**IN THE MATTER OF SECTIONS 230-233 OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF THE SCHEME OF ARRANGEMENT (DEMERGER)
BETWEEN
AUTOMOTIVE MANUFACTURERS PRIVATE LIMITED ("DEMERGED COMPANY")
AND
AUTOMOTIVE MOBILITY PRIVATE LIMITED ("RESULTING COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

EXPLANATORY STATEMENT UNDER SECTION 230(3) READ WITH SECTIONS 232(2) AND 102 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 FOR THE MEETING OF THE EQUITY SHAREHOLDERS OF AUTOMOTIVE MANUFACTURERS PRIVATE LIMITED CONVENED PURSUANT TO THE ORDER DATED JUNE 23, 2026 READ WITH THE ORDER DATED JULY 02, 2026 BY THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH.

1. Pursuant to the order dated **June 23, 2026 read with the order dated July 02, 2026**, in the above mentioned Company Scheme Application No. CA(CAA)/210/MB/2026 ("**Order**") passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ('**NCLT**'/ '**Tribunal**') referred to hereinabove and the directions given thereunder, a meeting of the equity shareholders of the Company is being convened and held through video conferencing ("**VC**") on **Wednesday, August 19, 2026 at 11.30 a.m. IST** for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Automotive Manufacturers Private Limited (Demerged Company) and Automotive Mobility Private Limited (Resulting Company) and their respective shareholders and creditors ('**the Scheme**' or '**this Scheme**' or '**Scheme**').

2. The Board of Directors of the Demerged Company and Resulting Company at their respective Board Meetings held on 21st April 2025 and 23rd April 2025 approved the proposed Scheme, after taking on record Valuation Report on Fair Share Exchange Ratio dated 9th April 2025 (including therein the basis of valuation) ('**Valuation Report**'), issued by Girish Kambadarya, Registered Valuer, and Jayantilal Thakkar & Co., Chartered Accountants, Statutory Auditors of the Company, vide their Certificate dated 25th April 2025, confirmed that the accounting treatment prescribed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act. Based upon these reports, the Board of Directors of the respective companies have come to the conclusion that the Scheme is in the best interest of both the companies and their shareholders. The rationale and salient features of the Scheme are also mentioned in this Explanatory Statement. A copy of the Scheme, as approved, is annexed to this explanatory statement as **Annexure "1."**.

3. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the equity shareholders of the Company, present and voting, agree to the Scheme.

4. Rationale and benefits

The rationale for, and the benefits of this Scheme are, *inter alia,* as follows:

4.1. The demerger will facilitate focused growth, operational efficiencies, business synergies and increased operational and customer focus in relation to the Demerged Undertaking in the Resulting Company.

4.2. The demerger will provide a platform for having a concentrated approach thereby resulting in better strategic, operational and administrative efficiency.

4.3. The proposed demerger, transfer and vesting will enhance value for shareholders and allow a focused strategy which would be in the best interest of the Demerged Company and the Resulting Company and their respective shareholders, creditors and all persons connected therewith.

4.4. There is no likelihood that the interests of any shareholder or creditor of either the Demerged Company or the Resulting Company would be prejudiced because of the Scheme. The demerger will not impose any additional burden on the members of the Demerged Company or the Resulting Company. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors and stakeholders.

5. Background of the Companies

A. Particulars of the Demerged Company

Name	Automotive Manufacturers Private Limited
CIN	U34100MH1948PTC006781
PAN Number	AAACA3428K
Date of Incorporation	1st December 1948
Type of Company	Private Company
Listed or Unlisted	Unlisted
Registered Office	Automotive House, 108, Bazar Ward, Kurla (west), Mumbai 400070
Email Address	legal@automotiveml.com
Primary Business	The Demerged Company commenced its business in the year 1948 to deal in automobile dealerships, trading of automobiles inter alia consisting of all types of commercial/passenger vehicles, construction equipment and their spare part/accessories and related services including repairs and maintenance of these vehicles.
Main Objects of the Company as set out in the Memorandum of Association	The main objects of the Demerged Company as per its memorandum of association are as follows: i. To carry on the business of assembling of progressive manufacturers of, dealers in, hirers, repairers, cleaners, stores and warehouses of Motor-Vehicles, Motor-Cycles,

	Motor- Scooters, Cycles, Bicycles and carriages, launches, Boats, Vans, Aeroplanes, Hydroplanes and other conveyances of all descriptions (all hereafter comprised in the term "Motor and other things") whether propelled or assisted by means of Petrol, Spirit, Steam, Gas, electrical, animal or other power and of engines chassis, prefabricated bodies from all metals and others things used for, in or in connection with Motors and other things. ii. To manufacture, buy, assemble, sell, let on hire, repair, alter and deal in machinery, competent parts, accessories and fittings of all kinds for Motors and other things and all articles and things referred to in the preceding clause or used in or capable being used in connection with the manufacturers, maintenance and working thereof.
Details of change of name, registered office and objects in the last five years	The name, registered office have not changed in the last five years. and the main objects of the Company have changed appropriately in the last five years.
Authorized, Issued, Subscribed and Paid up Capital	The Share Capital Structure of the Transferor Company as on March 31, 2025, is as under:

Authorized Share Capital	**Amount in Rupees**
10,00,000 Equity Shares of Face Value of Rs.100/- each	10,00,00,000
Total	**10,00,00,000**
Issued, Subscribed and Paid-up Share Capital	**Amount in Rupees**
6,71,951 Equity Shares of Face Value of Rs.100/- each	6,71,95,100
Total	**6,71,95,100**

Names of the current Directors along with their addresses

Name	**Address**
Mr. Bharat M.Sanghvi	"Kundan Villa", Ramkrishna Mission, Road, Khar, Mumbai 400 052.
Mr. Rajiv M. Sanghvi	"Lilam villa", 3-6-239, himayatnagar-hyderabad 500 029
Mr. Sachin B. Sanghvi	"Kundan Villa", Ramkrishna Mission, Road, Khar, Mumbai 400 052.
Mr. Aditya B.Sanghvi	"Kundan Villa", Ramkrishna Mission, Road, Khar, Mumbai 400 052.

B. Particulars of the Resulting Company

Name	Automotive Mobility Private Limited
CIN	U45200TS2025PTC193919
PAN Number	AAGCG1917R
Date of Incorporation	12th February 2025
Type of Company	Private Limited Company
Listed or Unlisted	Unlisted
Registered Office	Post Box No. 1627, 8571, Rashtrapathi Road, Secunderabad, Hyderabad, Telangana - 500003
Email Address	Rajivsanghvi.1@gmail.com
Primary Business	The Resulting Company is inter alia in the business of automobile dealerships, trading of automobiles inter alia consisting of all types of commercial/passenger vehicles, construction equipment and their spare part/accessories and related services including repairs and maintenance of these vehicles.
Main Objects of the Transferee Company as set out in the Memorandum of Association	The main object of the Resulting Company as per its memorandum of association is as follows: i. To carry on in India or else where the business of white labelling, buying, selling, reselling, exporting, importing, subcontracting, hiring, altering, improving, assembling, distributing, servicing, repairing, stocking, supplying, leasing, whole selling, retailing, fabricating, converting, finishing, installing, reconditioning, designing, modifying, processing, cleaning, renovating, job working and to deal in all descriptions, specifications, systems, models, shapes, sizes, dimensions, capacities, applications and uses of cars, scooters, buses, omnibuses, utilities, jeeps, defence vehicles, ambulances, tempos, vans, locomotives, tanks, mopeds, motor cars, three wheelers and other vehicles for transporting passengers, goods and animals whether propelled or used by any form of power including petrol, oil, gas, petroleum, spirit, steam, vapour, electricity, battery, solar energy, atomic energy and wind energy. ii. To carry on in India or elsewhere the business of white labelling, buying, selling, reselling, exporting, importing, subcontracting, hiring, altering, improving, assembling and cleaning, servicing, cutting, shaping, milling, rolling, rerolling, forging, stamping, casting, laminating, reconditioning, renovating, designing, developing, modifying, finishing and to act as stockiest, franchisers, agents, brokers, warehouses, whole-sellers, retailers, job workers or otherwise to deal in all types, varieties, models, shapes, sizes, specifications, descriptions, applications and

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<table>
<tr><td></td><td>uses of replacement parts, spare parts, systems, assembles, accessories tools, implements, motors, power units, transmission and propulsion systems, chassis bodies, substances, equipment, dies, jigs, structures, moulds, gauges, beams and other allied goods, articles and things for motorcars, trawlers, trucks, tankers, buses, cycles, cars, race cars, scooters, omnibuses, utilities, jeeps, defence vehicles, ambulances, tempos, vans, locomotives, tanks, mopeds, motor cars, three wheelers and other vehicles for transporting passengers, goods and animals whether propelled or used by any form of power including petrol, oil, gas, petroleum, spirit, steam, vapour, electricity, battery, solar energy, atomic energy and wind energy.

iii. To carry on the business in India or else-where to own, lease, manage, run, establish, install and build workshops, garages, tyre rethreading units, painting units, battery service stations, fuel stations, upholstery units, body building units and to convert, cure, finish, handle, fabricate, hire, alter, improve, clean, service, repair, shape, paint, turn to account, weld, renovate, import, export, buy, sell, and equip all descriptions, specifications, varieties, sizes, shapes, dimensions, capacities, applications and uses of spare parts, components, accessories, fittings, consumables and incidental goods for the foregoing process.”</td></tr>
<tr><td>Details of change of name, registered office and objects in the last five years</td><td>The name, registered office and the main objects of the Resulting Company have not changed in the last five years.</td></tr>
<tr><td>Authorized, Issued, Subscribed and Paid up Capital</td><td>The share capital structure of the Resulting Company as on March 31, 2025, is as under:
<table>
<tr><th>Authorized Share Capital</th><th>Amount in Rupees</th></tr>
<tr><td>1,00,000 equity shares of face value of INR 10/- each</td><td>10,00,000</td></tr>
<tr><td>Total</td><td>10,00,000</td></tr>
<tr><th>Issued, Subscribed and Paid-up Share Capital</th><th>Amount in Rupees</th></tr>
<tr><td>10,000 equity shares of face value of INR 10/- each</td><td>1,00,000</td></tr>
<tr><td>Total</td><td>1,00,000</td></tr>
</table></td></tr>
<tr><td>Names of the current Directors along with their addresses</td><td>
<table>
<tr><th>Name</th><th>Address</th></tr>
<tr><td>Mr. Rajiv Sanghvi</td><td>“Lilam Villa”, 3-6-239, Himayat Nagar, Hyderabad 500 029</td></tr>
<tr><td>Ms.Kokila M. Sanghvi</td><td>“Lilam Villa”, 3-6-239, Himayat Nagar, Hyderabad 500 029</td></tr>
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6. **Board approvals**

i. The Board of Directors of the Demerged Company, comprising the directors of the Demerged Company, have at their Board Meeting held on 21st April 2025 by resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	**Voted in favor/ against/ did not participate or vote**
Mr.Bharat M.Sanghvi	Voted in favour
Mr.Rajiv M.Sanghvi	Voted in favour
Mr.Sachin B.Sanghvi	Voted in favour
Mr. Aditya B.Sanghvi	Voted in favour

7. The Board of Directors of the Resulting Company, comprising the directors of the Resulting Company, have at their Board Meeting held on 23rd April 2025 by resolution passed unanimously approved the Scheme, as detailed below:

Name of Director	**Voted in favor / against / did not participate or vote**
Mr.Rajiv M.Sanghvi	Voted in favour
Ms.Kokila M.Sanghvi	Voted in favour

8. **Salient Features of the Scheme**

The salient features of the Scheme are, *inter alia*, as follows: -

(a) The Appointed Date of the Scheme means 1st April 2025.

(b) The Effective Date means the date or last of the dates on which the certified copy of the order of the NCLT sanctioning this Scheme of Arrangement (Demerger) is filed with the Registrar of Companies.

(c) The Scheme will be operative from the Effective Date but with effect from the Appointed Date.

Note: *The aforesaid are the salient features of the Scheme. The shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.*

Regd. & Head Office :
Automotive House. 108, Bazar Ward Kurla, Mumbai - 400 070. Fax : 022-2503 4545
CIN - U34100MH1948PTC006781. Tel : 6156 3700 / 799. Website : www.automotiveml.com

9. Interest of Directors, Key Managerial Personnel

None of the Directors, Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Demerged Company and the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of their shareholding in the Demerged Company and the Resulting Company, if any.

10. Effect of Scheme on stakeholders

A. Shareholders

Upon the Scheme becoming effective, the shareholders of the Demerged Company will become the shareholders of the Resulting Company, or the shareholders will have option to accept consideration in lieu thereof as stipulated in Clause 14 of the Scheme. Further, if the Demerged Company or the Resulting Company, with mutual consent of the board of directors of both the companies alters its equity share capital by issue of right or bonus shares, convertible debentures or otherwise or decrease, reduce, reclassify, sub-divide or consolidate, re-organize, or in any other manner, the Share Exchange Ratio as mentioned in the Scheme would be suitably modified.

B. Directors and Key Managerial Personnel

i. None of the Directors or key managerial personnel (as defined under the Act, 2013 and the rules framed thereunder) of the Demerged Company or Resulting Company have any material interest in the Scheme.

ii. The Scheme will have no effect on the office of existing Directors of the Demerged Company. It is clarified that the composition of the Board of Directors of the Resulting Company may change by appointments, retirements or resignations in accordance with the provisions of the Act and Memorandum and Articles of Association of the Resulting Company but the Scheme itself does not affect the office of Directors of the Resulting Company.

C. Employees

i. With effect from the Effective Date, all employees of the Demerged Undertaking (as defined in the Scheme) shall be deemed, on and from the Appointed Date, to have become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company without interruption in service.

ii. The Scheme will have no effect on the existing employees of the Resulting Company.

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D. Creditors and no compromise with the creditors

i. Upon the Scheme becoming effective and in terms of the Scheme, the creditors pertaining to the Demerged Undertaking of the Demerged Company shall become creditors of the Resulting Company.

ii. Under the Scheme, no compromise is offered to any of the creditors of the Demerged Company and no liability of the creditors under the Scheme is being reduced or extinguished.

iii. The rights of the creditors of the Demerged Company and the Resulting Company shall not be impacted pursuant to the Scheme and there will be no reduction in their claims on account of the Scheme. The creditors shall be paid off in the ordinary course of business.

iv. There is no likelihood that the respective creditors of the Demerged Company and the Resulting Company would be prejudiced in any manner as a result of the Scheme being sanctioned.

E. Debenture holders and Debenture Trustees

The Demerged Company and the Resulting Company have not issued any debentures, therefore, the requirement of appointing a debenture trustee does not arise.

F. Depositors and Deposit Trustees

The Demerged Company and the Resulting Company have not taken any term deposits from depositors. No deposit trustees have been appointed. The Scheme is proposed to the advantage of all concerned, including the said stakeholders.

11. No investigation proceedings

i. No investigation proceedings have been instituted or are pending in relation to the Demerged Company and/ or the Resulting Company under the Act.

ii. No proceedings have been instituted or are pending in relation to the Demerged Company and/ or the Resulting Company under the Act.

iii. No winding up proceedings have been filed or are pending in relation to the Demerged Company and/ or the Resulting Company under the Act.

12. Amounts due to creditors and no compromise with creditors

i. The Demerged Company has 15 secured creditors as on 31st January 2025 and the amount which is due and payable to the said secured creditors is Rs. 1453,66,16,464/-. Out of the 15 Secured Creditor, One Secured Creditor viz; South Indian Bank, the Demerged has paid the entire outstanding amount and accordingly the Bank has issued a no due certificate. All the 14 secured creditors of the Demerged Company have given their consent to the Scheme. The Resulting Company has no secured creditors.

ii. As regards the unsecured creditors, the amounts due as on 31st January 2025 are as follows: -

Sl. No.	Name of Company	Unsecured Creditors (Amount in INR)
1.	Automotive Manufacturers Private Limited	345,29,72,945
2.	Automotive Mobility Private Limited	0

iii. A copy of the latest auditor's report along with the audited financial statements of the Demerged Company for the period ending March 31, 2025 is attached hereto as **Annexure "2"**.

iv. A copy of the latest auditor's report along with the audited financial statements of the Resulting Company for the period ending March 31, 2025, is attached hereto as **Annexure "3"**.

13. Fairness Opinion Report

The Valuation Report dated 9th April 2025 recommending the fair share entitlement ratio is attached hereto as **Annexure "4"**.

14. Auditors Certificate of conformity of accounting treatment in the Scheme with Accounting Standards

The auditors of the Demerged Company *vide* their certificate have confirmed that the accounting treatment prescribed in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act.

15. Pre/ Post demerger capital structure and shareholding pattern of the Demerged Company and the Resulting Company

i. The pre-demerger capital structure of the Demerged Company is given in Paragraph [5](A) above.
ii. The pre-demerger capital structure of the Resulting Company is given in Paragraph [5] (B) above.
iii. The post-demerger capital structure of the Demerged Company is as under:

Authorized Share Capital	**Amount in Rupees**
10,00,000 Equity Shares of Face Value of Rs.100/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-Up Share Capital	**Amount in Rupees**
6,71,951Equity Shares of INR Rs.100/- each	**6,71,95,100**
Total	**6,71,95,100**

iv. The post-demerger capital structure (proposed) of the Resulting Company is as under:

Authorized Share Capital	**Amount in Rupees**
1,00,000 equity shares of face value of INR 10/- each	10,00,000/-
Total	**10,00,000/-**
Issued, Subscribed and Paid-Up Share Capital	**Amount in Rupees**
6,81,951equity shares of face value of INR 10/- each	**68,19,510/-**
Total	**68,19,510/-**

***Note- The Resulting Company shall take appropriate steps to increase its Authorized Share Capital to enable it to issue and allot new equity shares as required under the scheme (Refer clause 14.1 of the scheme).**

16. **Approvals and Intimations**

Copies of the Scheme are also being submitted to the following regulatory and governmental authorities for inviting any objections and/or suggestions to the Scheme:

i. Registrar of Companies;
ii. Regional Director, Western Region;
iii. Income-tax Department; and
iv. Goods and Services Tax Authority

17. **Inspection of Documents**

In addition to the documents annexed hereto, the following documents will be open for inspection by the equity shareholders at the registered office of the Demerged Company prior to the date of the meeting:

i. memorandum and Articles of Association of the Demerged Company;
ii. Latest audited annual accounts of the Demerged Company as on March 31, 2025;
iii. Register of Directors and Key Managerial Personnel and their Shareholding of the Demerged Company;
iv. Extracts of the Board Resolution dated 21st April 2025 of the meeting of the Board of Directors of the Demerged Company approving the said Scheme; and
v. Certificates issued by the Auditor of the Demerged Company confirming the accounting treatment under the Scheme.

For **Automotive Manufacturers Private Limited**

Pooja Singhal

Pooja Singhal
Chairperson for the Meeting

Date: 14.07.2026
Place: Mumbai