	1,37,83,819
Provision for doubtful receivables	65,01,905	65,01,905
Provision for doubtful loans and advances	36,88,879	36,92,972
Provision for rate amendment	21,63,000	21,63,000
Provision for inventory	2,27,91,197	2,45,11,682
Others	12,97,800	12,97,800
Unabsorbed depreciation / carried forward losses*	4,48,40,308	1,72,77,242
	<u>9,55,54,306</u>	<u>6,92,28,420</u>
Deferred tax assets, net	-	-

*Note: Pursuant to AS 22 "Accounting taxes in income", where there is an unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Since the Company has unabsorbed depreciation and carry forward of losses, deferred tax assets has been recognized only to the extent of deferred tax liabilities.

14 Loans and advances

	Long-term		Short-term	
	As at Jun 30, 2019	As at March 31, 2019	As at Jun 30, 2019	As at March 31, 2019
<i>(Unsecured, considered good)</i>				
To related parties				
Receivable from related parties for expense reimbursement	-	-	-	2,37,680
To parties other than related parties				
Security deposits	92,25,097	85,00,134	-	16,72,209
Advance tax	1,69,23,614	1,19,81,658	-	-
Prepaid expenses	6,41,094	5,21,094	71,67,335	53,64,452
Balances with government authorities	49,32,894	49,32,894	6,90,10,716	11,10,24,123
Capital advances	1,78,71,918	1,62,67,024	-	-
Advances for supply of goods	-	-	2,87,67,630	21,23,314
Others	-	-	-	-
Advances to employees	-	-	-	2,96,116
<i>(Unsecured, considered doubtful)</i>				
To related parties				
Receivable from related parties for expense reimbursement	-	-	22,47,863	22,47,863
To parties other than related parties				
Security deposits	-	-	10,31,850	10,61,850
Advances for supply of goods	-	-	79,28,747	79,28,747
Others	-	-	-	-
Capital advances	7,12,907	7,12,907	16,751	-
Less: Provision for doubtful loans and advances	(7,12,907)	(7,12,907)	(1,12,25,211)	(1,12,38,460)
	<u>4,95,94,616</u>	<u>4,22,02,804</u>	<u>10,49,45,681</u>	<u>12,07,17,895</u>

15 Inventories

(valued at lower of cost or net realisable value)

	As at Jun 30, 2019	As at March 31, 2019
Raw materials*	46,87,85,823	49,35,43,068
Work-in-progress	4,14,45,580	4,83,16,428
Stock-in-trade	2,61,97,070	2,42,06,427
Finished goods**	4,56,51,610	6,37,23,725
Indirect materials	18,18,645	-
	<u>58,38,98,727</u>	<u>62,97,89,648</u>
Less: Provision for slow moving inventories	(7,37,57,919)	(7,93,25,831)

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

<u>51,01,40,808</u>	<u>55,04,63,817</u>
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* includes goods-in-transit amounting to Rs. 115,989,323 (Previous year : Rs. 141,234,537)

** includes finished goods-in-transit amounting to Rs. Nil (Previous year : Rs. 10,426,939)

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

	As at Jun 30, 2019	As at March 31, 2019
16 Trade receivables		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	-	-
Unsecured, considered doubtful	2,10,41,763	2,10,41,763
Less: Provision for doubtful receivables	(2,10,41,763)	(2,10,41,763)
Total (A)	<u>-</u>	<u>-</u>
Other receivables		
Unsecured, considered good	54,48,47,705	52,84,56,869
Total (B)	<u>54,48,47,705</u>	<u>52,84,56,869</u>
Total (A+B)	<u>54,48,47,705</u>	<u>52,84,56,869</u>
17 Cash and bank balances	As at Jun 30, 2019	As at March 31, 2019
Cash and cash equivalents		
Cash in hand	37,377	93,187
Balances with banks		
On current accounts	12,07,56,233	14,73,31,871
On deposit accounts (with original maturity of 3 months or less)	71,27,00,000	62,73,00,000
Other bank balances	<u>-</u>	<u>-</u>
	<u>83,34,93,610</u>	<u>77,47,25,058</u>
Details of bank balances / deposits		
Bank balances / deposits available on demand included under 'Cash and cash equivalents'	83,34,56,233	77,46,31,871
Bank deposits due to mature within 12 months of the reporting date included under 'other bank balances'	-	-
Bank deposits due to mature after 12 months of the reporting date included under 'other non-current assets'	-	-
Note: The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2019.		
18 Other current assets	As at Jun 30, 2019	As at March 31, 2019
(Unsecured, considered good)		
Interest accrued but not due on fixed deposits	58,22,329	47,38,449
Unbilled revenue	64,76,180	50,76,180
	<u>1,22,98,509</u>	<u>98,14,629</u>

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

10 Property, plant and equipment

Particulars	Freehold land (refer note a below)	Leasehold land	Buildings	Furniture and fittings	Plant and machinery	Office equipments	Vehicles	Computers and accessories	Total
Gross block									
Balance as at April 1, 2018	5,83,33,595	3,35,79,522	49,90,60,280	1,59,41,938	1,76,97,42,637	2,16,76,937	1,33,98,616	3,21,79,352	2,44,39,12,877
Additions	-	-	15,00,524	5,52,324	3,97,91,172	40,88,932	-	1,91,20,396	6,50,53,347
Disposals / write-off	-	-	-	-	2,08,18,554	-	-	-	2,08,18,554
Other adjustments - exchange difference	-	-	(60,14,726)	14,53,367	(34,27,890)	33,96,745	17,80,022	20,10,458	(8,02,024)
Write-off (refer note c(iii) below)	-	-	1,62,223	10,79,279	5,20,15,496	9,50,978	-	49,79,458	5,91,87,434
Balance as at March 31, 2019	5,83,33,595	3,35,79,522	49,43,83,855	1,68,68,350	1,73,32,71,869	2,82,11,636	1,51,78,638	4,83,30,748	2,42,81,58,213
Additions	-	-	1,06,000	64,478	21,71,598	4,34,211	-	21,14,550	48,90,838
Disposals	-	-	-	-	-	-	-	-	-
Reclassification - exchange difference (refer note c(i) below)	-	-	-	-	-	-	-	-	-
Write-off (refer note c(iii) below)	-	-	-	-	-	-	-	-	-
Balance as at Jun 30, 2019	5,83,33,595	3,35,79,522	49,44,89,855	1,69,32,828	1,73,54,43,467	2,86,45,847	1,51,78,638	5,04,45,298	2,43,30,49,051
Accumulated depreciation									
Balance as at April 1, 2018	-	36,76,288	13,88,37,325	1,31,41,612	1,14,00,94,693	1,56,62,653	39,20,394	2,84,69,848	1,34,38,02,813
Depreciation for the year (refer note b below)	-	3,32,011	2,10,58,525	14,93,184	17,49,73,605	34,59,903	23,23,465	76,88,442	21,13,29,134
Accumulated depreciation on disposals	-	-	-	-	1,33,35,568	-	-	-	1,33,35,568
Reclassification - exchange difference (refer note c(i) below)	-	(3,19,162)	2,51,422	7,12,342	(40,98,712)	8,31,630	11,02,337	10,98,358	(4,21,786)
Accumulated depreciation on write-off (refer note c(iii) below)	-	-	45,090	10,30,945	4,50,74,726	9,42,073	-	49,79,458	5,20,72,293
Balance as at March 31, 2019	-	36,89,137	16,01,02,181	1,43,16,192	1,25,25,59,292	1,90,12,113	73,46,196	3,22,77,189	1,48,93,02,300
Depreciation for the year (refer note c(ii) below)	-	82,775	41,00,017	1,33,105	3,16,55,777	7,02,139	5,29,007	18,41,866	3,90,44,686
Accumulated depreciation on disposals	-	-	-	-	-	-	-	-	-
Reclassification - exchange difference (refer note c(i) below)	-	-	-	-	-	-	-	-	-
Accumulated depreciation on write-off (refer note c(iii) below)	-	-	-	-	-	-	-	-	-
Balance as at Jun 30, 2019	-	37,71,912	16,42,02,198	1,44,49,297	1,28,42,15,069	1,97,14,252	78,75,203	3,41,19,055	1,52,83,46,987
Net block									
As at March 31, 2019	5,83,33,595	2,98,90,385	33,42,81,674	25,52,158	48,07,12,577	91,99,523	78,32,442	1,60,53,560	93,88,55,915
As at Jun 30, 2019	5,83,33,595	2,98,07,610	33,02,87,657	24,83,531	45,12,28,398	89,31,595	73,03,435	1,63,26,244	90,47,02,066

Note a: In respect of title deeds of a portion of freehold land, refer note 31(d) to the financial statements.

Note c: During the year ended March 31, 2019, the Company has performed physical verification of fixed assets at Chennai and Neemrana plants. Pursuant to the physical verification and consequent reconciliation of the results of such verification with the books of account -

(i) certain assets have been reclassified from one block to another and also between tangible and intangible asset blocks;

TAKATA INDIA PRIVATE LIMITED
Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)
(ii) an additional depreciation impact of Rs. 30,357,276 has been recorded (also refer note 42); and

(iii) assets amounting to net written down value of Rs. 7,115,141 have been written off during the year ended March 31, 2019.

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

11 Intangible assets

Particulars	Software	Total
Gross block		
Balance as at April 1, 2018	3,08,65,366	3,08,65,366
Additions	1,52,93,908	1,52,93,908
Disposals	-	-
Reclassification - exchange difference (refer note c(i) below note 10)	8,02,024	-
Write-off (refer note c(iii) below note 10)	60,144	-
Balance as at March 31, 2019	4,69,01,154	4,69,01,154
Additions	87,345	87,345
Disposals	-	-
Reclassification - exchange difference (refer note c(i) below note 10)	-	-
Write-off (refer note c(iii) below note 10)	-	-
Balance as at Jun 30, 2019	4,69,88,499	4,69,88,499
Accumulated depreciation		
Balance as at April 1, 2018	2,48,85,864	2,48,85,864
Amortisation for the year	55,62,879	55,62,879
Accumulated amortisation on disposals	-	-
Reclassification - exchange difference (refer note c(i) below note 10)	4,21,786	4,21,786
Accumulated amortisation on write-off (refer note c(iii) below note 10)	60,144	60,144
Balance as at March 31, 2019	3,08,10,384	3,08,10,384
Amortisation for the year	20,13,963	20,13,963
Accumulated amortisation on disposals	-	-
Reclassification - exchange difference (refer note c(i) below note 10)	-	-
Accumulated amortisation on write-off (refer note c(iii) below note 10)	-	-
Balance as at Jun 30, 2019	3,28,24,347	3,28,24,347
Net block		
As at March 31, 2019	1,60,90,769	1,60,90,769
As at Jun 30, 2019	1,41,64,152	1,41,64,152

12 Capital work-in-progress

Particulars	Total
Balance as at April 1, 2018	1,99,10,159
Additions	17,20,250
Assets write-off during the year	(45,150)
Assets capitalized during the year	(1,53,51,375)
Balance as at March 31, 2019	62,33,884
Additions	1,73,46,467
Assets write-off during the year	-
Assets capitalized during the year	(62,33,884)
Balance as at Jun 30, 2019	1,73,46,467

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

	For the year ended Jun 30, 2019	For the year ended March 31, 2019
19 Revenue from operations		
Sale of products		
Finished goods	86,99,68,007	3,81,31,84,455
Traded goods	27,300	31,30,000
Sale of products (gross)	86,99,95,307	3,81,63,14,455
Less: Excise duty	-	-
Sale of products (net)	86,99,95,307	3,81,63,14,455
Sale of services	55,516	69,78,546
Other operating revenue		
Sale of scrap	8,60,229	44,71,853
Export incentives	14,83,570	1,87,24,656
	23,43,799	2,31,96,509
Breakup of revenue from sale of products		
Airbag modules	17,33,50,375	89,28,11,488
Seat belts	41,19,86,588	1,60,46,95,400
Steering wheels	28,46,31,044	1,31,56,77,567
Sale of products (gross)	86,99,68,007	3,81,31,84,455
Breakup of revenue from sale of traded goods		
Tools	27,300	31,30,000
Breakup of revenue from sale of services		
Testing charges	55,516	69,78,546
20 Other income	For the year ended Jun 30, 2019	For the year ended March 31, 2019
Interest income		
- bank deposits	1,17,28,200	4,70,31,705
- others	1,32,962	6,55,358
Profit on sale of property, plant and equipment, net	-	37,11,281
Insurance claim received	-	-
Claims received	-	88,40,035
Provisions no longer required written back*	-	2,35,60,000
Liabilities no longer required written back*	-	1,21,03,134
Miscellaneous income	2,61,560	52,03,176
Net loss on account of foreign exchange fluctuations	15,52,914	-
	1,36,75,637	10,11,04,689
*Refer note 42 for provisions / liabilities written back for the year ended March 31, 2018.		
21 Cost of materials consumed	For the year ended Jun 30, 2019	For the year ended March 31, 2019
Inventories at the beginning of the year	49,35,43,068	60,59,47,691
Add: Purchases during the year	62,81,39,956	2,93,53,48,876
Less: Inventories at the end of the year	46,87,85,823	49,35,43,068
	65,28,97,201	3,04,77,53,499
Break up of cost of materials consumed		
Raw material consumed*	65,28,97,201	3,04,77,53,499
* It is not practicable to furnish item-wise information in view of large number of items which differ in size and nature, each being less than 10% in value of the total.		

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

	For the year ended Jun 30, 2019	For the year ended March 31, 2019
22 Purchases of stock-in-trade		
Tools	19,90,642	1,76,46,124
	19,90,642	1,76,46,124
23 Changes in inventories of finished products, work-in-progress and traded goods	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock		
Finished goods	6,37,23,725	4,12,39,269
Work-in-progress	4,83,16,428	2,26,95,007
Traded goods	2,42,06,427	96,60,265
	13,62,46,580	7,35,94,541
Closing stock		
Finished goods	4,56,51,610	6,37,23,725
Work-in-progress	4,14,45,580	4,83,16,428
Traded goods	2,61,97,070	2,42,06,427
	11,32,94,259	13,62,46,580
	2,29,52,321	(6,26,52,039)
Details of Inventory		
Finished goods		
Air bag	75,15,976	1,27,59,442
Seat belt	2,67,63,506	3,67,78,577
Steering wheel	1,13,72,128	1,41,85,706
	4,56,51,610	6,37,23,725
Work-in-progress		
Components of air bag	36,69,115	76,15,197
Components of seat belts	2,78,20,574	1,98,53,238
Components of steering wheels	99,55,891	2,08,47,993
	4,14,45,580	4,83,16,428
Stock-in-trade		
Tools	2,61,97,070	2,42,06,427
	2,61,97,070	2,42,06,427
24 Employee benefits	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus*	6,82,91,774	24,31,12,988
Contribution to provident and other funds	33,06,884	1,42,48,051
Gratuity expense (refer note 29)	13,44,000	74,81,264
Staff welfare expenses	1,21,98,349	5,13,20,709
	8,51,41,007	31,61,63,012
* - net of re-imbursement of salaries from -		
(i) Anand Automotive Private Limited	-	28,07,172
(ii) Joyson Safety Systems, Japan (formerly known as Takata Corporation Japan)	-	57,75,494
25 Finance costs	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
- on borrowings from holding company	-	7,26,073
- on income tax	-	3,19,894
Interest on others (including amortization of FCMIT difference reserve)	2,09,098	54,92,996
	2,09,098	65,38,963

TAKATA INDIA PRIVATE LIMITED

Balance sheet as at Jun 30, 2019

(All amounts are in Indian Rupees, except share data and unless stated otherwise)

	For the year ended March 31, 2019	For the year ended March 31, 2018
26 Depreciation and amortisation		
Depreciation on property, plant and equipment (refer note 10 and note 42)	3,90,44,686	21,13,29,134
Amortisation of intangible assets (refer note 11)	20,13,963	55,62,879
	4,10,58,649	21,68,92,013
27 Other expenses		
Consumption of stores and spare parts	47,02,907	1,85,09,759
Packing material	48,16,902	2,52,11,674
Power and fuel	1,00,23,444	4,01,80,377
Freight and forwarding charges	47,16,924	2,02,20,435
Rent	10,40,486	60,29,566
Rates and taxes	3,38,315	99,36,067
Insurance	55,14,605	1,02,76,951
Repairs and maintenance		
- Plant and machinery	75,23,328	3,13,71,178
- Others	44,32,377	1,91,81,660
Advertisement and business promotion	-	3,47,719
Travelling and conveyance	50,99,962	1,86,48,120
Printing and stationary	4,78,785	17,77,329
Communication expenses	11,65,117	38,85,437
Royalty fees	1,34,95,850	1,22,75,877
Management fees	51,98,617	53,20,702
Legal and professional charges	7,07,761	62,56,513
Provision for doubtful loans and advances (refer note (a) below)	-	10,31,850
Advances written off	-	-
Payment to auditor (Refer note (b) below)	6,25,000	28,27,356
Technical support charge	70,66,504	2,58,19,537
Net loss on account of foreign exchange fluctuations	-	2,96,10,152
Property, plant and equipment written off	-	71,60,291
Provision for doubtful receivables	-	86,56,446
Provision for slow moving inventories	20,00,000	3,40,09,746
Provision for warranty	63,65,471	1,44,86,793
Bank charges	2,23,223	11,27,668
Miscellaneous expenses	50,93,372	1,63,11,044
	9,06,28,950	37,04,70,247

Note (a) : Net of adjustments against provision for doubtful loans and advances amounting to Rs. 10,210,964 (Previous year : Nil).

Note (b) :

Payment to auditors (excluding goods and service tax)

As auditor

Statutory audit

Tax audit

In other capacity

Certification and other services

Reimbursement of expenses *

	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory audit	5,87,500	24,95,700
Tax audit	37,500	1,50,000
Certification and other services	-	50,000
Reimbursement of expenses *	-	1,31,656
	6,25,000	28,27,356

* - for the year ended March 31, 2018, represents auditors' remuneration paid to auditors other than B S R & Associates LLP.

KSS Abhishek Safety Systems Private Limited

CIN : U34101TN1985PTC128107

Unaudited Balance Sheet as at June 30, 2019

		(in rupees)	
Particulars	Note No.	As at June 30, 2019 Rs.	As at March 31, 2019 Rs.
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Capital	2	1,82,00,000	1,82,00,000
b) Reserves and surplus	3	93,62,42,591	92,83,38,317
2 Share Application money pending allotment		-	-
2 Non-Current Liabilities			
a) Long Term Borrowings	4	-	4,62,773
b) Deferred Tax Liability (Net)	13	1,20,99,066	1,20,99,066
c) Other Long Term Liabilities		-	-
d) Long Term Provisions	5	1,75,11,213	2,00,06,685
3 Current Liabilities			
a) Short Term Borrowings	6	3,83,79,233	-
b) Trade Payables	7	40,79,85,767	57,30,38,249
c) Other Current Liabilities	8	21,29,52,766	12,45,47,289
d) Short Term Provisions	x	6,65,50,320	6,48,25,351
TOTAL		1,70,99,20,957	1,74,15,17,730
II ASSETS			
1 Non-Current Assets			
a) Fixed assets			
i) Tangible Assets	10	65,76,81,397	68,01,72,105
ii) Intangible Assets	11	9,38,53,630	9,87,93,294
iii) Capital Work in Progress	12	-	-
b) Deferred tax Assets (net)	13	-	-
c) Long Term Loans & Advances	14	55,91,909	55,91,909
d) Other Non- Current Assets		-	-
2 Current Assets			
a) Current Investments		-	-
a) Inventories	15	27,39,55,159	27,71,37,968
b) Trade Receivables	16	21,90,95,304	24,97,57,436
c) Cash and Cash Equivalents	17	12,32,20,211	14,55,10,216
d) Short Term Loans and advances	18	33,65,23,347	28,45,54,803
TOTAL		1,70,99,20,957	1,74,15,17,730
Summary of Significant Accounting Policies	1		

KSS Abhishek Safety Systems Private Limited

CIN : U34101TN1985PTC128107

Unaudited Statement of Profit & Loss for Period April 1, 2019 to June 30, 2019

	Particulars	Note No.	For the Qtr ended June 30, 2019 Rs.	For the Year ended March 31, 2019 Rs.
I	Revenue from Operations	19	55,69,53,020	2,55,14,76,597
II	Other income	20	3,18,504	18,96,064
III	TOTAL REVENUE		55,72,71,524	2,55,33,72,661
IV	EXPENSES			
	Cost of Material Consumed	21	43,28,33,689	1,83,68,12,311
	Purchases of Stock in Trade		-	-
	Change in Inventories	22	(1,15,85,028)	6,23,810
	Employee Benefit Expenses	23	3,34,60,068	17,22,71,975
	Financial Cost	24	3,98,621	25,67,794
	Depreciation and amortisation Expenses	25	3,05,71,922	13,84,17,581
	Other Expenses	26	6,10,53,220	25,26,74,500
	Decrease in inventory		-	-
	TOTAL EXPENSES		54,67,32,492	2,40,33,67,971
V	Profit Before Exceptional and Extraordinary Items and Tax		1,05,39,032	15,00,04,690
VI	Excerptional Items		-	-
VII	Profit Before Extraordinary Items and Tax		1,05,39,032	15,00,04,690
VIII	Extraordinary Items		-	-
V	Profit Before Tax		1,05,39,032	15,00,04,690
VI	Tax Expenses			
	Current Tax for current year		26,34,758	5,62,79,155
	MAT Credit		-	-
	Tax for earlier years		-	(4,15,75,729)
	Deferred tax		-	(19,83,686)
	Total tax expense		26,34,758	1,27,19,740
VII	Profit (Loss) for the Year		79,04,274	13,72,84,950
VIII	Profit (Loss) from Discontinuing Operations		-	-
IX	Tax Expenses of Discountinuing Operations		-	-
X	Profit (Loss) from Discontinuing Operations after tax		-	-
XI	Profit (Loss) for the Year		79,04,274	13,72,84,950
	Earning per share (Rs.)	27		
	Basic [Nominal value of shares Rs 10 (Previous year: Rs 10)]		4.34	75.43
	Diluted [Nominal value of shares Rs 10 (Previous year: Rs 10)]		4.34	75.43
	Summary of Significant Accounting Policies	1		

KSS Abhishek Safety Systems Private Limited
CIN : U34101TN1985PTC128107

Unaudited Cash Flow Statement for the year ended 30/06/2019

	For the period ended 30-Jun-19 Rs.	For the year ended 31-Mar-19 Rs.
A. Cash flow from operating activities		
Net profit after taxation	79,04,274	13,72,84,951
Adjustments for:		
Depreciation and amortisation	3,05,71,922	13,84,17,581
Foreign Exchange Fluctuation	-	-
Loss(Profit) on sale of fixed assets	-	41,06,611
Provision for Gratuity	3,76,849	12,99,361
Provision for Leave Encashment	7,49,133	68,85,728
Interest expense	1,02,435	19,29,029
Provision for Deferred Tax	-	(19,83,686)
Provision for Income tax	26,34,758	1,47,03,426
Provision for Wealth tax	-	-
Provision for FBT	-	-
Operating profit before working capital changes	4,23,39,371	30,26,43,000
Movements in working capital :		
Decrease /(Increase) in sundry debtors	3,06,62,132	(1,29,94,166)
Decrease/ (Increase) in inventories	31,82,809	(3,29,40,895)
Decrease/(Increase) in loans and advances	(5,19,68,544)	(1,55,99,680)
Increase/(Decrease) in current liabilities & Provisions	(4,28,16,940)	(3,43,53,984)
Cash generated from operations	(1,86,01,172)	20,67,54,275
Direct taxes paid (net of refunds)	(3,83,61,309)	(3,83,61,309)
A.Net cash from operating activities	(5,69,62,481)	16,83,92,966
B. Cash flow from investing activities		
Purchase of fixed assets and Increase in CWIP	(32,72,693)	(4,86,81,936)
Capital advance received	-	-
Proceeds from sale of fixed assets	1,31,144	1,31,144
Net cash used in investing activities	(31,41,549)	(4,85,50,792)
C. Cash flow from financing activities		
Proceeds from secured borrowings		
Repayment of secured borrowings	4,19,75,480	(4,89,62,382)
Proceeds from unsecured borrowings		
Repayment of unsecured borrowings	(40,59,020)	(45,94,760)
Increase in share capital	-	-
Securities Premium	-	-
Interest paid	(1,02,435)	(19,29,029)
Net cash used in financing activities	3,78,14,025	(5,54,86,171)
Net Increase in cash and cash equivalents (A + B + C)	(2,22,90,005)	6,43,56,003
Cash and cash equivalents at the beginning of the year	14,55,10,216	8,11,54,213
Cash and cash equivalents at the end of the year	12,32,20,211	14,55,10,216
Components of cash and cash equivalents as at		
Cash and cheques on hand	79,245	93,453
Balances with scheduled banks:		
-On current accounts	81,40,966	5,54,16,763
-On deposits accounts	11,50,00,000	9,00,00,000
	12,32,20,211	14,55,10,216

As at
30 June, 2019
Rs.

As at
31 March, 2019
Rs.

Note 2 : Share Capital

a) Authorised Share Capital
5,000,000 (Previous year: 5,000,000) equity shares of Rs 10 each

5,00,00,000 5,00,00,000

b) Issued, Subscribed and Paid-up Share Capital
18,20,000 equity shares of Rs. 10 each fully paid up

1,82,00,000 1,82,00,000

TOTAL

1,82,00,000 1,82,00,000

NOTE 2 C

Shares held by shareholders holding more than 5% shares

Name of Shareholder	As at 30th June 2019		As at 31st Mar 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dhiraj Dhar Gupta	-	0.00%	3,67,300	20.18%
Chitra Gupta	1,51,906	8.35%	2,70,000	14.84%
Key Safety Systems Inc. (USA)	10,61,306	58.31%	11,82,700	64.98%
Asia Investments Pvt Ltd	6,06,788	33.34%	-	0.00%

Note 3 : Reserves and surplus

a) Securities premium account
Opening Balances
Closing Balances

3,98,00,000 3,98,00,000
3,98,00,000 3,98,00,000

b) Surplus

Profit & Loss Account

Balance as per last account

(+) Net Profit/(Net Loss) For the current year

Closing Balances

88,85,38,318 75,12,53,367
79,04,274 13,72,84,950
89,64,42,591 88,85,38,318

TOTAL

93,62,42,591 92,83,38,318

Note 4 : Long Term Borrowings

a) Term Loans - for Vehicle

Total debt 6,03,645 - 4,62,773

Current Maturities 6,03,645

TOTAL

- 4,62,773

Notes :

a) Vehicle loans are secured by the hypothecation of corresponding vehicles.

b) Repayment of loan varies from 36 to 60 Months

As at 30 June, 2019 Rs.	As at 31 March, 2019 Rs.
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c) Interest on Vehicle loan is 9 to 11 %

Note 5 : Long Term Provisions

Provisions for Employee Benefits

Leave Encashment

Gratuity

TOTAL

20,37,731	49,48,698
1,54,73,483	1,50,57,987
1,75,11,213	2,00,06,685

Note 6 : Short Term Term Borrowings

a) Loans Repayable on Demand

From banks

Secured

Credit Limits with Yes Bank

Primary security: Movable Assets

Loan against Deposit (OD FDR Account)

TOTAL

3,83,79,233	-
-	-
3,83,79,233	-

Note 7 : Trade Payables

Sundry creditors for Trade

Sundry creditors for Capital Goods

TOTAL

39,90,07,933	56,10,17,592
89,77,834	1,20,20,657
40,79,85,767	57,30,38,249

Note 8 : Other Current Liabilities

a) Current Maturities of Long Term Debts

b) Statutory Dues

c) Expenses Payable

d) Other Liabilities

e) Capital Advance Received

TOTAL

6,03,645	41,99,892
14,79,19,860	7,37,40,384
5,61,11,490	3,49,46,758
83,17,771	1,16,60,255
-	-
21,29,52,766	12,45,47,289

Note 9 : Short Term Provisions

a) Provisions for Employee Benefits

Bonus

Leave Encashment

Gratuity

b) Others

Provision for Excise on Closing Stock

Provision for Income Tax

TOTAL

74,71,641	78,87,133
79,191	3,16,765
85,575	3,42,298
-	-
5,89,13,913	5,62,79,155
6,65,50,320	6,48,25,351

As at 30 June, 2019 Rs.	As at 31 March, 2019 Rs.
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Note 13 : Deferred tax assets/liability (net)

Differences on account of depreciations per tax books and financial books	(19,32,756)	(1,40,85,194)
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	8,072	2,442
Effect of unabsorbed depreciation allowable		-
Provision for doubtful debts		-
Gross deferred tax assets/liability	(19,24,684)	(1,40,82,752)
Net deferred tax assets/liability (net)	(1,20,99,066)	(1,20,99,066)

Note 14 : Long Term Advances

a) Capital Advances	-	-
b) Security Deposits	20,13,798	20,13,798
c) Loans and Advances to Related parties		
d) Other Loans and Advances		
Advances recoverable in cash or in kind or value to be received	17,740	17,740
Amounts deposited with income / sales tax authorities under protest	35,60,371	35,60,371
TOTAL	55,91,909	55,91,909

Note 15: Inventories

a. Raw Materials and components (Valued at cost or market price whichever is less)	21,90,44,858	23,30,23,618
Goods in Transit	37,37,351	45,26,428
b. Work-in-progress (Valued at lower of cost and net realisable value)	1,44,91,162	83,57,600
c. Finished goods (Valued at lower of cost and net realisable value)	3,65,86,143	3,10,69,368
d. Scrap (Valued at lower of cost and net realisable value)	95,645	1,60,954
TOTAL	27,39,55,159	27,71,37,968

Note 16 : Trade Receivables

Trade receivables outstanding for a period less than six months from the date they are due for payment (Current)		
Unsecured, considered good	20,78,66,142	23,78,37,474
Considered doubtful	-	-
Trade receivables outstanding for a period exceeding six months from the date they are due for payment(Non Current)		
Unsecured, considered good	1,12,29,162	1,19,19,962
Considered doubtful	33,30,953	33,30,953
	22,24,26,258	25,30,88,390
Less: Provision for Doubtful Debts	33,30,953	33,30,953
TOTAL	21,90,95,304	24,97,57,436

Note 17: Cash and Cash Equivalents

Cash on hand	79,245	93,453
Balances with banks:		
On current accounts	81,40,966	5,54,16,763
On margin money deposits accounts	-	-
On fixed deposit account	11,50,00,000	9,00,00,000
TOTAL	12,32,20,211	14,55,10,216

Note 18: Short Term Loans and advances

(Unsecured considered good, except where stated otherwise)		
a) Loans and Advances to Related Parties	-	-
b) Others	-	-
Unsecured, considered good		
Loan to employees	23,54,672	16,51,566
Advances recoverable in cash or in kind or value to be received	32,38,69,104	26,57,82,784
Prepaid Custom Duty	1,02,99,571	1,71,20,453
	33,65,23,347	28,45,54,803
Less: Provision for Doubtful Advances	-	-
TOTAL	33,65,23,347	28,45,54,803

As at 30 June, 2019 Rs.	As at 31 March, 2019 Rs.
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Note 19 : Revenue from Operations

Sale of Products

Turnover (Gross)	55,69,53,020	2,55,14,76,597
Less: Excise duty		
TOTAL	55,69,53,020	2,55,14,76,597

Note 20 : Other income

Interest		
Bank deposits	3,18,504	16,94,099
Profit on Sale of Assets	-	2,01,965
Miscellaneous income	-	-
Engineering and development expense received		
Tooling for prototype development		
TOTAL	3,18,504	18,96,064

Note 21 : Cost of Material Consumed

a) Material Cost

Inventory as at April 1, 2019	23,75,50,046	20,39,85,340
Add: Purchases	41,80,65,852	1,87,03,77,017
Less: Inventory as at June 30, 2019	22,27,82,209	23,75,50,046
TOTAL	43,28,33,689	1,83,68,12,311

Note 22 : Change in inventory

Inventory as at June 30, 2019		
Finished goods	3,65,86,143	3,10,69,368
WIP	1,44,91,162	83,57,600
Scrap	95,645	1,60,954
	5,11,72,950	3,95,87,922
Inventory as at March 31, 2019	3,95,87,922	4,02,11,732
TOTAL	(1,15,85,028)	6,23,810

Note 23: Employee Benefit Expenses

Salaries, wages and bonus	2,31,05,495	12,86,75,510
Contribution to Provident Fund & Other Funds	20,03,600	80,47,530
Workmen and staff welfare expenses	83,50,973	3,55,48,935
TOTAL	3,34,60,068	17,22,71,975

Note 24 : Financial Cost

Interest to banks		
- Bank Over Draft / CC Limit	22,603	12,05,956
- On vehicle loans	79,832	7,23,073
Bank charges	2,96,186	6,38,765
TOTAL	3,98,621	25,67,794

Note 25: Depreciation and Amortization

Depreciation on Tangible Assets	2,93,72,269	13,36,18,968
Depreciation on Intangible Assets	11,99,653	47,98,613
TOTAL	3,05,71,922	13,84,17,581

	As at 30 June, 2019 Rs.	As at 31 March, 2019 Rs.
Note 26 : Other Expenses		
Freight and forwarding charges	53,28,066	3,28,94,548
Consumption of stores and spares	14,08,420	97,41,793
Processing, plating and assembling charges	97,989	7,21,892
Power and fuel	20,55,157	1,29,52,911
Testing charges	18,73,431	1,46,75,351
Rates and taxes	7,57,177	49,25,340
Insurance	6,08,909	25,80,938
Repairs and maintenance		
- Building	4,48,804	33,67,295
- Others	8,26,940	28,30,795
Advertising and sales promotion	1,36,057	41,62,982
Discounts	32,98,811	1,69,73,751
Travelling and conveyance	21,45,380	1,44,51,448
Communication costs	2,03,443	10,20,723
Printing and stationery	2,08,190	14,03,219
Legal and professional fees	2,86,90,990	7,26,57,112
Auditor's remuneration:		
- Audit fee	3,00,000	13,00,000
Donations	-	3,13,100
Royalty expenses	32,19,509	1,98,86,692
Service Charges	1,52,797	8,81,566
Loss on sale/ discard of fixed assets (net)	-	43,08,576
Foreign exchange fluctuation (Net)	39,88,359	50,65,936
Vehicle running expenses	1,20,000	8,79,253
Warranty expenses	86,134	1,90,297
Miscellaneous expenses	6,10,970	65,38,231
Expenditure of R & D Center recognised by DSIR vide TU/IV-RD/4039/2016 (Refer Note 37)	44,87,688	1,79,50,750
TOTAL	6,10,53,220	25,26,74,500

Note 27 : Earnings per share (EPS)

Net profit as per profit and loss account	79,04,274	13,72,84,950
Weighted average number of equity shares	18,20,000	18,20,000
Earnings per share : basic and diluted	4	75

TAKATA INDIA PRIVATE LIMITED
CIN: U32102TN2007FTC102628

Registered Office: Survey No. 43/4, 215 Thenur Village Ammanampakkam Post,
Chengalpattu Taluk, Kancheepuram, Kancheepuram - 603002, Tamil Nadu, India

Tel No.: +91 44 27421312/ 13; **Website:** <https://www.anandgroupindia.com/takataindia/>

E-mail: mic.oyama@takata.co.jp

**MEETING OF THE UNSECURED CREDITORS OF TAKATA INDIA PRIVATE LIMITED ON WEDNESDAY,
23RD OCTOBER 2019 AT SURVEY NO. 43/4, 215 THENUR VILLAGE AMMANAMPACKAM POST,
CHENGALPATTU TALUK, KANCHEEPURAM – 603002 AT 02:30 PM**

ATTENDANCE SLIP

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

I hereby record my presence at the meeting of the Unsecured Creditors of Takata India Private Limited, Applicant Company, convened pursuant to the Order dated September 13, 2019 of the Chennai Bench of the Hon'ble National Company Law Tribunal, at Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram – 603002 on Wednesday, 23rd October 2019 at 02:30 PM.

Name of the Unsecured Creditor	
Address of the Unsecured Creditor	
Signature of the Unsecured Creditor	

OR

Name of the proxy holder	
Address of the proxy holder	
Signature of the proxy holder	

NOTES:

Unsecured Creditor / authorized representatives or their proxies desiring to attend the meeting should bring his/ her copy of the notice for reference at the meeting.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
COMPANY APPLICATION CA/921/CAA/2019**

**IN THE MATTER OF THE COMPANIES ACT, 2013;
AND
IN THE MATTER OF SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND SECTION 66 ALONG
WITH OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH COMPANIES
(COMPROMISE, ARRANGEMENT AND AMALGAMATION) RULES, 2016;
AND
IN THE MATTER OF THE SCHEME OF ARRANGEMENT BETWEEN KSS ABHISHEK SAFETY SYSTEMS
PRIVATE LIMITED AND TAKATA INDIA PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS
AND CREDITORS;**

Takata India Private Limited

-----Applicant/ Transferee Company

**FORM NO. MGT-11
FORM OF PROXY**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

CIN: U32102TN2007FTC102628

Name of the company: TAKATA INDIA PRIVATE LIMITED

Registered Office: Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk,
Kancheepuram, Kancheepuram - 603002, Tamil Nadu, India

I/ We, _____, the undersigned Unsecured Creditor of Takata India Private Limited, the Applicant Company, do hereby appoint Mr. / Ms. _____ of _____ and failing him/her Mr. / Ms. _____ of _____, as my / our proxy to attend and vote for me/ us and on my/ our behalf at the Meeting of the Unsecured Creditors of Takata India Private Limited to be held on the 23rd day of October, 2019 at 02:30 PM at Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram – 603002 and at any adjournment or adjournments thereof, in respect of such resolution as is indicated below:

Resolution No.	Resolution
1	Approval of the Scheme of Arrangement between KSS Abhishek Safety Systems Private Limited and Takata India Private Limited and their respective shareholders and creditors under Sections 230 to 232 and section 66 along with other provisions of Companies Act, 2013 read with companies (compromise, arrangement and amalgamation) rules, 2016

Signed this day of 2019

Signature of Unsecured Creditor(s).....

Affix	Re.	1
Revenue Stamp and sign		

Signature of Proxy.....

NOTES:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of Takata India Private Limited at Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk, Kancheepuram, Kancheepuram - 603002, Tamil Nadu, India, not less than 48 hours before the commencement of the Meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialled.

Route Map to the Registered office of the Applicant Company
Survey No. 43/4, 215 Thenur Village Ammanampakkam Post, Chengalpattu Taluk,
Kancheepuram - 603002

The Venue for the Meeting

