
**MEMORANDUM OF ASSOCIATION
AND
ARTICLES OF ASSOCIATION
OF
ELECON ENGINEERING COMPANY LIMITED**

(CIN : L29100GJ1960PLC001082)



Form I. R.

Certificate of Incorporation

NO.11566 of 1960-61

I hereby certify that **ELECON ENGINEERING COMPANY PRIVATE LIMITED** is this day incorporated under the Companies Act, 1956 (No.1 of 1956) and that the Company is Limited.

Given under my hand at BOMBAY this ELEVENTH day of JANUARY One Thousand Nine Hundred and SIXTY. (21 st Paus, 1881).



Sd/- S. Venkataraman
Registrar of Companies,
Bombay



[Section 18(3) of Companies Act 1956.]

**CERTIFICATE OF REGISTRATION OF THE ORDER OF COURT
CONFIRMING TRANSFER OF THE REGISTERED OFFICE FROM
ONE STATE TO ANOTHER**

No. 11566

The **ELECON ENGINEERING COMPANY PRIVATE LIMITED** having by special resolution altered the provisions of its Memorandum of Association with respect to the place of the registered office by changing it from the State of **MAHARASHTRA** to the State of **GUJARAT** and such alteration having been confirmed by an order of **THE HIGH COURT OF JUDICATURE AT BOMBAY** bearing date the **4TH AUGUST, 1961**.

I hereby certify that a certified copy of the said order has this day been registered.

Given under my hand at **BOMBAY** this **24TH** day of **AUGUST** One thousand nine hundred and **SIXTY ONE**. (2nd Bhadra, 1883).



(J. G. Gatha)
Asstt. Registrar of Companies.
Maharashtra.



सत्यमेव जयते

Certificate of Change of Name

In the OFFICE of the REGISTRAR OF COMPANIES UNDER
THE COMPANIES ACT, 1956

In the matter of **ELECON ENGINEERING CO. PRIVATE LTD.**

No. : 1082.

I do hereby certify that pursuant to the provisions of section 23 of Companies Act, 1956 and under order of the Central Government, Conveyed by the Ministry of Com. & Ind. Department of Company Law Administration by their RD'S Letter No. :8 (37)-61/Change dated the 24th November, 1961.

to the address of **ELECON ENGINEERING CO. PRIVATE LTD.**
Mahatma Gandhi Road, P. O. Vallabh Vidyanagar, (Anand).

the name of **ELECON ENGINEERING CO. PRIVATE LTD.**

has this day been changed to **ELECON ENGINEERING CO. LTD.**
and that the said Company has been duly incorporated as a Company under the provision of the said Act.

Dated this TWENTY EIGHTH DAY OF NOVEMBER one thousand nine hundred and SIXTY - ONE.



M. A. RASHEED
Registrar of Companies,
Gujarat State.

MEMORANDUM OF ASSOCIATION
OF
ELECON ENGINEERING COMPANY
LIMITED

- I. The name of the Company is **ELECON ENGINEERING COMPANY LIMITED**.
- II. The Registered Office of the Company will be situate in the State of Gujarat.
- III. The objects for which the Company is established are:
 1. To purchase, take over and acquire the entire business and undertaking carried on by Shri Bhanubhai Ishwarbhai Patel as Proprietor under the name and style of Elecon Engineering Co. as manufacturers of Mechanical Handling equipments with the goodwill and stock-in-trade, stores, machinery etc. and all or any of the assets and liabilities of the said firm upon such terms and conditions as the Directors of Company may deem proper or agree to.
 2. To manufacture, and deal in all kinds of Mechanical Handling equipments particularly:
 1. Bucket Elevators
 2. Belt Conveyors
 3. Gravity roller
 4. Slat Conveyors
 5. Bag filling machine
 6. Bag stacking machine
 7. Overhead Chain Conveyors and
 8. Other machineries.
 - 2A. To prepare designs and drawings of various processes, plants and projects and to manufacture, erect, install, commission, supply, fabricate, construct, repair, maintain, procure and deal in all types of material handling equipment and other machineries of all kinds and do all related services and work, to act as consulting engineers and undertake studies and projects in India and other parts of the World.

(Clause 2A inserted pursuant to the Scheme of Amalgamation as approved by the Hon'ble High Court of Gujarat vide its Order dated 7th October, 2016)
 3. To carry on the business of iron founders, mechanical engineers, and manufacturers of agricultural implements and other machinery, tool-makers, brass-founders, metal-workers, boiler makers, mill wrights, machinists, iron and steel converters, smiths, wood-workers, builders, painters, metallurgists, electrical engineers, water supply engineers, gas-makers, carriers, and merchants, and to buy, sell, manufacture, repair, convert, alter, let on hire. and deal in machinery implements, rolling-stock, and hardware of all kinds.

4. To carry on in India or elsewhere the business of manufacturers and industrialists, mill proprietors, engineers, founders and smelters, and manufacturers of and dealers and traders in ferrous and non-ferrous metals and alloys, and manufacturers, dealers and traders in machinery, machinery parts and stores of all kinds.
- 4-A To carry on business as owners, manufacturers, sellers, importers and exporters of and dealers and merchants in cattle, poultry and shrimp feeds, fattening preparations of every description, their plants, machineries, equipments, Grain cleaners and Grain silos.
- 4-B To carry on business as manufacturers, producers, processors, dealers, buyers, sellers, exporters, importers, packers and graders of fresh vegetables and fruits (shredded salads), other frozen fruits, dry and preserved fruits, fruit pulps, juices, jams, purris pulp, all kinds of food and food products including processed and canned foods, and allied commodities, their marketing and creating infrastructure including cold storages wherever required.
- 4-C To carry on business as owners, manufacturers, sellers, importers, exporters of and dealers and merchants in fruits, vegetables and food processing plants, its machineries and equipments including its erection and commissioning, cold storages and freezing equipments, food packaging materials and food packaging and specialised equipments for fruits, vegetables and food processing.
- 4-D To carry on businesses as owners, manufacturers, sellers, exporters and importers of and dealers and merchants in all kinds of dairy products and allied products, their plants, machineries and equipments.

(Clause 4A to 4D Passed by the Members at the Annual General Meeting held on 29th September, 1994 and as confirmed by Company Law Board by its order dated 6th June, 1995)
5. To work mines or quarries and to find, win, get, work, crush, smelt, manufacture or otherwise deal with limestone, chalk, clay, ores, metals, minerals, oils, precious and other stones or deposits or products, and generally to carry on the business of mining in all branches.
- 5-A To carry on all or any of the businesses of manufacturers, installers, maintainers, repairers and dealers in electrical and electronic components and appurtenances including computer, softwares, logistic intelligence and tele-communication requisites and equipments.
- 5-B To manufacture, sell, import, export, repair and deal in toys of all kinds mechanical, electrical or electronic operated.
- 5-C To establish, acquire, maintain and carry on the business of growers, cultivators, producers, farmers, planters, blenders, buyers, sellers, exporters, importers of and dealers in tea, coffee and plantation produce of all kinds.
- 5-D To carry on the business of chemists, druggists, drysalters, oil and colour-men, importers and exporters and manufacturers, buyers and sellers of and dealers in pharmaceuticals, medicines, chemicals,

cosmetics of all kinds, medicinal, chemical, industrial and other preparations connected therewith.

(Clause 5-A to 5-D Passed by the Members at the 28th Annual General Meeting held on 30.6.1988 and as confirmed by Company Law Board by its order dtd. 26-6-1989.)

6. To acquire by concession, grant, purchase, barter, lease, license or otherwise any tract or tracts of country in India or elsewhere, together with such rights as may be agreed upon and granted by Government or the Ruler or owners thereof, and to expend such sums of money as may be deemed requisite. and advisable in the exploration, survey and development thereof.
7. To search for and to purchase or otherwise acquire, from any Government, State or Authority any licences, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of being turned to account and to work, develop, carry out, exercise and turn to account the same.
8. To apply for, purchase or otherwise acquire, and protect, prolong and renew whether in India or elsewhere, any patents, patent rights, brevets, d'invention licences, protections, concessions and the like conferring any exclusive or limited right to any invention, secrets, or other information which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem directly or indirectly to benefit the company and to use, exercise, develop, manufacture under, or grant licences or privileges in respect of, or otherwise turn to account any patents, property, rights, inventions, secrets or information so acquired and to spend money in experimenting upon, testing, improving or seeking to improve the patents, property rights, inventions, secrets or information so acquired or proposed to be acquired.
9. To act as consulting engineers in chemical, metallurgical, mechanical, electrical and other related industries and to undertake design and construction of industrial equipment and plants.
10. To carry on the business of mechanical and electrical engineers, mechanists, millwrights, founders, wiredrawers, tube makers, metallurgists and to buy, sell, repair, alter and deal in apparatus, machinery materials and articles of all kinds.
11. To carry on all or any of the business of engineers, iron, brass and other metal founders, mechanists, tool makers, wire drawers, tube, pipe and tank manufacturers, moulders, metallurgists, and metal workers, fitters, millwrights, galvanizers; electroplaters and enamellers and to recondition all types of machine tools and engines and other machinery.
12. To carry on business as manufacturers and dealers in plants, machines, machinery, vessels, syphons, filters, bottles, boxes, cases, apparatus, appliances and receptacles of all kinds, for manufacturing, improving, treating, preserving, refining, aerating, mineralising, bottling and discharging any liquids or otherwise dealing with any manufactured product or thing.

13. To carry on the business of iron-founders, mechanical engineers, manufacturers of implements, machinery and machine and other tools makers, brass founders, metal workers, iron, and steel converters, smiths, wood-workers, metallurgists, and to buy, sell, repair, convert, alter, export, import, let on hire and deal in machinery implements and hardware of all kinds.
14. To carry on the business of electrical engineers and of manufacturers of electric apparatus and appliances required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity and to buy, sell, import, export, or otherwise deal in such apparatus or appliances.
15. To carry on the trade or business of merchants, importers and exporters of cotton, raw cotton, kapas and cotton seeds of all kinds, food grains and food stuffs of all kinds and provisions of all kinds, oil seeds, and oils of all kinds and bye products of oils of all kinds and whether for ready or forward delivery.
16. To carry on the trade or business of iron masters, steel makers, steel converters, colliery proprietors, coke manufacturers, miners, smelters, engineers, tinsplate makers and iron founders, in an their respective branches.
17. To search for, get, work, raise, make merchantable, sell and deal in iron, coal, ironstone, brick-earth bricks and other metals, minerals and substances and to manufacture and sell patent fuel.
18. To carry on business as manufacturers of chemicals and manures, distillers, dye makers, gas makers, metallurgists and mechanical engineers and to carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights.
19. To make and deal in furniture whether of wood, metal or any other material of all descriptions and styles in all classes of work and with or without metal, glass, porcelain, or other additions or fittings including all materials and workmanship required for the proper finishing, polishing, upholstering and completing of all and every kind of furniture.
20. To carry on the business of engineers, founders, smiths, machinists and manufacturers.
21. To cultivate, manufacture and deal in timber wood, plywood, veneer, artificial wood, fibre and metals of all descriptions.
22. To saw timber, wood, plywood, veneer, artificial wood into planks, boards and scantlings of every description, and to convert and break up timber in any way either by machinery or hand labour.
23. To do all sorts of machining and other work necessary for preparing and working up, whether by machinery and or hand labour, timber and wood-work and metals for building and constructional work of all descriptions for house. office or shop and other fittings and fillings

- of all kinds for mouldings, castings, capings and other appliances, for electric and other cables and for sundry parts and appliances.
24. To undertake either alone or jointly with any other companies or persons, the complete or partial erections and construction of buildings, and works of all description including electric works, water works, and drainage and sewage works.
 25. To act as managing agents of any company, individual or firm or association and for such periods and on such remuneration, terms and conditions as may be agreed upon from time to time between the company and such company, individual, firm or association.
 26. To carry on the business of merchants, financiers and agents of all kinds in any form and in particular to act as agents, trustees, guarantors, financiers or del-credere agents, distributors, sole concessionaires for other companies individuals or firms or others either in India or abroad.
 27. To establish and carry on the business of makers, manufacturers, producers, purchasers, sellers, distributors, importers, exporters, repairers and dealers in textile machinery including Spinning frames, fly forms, Carding and Blow-room machinery, Doublings, Winding and Warping machines, dyeing, bleaching and finishing plants, as well as equipments, parts, accessories, tools, implements, electrical and mechanical machines, apparatuses, devices and contrivances of every kind and description.
 28. To carry on the business of builders and contractors, iron founders, steel-makers, manufacturers and engineers of textile machinery, tools, implements and metal-ware of every description, brass founders, metal workers, mill wrights, machinists, wiredrawers, tube, pipe and tank manufacturers, moulders, metallurgists, fitters, galvanisers, japanners, electro-platers and enamellers.
 29. To carry on the business of manufacturers and dealers in wire and nail products in all its branches.
 30. To carry out business of production, manufacture and preparation of any other materials which may be usefully and conveniently combined with the engineering and manufacturing business of the Company.
 31. To carry on the business of manufacturers, of Aluminium, Brass Copper, Lead, Silver and metal sheets and wires, rods, squares, plates of all sizes and descriptions, Aluminium, Lead and other metal foils and utensils, Lead and Brass pipes, sheets, ingots and circles and other manufacturers and parts.
 32. To carry on the trade or business of Iron-masters, Steel Makers, Steel Converters, colliery proprietors, coke manufacturers, Miners, Smelters, Engineers, Steel Plate Makers, Iron Founders, and manufacturers of Non-ferrous metal products in all their respective branches.
 33. To undertake and execute any contract for works involving supply or use of any plant, machinery, tools and apparatus and to carry out any ancillary and other works comprised in contracts.

34. To carry on any business relating to the winning and working of minerals, the production and working of metals, coal, bricks.
35. Clay, limestone and other substances and the productions, manufacture and preparation of any other materials which may be usefully or conveniently combined with the engineering or manufacturing business of the Company, or any contracts Fundertaken by the Company and either for the purposes only of such contracts or as an independent business, and to undertake and execute any contracts for works involving the supply or use of any machinery and to carry out any ancillary or other works comprised in such contracts.
36. To acquire, erect, construct, establish, maintain, improve, manage, alter, carry on control or work and contribute towards acquisition, erection, construction, establishment, maintenance, improvement, management, alteration, carrying on, controlling and working of any water works, reservoirs, tanks, canals, aqueducts wharves, factories, mills, refineries, ice-plants, flour-mills, paper mills, oil mills, ware-houses, roads, railways, tramways, telegraphs, telephones, ropeways and other ways, motorcars and other vehicles for use on land sea or air, ships, boats and barges, buildings, huts, machinery, and works and conveniences of every description which may be deemed convenient or useful for any of the purposes of the Company and for development and improving any of its property or rights.
37. To carry on the business of Engineers, Mechanical Engineers, Electrical Engineers and contractors, suppliers of electricity, atomic or other power, manufacturers of and dealers in electric, Magnetic, galvanic, and other apparatus, and suppliers of electric light, heat, sound and power.
38. To carry on in any part of India the business of an electricity supplying company in all its branches, and in particular to construct, lay down, establish, fix, and carry out all necessary cables, wires, lines, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity and light and power to cities, streets, docks, markets, theatres, buildings, and places both public and private and to carry on business as manufacturers of and dealers in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity.
39. To purchase, lease or otherwise acquire lands and buildings for the erection of factories and workshops and to establish, maintain, improve and equip such factories and workshops with plants, engines and machinery for manufacturing any of the products of the Company or for any other purpose.
40. To produce and accumulate electricity and electromotive force or other similar agency and to supply the same for the production, transmission or use of any lighting, heating, motive or other power as may be thought advisable.
41. To light streets, public places, public or private buildings, factories, mines, ships, lighthouses, railways, tramways and other places of things by means of electricity, or to enable the same so to be lighted.

42. To acquire the right to use or manufacture and put up telephones, telegraphs, dynamos, accumulators, lamps and all apparatus now known or that may hereafter be invented, connected with the generation, accumulation, distribution, supply and employment of electricity or any power that can be used as a substitute therefor, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus, and including the formation of exchanges or centres.
43. To carry on the business of extracting, pumping, drawing, transporting and purifying and dealing in petroleum and other mineral oils. To search for, inspect, examine and explore, work, take on lease, purchase or otherwise acquire lands and places which may seem to the Company capable of affording supply of mineral oil and to establish, utilise and turn to account pumping stations, pipelines and other works and conveniences suitable for the purpose.
44. To enter into contracts or arrangements for the lighting of any public or private place or property by gas, electric or any other light, and to establish and maintain centres from which light, heat or power may be distributed in any way, or supplied or used for any purpose, and to enter into contracts for the performance of any service, or the execution of any work which can be effected by electricity, magnetism or any mechanical or scientific process.
45. To manufacture and produce and either as principals or agents, trade and deal in any articles belonging, dealt in or manufactured by the Company, including all apparatus, appliances and things used in connection with the business of the Company.
46. To carry on any business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with or calculated directly or indirectly to enhance the value of or render profitable the business of the company or any of the company's properties or rights.
47. To trade in all articles and things which the Company may manufacture, produce or deal in and to manufacture, import, export, buy, sell, let on hire, exchange, alter, improve, manipulate, prepare for market and/or otherwise deal in or distribute all kinds of plants, machineries, machine parts, tools, apparatus, utensils, chemicals, raw materials and substances necessary or convenient for carrying on any of the herein specified business of the company.
48. To manufacture, purchase, or acquire various apparatus, machinery, equipments, appliances, furniture, and raw materials and other materials, necessary of requisite for the production of the goods of the company.
49. To acquire and undertake, manage or maintain the whole or any part of the business, property and liabilities of any person or company carrying in, authorised to carry on or possessed of property suitable for the purposes of the company.

50. To let out on hire all or any of the property of the company (whether real or personal) including every description of apparatus or appliances of the company.
51. To adopt such means of making known the goods and products of the company, as may seem expedient and in particular by advertisements in the press, by circulars and by granting prizes, rewards and donations. To hold or promote competitions of any descriptions authorised by law which may be calculated to increase the business of the company or to advertise or promote the Sale of any products dealt in by the company or any publications issued by it or in which it is interested and to give prizes in connection with such competitions or otherwise consisting of cash scholarships or other terminable payments, gifts, in kind or any other bonus reward or advantage.
52. To acquire from time to time and to manufacture, import, export and deal in all kinds of stock-in-trade, goods, chattels and effects.
53. To purchase, take on lease or in exchange, hire or otherwise, acquire and hold any estate or interest in lands, buildings, easements, rights, privileges, concessions, machinery, patents, plant, stock-in-trade, and moveable and immoveable property of any kind necessary or convenient for the purpose of the company.
54. To apply for obtain, purchase or otherwise acquire and obtain any inventions, patents, brevets, licenses, permissions or concessions, processes and the like conferring any exclusive or may be or may be considered to be capable of advancing directly any of the objects or intents of the Company or any right or interest therein, any trade marks, trade names, registered designs or similar protection and any trade or other secret as the Company may from time to time deem expedient and to illustrate, experiment with, exercise, develop, work, maintain and protect any of the inventions, patents, protections or other rights or privileges which may be acquired by the company or to sell or deal with or exploit the same.
55. To take or otherwise acquire and hold shares, stock, debentures other interests in any other company having objects altogether or in part similar to those of this company or carrying on any business capable of being conducted so as directly or indirectly to benefit this company.
56. To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint adventure, reciprocal concession or otherwise with any person, firm or company carrying on or engaged in or about to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit this company.
57. To become and undertake the office of managing agents, Secretaries, Treasurers, Promoters, Executors, Trustees, and Receivers or Agents of any person, firm or company, either independently or jointly with any other person, firm or company and to carry on all kinds of Agency business in any part of the world.

58. To sell or dispose off the undertaking to the company or any part thereof such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether in part similar to this of the company.
59. To borrow or raise or secure the payment of money in any manner and upon any terms for the purposes of or in connection with the business of the company.
60. To sell, improve, manage, exchange, mortgage, dispose of, turn to account, let on rent, royalty, share of profits or otherwise, to grant licenses, assessments and other rights of and in any other manner deal with all or any part of the undertaking and all or any part of the moveable and immoveable property, present or future.
61. To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum and also by way of security for the performance of any contracts or obligations of the company.
62. To guarantee the debts and contracts of customers and others.
63. To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined.
64. To lend money to such person and on such terms as may seem expedient and particular by to members of the staff, customers and others having dealings with the company.
65. To make advances of such sum or money, upon or in respect of or for the purchase of raw materials, goods, machinery, stores or any other property, articles and things required for the purposes of the Company, upon such terms with or without security as the Company may deem expedient.
66. To borrow or raise moneys or to receive money on deposit at interest for any of the purposes of the company, and at such time or times and in such manner as may be thought fit and particular by the issue of debentures, perpetual or otherwise, including debentures convertible into shares of this or any other company or perpetual annuities and for security for any such money so borrowed, raised or received or of any such debentures, so issued to mortgage, pledge or charge the whole or any part of the property assets, or revenue and profit of the company present or further, by special management or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities.
67. To pay for any property or rights acquired by the company either in cash or in fully or partly paid up shares, with or without preferred rights it respect of dividend or repayment of capital or otherwise or by any securities which the company has power to issue or partly in one mode and partly in another and generally on such terms as the company may determine.

68. To accept payment for any property or rights sold or otherwise disposed of or dealt with by the company either in cash, by instalments, or otherwise or in fully or partly paid up shares of any company or corporation with or without preferred rights in respect of dividends or repayment of capital or otherwise or in debenture or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation or partly in one mode and partly in another and generally on such terms as the company may determine.
69. To establish or promote or concur in establishing or promoting any other company whose object shall include the acquisition and taking over all or any of the assets and liabilities of or shall in any manner be calculated to advance directly or indirectly the objects or interest of the company.
70. To amalgamate with any other company whose objects are similar to those of this company, whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking subject to the liabilities of this or any other company as aforesaid with or without winding up or by sale or purchase (for fully or partly paid up shares or otherwise) of all the shares or stock of this or any such other company as aforesaid, or by partnership or any arrangement of the nature of partnership or in any other manner.
71. To distribute among the members in specie any property of the company or any proceeds of sale or disposal of any property of the company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
72. To draw, make, accept, endorse, discount, execute and issue, negotiate, assign and otherwise deal in cheques, drafts, promissory notes, bills of exchange, hundies, debenture bonds, bills of lading, railway receipts, warrants and all other negotiable or transferable instruments.
73. To open an account or accounts with any individual, firm or company or with any Bank or Banks or Bankers or Shroffs and to pay into and to withdraw money from such account or accounts.
74. To make donations to such persons or institutions and in such cases and either of cash or any other assets as may be thought directly or indirectly conducive to any of the Company's objects or otherwise expedient.
75. To subscribe and pay money for charitable or benevolent objects or for any exhibition or for any public general or other objects and to establish and support or aid in the establishment and support of associations, institutions, trusts and conveniences for the benefit of the employees or of persons having dealings with the Company or the dependants, relatives or connection of such persons and in particular friendly or other benefit societies and to grant pensions, allowances, gratuities and bonuses either by way of annual payments or a lump sum, and to make payments towards insurances, and to form and contribute to provident and benefit funds, to or for such persons.

75 A. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of, or the uplift of the public in any rural area and to incur any expenditure on any programme of rural development, and to assist execution and promotion thereof either directly or through an independent agency or in any other manner, without prejudice to the generality of the foregoing programme of rural development shall also include any programme for promoting the social and economic welfare of or the uplift of the public in any rural area which the Directors consider it likely to promote and assist rural development, and that the words "rural area" shall include such areas as may be regarded as rural areas under Section 35CC of the Income-tax Act, 1961 or any other law relating to rural development for the time being in force or as may be regarded by the Directors as rural areas and the Directors may at their discretion in order to implement any of the above mentioned objects or purposes transfer without consideration or at such fair or concessional value as the Directors may think fit and divest the ownership of any property of the Company to or in favour of any Public or Local Body or Authority or Central or State Government or any Public Institution or Trusts established under any law for the time being in force or registered or approved by the Central or State Government or any authority specified in that behalf.

(Inserted vide Special Resolution at the 18th Annual General Meeting held on 27th June, 1978 and as confirmed by Company Low Board vide its order dt. 27th November, 1980).

76. To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them, in any part of the world, and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents, or otherwise, and either alone or in conjunction with others.

And **IT IS HEREBY DECLARED** that the words "**COMPANY**" in this Memorandum when applied otherwise than to the company shall be deemed to include any authority, partnership or other body of persons, whether incorporated or not incorporated and whether domiciled in India or elsewhere; and the intention is that the objects set forth in each of the several paragraphs of this clause shall have the widest possible construction and shall in no wise be limited or restricted by reference to or inference from the terms of any other paragraph of this clause or the name of the Company.

IV. The liability of the members is limited.

V. The Authorized Share Capital of the Company is Rs. 1,78,00,00,000 (Rupees One Hundred Seventy Eight Crores) divided into 22,75,00,000 (Twenty Two Crores Seventy Five Lacs) equity shares of Rs. 2/- each and 2,50,00,000 (Two Crores Fifty Lacs) Cumulative Redeemable Preference Shares of Rs. 2/- each and 1,27,50,000 (One Crore Twenty Seven Lacs Fifty Thousand) Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 100/- each with power to

increase or reduce the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify and abrogate any such rights, privileges or conditions in such manner as may be for the time being approved by the regulations of the Company and the Statutory provisions of the Company, if any.”

(Altered pursuant to the Scheme of Amalgamation as approved by the Hon’ble High Court of Gujarat vide its Order dated 7th October, 2016).

We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Name of the Subscribers	Address, Description and occupation of Subscribers	Number of Shares taken by each	Witness
(Sd) Ishwarbhai Bhulabhai Patel.	31, “Sahakar” ‘B’ Road, Churchgate, Bombay - 1. Merchant.	Ten Shares	(Sd) B.B.Desai, Patel Estate, Goregaon (East), Bombay - 62. Service.
(Sd) Bhanubhai Ishwarbhai Patel	6-B, Suresh Colony Ghodbunder Road, Vile Parle, (West), Bombay.	Ten Shares	(Sd) B. C. Mehta, 18, College Lane, Santa Cruz, (West), Bombay. Service.

Dated at Bombay, this 17th day of December, 1959.

THE COMPANIES ACT, 2013
[COMPANY LIMITED BY SHARES]

**ARTICLES OF ASSOCIATION OF
ELECON ENGINEERING COMPANY LIMITED**

(Incorporated under the Companies Act, 1956)

The following regulations comprised in these Articles of Association were adopted pursuant to the members' resolution passed at the Annual General Meeting of the company held on 26th July, 2016 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

PRELIMINARY AND INTERPRETATION

1. (i) The Regulations contained in Table "F" in Schedule I of the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
- (ii) (a) The marginal notes used in these Articles shall not affect the construction thereof.
- (b) In these Articles-
 - a) "**Act**" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant article in which the said term appears in these articles and any previous Company law, so far as may be applicable.
 - b) "**Articles**" means these articles of association of the Company or as altered from time to time.
 - c) "**Board of Directors**" or "**Board**" means collective body of Directors of the Company.
 - d) "**Company**" means "**ELECON ENGINEERING COMPANY LIMITED**".
 - e) "**Depository**" means and includes a Company as defined in the Depositories Act, 1996.
 - f) "**Rules**" means the applicable rule for the time being in force as prescribed in relevant sections of the Act.
 - g) "**Seal**" means Common Seal of the Company.
 - h) "**Secretarial Standards**" means standards provided by the Institute of Company Secretaries of India.
 - i) "**Securities**" means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956.
- (c) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.
- (d) Unless the context otherwise requires, words or expression contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

SHARE CAPITAL AND VARIATION OF RIGHTS

2. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at par or at a premium or at consideration otherwise than in cash and at such time as they may from time to time think fit. The Company may issue equity with voting rights and/or with differential rights as to dividend, voting or otherwise in accordance with the Rules and preference shares.
3. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue provide,—
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of such sum as may be fixed by the board for each certificate after the first.(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
4. A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share. Every holder of or subscriber to Securities of the Company shall have the option to receive security certificates or to hold the Securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any Securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.
5. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of indemnity or such other documents as may be prescribed by the Board, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board.
(ii) The provisions of the foregoing article relating to issue of certificates shall mutatis mutandis apply to debentures or any other securities of the company.
6. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

7. (i) The company may exercise the powers of paying commissions conferred under the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required under the Act and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under the Act.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
8. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.
10. Subject to the provisions of the Act, any preference shares may be issued on the terms that they are to be redeemed or converted into equity shares on such terms and in such manner as the company before the issue of the shares may, determine.
11. The Board or the Company as the case may be, may, by way of right issue or preferential offer or private placement or any other manner, subject to and in accordance with Act and the Rules, issue further securities to:
 - (a) persons who, at the date of the offer, are holders of equity shares of the Company. Such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of other person or;
 - (b) employees under the employees' stock option or;
 - (c) any person whether or not those persons include the persons referred to in Clause (a) or Clause (b) above;

LIEN

12. (i) The company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company;
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
13. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
Provided that no sale shall be made—
 - (a) unless a sum in respect of which the lien exists is presently payable; or

- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
14. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

The provisions of these Articles relating to Lien shall mutatis mutandis apply to any other Securities including debentures of the Company.

CALLS ON SHARES

16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
- Provided that no call shall exceed one fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. The Board -
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

TRANSFER OF SHARES

22. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
23. The Board may, subject to the right of appeal conferred by the Act decline to register—
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - (b) any transfer of shares on which the company has a lien.
24. The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under the Act;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
25. On giving not less than seven days' previous notice in accordance with the Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

26. The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

TRANSMISSION OF SHARES

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
31. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the company and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the company, but the company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.
32. The provisions of these articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

FOREFEITURE OF SHARES

33. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
34. The notice aforesaid shall—
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
36. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
37. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
38. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - (iii) The transferee shall thereupon be registered as the holder of the share; and
 - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
39. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

40. Subject to provisions of the Act the company may, from time to time, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
41. Subject to the provisions of the Act, the company may, from time to time,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
42. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the

company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

43. The company may, subject to provisions of the Act, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.
- (d) any other reserve in the nature of share capital

CAPITALISATION OF PROFITS

44. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

45. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

BUY-BACK OF SHARES

- 46. Notwithstanding anything contained in these articles but subject to the provisions of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

GENERAL MEETINGS

- 47. All General Meetings other than Annual General Meeting shall be called Extra Ordinary General Meeting.
- 48. (i) The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting.
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

PROCEEDINGS AT GENERAL MEETINGS

- 49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.
- 50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- 51. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
- 52. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
- 53. On any business at any general meeting in the case of an equality of votes, whether on a show of hands, electronically or on a poll, the Chairman of the meeting shall have second or casting vote.

ADJOURNMENT OF MEETING

- 54. (i) The Chairperson may, suo motu and, in the absence of quorum shall adjourn the meeting from time to time and from place to place.
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
(iv) Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING RIGHTS

55. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
 - (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll or through voting by electronic means, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
56. A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
57.
 - (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
 - (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
58. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll or through voting by electronic means, by his nominee or other legal guardian, and any such nominee or guardian may, on a poll, vote by proxy.
59. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
60. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
61.
 - (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
 - (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

PROXY

62. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 48 hours before the time appointed for taking of the poll; and in default the instrument of proxy shall not be treated as valid.
63. An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.
64. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

BOARD OF DIRECTORS

65. Until otherwise determined by a General Meeting of the Company and subject to the provisions of the Act, the number of Directors shall not be less than three nor more than fifteen.
66. Subject to provisions of the Act, the Board shall have the power to determine the directors

whose period of office is or is not liable to determination by retirement of directors by rotation.

67. The same individual may, at the same time, be appointed as Chairman as well as Managing Director or Chief Executive Officer of the Company.
68. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
- (b) in connection with the business of the company.
69. The company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of under the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
70. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
71. Every director present at any meeting of the Board or of a committee thereof shall sign against his name in a book to be kept for that purpose.
72. (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next Annual General Meeting of the company but shall be eligible for appointment by the company as a Director at that meeting subject to the provisions of the Act.
73. (i) The Board may appoint an Alternate Director to act for a Director (herein after in this Article called "the Original Director") during his absence for a period not less than three months from India. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.
- (ii) An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when Original Director returns to India.
- (iii) If the term of office of the Original Director is determined before he return to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not the Alternate Director.
74. (i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
- (ii) The Director so appointed shall hold office only upto the date till which the Director in whose place he is appointed would have held office if it had not been vacated.

NOMINEE DIRECTOR

75. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys shall be owing by the Company to the any financial institutions, corporations, banks or such other financing entities, or so long as any of the aforesaid banks, financial institutions or such

other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid financial institutions or such other financing entities in respect of any financial obligation or commitment of the Company remains outstanding, then in that event any of the said financial institutions or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company. The aforesaid financial institutions or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant corporation and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he is a member and he and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings.

POWERS OF BOARD

76. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

PROCEEDINGS OF THE BOARD

77. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A Director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- (iii) The quorum for a Board meeting shall be as provided in the Act.
- (iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
78. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board shall have a second or casting vote.
79. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
80. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present

may choose one of their members to be Chairperson of the meeting.

81. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
82. (i) A committee may elect a Chairperson of its meetings, unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
83. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
84. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.
85. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, whether manually or electronically, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

MANAGING DIRECTORS

86. (i) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole Time Directors of the Company for a term not exceeding five years at a time and upon such terms and conditions, including liability to retire by rotation, as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors/Whole Time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.
- (ii) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Directors" as the case may be.
- (iii) Subject to the provisions of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in the General Meeting and of the Central Government, if required.

CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

87. Subject to the provisions of the Act,—
- (a) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions

as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

- (b) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

THE SEAL

88. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director or of the Manager or secretary or such other person as the Board or Committee may appoint for the purpose; and the Director or Manager or Secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in his /her presence.

DIVIDENDS AND RESERVE

89. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board, but the Company in a general meeting may declare a lesser dividend.
90. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares as appear to it to be justified by the profits of the company.
91. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
92. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
93. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

94. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
- (iii) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for any payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
95. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
96. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
97. The waiver in whole or in part of any dividend on any share by any document shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.
98. No dividend shall bear interest against the company.

ACCOUNTS

99. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

WINDING UP

100. Subject to the applicable provisions of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

101. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

GENERAL POWER

102. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is authorised by its Articles, then in that case this Article authorises and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

We, the several persons, whose name and addresses are subscribed are desirous of being formed into a Company in pursuance of this Articles of Association and we respectively agree to take the respective number of shares in the capital of the Company set opposite our respective names:

Sr. No.	Name, Addresses, Descriptions and Signature of the Subscribers	Number of Equity Shares taken by each Subscriber	Name, Address, Description Occupation of the Common Witness
1.	<p>ISHWARBHAI BHULABHAI PATEL 31, "Sahakar" B Road, Churchgate, Bombay – 1. Merchant.</p> <p>Business Sd/- Male</p>	<p>Ten Shares (10)</p>	<p>(Sd) B. B.Desai Patel Estate Goregaon (East) Bombay – 62. Service</p>
2	<p>BHANUBHAI ISHWARBHAI PATEL 6-B, Suresh Colony, Ghodbunder Road, Vile Parle, (West) Bombay. Merchant</p> <p>Business Sd/- Male</p>	<p>Ten Shares (10)</p>	<p>(Sd) B. C. Mehta, 18, College Lane, Santa Cruz, (West) Bombay Service</p>

Dated at Bombay, this 17th day of December, 1959.

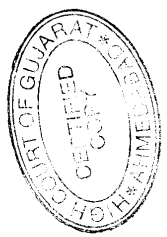
No. 8355/12
 Court
 Charges 61
 Corrected by
 A-80 19/3/13
 Section Officer
 Decree Department
 Dt 19-3-2013
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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
 ORIGINAL JURISDICTION
 COMPANY PETITION NO. 230 OF 2012
 CONNECTED WITH
 COMPANY APPLICATION NO. 309 OF 2012

Copy Applied on : 24-12-12
 Copy Ready on : 19-3-13
 Notified on : 19-3-13
 Copy Delivered on :
 Sent by :
 Regd. By Post :

Dy. S. *[Signature]*

In the matter of Scheme of Arrangement under
 Sections 391 to 394 of the Companies Act, 1956;
 And
 In the matter of
 Elecon Engineering Company Limited.
 A Company incorporated under the Companies Act,
 1956 and having its registered office at Post Box No.
 6, Anand Sojitra Road, Vallabh Vidyanagar in the
 state of Gujarat.
 And
 In the matter of
 Scheme of Arrangement in the nature of De-merger
 and Transfer between Prayas Engineering Limited,
 EMTICI Engineering Limited, Elecon Engineering
 Company Limited and Elecon EPC Projects Limited.



Elecon Engineering Company Limited.
 A Company incorporated under the Companies
 Act, 1956 and having its registered office at
 Post Box No. 6, Anand Sojitra Road,
 Vallabh Vidyanagar in the state of
 Gujarat.....PETITIONER FIRST RESULTING COMPANY and
 TRANSFEROR COMPANY

[Signature]

BEFORE HONOURABLE Mr. JUSTICE R.M.Chhaya

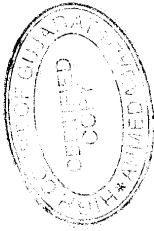
Date: 21st December 2012

Order On Petition

The above petition coming for hearing on 21st December 2012, upon reading
 the said Petition, the order dated 11th September 2012 passed in the
 Company Application No. 309 of 2012 whereby the Company was ordered to
 convene separate meetings of the Equity Shareholders, Secured Creditors

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and Unsecured Creditors of the Petitioner Company for the purpose of considering, and if thought fit, approving, with or without modifications, the Scheme of Arrangement in the nature of De-merger and transfer of De-merged Undertaking 'A' viz. Gear Divisions of Prayas Engineering Limited and EMTICI Engineering Limited, respectively to Elecon Engineering Company Limited and further transfer of MHE Undertaking of Elecon Engineering Company Limited by way of slump sale to Elecon EPC Projects Limited, (formerly known as Aakaish Projects Limited), and annexed to the affidavit of Mr. Paresh Shukla filed on 7th September 2012, and 'The Indian Express' and 'Sandesh', both Ahmedabad editions dated 22nd September 2012 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dated 11th September 2012, the affidavit of Mr. Prayasvin B. Patel dated 5th October 2012 showing the publication and dispatch of the notices convening the said meetings, the report of Mr. Prayasvin B. Patel, the Chairman for the said meetings alongwith the affidavit dated 31st October 2012 as to the result of the said meetings of Equity Shareholders and Secured Creditors convened on 22nd October 2012 and Unsecured Creditors convened on 23rd October 2012 and it appearing from the report that the said scheme was unanimously approved by the Equity Shareholders, Secured Creditors and Unsecured Creditors at the respective meetings; further considering the affidavit dated 5th December 2012 filed by Mr. Kashmir Lal Kamboj, the Regional Director, North-Western Region, Ministry of Corporate Affairs; the additional affidavit dated 18th December 2012 filed by Mr. Paresh M. Shukla on behalf of Petitioner, and upon hearing Smt. Swati Soparkar, Advocate for the Petitioner Company, and upon hearing Mr. Y. V. Vaghela, learned Standing Counsel, appearing for the Central Govt.,



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This Court doth hereby sanction the scheme of arrangement set forth in para 8 of the petition herein and in the Schedule hereto, and doth hereby declare the same to be binding on the Equity Shareholders, Secured Creditors and Unsecured Creditors of the above named Company and also on the said Company.

And this Court doth further order that parties to the scheme of arrangement or other persons interested shall be at liberty to apply to this Court for any directions that may be necessary in regard to the working of the said arrangement, and

That the said Company do file with the Registrar of the Companies a certified copy of this order within 30 days from the receipt of the same, and

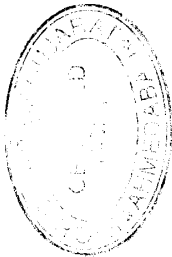
This Court doth further order payment of Rs. 7,500/- in aggregate as the cost of this petition awardable to Shri Y. V. Vaghela, the learned counsel appearing for the Central Govt.

SCHEDULE

Scheme of Arrangement as sanctioned by the court.

Dated this 21st day of December 2012.

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SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

BETWEEN

PRAYAS ENGINEERING LIMITED

AND

EMTICI ENGINEERING LIMITED

AND

ELECON ENGINEERING COMPANY LIMITED

AND

ELECON EPC PROJECTS LIMITED

AND


THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS






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1) **Description of Companies:**

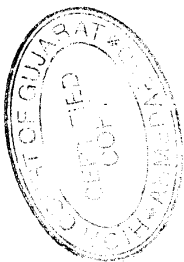
A Elecon Engineering Company Limited ('EECL')

- i. EECL is a public limited company incorporated under the Companies Act, 1956 and having its registered office at Post Box No 6, Anand Sojitra Road, Vallabh Vidyanagar, Gujarat.
- ii. The equity shares of EECL are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
- iii. EECL is primarily engaged in the business of manufacturing of Power Transmission Equipment ('Gears') and Material Handling Equipment ('MHE').

B Prayas Engineering Limited ('PEL')

- i. PEL is a public limited company incorporated under the Companies Act, 1956 and having its registered office at Post Box No 3, Anand Sojitra Road, Vallabh Vidyanagar, Gujarat.
- ii. PEL is primarily engaged in manufacturing of various grades of non-ferrous castings, copper and aluminium-alloy castings for Power Transmission Equipment and Material Handling Equipment. PEL has a Ferrous & Non Ferrous Foundry. PEL manufactures conveyer idler frames, rollers, mine wagon pushers, wagon tippers, equipment of heavy machinery components and parts components of Gears. PEL also manufactures and/or supplies/ markets, automatic weighing and bagging machine, electronic belt, weighers, weigh feeders, metal detectors, truck loaders, wagon loaders, magnetic separators, etc.

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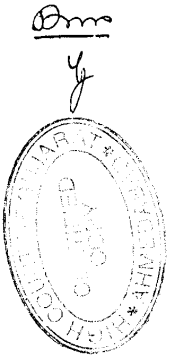

Advocate

C EMTICI Engineering Limited ('EMTICI')

- i. EMTICI is a public limited company incorporated under the Companies Act, 1956 and having its registered office at Anand Sojitra Road, Vallabh Vidyanagar, Gujarat.
- ii. EMTICI is in the business of marketing and servicing of material handling equipments, transmission products and wind turbine generators. EMTICI is also in the business of trading of petroleum products & in the hotel business.

D Elecon EPC Projects Ltd. ('EPL') {formerly known as Aakaash Projects Limited}

- i. EPL is a public limited company incorporated under the Companies Act, 1956 and having its registered office at 1 Land Survey No. 340/1, 340/2 and 371, Anand - Sojitra Road, Vallabh Vidyanagar - 388 120
- ii. EPL currently does not have any operations. It proposes to engage in manufacturing of Material Handling Equipment and other machineries of all kinds and do all related services and work, to act as consulting engineers and undertake studies and projects in India and other parts of the world



2) Rationale of Scheme of Arrangement:

Segregation of the MHE and Gears business under different entities would interalia have the following benefits -

- Management focus;

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- Enhanced flexibility;
- Attribution of appropriate risk and valuation to different business based on their respective risk return profile and cash flows;
- Greater visibility on the performance of individual businesses; and
- Increase in ability to raise funds for both business which would enhance shareholders' value.

Consolidation of the Group's MHE and Gears business would interalia have the following benefits -

- Cost saving in terms of economies of scale, standardization and simplification of business processes and productivity improvements;
- Greater integration and greater financial strength and enhance capabilities to face competition in the market place more effectively;
- Achieving operational and managerial efficiency; and
- Increase in the ability to raise funds which would enhance shareholders' value.

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3) **Parts of the Scheme:**

The Scheme is divided into following parts:

- (a) **PART 1** deals with the Definitions and Share Capital;
- (b) **PART 2** deals with transfer of Demerged Undertaking A into First Resulting Company;
- (c) **PART 3** deals with transfer of Demerged Undertaking B into Second Resulting Company;



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- (d) **PART 4** deals with the transfer of EECL MHE Undertaking into Second Resulting Company;
- (e) **PART 5** deals with the General Terms and Conditions that will be applicable to the entire Scheme.

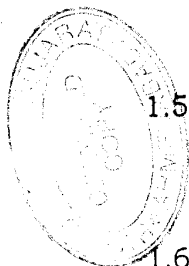
PART 1
DEFINITIONS & SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 "**Act**" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force;
- 1.2 "**Appointed Date**" means April 1, 2012 or such other date as the High Court may fix;
- 1.3 "**Demerged Companies**" shall mean PEL and EMTICI collectively;
- 1.4 "**Demerged Undertaking A**" shall mean PEL Gears Undertaking and EMTICI Gears Undertaking collectively;
- 1.5 "**Demerged Undertaking B**" shall mean PEL MHE Undertaking and EMTICI MHE Undertaking collectively;
- 1.6 "**Demerged Undertakings**" shall mean Demerged Undertaking A and Demerged Undertaking B collectively;

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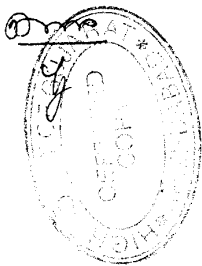
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1.7 **"PEL Gears Undertaking"** means the Gears Business of PEL comprising the business activity of manufacturing of various grades of non-ferrous castings, copper and aluminium-alloy castings for Gears as well as ferrous, non-ferrous & steel foundry, coupling & machining SBU along with all related assets, liabilities, employees including specifically the following:

1.7.1 all assets wherever situated, whether movable or immovable (excluding land and building and investments), leasehold or freehold, tangible or intangible, including all plant & machinery, equipment, trademarks, trade names, brands and other IP rights, current assets, capital work in progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories pertaining to the PEL Gears Undertaking;

1.7.2 all liabilities present and future and the specific contingent liabilities pertaining to or relatable to PEL Gears Undertaking;

1.7.3 all rights and licenses, all assignments and grants thereof, all permits, registrations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), approvals, regulatory approvals, entitlements, goodwill, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other



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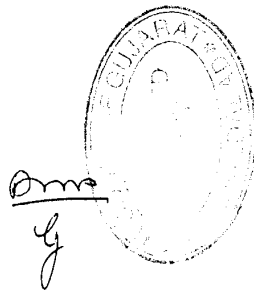
interests in connection with or relating to the PEL Gears Undertaking;

1.7.4 all employees of PEL substantially engaged in the PEL Gears Undertaking and such other employees as identified by the Board of Directors of PEL;

1.7.5 all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by PEL, directly or indirectly in connection with or in relation to the PEL Gears Undertaking;

1.7.6 all books, records, files, papers, directly or indirectly relating to the PEL Gears Undertaking; but shall not include any portion of the Remaining Business of PEL.

1.7.7 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the PEL Gears Undertaking or whether it arises out of the activities or operations of PEL Gears Undertaking shall be decided by mutual agreement between the Board of Directors of PEL and EECL.



1.8 **"EMTICI Gears Undertaking"** means the marketing and servicing business related to EECL and PEL Gears businesses along with all related assets, liabilities, employees including specifically the following:

1.8.1 all assets wherever situated, whether movable or immovable (excluding land and building), leasehold or freehold, tangible or intangible, including all plant & machinery, equipment,

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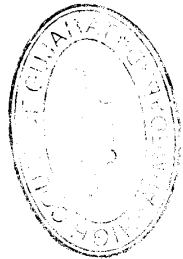
trademarks, trade names, brands and other IP rights, current assets, capital work in progress, investment in shares of Elecon Singapore Pte Ltd. and Elecon Middle East FZCO, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories pertaining to the EMTICI Gears Undertaking;

1.8.2 all liabilities present and future and the specific contingent liabilities pertaining to or relatable to EMTICI Gears Undertaking;

1.8.3 all rights and licenses, all assignments and grants thereof, all permits, registrations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), approvals, regulatory approvals, entitlements, goodwill, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the EMTICI Gears Undertaking;

1.8.4 all employees of EMTICI substantially engaged in the EMTICI Gears Undertaking and such other employees as identified by the Board of Directors of EMTICI;

1.8.5 all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or



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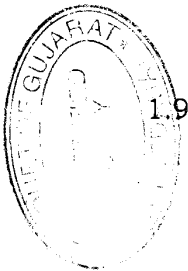
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security deposits paid or received by EMTICI, directly or indirectly in connection with or in relation to the EMTICI Gears Undertaking;

1.8.6 all books, records, files, papers, directly or indirectly relating to the EMTICI Gears Undertaking; but shall not include any portion of the Remaining Business of EMTICI.

1.8.7 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to EMTICI Gears Undertaking or whether it arises out of the activities or operations of EMTICI Gears Undertaking shall be decided by mutual agreement between the Board of Directors of EMTICI and EECL.



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1.9 **"PEL MHE Undertaking"** means the MHE Business of PEL comprising the business activity in manufacturing of and/or supplies/ marketing of conveyer idler frames, rollers, mine wagon pushers, wagon tipplers, equipment of heavy machinery components, automatic weighing and bagging machine, electronic belt weighers, weigh feeders, metal detectors, truck loaders, wagon loaders, magnetic separators, etc. along with all related assets, liabilities, employees including specifically the following:

1.9.1 all assets wherever situated, whether movable or immovable (excluding land and building and investments), leasehold or freehold, tangible or intangible, including all plant & machinery, equipment, trademarks, trade names, brands and other IP rights, current assets, capital work in progress, vehicles, furniture, fixtures, office equipment, computer

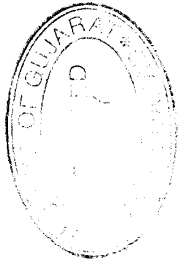
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installations, electrical appliances, accessories pertaining to the PEL MHE Undertaking;

1.9.2 all liabilities present and future and the specific contingent liabilities pertaining to or relatable to PEL MHE Undertaking;

1.9.3 all rights and licenses, all assignments and grants thereof, all permits, registrations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), approvals, regulatory approvals, entitlements, goodwill, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the PEL MHE Undertaking;



1.9.4 all employees of PEL substantially engaged in the PEL MHE Undertaking and such other employees as identified by the Board of Directors of PEL;

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1.9.5 all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by PEL, directly or indirectly in connection with or in relation to the PEL MHE Undertaking;

1.9.6 all books, records, files, papers, directly or indirectly relating to the PEL MHE Undertaking; but shall not include any portion of the Remaining Business of PEL.

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1.9.7 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the PEL MHE Undertaking or whether it arises out of the activities or operations of PEL MHE Undertaking shall be decided by mutual agreement between the Board of Directors of PEL and EECL.

1.10 "EMTICI MHE Undertaking" means the marketing and servicing business related to EECL and PEL MHE businesses along with all related assets, liabilities, employees including specifically the following:

1.10.1 all assets wherever situated, whether movable or immovable (excluding land and building and investments), leasehold or freehold, tangible or intangible, including all plant & machinery, equipment, trademarks, trade names, brands and other IP rights, current assets, capital work in progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories pertaining to the EMTICI MHE Undertaking;

1.10.2 all liabilities present and future and the specific contingent liabilities pertaining to or relating to EMTICI MHE Undertaking;

1.10.3 all rights and licenses, all assignments and grants thereof, all permits, registrations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), approvals, regulatory approvals, entitlements, goodwill, cash balances, bank balances, bank accounts, privileges, all other



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claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the EMTICI MHE Undertaking;

1.10.4 all employees of EMTICI substantially engaged in the EMTICI MHE Undertaking and such other employees as identified by the Board of Directors of EMTICI;

1.10.5 all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by EMTICI, directly or indirectly in connection with or in relation to the EMTICI MHE Undertaking;

1.10.6 all books, records, files, papers, directly or indirectly relating to the EMTICI MHE Undertaking; but shall not include any portion of the Remaining Business of EMTICI.

1.10.7 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to EMTICI MHE Undertaking or whether it arises out of the activities or operations of EMTICI MHE Undertaking shall be decided by mutual agreement between the Board of Directors of EMTICI and EECL.

1.11 **"EECL MHE Undertaking"** means the MHE Business Undertaking of EECL comprising the business activity of manufacture of material



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handling equipments along with all related assets, liabilities, employees including specifically the following:

1.11.1 all assets wherever situated, whether movable or immovable (excluding land and building and investments), leasehold or freehold, tangible or intangible, including all plant & machinery, equipment, trademarks, trade names, brands and other IP rights, current assets, capital work in progress, vehicles, furniture, fixtures, office equipment, computer installations, electrical appliances, accessories pertaining to EECL MHE Undertaking;



1.11.2 all liabilities present and future and the specific contingent liabilities pertaining to or,relatable to EECL MHE Undertaking;

1.11.3 all rights and licenses, all assignments and grants thereof, all permits, registrations, quota rights, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), approvals, regulatory approvals, entitlements, goodwill, cash balances, bank balances, bank accounts, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the EECL MHE Undertaking;

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1.11.4 all employees of EECL substantially engaged in the EECL MHE Undertaking and such other employees as identified by the Board of Directors of EECL;

1.11.5 all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by EECL, directly or indirectly in connection with or in relation to the EECL MHE Undertaking;

1.11.6 all books, records, files, papers, directly or indirectly relating to the EECL MHE Undertaking; but shall not include any portion of the Remaining Business of EECL.

1.11.7 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the EECL MHE Undertaking or whether it arises out of the activities or operations of EECL MHE Undertaking shall be decided by mutual agreement between the Board of Directors of EECL and EPL.



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1.12 **"Effective Date"** or **"coming into effect of this Scheme"** or **"upon the Scheme becoming effective"** means the last of the dates on which the certified copies of the orders sanctioning this Scheme passed by the High Court of Gujarat at Ahmedabad, or such other competent authority, as may be applicable, are filed with the Registrar of Companies, Gujarat.

1.13 **"Remaining Business"** with respect to Demerged Companies means all the businesses and divisions of the Demerged Companies other

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than Demerged Undertaking A and Demerged Undertaking B and with respect to the Transferor Company, all businesses and divisions other than EECL MHE Undertaking.

1.14 **"Scheme of Arrangement"** or **"this Scheme"** or **"the Scheme"** means this Scheme of Arrangement in its present form or with any modifications made under Clause 33 of the Scheme.

1.15 **"EECL or First Resulting Company or the Transferor Company"** means Elecon Engineering Company Limited, company incorporated under the Companies Act, 1956, and having its registered office at Post Box No 6, Anand Sojitra Road, Vallabh Vidyanagar, Gujarat.



1.16 **"PEL or First Demerged Company"** means Prayas Engineering Limited, company incorporated under the Companies Act, 1956, and having its registered office at Post Box No 3, Anand Sojitra Road, Vallabh Vidyanagar, Gujarat.

1.17 **"EMTICI or Second Demerged Company"** means EMTICI Engineering Limited, company incorporated under the Companies Act, 1956, and having its registered office at Anand Sojitra Road, Vallabh Vidyanagar, Gujarat.

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1.18 **"EPL or the Second Resulting Company"** means Elecon EPC Projects Limited (formerly known as Aakaash Projects Limited), company incorporated under the Companies Act, 1956, and having its registered office at Land Survey No. 340/1, 340/2 and 371, Anand - Sojitra Road, Vallabh Vidyanagar - 388 120

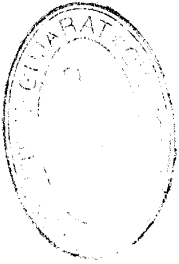
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- 1.19 **"Resulting Companies"** shall mean the First Resulting Company and Second Resulting Company.
- 1.20 **"High Court"** means the High Court of Gujarat at Ahmedabad or other competent authority duly empowered to sanction the Scheme;
- 1.21 **"Record Date"** means the date to be fixed by the Resulting Companies for the purposes of issue and allotment of Equity Shares to the shareholders of the Demerged Companies in terms of the Scheme.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time;



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2. **SHARE CAPITAL**

2.1 The Share capital of EECL as on March 31, 2012 is as under:

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Particulars	Rs. in Crores
Authorised	
22,50,00,000 Equity Shares of Rs 2 each	45.00
2,50,00,000 Cumulative Redeemable Preference Shares of Rs 2 each	5.00

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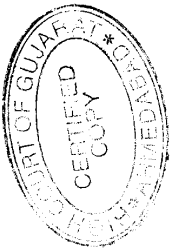
Particulars	Rs. in Crores
TOTAL	50.00
Issued, Subscribed & Paid-up	18.57
92,861,510 Equity Shares of Rs 2 each	
TOTAL	18.57

Subsequent to the above, there has been no change in the authorized, issued, subscribed and paid up share capital of EECL.

2.2 The Share capital of PEL as on March 31, 2012 is as under:

Particulars	Rs. in Crores
Authorised	
20,00,000 Equity Shares of Rs. 10 each	2.00
TOTAL	2.00
Issued, Subscribed & Paid-up	
8,34,640 Equity Shares of Rs. 10 each	0.83
TOTAL	0.83

Subsequent to the above, there has been no change in the authorized, issued, subscribed and paid up share capital of PEL



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2.3 The Share capital of EMTICI as on March 31, 2012 is as under:

Particulars	Rs. in Crores
Authorised	
7,00,000 Equity Shares of Rs 10 each	0.70
11,000 4% Cumulative Irredeemable Preference Shares of Rs 100 each	0.11

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1,90,000 Unclassified Shares of Rs 10 each	0.19
TOTAL	1.00
<u>Issued, Subscribed & Paid-up</u>	
6,00,000 Equity Shares of Rs 10 each fully paid-up	0.60
TOTAL	0.60

Subsequent to the above, there has been no change in the authorized, issued, subscribed and paid up share capital of EMTICI

2.4 The Share capital of EPL as on March 31, 2012 is as under:

Particulars	Rs. in Crores
<u>Authorised</u>	
50,000 Equity Shares of Rs 100 each	0.50
TOTAL	0.50
<u>Issued, Subscribed & Paid-up</u>	
27,017 Equity Shares of Rs 100 each fully paid-up	0.27
TOTAL	0.27

Subsequent to the above, the shares of the company were split from shares of Rs. 100 each to shares of Rs. 10 each. As on date of approval of Scheme by Board of Directors, the share capital of EPL is as under:

Particulars	Rs. in Crores
<u>Authorised</u>	
500,000 Equity Shares of Rs 10 each	0.50
TOTAL	0.50
<u>Issued, Subscribed & Paid-up</u>	
270,170 Equity Shares of Rs 10 each fully paid-up	0.27

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TOTAL	0.27
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As on date, the entire paid-up equity share capital of EPL is held by EECL and its nominees.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved, imposed or directed by the High Court or made pursuant to Clause 33 of the Scheme, shall though operative from the Effective Date become effective from the Appointed Date.

PART 2

TRANSFER OF DEMERGED UNDERTAKING A TO FIRST RESULTING COMPANY



4. TRANSFER OF UNDERTAKING

The Demerged Undertaking A of the Demerged Companies as defined in Clause 1.4 shall stand transferred to and vested in or deemed to be transferred to and vested in the First Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and in the following manner:

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4.1 With effect from the Appointed Date, the Demerged Undertaking A, shall, under the provisions of Sections 391 and 394 and all other applicable provisions of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in the First Resulting Company, so as to vest in the

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First Resulting Company all the rights, title and interest pertaining to the Demerged Undertaking A.

4.2 With effect from the Appointed Date, the liabilities of Demerged Companies relating to the Demerged Undertaking A shall, without any further act or deed be and stand transferred to the First Resulting Company so as to become, as from the Appointed Date, the liabilities of the First Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this sub-clause. After the Effective Date, the First Resulting Company undertakes to meet, discharge and satisfy the said liabilities to the exclusion of the Demerged Companies and to keep the Demerged Companies indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto.



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4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents held by the Demerged Companies required to carry on operations in the Demerged Undertaking A shall stand vested in or transferred to the First Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the First Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licences, and consents shall vest in and become available to the First

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Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Companies relating to the Demerged Undertaking A, are concerned, the same shall vest with and be available to the First Resulting Company on the same terms and conditions.

- 4.4 Where any of the liabilities and obligations of the Demerged Companies, relating to the Demerged Undertaking A, as on the Appointed Date, deemed to be transferred to the First Resulting Company have been discharged by the Demerged Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the First Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the First Resulting Company for the operations of the Demerged Undertaking A after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the First Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed stand transferred to the First Resulting Company and shall become the liabilities and obligations of the First Resulting Company which shall undertake to meet, discharge and satisfy the same.



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- 4.5 This Scheme has been drawn up to comply with the conditions relating to "demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are

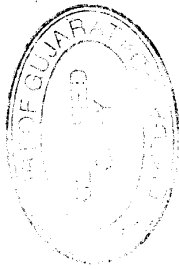
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inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall to the extent of such inconsistency prevail and the Scheme shall stand modified to that extent to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.

5. CONSIDERATION

5.1 Upon the coming into effect of the Scheme and in pursuance of the demerger of the Demerged Undertaking A into First Resulting Company, the First Resulting Company shall, without any further act, application or deed, issue and allot to the members of the Demerged Companies holding fully paid up Equity Shares in the Demerged Companies and whose names appear in the Register of Members of the Demerged Companies on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the First Resulting Company in the following proportion:



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“49 (Forty Nine) Equity Share of the face value of Rs. 2 each of the First Resulting Company credited as fully paid up for every 4 (Four) Equity Shares of Rs.10 each held in the First Demerged Company”.

“39 (Thirty Nine) Equity Share of the face value of Rs. 2 each of the First Resulting Company credited as fully paid up for every 4 (Four) Equity Shares of Rs.10 each held in the Second Demerged Company”.

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- 5.2 The above equity shares shall be issued and allotted without any further act or deed and without any further payment, at par to each member of the First Demerged Company and the Second Demerged Company whose name is recorded in the register of members as holding equity shares on the Record Date.
- 5.3 The equity shares in the First Resulting Company to be issued to the members of the Demerged Companies pursuant to Clause 5.1 above shall be subject to the Memorandum and Articles of Association of the First Resulting Company and shall rank pari passu in all respects, including dividend, with the existing equity shares of the First Resulting Company.
- 5.4 The equity shares shall be issued in dematerialized form unless communication is received in writing from a shareholder on or before such date as may be determined by the First Resulting Company or committee created thereof.
- 5.5 Fractional entitlements, if any, to be allotted by the First Resulting Company, to the members of the Demerged Companies who are otherwise entitled for allotment of Equity Shares of the First Resulting Company as aforesaid in Clause 5.1 shall be ignored.
- 5.6 The First Resulting Company shall apply to all the Stock Exchanges where the equity shares of First Resulting Company are currently listed, for the listing of the equity shares issued pursuant to this Scheme.



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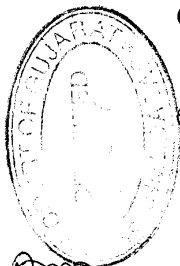
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5.7 Approval of this Scheme by the shareholders of First Resulting Company shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares to the shareholders of the Demerged Companies, as provided in this Scheme.

5.8 The First Resulting Company may increase / modify its authorised share capital, if necessary, to facilitate allotment of its shares to the shareholders of the Demerged Companies as provided in Clauses 5.1 above.

6. ACCOUNTING TREATMENT IN THE BOOKS OF THE FIRST RESULTING COMPANY



6.1 With effect from the Appointed Date, the First Resulting Company shall, record the assets and liabilities of the Demerged Undertaking A transferred to and vested in it pursuant to this Scheme, at the respective book values as on the Appointed Date.

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6.2 Inter Company balances, if any, will be cancelled.

6.3 The First Resulting Company shall credit to the Share Capital Account in its books of account, the aggregate face value of the equity shares issued and allotted under the Scheme by it to the shareholders of Demerged Companies pursuant to Clauses 5.1 of this Scheme.

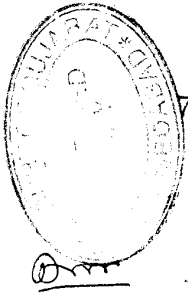
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6.4 The difference being excess of net assets recorded by the First Resulting Company over the amount credited as share capital will be credited to General Reserve Account. In case of there being a deficit, the same shall be debited to Goodwill Account. The General Reserve arising pursuant to Scheme, if any, would be treated as free reserve for all purposes.

7. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANIES

7.1 Upon the Scheme becoming effective, the First Demerged Company and the Second Demerged Company shall reduce the book value of all the assets and liabilities relating or pertaining to Demerged Undertaking A.



7.2 The difference in the book value of assets over book value of liabilities transferred will be adjusted in General Reserve.

8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

8.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) the Demerged Companies shall carry on and be deemed to have carried on the business activities and operations pertaining or relating to the Demerged Undertaking A and shall hold and stand possessed of and be deemed to have held and stood possessed of all the properties and assets pertaining or relating to the Demerged Undertaking A for and on account of and in

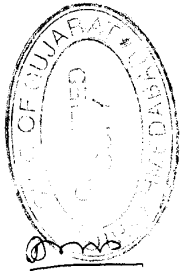
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trust for the First Resulting Company. All the profits / losses accruing to the Demerged Companies on account of the Demerged Undertaking A shall for all purposes be treated as profits / losses of the First Resulting Company.

- (b) the Demerged Companies shall not utilize the profits or income, if any, relating to Demerged Undertaking A for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior consent or authorization of the First Resulting Company.
- (c) the Demerged Companies shall carry on the business, activities and operations of the Demerged Undertaking A with due diligence and prudence and shall not without the prior consent or authorization of the Board of Directors of the First Resulting Company, or pursuant to any pre-existing obligation, sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking A or any part thereof or incur, accept or acknowledge any debt, obligation or liability or incur any major expenditure, except as is necessary in the ordinary course of business.
- (d) the Demerged Companies shall not without the consent of Board of Directors of the First Resulting Company vary the terms and conditions of service of its employees engaged in or in relation to the Demerged Undertaking A after the Appointed Date, except in the ordinary course of its business.

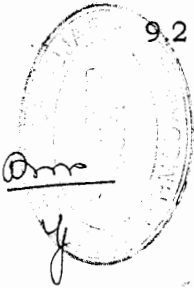


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9. **EMPLOYEES**

9.1 All employees of the Demerged Companies engaged in or in relation to the Demerged Undertaking A who are in employment on the date immediately preceding the Effective Date, shall, on and from the Effective Date, become employees of the First Resulting Company without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the First Resulting Company shall not be less favorable than those applicable to them in the Demerged Companies with reference to the Demerged Undertaking A on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking A shall be decided by mutual agreement between Board of Directors of the Demerged Companies and the First Resulting Company.



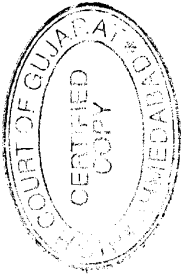
9.2 On and from the Effective Date, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Demerged Companies engaged in or in relation to the Demerged Undertaking A shall be deemed to have been created by the First Resulting Company in place of the Demerged Companies for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Companies in relation to such fund or funds shall be and become

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those of the First Resulting Company. It is clarified that the services of the permanent employees of the Demerged Companies engaged in or in relation to the Demerged Undertaking A of the Demerged Companies shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said fund or funds.

- 9.3 In the event that First Resulting Company does not have its own Funds in respect of any of the above, First Resulting Company, may subject to necessary approvals and permissions, continue to contribute to the relevant Funds of Demerged Companies, until such time as First Resulting Company creates its own Funds, at which time the Funds and the investment and contributions, pertaining to staff, workmen and employees of Demerged Companies shall be transferred to the funds created by First Resulting Company.



10. CONTRACTS AND DEEDS

- 10.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, engagements, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking A to which the Demerged Companies are a party or to the benefit of which the Demerged Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favor, as the case may be, of the First Resulting Company and may be enforced as fully

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and effectually as if, instead of the Demerged Companies, the First Resulting Company had been a party or beneficiary or obligee thereto.

10.2 The First Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Companies in relation to the Demerged Undertaking A were a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Demerged Companies will, if necessary, also be a party to the above to the extent permissible. The First Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Companies and to implement or carry out all formalities required on the part of the Demerged Companies to give effect to the provisions of this Scheme.



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11. LEGAL PROCEEDINGS

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11.1 All legal proceedings of whatsoever nature by or against the Demerged Companies pending on and / or arising after the Appointed Date and pertaining or relating to the Demerged Undertaking A, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or anything contained in this Scheme but shall be continued, prosecuted and enforced by or against the First Resulting Company, as effectually and in the

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same manner and to the same extent as would or might have been continued, prosecuted and enforced by or against the Demerged Companies.

11.2 After the Appointed Date, if any proceedings are taken against the Demerged Companies in respect of the matters referred to in the sub-clause 11.1 above, the Demerged Companies shall until the Effective Date defend the same at the cost of the First Resulting Company, and the First Resulting Company shall reimburse and indemnify the Demerged Companies against all liabilities and obligations incurred by the Demerged Companies in respect thereof.



11.3 The First Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Companies referred to in Clause 11.1 above transferred into its name on and after the Effective Date and to have the same continued, prosecuted and enforced by or against the First Resulting Company as the case may be, to the exclusion of the Demerged Companies.

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11.4 Notwithstanding the above, in case the proceedings referred to in Clause 11.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Demerged Companies shall defend the same in accordance with the advice of First Resulting Company and at the cost of the First Resulting Company, and the First Resulting Company shall reimburse, indemnify and hold harmless the Demerged Companies against all liabilities and obligations incurred by the Demerged Companies in respect thereof.

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12. SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking A and continuance of the proceedings by or against the First Resulting Company shall not in any manner affect any transaction or proceedings already completed by the Demerged Companies (in respect of the Demerged Undertaking A) on or after the Appointed Date till the Effective Date to the end and intent that the First Resulting Company accept all such acts, deeds and things done and executed by and/or on behalf of the Demerged Companies as acts, deeds and things done and executed by and on behalf of the First Resulting Company.

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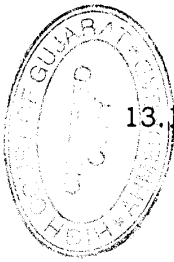
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PART 3

13. TRANSFER OF DEMERGED UNDERTAKING B TO SECOND RESULTING COMPANY

TRANSFER OF UNDERTAKING

The Demerged Undertaking B of the Demerged Companies as defined in Clause 1.5 shall stand transferred to and vested in or deemed to be transferred to and vested in the Second Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income-tax Act, 1961 and in the following manner:



13.1 With effect from the Appointed Date, the Demerged Undertaking B, shall, under the provisions of Sections 391 and 394 and all other applicable provisions of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in the Second Resulting Company, so as to vest in the Second Resulting Company all the rights, title and interest pertaining to the Demerged Undertaking B.

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13.2 With effect from the Appointed Date, the liabilities of Demerged Companies relating to the Demerged Undertaking B shall, without any further act or deed be and stand transferred to the Second Resulting Company so as to become, as from the Appointed Date, the liabilities of the Second Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which

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such liabilities have arisen in order to give effect to the provisions of this sub-clause. After the Effective Date, the Second Resulting Company undertakes to meet, discharge and satisfy the said liabilities to the exclusion of the Demerged Companies and to keep the Demerged Companies indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto.

- 13.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by the Demerged Companies required to carry on operations in the Demerged Undertaking B shall stand vested in or transferred to the Second Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Second Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licences, and consents shall vest in and become available to Second Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Companies relating to the Demerged Undertaking B, are concerned, the same shall vest with and be available to the Second Resulting Company on the same terms and conditions.



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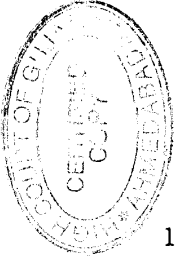
- 13.4 Where any of the liabilities and obligations of the Demerged Companies, relating to the Demerged Undertaking B, as on the

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Appointed Date, deemed to be transferred to the Second Resulting Company have been discharged by the Demerged Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Second Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the Second Resulting Company for the operations of the Demerged Undertaking B after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Second Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed stand transferred to the Second Resulting Company and shall become the liabilities and obligations of the Second Resulting Company which shall undertake to meet, discharge and satisfy the same.



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13.5 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall to the extent of such inconsistency prevail and the Scheme shall stand modified to that extent to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.

14. CONSIDERATION

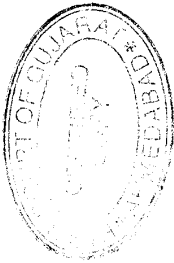
14.1 Upon the coming into effect of the Scheme and in pursuance of the demerger of the Demerged Undertaking B into Second Resulting

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Company, the Second Resulting Company shall, without any further act, application or deed, issue and allot to the members of the Demerged Companies holding fully paid up Equity Shares in the Demerged Companies and whose names appear in the Register of Members of the Demerged Companies on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Second Resulting Company in the following proportion:



"14 (Fourteen) Equity Share of the face value of Rs. 10 each of the Second Resulting Company credited as fully paid up for every 143 (One Hundred Forty Three) Equity Shares of Rs.10 each held in the First Demerged Company".

"3 (Three) Equity Share of the face value of Rs. 10 each of the Second Resulting Company credited as fully paid up for every 19 (Nineteen) Equity Shares of Rs.10 each held in the Second Demerged Company".

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14.2 The above equity shares shall be issued and allotted without any further act or deed and without any further payment, at par to each member of the First Demerged Company and the Second Demerged Company whose name is recorded in the register of members as holding equity shares on the Record Date.

14.3 The equity shares in the Second Resulting Company to be issued to the members of the Demerged Companies pursuant to Clause 14.1

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above shall be subject to the Memorandum and Articles of Association of the Second Resulting Company and shall rank pari passu in all respects, including dividend, with the existing equity shares of the Second Resulting Company.

14.4 The equity shares shall be issued in physical form.

14.5 Fractional entitlements, if any, to be allotted by the Second Resulting Company, to the members of the Demerged Companies who are otherwise entitled for allotment of Equity Shares of the Second Resulting Company as aforesaid in Clause 14.1 shall be ignored.



14.6 Approval of this Scheme by the shareholders of Second Resulting Company shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares to the shareholders of the Demerged Companies, as provided in this Scheme.

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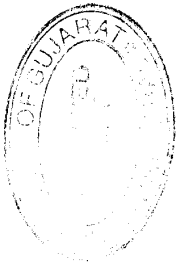
14.7 The Second Resulting Company may increase / modify its authorised share capital, if necessary, to facilitate allotment of its shares to the shareholders of the Demerged Companies as provided in Clauses 14.1 above.

15. ACCOUNTING TREATMENT IN THE BOOKS OF THE SECOND RESULTING COMPANY

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- 15.1 With effect from the Appointed Date, the Second Resulting Company shall, record the assets and liabilities of the Demerged Undertaking B transferred to and vested in it pursuant to this Scheme, at the respective book values as on the Appointed Date.
- 15.2 Inter Company balances, if any, will be cancelled.
- 15.3 The Second Resulting Company shall credit to the Share Capital Account in its books of account, the aggregate face value of the equity shares issued and allotted under the Scheme by it to the shareholders of Demerged Companies pursuant to Clause 14.1 of this Scheme.
- 15.4 The difference being excess of net assets recorded by the Second Resulting Company over the amount credited as share capital will be credited to General Reserve Account. In case of there being a deficit, the same shall be debited to Goodwill Account. The General Reserve arising pursuant to Scheme, if any, would be treated as free reserve for all purposes.



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16. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANIES

- 16.1 Upon the Scheme becoming effective, the First Demerged Company and the Second Demerged Company shall reduce the book value of all the assets and liabilities relating or pertaining to Demerged Undertaking B.

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16.2 The difference in the book value of assets over book value of liabilities transferred will be adjusted in General Reserve.

17. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

17.1 With effect from the Appointed Date and up to and including the Effective Date:

(a) the Demerged Companies shall carry on and be deemed to have carried on the business activities and operations pertaining or relating to the Demerged Undertaking B and shall hold and stand possessed of and be deemed to have held and stood possessed of all the properties and assets pertaining or relating to the Demerged Undertaking B for and on account of and in trust for the First Resulting Company. All the profits / losses accruing to the Demerged Companies on account of the Demerged Undertaking B shall for all purposes be treated as profits / losses of the Second Resulting Company.



(b) the Demerged Companies shall not utilize the profits or income, if any, relating to Demerged Undertaking B for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior consent or authorization of the Second Resulting Company.

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(c) the Demerged Companies shall carry on the business, activities and operations of the Demerged Undertaking B with due diligence and prudence and shall not without the prior consent or authorization of the Board of Directors of the Second

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Resulting Company, or pursuant to any pre-existing obligation, sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the Demerged Undertaking B or any part thereof or incur, accept or acknowledge any debt, obligation or liability or incur any major expenditure, except as is necessary in the ordinary course of business.

- (d) the Demerged Companies shall not without the consent of Board of Directors of Second Resulting Company vary the terms and conditions of service of its employees engaged in or in relation to the Demerged Undertaking B after the Appointed Date, except in the ordinary course of its business.



18. EMPLOYEES

- 18.1 All employees of the Demerged Companies engaged in or in relation to the Demerged Undertaking B who are in employment on the date immediately preceding the Effective Date, shall, on and from the Effective Date, become employees of the Second Resulting Company without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Second Resulting Company shall not be less favorable than those applicable to them in the Demerged Companies with reference to the Demerged Undertaking B on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking B shall be decided by mutual agreement between Board of Directors of the Demerged Companies and the Second Resulting Company.

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18.2 On and from the Effective Date, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Demerged Companies engaged in or in relation to the Demerged Undertaking B shall be deemed to have been created by the Second Resulting Company in place of the Demerged Companies for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Companies in relation to such fund or funds shall be and become those of the Second Resulting Company. It is clarified that the services of the permanent employees of the Demerged Companies engaged in or in relation to the Demerged Undertaking B of the Demerged Companies shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said fund or funds.



18.3 In the event that Second Resulting Company does not have its own Funds in respect of any of the above, Second Resulting Company, may subject to necessary approvals and permissions, continue to contribute to the relevant Funds of Demerged Companies, until such time as Second Resulting Company creates its own Funds, at which time the Funds and the investment and contributions, pertaining to staff, workmen and employees of Demerged Companies shall be transferred to the funds created by Second Resulting Company.

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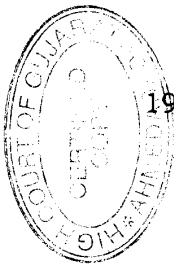
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19. CONTRACTS AND DEEDS

19.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, engagements, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking B to which the Demerged Companies are a party or to the benefit of which the Demerged Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favor, as the case may be, of the Second Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Companies, the Second Resulting Company had been a party or beneficiary or obligee thereto.



19.2 The Second Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Companies in relation to the Demerged Undertaking B were a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Demerged Companies will, if necessary, also be a party to the above to the extent permissible. The Second Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Companies and to implement or carry out all formalities required on

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the part of the Demerged Companies to give effect to the provisions of this Scheme.

20. LEGAL PROCEEDINGS

20.1 All legal proceedings of whatsoever nature by or against the Demerged Companies pending on and / or arising after the Appointed Date and pertaining or relating to the Demerged Undertaking B, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or anything contained in this Scheme but shall be continued, prosecuted and enforced by or against the Second Resulting Company, as effectually and in the same manner and to the same extent as would or might have been continued, prosecuted and enforced by or against the Demerged Companies.



20.2 After the Appointed Date, if any proceedings are taken against the Demerged Companies in respect of the matters referred to in the sub-clause 20.1 above, the Demerged Companies shall until the Effective Date defend the same at the cost of the Second Resulting Company, and the Second Resulting Company shall reimburse and indemnify the Demerged Companies against all liabilities and obligations incurred by the Demerged Companies in respect thereof.


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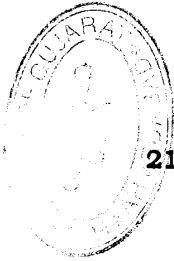
20.3 The Second Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Companies referred to in Clause 20.1 above transferred into its name on and after the Effective Date and to have the same continued, prosecuted

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and enforced by or against the Second Resulting Company, to the exclusion of the Demerged Companies.

20.4 Notwithstanding the above, in case the proceedings referred to in Clause 20.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Demerged Companies shall defend the same in accordance with the advice of Second Resulting Company and at the cost of the Second Resulting Company, and the Second Resulting Company shall reimburse, indemnify and hold harmless the Demerged Companies against all liabilities and obligations incurred by the Demerged Companies in respect thereof.



21. **SAVING OF CONCLUDED TRANSACTIONS**

Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking B and continuance of the proceedings by or against the Second Resulting Company shall not in any manner affect any transaction or proceedings already completed by the Demerged Companies (in respect of the Demerged Undertaking B) on or after the Appointed Date till the Effective Date to the end and intent that the Second Resulting Company accept all such acts, deeds and things done and executed by and/or on behalf of the Demerged Companies as acts, deeds and things done and executed by and on behalf of the Second Resulting Company.


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**TRANSFER AND VESTING OF EECL MHE UNDERTAKING INTO
SECOND RESULTING COMPANY**

22. TRANSFER OF UNDERTAKING

With effect from the Appointed Date and upon the Scheme becoming effective, the entire EECL MHE Undertaking, as defined in Clause 1.11 shall be transferred on a 'Slump Sale' basis to Second Resulting Company, as a going concern, and in the following manner:

22.1 With effect from the Appointed Date, the whole of the undertaking and properties, as aforesaid, of the EECL MHE Undertaking, shall, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Second Resulting Company so as to vest in the Second Resulting Company all the rights, title and interest of the Transferor Company therein, save and except the movable assets of the EECL MHE Undertaking, which will be transferred in the manner provided in clause 22.2 below.



22.2 All the moveable assets, including cash in hand, if any, of the Transferor Company pertaining or relating to the EECL MHE Undertaking, capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, to the Second Resulting Company to the end and intent that the property therein passes to the Second Resulting Company, on such delivery or endorsement and delivery. Such delivery and transfer shall be made on a date mutually agreed

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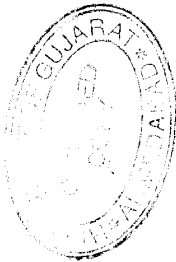
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upon between the Board of Directors of the Transferor Company and the Board of Directors of the Second Resulting Company.

22.3 In respect of movables other than those specified in sub-clause 22.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, the following modus operandi shall, to the extent possible, be followed:

22.4 The Transferor Company shall give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to the High Court of Gujarat at Ahmedabad having sanctioned the Scheme under Sections 391 to 394 of the Act, the said debt, loan, advance or deposit be paid to or made good to or held on account of the Second Resulting Company and that the right of the Transferor Company to recover or realise the same stands extinguished.



22.5 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company relating to the EECL MHE Undertaking including secured and unsecured loans and the current liabilities shall also, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to and/or deemed to be transferred to the Second Resulting Company so as to become as from the Appointed Date, the debts, liabilities, contingent

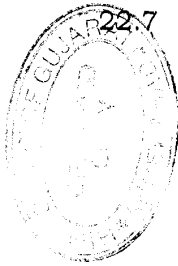
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liabilities, duties and obligations of the Second Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent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

22.6 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets forming part of the EECL MHE Undertaking.



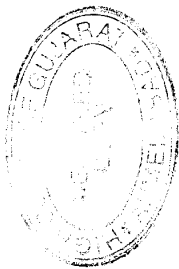
22.7 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents held by the Transferor Company required to carry on operations in the EECL MHE Undertaking shall stand vested in or transferred to the Second Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Second Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licences, and consents shall vest in and become available to the Second Resulting Company pursuant to the Scheme. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Company relating to the EECL MHE Undertaking, are concerned, the same shall vest with and be available to the Second Resulting Company on the same terms and conditions.

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22.8 The Second Resulting Company shall be entitled to the benefit of all pre-qualification, track-record, experience, goodwill and all other rights, claims and powers of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company in connection with or pertaining or relatable to the EECL MHE Undertaking for all intents and purposes and specifically including but not limited to the track-record and experience of having undertaken, performed and/or executed the business and/or orders by the EECL MHE Undertaking from the commencement of its business.



23. CONSIDERATION

23.1 The consideration for the transfer of the EECL MHE Undertaking would be equal to Rs. 127.32 Crs (Rupees One Twenty Seven Crores Thirty Two Lakhs only).

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23.2 The consideration would be discharged by the Second Resulting Company in cash or can be kept outstanding for a period as may be decided mutually by the Board of Directors of the Transferor Company and the Second Resulting Company.

24. ACCOUNTING TREATMENT IN THE BOOKS OF THE SECOND RESULTING COMPANY

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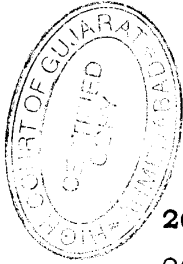
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24.1 The Second Resulting Company shall record the liabilities of the EECL MHE Undertaking at their book values as on the Appointed Date.

24.2 The aggregate of the consideration and the liabilities taken over as above, being the cost to the EECL MHE Undertaking, will be apportioned by the Second Resulting Company on such basis as may be determined by the Board of Second Resulting Company.

25. ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEROR COMPANY

The excess of the consideration as mentioned in Clause 23.1 above over the book value of net assets (assets less liabilities) of the EECL MHE Undertaking, shall, in case of surplus, be credited to the Restructuring Reserve Account. In case of any shortfall the same shall be debited to Profit & Loss Account.



26. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

26.1 With effect from the Appointed Date and up to and including the Effective Date:

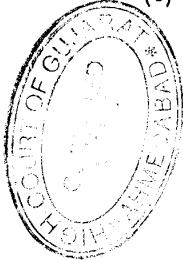
- (a) the Transferor Company shall carry on and be deemed to have carried on the business activities and operations pertaining or relating to the EECL MHE Undertaking and shall hold and stand possessed of and be deemed to have held and stood possessed of all the properties and assets pertaining or relating to the EECL MHE Undertaking for and on account of and in trust for the Second Resulting Company. All the profits / losses accruing to the Transferor Company on account of the EECL

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MHE Undertaking shall for all purposes be treated as profits / losses of the Second Resulting Company.

(b) the Transferor Company shall not utilize the profits or income, if any, relating to EECL MHE Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior consent or authorization of the Second Resulting Company.



(c) the Transferor Company shall carry on the business, activities and operations of the EECL MHE Undertaking with due diligence and prudence and shall not without the prior consent or authorization of the Board of Directors of the Second Resulting Company, or pursuant to any pre-existing obligation, sell, transfer, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the EECL MHE Undertaking or any part thereof or incur, accept or acknowledge any debt, obligation or liability or incur any major expenditure, except as is necessary in the ordinary course of business.

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(d) the Transferor Company shall not without the consent of Board of Directors of the Second Resulting Company vary the terms and conditions of service of its employees engaged in or in relation to the EECL MHE Undertaking after the Appointed Date, except in the ordinary course of its business.

27. EMPLOYEES

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27.1 All employees of the Transferor Company engaged in or in relation to the EECL MHE Undertaking who are in employment on the date immediately preceding the Effective Date, shall, on and from the Effective Date, become employees of the Second Resulting Company without any break or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Second Resulting Company shall not be less favorable than those applicable to them in the Transferor Company with reference to the EECL MHE Undertaking on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the EECL MHE Undertaking shall be decided by mutual agreement between Board of Directors of the Transferor Company and the Second Resulting Company.



27.2 On and from the Effective Date, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company engaged in or in relation to the EECL MHE Undertaking shall be deemed to have been created by the Second Resulting Company in place of the Transferor Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall be and become those of the Second Resulting Company. It is clarified that the services of the permanent employees of the Transferor Company

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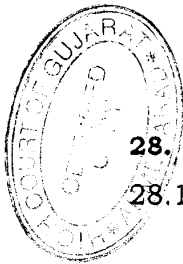
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engaged in or in relation to the EECL MHE Undertaking of the Transferor Company shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said fund or funds.

27.3 In the event that Second Resulting Company does not have its own Funds in respect of any of the above, Second Resulting Company, may subject to necessary approvals and permissions, continue to contribute to the relevant Funds of Transferor Company, until such time as Second Resulting Company creates its own Funds, at which time the Funds and the investment and contributions, pertaining to staff, workmen and employees of Transferor Company shall be transferred to the funds created by Second Resulting Company.



28. CONTRACTS AND DEEDS

28.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, engagements, arrangements and other instruments of whatsoever nature in relation to the EECL MHE Undertaking to which the Transferor Company are a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favor, as the case may be, of the Second Resulting Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Second Resulting Company had been a party or beneficiary or obligee thereto.

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28.2 The Second Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company in relation to the EECL MHE Undertaking were a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be a party to the above to the extent permissible. The Second Resulting Company shall be deemed to be authorized 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.



29. LEGAL PROCEEDINGS

29.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending on and / or arising after the Appointed Date and pertaining or relating to the EECL MHE Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or anything contained in this Scheme but shall be, continued, prosecuted and enforced by or against the Second Resulting Company, as effectually and in the same manner and to the same extent as would or might have been continued, prosecuted and enforced by or against the Transferor Company.

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29.2 After the Appointed Date, if any proceedings are taken against the Transferor Company in respect of the matters referred to in the sub-clause 29.1 above, the Transferor Company shall until the Effective Date defend the same at the cost of the Second Resulting Company, and the Second Resulting Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

29.3 The Second Resulting Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 29.1 above transferred into its name on and after the Effective Date and to have the same continued, prosecuted and enforced by or against the Second Resulting Company, to the exclusion of the Transferor Company.



29.4 Notwithstanding the above, in case the proceedings referred to in Clause 29.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of Second Resulting Company and at the cost of the Second Resulting Company, and the Second Resulting Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

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30. SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities and obligations of the EECL MHE Undertaking and continuance of the proceedings by or against the Second Resulting Company shall not in any manner

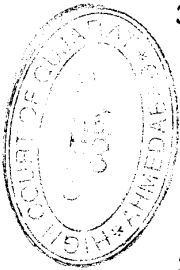
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Advocate

affect any transaction or proceedings already completed by the Transferor Company (in respect of the EECL MHE Undertaking) on or after the Appointed Date till the Effective Date to the end and intent that the Second Resulting Company accept all such acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Second Resulting Company.

PART 5
GENERAL TERMS AND CONDITIONS

31. REMAINING BUSINESS



31.1 The Remaining Business and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Companies and the Transferor Company.

31.2 All legal and other proceedings by or against the Demerged Companies under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Companies or the Transferor Company in respect of the Remaining Business) shall be continued and enforced solely by or against the Demerged Companies and the Transferor Company.

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31.3 From the Appointed Date onwards -

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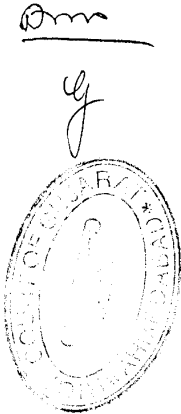
- a. the Demerged Company and the Transferor Company shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.
- b. all profit accruing to the Demerged Company and Transferor Company thereon or losses arising or incurred by it pertaining or relating to the Remaining Business shall, for all purposes, be treated as their profit, or losses, as the case may be.

32. APPLICATIONS TO HIGH COURT

- 32.1 The Demerged Companies and the Resulting Companies shall as may be required make applications and/or petitions under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court of Gujarat at Ahmedabad for sanction of this Scheme and all matters ancillary or incidental thereto.

33. MODIFICATION OR AMENDMENT TO THE SCHEME

- 33.1 The Demerged Companies and the Resulting Companies, by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Demerged Companies and the Resulting Companies by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise



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Advocate

howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

34. CONDITIONALITY OF THE SCHEME

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

- 34.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for implementation of this Scheme.
- 34.2 its approval by the requisite majority in number and value of the classes of members and/or creditors of the Demerged Companies and the Resulting Companies respectively as may be directed by the High Court.
- 34.3 the sanction of the High Court under Sections 391 to 394 of the Act by appropriate Orders sanctioning the Scheme; and;
- 34.4 Certified copies of the Orders of the High Court sanctioning the Scheme being respectively filed for registration by the Demerged Companies and the Resulting Companies with the Registrar of Companies, Gujarat

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35. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the sanctions and approvals referred to in Clause 34 above not being obtained and/ or the Scheme not being sanctioned by the High Court and / or the Orders sanctioning the Scheme not being passed by the High Court and / or certified copies of the Orders of the High Court sanctioning the Scheme not being

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Advocate

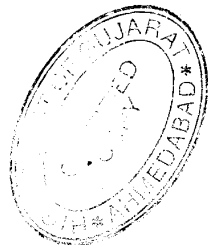
filed as aforesaid on or before March 31, 2013 or within such further period as may be mutually agreed upon between the Demerged Companies and the Resulting Companies through their respective Boards of Directors (and which Boards of Directors of the Companies are hereby empowered and authorised to agree to from time to time without any limitation) this Scheme shall become null and void and in such event no rights or liabilities whatsoever shall accrue to or be incurred by the Demerged Companies and the Resulting Companies. In such event, each party shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme.

36. COSTS, CHARGES & EXPENSES

All costs, charges, and all other expenses, if any (save as expressly otherwise agreed) of the Demerged Companies and the Resulting Companies arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne and paid by the Resulting Companies.

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Advocate

Dated this 21st day of December 2012.

Witness Bhaskar Bhattacharya Esquire,

The Chief Justice at Ahmedabad

aforesaid this Twenty First Day of December Two Thousand Twelve.

checked & found correct & signed each & every pages.

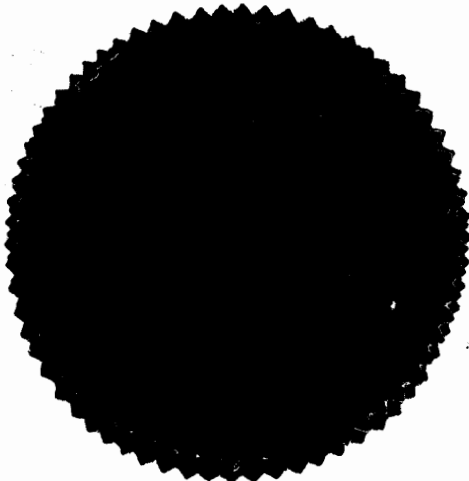
[Handwritten signatures and dates]
16/3/13 (C.M. Solanki)
16/3/13 (A. L. R. P. P.)
16/3/2013 (G.S. Margalli)

By the order of the Hon'ble Court

[Handwritten signature]
Registrar (Judicial)

This 18th day of March, 2013

[Handwritten signature]
18/03/2013
Sealer



This 18th day of March, 2013



Order drawn by:

[Handwritten signature: Swati Saurabh Soparkar]

(Swati Saurabh Soparkar)
Advocate

[Handwritten signature]
15/3/13 January 2013

301, Shivalik-10, Opp. SBI Zonal Office,
Near Old Excise Chowky, S.M. Road,
Ambavadi, Ahmedabad 380 015.

TRUE COPY
[Handwritten signature]
ASSISTANT REGISTRAR
THIS 19-3-13 DAY OF

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PAGES : 11

CHARGE :47

O/38436-38437/2016

Read By :

Prepared By : K.K. JOSHI

Applied on : 10/10/2016

Examined By :

Prepared on : 19/10/2016

Notified on : 19-10-2016

Delivered on : 17/10/16



Dy.S.O.

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION 398 of 2016

In COMPANY APPLICATION 290 of 2016

- 1 ELECON EPC PROJECTS LIMITED
C/O ELECON ENGINEERING COMPANY LIMITED, ANAD-SPJITRA
ROAD
VALLABH VIDYANAGAR-388 120, IN THE STATE OF GUJARAT

Petitioner(s)

VERSUS

1

सत्यमेव जयते
THE HIGH COURT
OF GUJARAT

Respondent(s)

Comp.
Being—No. 398 of 2016

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE R.M.CHHAYA
Date of Decision: 07/10/2016
(COPY OF JUDGEMENT ATTACHED HEREWITH)



NATIONAL INFORMATICS CENTRE



सत्यमेव जयते
THE HIGH COURT
OF GUJARAT

GUJARAT HIGH COURT

PAGES : 2

CHARGE : 8

O/38436-38437/2016

Read By :

Prepared By : K.K. JOSHI

Applied on : 10/10/2016

Examined By :

Prepared on : 19/10/2016

Notified on :

Delivered on :



Dy.S.O.

Section Officer

Decree Department

Decree Department

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION 399 of 2016

In COMPANY APPLICATION 291 of 2016

1 ELECON ENGINEERING COMPANY LIMITED
ANAND-SPJITRA ROAD
VALLABH VIDYANAGAR-388 120, IN THE STATE OF GUJARAT

Petitioner(s)

VERSUS



Respondent(s)

Being - No. 399 of 2016

Appearance on Record:

MRS SWATI SOPARKAR as ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS as ADVOCATE for the Respondent(s) No. 1

COURT'S ORDER :

CORAM :

HONOURABLE MR.JUSTICE R.M.CHHAYA

Date of Decision: 07/10/2016
(COPY OF JUDGEMENT ATTACHED HEREWITH)



NATIONAL INFORMATICS CENTRE



GUJARAT HIGH COURT

C/COMP/398/2016

ORDER

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION NO. 398 of 2016
IN
COMPANY APPLICATION NO. 290 of 2016
With
COMPANY PETITION NO. 399 of 2016
IN
COMPANY APPLICATION NO. 291 of 2016

=====

ELECON EPC PROJECTS LIMITED....Petitioner(s)
Versus
.....Respondent(s)

=====

Appearance:

MRS SWATI SOPARKAR, ADVOCATE for the Petitioner(s) No. 1

MR DEVANG VYAS, ADVOCATE for the Respondent(s) No. 1

=====

CORAM: HONOURABLE MR.JUSTICE R.M.CHHAYA

Date : 07/10/2016

ORAL ORDER

1. These are the petitions filed by the petitioner Companies for sanction of a scheme of arrangement in the nature of amalgamation of Elecon EPC Projects Limited, the Transferor Company with Elecon Engineering Company Limited, the Transferee Company, proposed under section 391 to 394 of the Companies Act, 1956.

2. It has been submitted that Elecon Engineering Company Limited, the Transferee Company is a listed public limited company and the shares are listed on BSE Limited as well as the National Stock Exchange of India Limited. It is engaged in the business of manufacturing industrial geared motors and reducers, mining equipment, casting processes,



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GUJARAT HIGH COURT

C/COMP/358/2016

ORDER

material handling equipment etc. It is a profit making company with substantial positive net worth. Pursuant to the applicable provisions of SEBI Circulars, the petitioner Transferee Company had sought the requisite approvals from SEBI through the stock exchanges, and the relevant observation letters have been placed on record.

3. It has been further submitted that all the Transferor Company belongs to the same group of management and is engaged in business of providing engineering, procurement, construction and project management services. It also manufactures all types of bulk material handling equipment. The amalgamation is proposed for synergic benefits. Since the commercial activities of both the companies are complimentary to each other, it is anticipated that the amalgamation shall result into multiple benefits to both the companies and all its stakeholders. The petitions give in details the benefits envisaged due to the scheme.

4. It has been pointed out that vide the order dated 07.07.2016 passed in Company Application No.290 of 2016, the meeting of the preference shareholders of the transferor company was dispensed with in view of the written consent letters from all of them being placed on record. The meeting of the secured and unsecured creditors were dispensed with considering the highly positive net worth of the transferee company in pre-scheme and post-scheme scenario, as confirmed vide certificate from a chartered accountant which has been placed on record. The petitioner company had undertaken to submit the written approval from its secured lenders before the final



NATIONAL INFORMATICS CENTRE

GUJARAT HIGH COURT

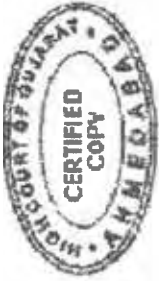
C/COMP338/2016

ORDER

sanction of the scheme and the same are now placed on record alongwith the additional affidavit dated 01.10.2016. Vide the aforesaid order, the meeting of the equity shareholders of the transferor company was directed to be convened. Pursuant to the said directions, the meeting of the equity shareholders was duly convened and held on 19.08.2016. At the duly convened meeting, the proposed scheme was duly approved unanimously by the equity shareholders, present and casting valid votes at the said meeting.

5. In case of the transferee company vide order dated 07.07.2016 passed in Company Application No.291 of 2016, the meetings of the secured and unsecured creditors of the transferee company were dispensed with in view of the substantially positive net worth of the transferee company in both pre-scheme and post-scheme scenario. It was submitted by the petitioner transferee company that the rights and interest of the creditors of the transferee company shall not be prejudicially affected as a result of the scheme. The petitioner company had undertaken to submit the written approval from its secured lenders before the final sanction of the scheme and the same are now placed on record alongwith the additional affidavit dated 01.10.2016. Hence, a meeting of only the equity shareholders of the transferee company was directed to be convened.

6. Pursuant to the said directions, the meeting of the equity shareholders was duly convened and held on 19.08.2016. At the duly convened meeting, the proposed scheme was duly approved unanimously by the equity



NATIONAL INFORMATICS CENTRE

GUJARAT HIGH COURT

C/COMP/329/2016

ORDER

shareholders present and casting valid votes at the said meeting. In compliance with the requirement of the applicable SEBI circulars, the transferee company had also undertaken the independent procedure for obtaining the approval of the Public shareholders of the Company and the proposed scheme was approved by requisite majority of 81.86% of the shareholders exercising their right through e voting and postal ballots. The affidavit dated 19.08.2016 and the scrutinizer's report dated 20.08.2016 have been placed on record alongwith the report of the Chairman confirming the result of the meeting and that of the e voting and postal ballot respectively.

7. The substantive petitions were filed by the petitioner Companies and the same were admitted vide order dated 29.08.2016. The public notices for the same were duly advertised in the newspapers "Times of India", English daily and "Sandesh" Gujarati daily, both Ahmedabad editions dated 05.09.2016. The publication in the Government gazette was dispensed with. Affidavits dated 26.09.2016 confirm the same. No one has come forward with any objections to the said petitions even after the publication and the same was been further confirmed by the additional affidavit dated 01.10.2016.

8. Notice of the petition of the Transferor Company was served upon the Official Liquidator attached to Gujarat High Court. Vide the report dated 27.09.2016 filed by the Official Liquidator, it is observed that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of their members or to the public interest. However, the Official Liquidator has



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GUJARAT HIGH COURT

C/COMP/308/2018

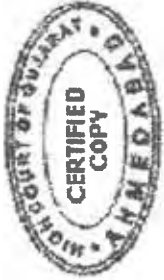
ORDER

requested this Court to direct the Transferee Company to preserve the books of accounts and records of the Transferor Company for a period of 8 years from the date of sanctioning the scheme and not to dispose off the same without prior permission of the Central Government. The petitioner companies are accordingly directed to preserve the books and records of the Transferor Company for a period of 8 years from the date of sanctioning the scheme and not to dispose of the same without prior permission of the Central Government. It is hereby further directed that even after the scheme is sanctioned, the Transferor Company shall comply with all the applicable provisions of law and shall not be absolved from any of its statutory liability.

9. Notice of the petitions have been served upon the Central Government and Mr.Yshitiij Amin, learned Central Government Standing Counsel has appeared for Mr.Devang Vyas, learned Asst. Solicitor General appears for the Central Government. An affidavit dated 28.09.2016 has been filed by Mr.Jatinder Kumar Jolly, the Regional Director, North-Western Region, Ministry of Corporate Affairs at Ahmedabad, whereby some observations were made.

10. The attention of this Court is drawn to the common additional affidavit dated 01.10.2016, as filed by Mr.Parthiv Parikh, on behalf of the petitioner Companies, which provides requisite explanations for the issues raised by the Regional Director :

(i) It has been pointed out that para 2(a), 2(b) and 2(c) contain statements of fact and do not require any



NATIONAL INFORMATICS CENTRE

GUJARAT HIGH COURT

C/COMP/298/2018

ORDER

response.

(ii) The observation of the Regional Director made vide para 2(d) pertains to the compliance with the SEBI circulars by Elecon Engineering Company Limited, the Transferee Company. Being the listed company, it had approached the concerned stock exchanges viz. BSE and NSE and obtained the requisite observations letters from the said exchanges. However, under the SEBI circulars dated 04.02.2013 and 21.05.2013 as well as pursuant to regulation 37 of the SEBI (LODR) Regulations, 2015, the approval from SEBI has to be obtained. In this regard, it has been submitted that the said petitioner company was required to obtain SEBI approval through the stock exchanges only and the said exchanges have actually granted the observation letter only after obtaining clearance from SEBI. It has been further pointed out that the said Transferee Company also complied with the requirement of obtaining the approval of the public shareholders by following the requisite procedure. The result of the same has been placed on record alongwith the result of the meeting of the shareholders convened pursuant to the order dated 07.07.2016. Upon scheme being sanctioned and made effective, the Transferee Company shall comply with the applicable provisions. In view of this, no further directions are required to be issued in this regard.

(iii) Vide para 2(e) of the affidavit, it has been observed by the Regional Director that part of the share capital of the Transferee Company is held by Foreign Corporate or individual investors and hence, compliance with FEMA and



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GUJARAT HIGH COURT

C/COMP/399/2016

ORDER

RBI guidelines should be ensured. The petitioner has accepted the factual aspect of the said shareholding and has further submitted that the said company has complied with the applicable provisions so far and shall continue to comply with the applicable provisions. Hence, no further directions are required to be issued.

(iv) Vide para 2(f) of the affidavit, the Regional Director has observed that both the petitioner companies have substantial contingent liabilities. It has been submitted that both the companies are financially strong companies and said liabilities are crystallized. The petitioner companies shall ensure that they are fulfilled in such a way that either the liquidity or ongoing operations of the Transferee Company are not adversely affected.

(v) The observations of the Regional Director made vide para 2(g) pertains to the letter dated 12.09.2016 sent by the Regional Director to the Income Tax Department to invite their objections, if any. No reply has been received in this regard and since the statutory period of 15 days as envisaged by the relevant circular of the Ministry of Corporate Affairs is over, it can be presumed that the Income Tax Department has no objection to the proposed scheme of arrangement. The petitioner companies have agreed to comply with the applicable provisions of the Income Tax Act and Rules. In view of the same, no further directions are required to be issued to the petitioner companies in this regard.

(vi) It is further submitted that there are no



NATIONAL INFORMATICS CENTRE

GUJARAT HIGH COURT

O/COMP/399/2016

ORDER

complaints received by the Registrar of Companies as confirmed by para 2(h). The Regional Director has vide the observation 2(i) confirmed that the scheme is not prejudicial to the interest of the shareholders and public interest.

11. Heard Smt.Swati Saurabh Soparkar, learned counsel for the petitioner companies as well as Mr.Amin, learned counsel appearing for the Central Government.

12. Considering all the facts and circumstances and taking into account all the contentions raised by the affidavit and reply affidavits, and the submissions during the course of hearing, I am satisfied that the observations made by the Regional Director, Ministry of Corporate Affairs, have been redressed satisfactorily. I have come to the conclusion that the present scheme of arrangement as in the interest of the shareholders and creditors of all the companies as well as in the public interest and the same deserves to be sanctioned.

THE HIGH COURT

13. Prayers in terms of para 21 (a) of the Company Petition No.398 of 2016 and para 23 (a) of the Company Petition No.399 of 2016 are hereby granted.

14. The petitions are disposed of accordingly. So far as the costs to be paid to the Central Government Standing Counsel is concerned, the same is quantified at Rs.10,000/- per petition. The same may be paid to the counsel appearing for the Central Government. Cost of Rs.7,500/- be paid to the office of the Official Liquidator towards cost for the Transferor Company.

15. The petitioner companies are further directed to



NATIONAL INFORMATICS CENTRE

GUJARAT HIGH COURT

C/COMP/399/2016

ORDER

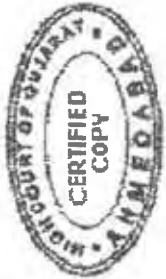
lodge a copy of this order, the detailed schedule of immovable assets of the Transferor Company and the scheme duly authenticated by the Registrar, High Court of Gujarat, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order.

16. The petitioner Companies are directed to file a copy of this order alongwith the copy of the scheme with the concerned Registrar of Companies, electronically, alongwith INC-28 in addition to physical copy as per the relevant provisions of the Act.

17. Filing and issuance of drawn up order is hereby dispensed with.

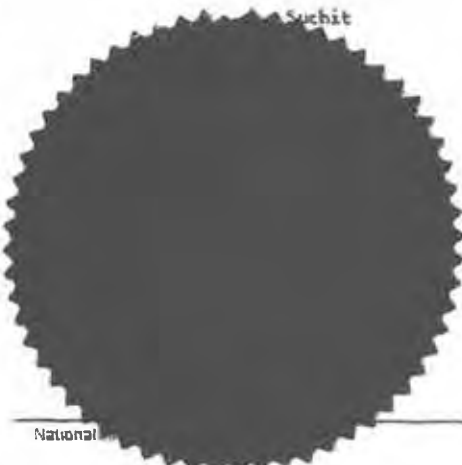
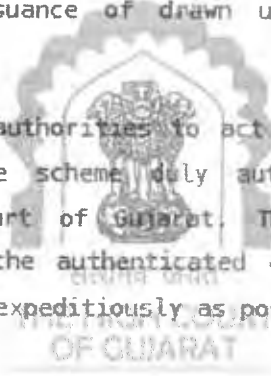
18. All concerned authorities to act on a copy of this order alongwith the scheme duly authenticated by the Registrar, High Court of Gujarat. The Registrar, High Court shall issue the authenticated copy of this order alongwith scheme as expeditiously as possible.

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(R.M.CHHAYA, J.)



NATIONAL INFORMATICS CENTRE

GUJARAT HIGH COURT



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THIS DAY OF

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Authenticated Scheme

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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY PETITION NO. 398 OF 2016

CONNECTED WITH

COMPANY APPLICATION NO. 290 OF 2016

38436-38437/16
P/o. No. (11c) 30
Comparing & Copies Charges
Total Rs. 127-00

MJ
19/10/16
Section Officer's
Decree Department
Dt. 19.10.2016

In the matter of Scheme of Amalgamation under
Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Elecon EPC Projects Limited

(CIN:U29219GJ1991PLC015379),

a Company incorporated under the Companies Act,
1956 and having its Registered Office at C/o Elecon
Engineering Company Limited, Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120, in the State of
Gujarat.

AND

In the matter of Scheme of Arrangement between
Elecon EPC Projects Limited and Elecon
Engineering Company Limited.

Copy Applied on : 10-10-16
Copy Ready on : 19-10-16
Notified on : 19-10-16
Copy Delivered on : 19/10/16
Sent by
Regd. By Post

Dy. S.O.

MJ
19/10/16
elg



Elecon EPC Projects Limited

(CIN:U29219GJ1991PLC015379)

A Company incorporated under the
Companies Act, 1956 and having its
Registered Office at C/o Elecon
Engineering Company Limited, Anand-
Sojitra Road, Vallabh Vidyanagar - 388
120, in the State of Gujarat.

..... Petitioner Transferor Company



IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

ORIGINAL JURISDICTION

COMPANY PETITION NO. 399 OF 2016

CONNECTED WITH

COMPANY APPLICATION NO. 291 OF 2016

In the matter of Scheme of Amalgamation under
Sections 391 to 394 of the Companies Act, 1956;

AND

In the matter of Elecon Engineering Company
Limited (CIN:L29259GJ1960PLC001082), a
Company incorporated under the Companies Act,
1956 and having its Registered Office at Anand-
Sojitra Road, Vallabh Vidyanagar - 388 120, in the
State of Gujarat.

AND

In the matter of Scheme of Arrangement between
Elecon EPC Projects Limited and Elecon
Engineering Company Limited.

Elecon Engineering Company Limited
(CIN:L29259GJ1960PLC001082)

A Company incorporated under the
Companies Act, 1956 and having its
Registered Office at Anand-Sojitra Road,
Vallabh Vidyanagar - 388 120, in the State
of Gujarat.

..... Petitioner Transferee Company



List of Assets of **Elecon EPC Projects Limited** as on 7th October, 2016 (the date of the order passed by the High Court sanctioning the scheme) to be transferred to **Elecon Engineering Company Limited**, pursuant to the scheme sanctioned by the Hon'ble Gujarat High Court.

Schedule

Part I

Particulars of Freehold Properties:

- (i) Land: NIL
- (ii) Building: NIL
- (iii) Plant and Machinery: (if any, imbedded or attached to earth): As per attached **Annexure-A**.

If there is no such free hold property, mention Nil.

Part II

Particulars of Leasehold Properties:

- (i) Land: NIL
- (ii) Building: NIL
- (iii) Plant and Machinery: (if any, imbedded or attached to earth) NIL

If there is no such leasehold property, mention Nil.

Part III

A. Particulars of Investment in Shares & Securities: NIL

B. Particulars of Bank Accounts:-

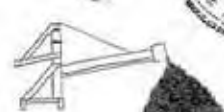
1. FD with State Bank of India, Anand & Axis Bank, Vallabh Vidyanagar Account of Prayas Engineering Limited (PEL).



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(w)



One-stop destination for bulk Material Handling Plants

2. Details of Bank Accounts:

Sr. No	Bank & Branch	Type of Account	Account No.
1	IDBI Bank Limited	Cash Credit	0375655100000727
2	Bank of Baroda	Cash Credit	25380500000092
3		Cash Credit	07550500000051
4		Current	07550200001025
5	Axis Bank Limited	Current	913020019165531
6		Cash Credit	913030032151549
7	State Bank of India	Cash Credit	33129636140
8	Export-Import Bank of India	Cash Credit	HOWCRINR00000170
9	HDFC Bank Limited	Cash Credit	006LN01162450003
10	IndusInd Bank Limited	Current	200999077254
11		Cash Credit	650014046200
12	Kotak Mahindra Bank Limited	Current	6911297133
13	ICICI Bank Limited	Current	008505002840
14	HDFC Bank Limited	Current	01830310000173
15	State Bank of India	Current	33085925933
16		Current	32757447359
17	The Vallabh Vidhyanagar Co-Op. Credit Society Limited	Current	3898
18	State Bank of India	Current	33555392547
19		Current	34557666361
20	Axis Bank Limited	Current	914020013880837



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One-stop destination for bulk Material Handling Plants

C. Registration with Various Authorities under respective laws, Bodies etc.:

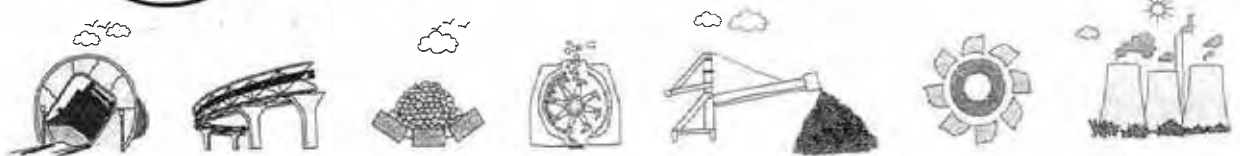
Name of Authority	Nature of registration	Registration Number
INCOME TAX DEPARTMENT	PAN	AAACN9836C
	TAN	BRDN00549D
SALES TAX DEPARTMENT	VAT CST	24151003979 24651003979
SERVICE TAX DEPARTMENT	S.T.REG.NO.	AAACN9836CSD005
	INPUT SERVICE DISTRIBUTOR REG.NO.	AAACN9836CSD005
EXCISE & CUSTOMS	DGFT IE CODE NO.	3412005347
	BIN No.	AAACN9836C FT001
EXCISE REGISTRATION NO.	MHE IDLER-PULLY DIV.	AAACN9836CEM001 AAACN9836CEM003
MINISTRY OF INDUSTRIES GOVERNMENT OF INDIA	Registration-Cum-Membership No.	425/IIM/PROD/2015
REGISTRAR OF COMPANY	CIN NO.	U29219GJ1991PLC015379
SMALL SCALE INDUSTRIES REG.NO. (GUJARAT) DIC OFFICE		NOT APPLICABLE
PF REGISTRATION NO.		GJ/BRD/20850
ESI REGISTRATION		Not Applicable
FACTORY LICENCE NO.		21483



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One-stop destination for bulk Material Handling Plants

PROFESSIONAL TAX REGISTRATION NO.		E243007997
LIC GROUP GRATUITY POLICY NO.		654452 [NGGCA 7140000675]
CONTRACTUAL LABOUR REGISTRATION NO.		02/2013
Electric Connections		NIL

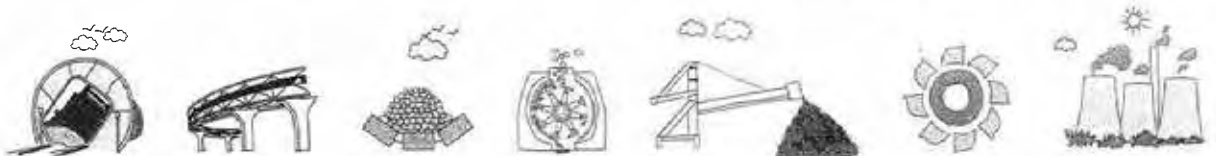
VEHICLES: (IF ANY) Description and Registration No.
 (No Value required.)

Category	Type of Vehicle	Quantity
Heavy Vehicles	Bus	1
	Jeeps	3
	Mobile Cranes	2
	Tractors	2
	Trailors	1
	Trucks	3
Light Vehicles	Cars	43
	Motor Cycles	11



For Elecon EPC Projects Limited


Director



One-stop destination for bulk Material Handling Plants

Annexure - A

Brief description of Plant & Machinery and Complete Address of its location:

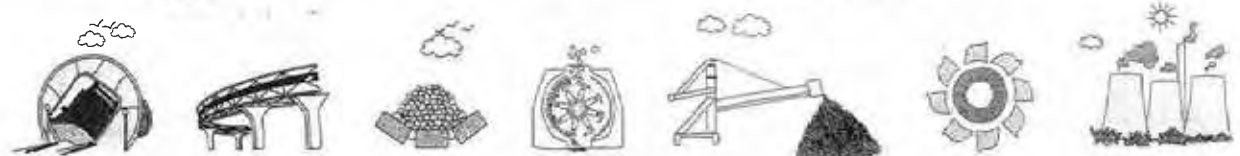
Sr. No.	Category of P&M	Description	Location
1.	Bending Pipe	4 rollers Hydraulic Plate Bending machine Make by DEVI CJO 1106 Mod	Fabrication Shop C7. Fabrication Shop
2.	Cutting	CNC Plasma profile cutting m/c HPR 400XD HYPER, SIZE 4000mm x 8000m	Heavy Machine Shop H2. Machine Shop II
3.		CNC Plasma machine for CJO 1326	Prayas Engineering Ltd.-MHE Divn. Prayas Enginee
4.		CJO1288 Cost of Plasma Cutting M/C Purchased from MESSER CUTTING &	Heavy Machine Shop H1. Machine Shop I
5.		Tanaka make L M X VII 30 TF 6000 E Laser cutting Machine for CJO	Heavy Machine Shop H2. Machine Shop II
6.		Plasma Cutting Machine for CJO 1751 ORTINA 4000 X 2800	
7.		Puma CNC Plasma Profile Cutting m/c. for CJO 10293	TOB 4th Floor 'A' Wing. Project Execution(Contract)
8.		CNC PLASMA PROFILE CUTTING M/C. FOR CJO GM/201213/031	Maharashtra. Project Execution(Contract)
9.		CNC Plasma Profile Cutting Machie for CJO MPD/GM/201213/031/01	Maharashtra. Project Execution(Contract)
10.		Radial	Portable Drilling Machine RM 62 for CJO 1722



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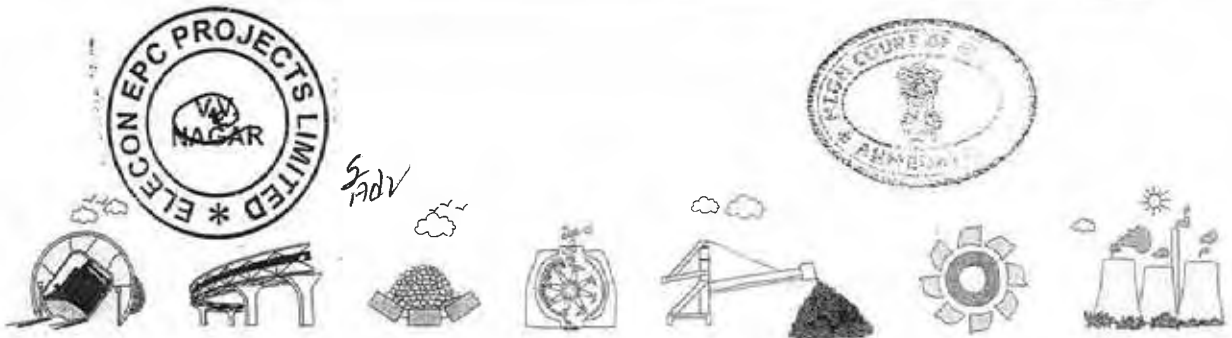


One-stop destination for bulk Material Handling Plants

11.		14MT Hydra with Slotted Boom 4 part Boom for CJO 1778	Other. Unspecified
12.	General Machinery	MARKING BED 15 M X 6 M X 300 MM SIZE WITH ACCESSORIES 20 NOS. FOR	Heavy Machine Shop H8. Machine Shop VIII
13.		Drilling line with sawing machine , cnc control Model HD 615 cncCJ	
14.		Initial P&M Gross Block For 199900	Other. Unspecified
15.		EOT CRANE 40T/10T - 01 No.	Heavy Machine Shop H8. Machine Shop VIII
16.	General Machinery	EOT CRANE 25T/10T - 01 No.	Heavy Machine Shop H9. Machine Shop IX
17.		EOT Crane / Savli GIDC	Manjusar. Manjusar Site
18.		PAINT & SHOT BLASTING BOOTH PROJECT - 01 NO.	Factory Packing Shed. Painting Shop
19.	Lathe. CNC Lathe	CNC VTL 800 ATC + C for CJO 0777	Heavy Machine Shop H4. Machine Shop IV
20.		CJO0181 Yoji make YU500 ATC + C CNC Vertical Turnning Lathe	Heavy Machine Shop H3. Machine Shop III
21.		Mazak make Power Master N 4000 U CNC lathe for CJO 0190	
22.		YOU JI make CNC Vertical turning lathe, YV. 1600ATC+CJO 180 & 181	Heavy Machine Shop H4. Machine Shop IV
23.		YOUJI MAKE CNC VTL 800 YV 800 ATC MACHINE FOR CJO 1420	Heavy Machine Shop H3. Machine Shop III
24.		GORATU GEMINIS CNC LATHE MODEL GHT 6 1300 X 7M FOR CJO 1348	Heavy Machine Shop H4. Machine Shop IV
25.		CJO0364 CNC POWER MASTER LATHE MODEL N (2000 U)	Heavy Machine Shop H3. Machine Shop III



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One-stop destination for bulk Material Handling Plants

26.	Lathe. CNC Lathe	DASTCUT' CNC Double ended turning machine Model-DCSB10-D- Shed - C	Dowty Meco Shed. Dowty shed
27.	Machining Centre	Floor type Horizontal Boring M/c.01 no. FOR CJO 0679	Heavy Machine Shop H6. Machine Shop VI
28.		VMC machine Feeler Make Model VB 900 A for CJO 0880	Heavy Machine Shop H4. Machine Shop IV
29.		HOBGING BORING M/C.MG30 TS5 Juaristi CJO 0908	Heavy Machine Shop H8. Machine Shop VIII
30.		SANCO CNC Double Column Maching Center SDM 3220	Heavy Machine Shop H4. Machine Shop IV
31.		Machining Center NEXUS 515C for CJO	
32.		Floor Type Juaristi make Horizontal Boaring M/c. MP 7	Heavy Machine Shop H8. Machine Shop VIII
33.		TX 1S MG- 6 HORIZONTAL BORING / MILLING M/C.	Extension Of HMBS H5 H6 H7 Shed. Machine Shop
34.		Retrofitting & Reconditioning of HB-15 Defum model m/c. cjo 1781	Heavy Machine Shop H6. H2-SHED-HMBS-MHE
35.	Milling Horizontal	RACK MILLING M/C. UPFM 500 F CNC FOR CJO 0782	Heavy Machine Shop H6. Machine Shop VI
36.		Juaristi Make Boring & Milling Cente for CJO 0744	
37.		CJO0524 1 NO.MILLING M/C UPFM500F CNC 2200 M/C NO.066015	Heavy Machine Shop H6. Machine Shop V
38.	Press. Hydraulic	Hyd Press Make Mechtech / Savli GIDC	Manjusar. Manjusar Site



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One-stop destination for bulk Material Handling Plants

**SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE
COMPANIES ACT, 2013)**

**CERTIFIED TRUE COPY
FOR ELECON ENGINEERING CO. LTD.**

[Signature]
COMPANY SECRETARY

**OF
ELECON EPC PROJECTS LIMITED
(TRANSFEROR COMPANY)**

INTO

**ELECON ENGINEERING COMPANY LIMITED
(TRANSFeree COMPANY)**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART I

INTRODUCTION

(A) Elecon EPC Projects Limited (hereinafter referred to as "Elecon EPC" or "Transferor Company") is a public limited company incorporated under the provisions of Companies Act, 1956 in the State of Gujarat and having its Corporate Identification Number: U29219GJ1991PLC015379 and registered office at c/o Elecon Engineering Company Limited, Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat. Transferor Company was originally incorporated on April 10, 1991 as private limited company under the name and style of "Narmada Travels Private Limited" as per certificate of registration issued by Registrar of Companies, Dadra & Nagar Haveli, Gujarat. Subsequently, the Transferor Company was converted into a deemed public limited company and consequently name of the Transferor Company was changed to "Narmada Travels Limited" with effect from April 29, 1994. Subsequently, the Transferor Company was converted into a public limited company with effect from February 01, 2002. Further, the name of the Transferor Company was changed to "Aakaish Projects Limited" with effect from May 18, 2012. Further again, the name of the Transferor Company was changed to "Elecon EPC Projects Limited" with effect from September 05, 2012. Transferor Company is engaged in the business of providing engineering, procurement, construction and project management services. It manufactures all types of bulk material handling equipment.



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The main object of the Transferor Company is as follows:

1. To prepare designs and drawings of various processes, plants and projects and to manufacture, erect, install, commission, supply, fabricate, construct, repair, maintain, procure and deal in all types of material handling equipment and other machineries of all kinds and do all related services and work, to act as consulting engineers and undertake studies and projects in India and other parts of the World.

(B) Elecon Engineering Company Limited (hereinafter referred to as "Elecon" or "Transferee Company") is public listed company incorporated under the provisions Companies Act, 1956 in the State of Gujarat on and having its Corporate Identification Number: L29259GJ1960PLC001082 and registered office at Anand-Sojitra Road, Vallabh Vidyanagar - 388 120, Gujarat. The Transferee Company was originally incorporated on January 11, 1960 as a private limited company under the name and style of "Elecon Engineering Company Private Limited" as per certificate



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of registration issued by Registrar of Companies, Bombay. Subsequently, the name of the Transferor Company was changed to "Elecon Engineering Company Limited" with effect from November 28, 1961. Transferee Company is engaged in the business of manufacturing industrial geared motors and reducers, mining equipment, casting processes, material handling equipment etc. Equity shares of Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Transferee Company is engaged in designing and manufacturing worm gears; parallel shaft and right angle shaft; helical and spiral level helical gears; fluid geared and flexible couplings, as well as planetary gear boxes. The main objects of the Transferee Company are mentioned in the object clause of its Memorandum of Association.

RATIONALE

(C) This Scheme (as defined hereinafter) envisages the amalgamation of Elecon EPC into Elecon, resulting in consolidation of the business in one entity, creating a vertically integrated engineering company and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies. Accordingly, it would be in the best interests of the Transferor Company and the Transferee Company and their respective shareholders. The proposed amalgamation of Elecon EPC into Elecon is in line with the global trends to achieve size, scale, integration and greater financial strength and flexibility and in the interests of maximizing shareholder value. The merged entity is likely to achieve higher long-term financial returns that could not be achieved by the companies individually. The Transferor Company and the Transferee Company believe that the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company pooled in the merged entity, will lead to increased competitive strength, cost reduction and efficiencies, productivity gains, and logistic advantages, thereby significantly contributing to future growth. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stake holders of respective companies, inter-alia, on account of the following reasons:

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- i. Enable Transferee Company to use the resources of Transferor Company and generate significant synergy in operations;
- ii. The consolidated entity would be able to utilize its full potential and leverage on the combined financial strength as well as optimize the use of resources for the purpose of future growth;
- iii. Reduction of overheads and other expenses, facilitate administrative convenience and ensure optimum utilization of available services and resources.



(D) The proposed amalgamation and vesting of Elecon EPC into Elecon, with effect from the Appointed Date is in the interest of the shareholders, creditors, stakeholders and employees of both the companies as it would enable a focused business approach for the maximization of benefits to all stakeholders and for the purposes of synergies of business.

(E) This Scheme is divided into the following parts:

- i. Part I, which deals with the introduction and rationale of the Scheme;
- ii. Part II, which deals with the Definitions and Share Capital;
- iii. Part III, which deals with the merger of the Transferor Company into the Transferee Company;



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- iv. Part IV, which deals with the accounting treatment to the Transferor Company and the Transferee Company under this Scheme;
- v. Part V, which deals with the general terms and conditions as applicable to this Scheme.

The scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.



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PART II

1. DEFINITIONS

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:-

- 1.1 "Act" means the Companies Act, 1956 read together with the notified provisions of Companies Act, 2013 including any statutory modifications, re-enactment rules, regulations, notifications, amendments or statutory replacement or re-enactment or amendments thereof. it is being clarified that as on the date of approval of this Scheme by the Boards of Directors of the Transferor Company and Transferee Company, Section 391 and 394 of the Companies Act, 1956 continue to be in force with corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to particular provisions of the Act are references to particulars provisions of Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of Companies Act, 2013, such references shall, unless a different intention appears, to be construed as reference to the provisions so re-enacted.
- 1.2 "Applicable Law" shall mean any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, orders or instructions having the force of law enacted or issued by the any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force.
- 1.3 "Appointed Date" means the 30th day of March, 2015 or such other date as may be approved by the High Court of Gujarat or any other appropriate authority.
- 1.4 "Appropriate Authority" means any governmental, statutory, departmental or public body of authority in India, including Securities and Exchange Board of India; stock exchanges in India; Registrar of Companies, Company Law Board in India, National Company Law Tribunal ("NCLT"), the High Court of Gujarat.
- 1.5 "Board of Directors" or "Board" in relation to Transferor Company and / or Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- 1.6 "BSE" means the BSE Limited, the designated stock exchange of the Transferee Company.
- 1.7 "Court" or the "High Court" means the Hon'ble High Court of Gujarat or the NCLT as the case may be.
- 1.8 "Effective Date" means the date on which certified copies of the order passed by the Hon'ble High Court of Gujarat is filed with the Registrar of Companies, Gujarat at Ahmedabad after obtaining the consents, approvals, permissions, resolutions, agreements, sanctions and orders necessary therefore.
- 1.9 "IT Act" means Income tax Act, 1961
- 1.10 "Long Stop Date" shall mean 31st December 2018.
- 1.11 "NSE" means the National Stock Exchange of India Limited.
- 1.12 "Lender" or "Lenders" mean any person or entity that has granted or will grant any credit facility whether fund based or non-fund based and whether secured or unsecured, to the Transferor Company or the Transferee Company.

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- 1.13 **"Public"** means as defined in Rule 2 of Securities Contracts (Regulations) Rules, 1957.
- 1.14 **"Record Date"** means the date to be fixed by the Board of Directors of Transferee Company in consultation with the Board of the Transferor Company for the purpose of reckoning names of the equity shareholders of the Transferor Company who shall be entitled to shares of the Transferee Company in accordance with Clause 5.1 of this Scheme.
- 1.15 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation in its present form or with any modification(s) submitted to the Hon'ble High Court of Gujarat or any other appropriate authority in relevant jurisdictions with any modification(s) thereof and as approved or imposed or directed by the High Court of Gujarat or any other appropriate authority, as applicable.
- 1.16 **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.17 **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 issued by SEBI or any other circulars issued by SEBI applicable to a scheme of arrangement / amalgamation.
- 1.18 **"SEBI Regulations"** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 issued by SEBI or any other regulations applicable to scheme of arrangement / amalgamation.
- 1.19 **"Stock Exchange"** shall have the same meaning as ascribed to it under the Securities Contract (Regulation) Act, 1956.
- 1.20 **"Stock Exchanges"** means National Stock Exchange of India Limited and BSE Limited.
- 1.21 **"Transferee Company"** means Elecon Engineering Company Limited, a company incorporated under the provisions of the Act and having its registered office at Anand-Sojitra Road, Vallabh Vidyanagar - 388120, Gujarat.
- 1.22 **"Transferor Company"** means Elecon EPC Projects Limited, a company incorporated under the provisions of the Act and having its registered office at Anand-Sojitra Road, Vallabh Vidyanagar, 388120, Gujarat.
- 1.23 **"The Undertaking"** means and includes :
- a. all the assets and properties of the Transferor Company as on the Appointed Date i.e. all the undertakings, the entire business, all the properties (whether movable or immovable - freehold or leasehold, tangible or intangible), plant and machinery, buildings and structures, including any advances for acquisition of land, allotment letters, sanctions, approvals, permits granted by any government or any other authority, offices, residential and other premises, capital work in progress, furniture, fixture, office equipment, appliances, accessories, power lines, deposits, stocks, assets, investments of all kinds and in all forms, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases, hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permissions, permits, quotas, rights, entitlements, guarantees, authorizations, approvals, agreements, contracts, leasers, licenses, registrations, tenancies, benefits, of all taxes including but not limited to Minimum Alternate Tax ("MAT") paid under Section 115JA/115JB of the IT Act, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to

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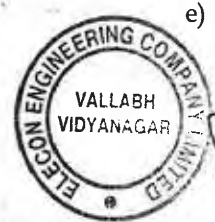
claim deductions under Section Chapter VI-A of the IT Act including its continuing benefits; engagements, arrangements of all kinds, exemptions, benefits, incentives, privileges and rights under State tariff regulations and under various laws, all facilities and entitlements given by the Office of Development Commission, Special Economic Zones (SEZ) under the SEZ Act, 2005 and rules made there under, if any, loan agreements, titles, interests, trade and service names and marks, patents, copyrights, and other intellectual property rights to use and avail of telephones, telexes, facsimile, email, interest, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programs, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records, and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company or which have accrued to the Transferor Company as on the Appointed Date, whether in India or abroad, of whatsoever nature and where-ever situated, (hereinafter referred to as the "Assets");

- b. all the debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date (hereinafter referred to as the "Liabilities");
- c. without prejudice to the generality of Sub-Clause (a) above, the Undertaking of the Transferor Company shall include all the Transferor Company's Reserves, the movable and immovable properties, assets, including mining leases, leasehold rights, tenancy rights, industrial and other licenses, permits, authorizations, quota rights, trade marks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities, rights and benefits of all agreements, guarantees including guarantees given by the State Government(s), all facilities and entitlements given by the Office of Development Commission, Special Economic Zones (SEZ) under the SEZ Act, 2005 and rules made there under, deeds, bonds, insurance policies and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of whatsoever nature and wheresoever's situate, if any belonging to or in the ownership, power or possession or control of the Transferor Company.
- d. all earnest monies and/or security deposits paid by the Transferor Company.
- e. all the employees of the Transferor Company who are willing to become the employees of the Transferee Company.

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1.24 In this Scheme, unless the context otherwise requires:

- a) Words denoting singular shall include plural and vice versa;
- b) Reference in the Scheme to "coming into effect of the Scheme" or "effectiveness of the Scheme" or "upon the Scheme being effective" shall mean from the Effective Date;
- c) Headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- d) References to the word "include" or "including" shall be construed without limitation;
- e) A reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;



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- f) Unless otherwise defined, reference to the word "days" shall mean calendar days;
- g) Reference to dates and times shall be construed to be references to Indian dates and times;
- h) Reference to an act, regulation, circular, notification or a document includes an amendment or supplement to, or modification or replacement or novation or re-enactment of such act, regulation, circular, notification or document; and
- i) Word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them under the Act, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations and byelaws, as the case may be or any statutory amendment (s) or re-enactment thereof, for the time being in force.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court of Gujarat, shall become operative from the effective Date and shall be effective from the appointed Date.

3. SHARE CAPITAL

3.1. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferor Company as on 30th March, 2015 is as under :-

Share Capital	Rupees in Lacs
Authorized Share Capital	
5,00,000 Equity shares of Rs. 10 each	50.00
1,27,50,000 0% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs.100 each	12,750.00
TOTAL	12,800.00
Issued, subscribed and paid-up Share Capital	
4,46,609 Equity shares of Rs. 10 each	44.66
1,27,32,000 0% Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs.100 each	12,732.00
TOTAL	12,776.66

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Date

After 30th March 2015, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferor Company till the date of passing of board resolution approving the Scheme.

3.2. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Transferee Company as on 30th March 2015 is as under :-

Share Capital	Rupees in Lacs
Authorized Share Capital	
22,50,00,000 Equity Shares of Rs. 2 each	4,500.00
2,50,00,000 Cumulative Redeemable Preference Shares of Rs. 2 each	500.00
TOTAL	5,000.00
Issued, subscribed and paid-up Share Capital	
10,89,35,843 Equity shares of Rs. 2 each	2,178.72
TOTAL	2,178.72



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After 30th March 2015, there has been no change in authorized, issued, subscribed and paid-up share capital of the Transferee Company till the date of passing of board resolution approving the Scheme

- 3.3. The existing equity shares of the Transferee Company are listed on NSE and the BSE. The equity shares of the Transferor Company are not listed on any Stock Exchange.



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PART III

4. TRANSFER AND VESTING

- 4.1. With effect from the Appointed Date and upon this Scheme coming into effect, the Transferor Company along with its Undertaking shall stand merged with and be vested in the Transferee Company, as a going concern, without any further act or instrument or deed, matter or thing to be made, done or executed and pursuant to the provisions of Sections 391 to 394 of the Act, together with all the properties, assets, rights, liabilities, benefits and interest therein, as more specifically described in the subsequent clauses of this Scheme.
- 4.2. With effect from the Appointed Date, the entire business and the whole of the Undertaking of the Transferor Company shall, without any further act or deed, be and stand transferred to and vested in or deemed to have been transferred to or vested in the Transferee Company as a going concern, pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Act, PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company which shall vest in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise. The transfer/vesting as aforesaid shall be subject to the existing charges/hypothecation over or in respect of the Assets or any part thereof of the Transferor Company. Further, the Transferee Company shall not be required to create any additional security over assets acquired by it under the Scheme for any loans, deposits or other financial assistance availed /to be availed by the Transferor Company or the Transferee Company. Similarly, the Promoters shall not be required to provide additional collateral security by way of pledge of their shareholding in the Transferor/Transferee Company.
- 4.3. Any legal or other proceedings by or against Transferor Company pending on the Effective Date and relating to the Undertaking (including property rights, powers, liabilities, obligations and duties) of Transferor Company shall be continued and enforced by or against the Transferee Company, in the same manner and to the same extent as it would or might have been continued and enforced by or against Transferor Company.
- 4.4. It is expressly provided that in respect of such of the assets of the Transferor Company as are moveable in nature or are otherwise capable of being transferred by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company by physical delivery and shall become the property of the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act.
- 4.5. In respect of such of the Assets other than those referred to in sub-Clause 4.4 above, they shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred and vested in the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act and shall form an integral part of the Undertaking.
- 4.6. The Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance referred to above on the part of the Transferor Company to be carried out or performed.



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- 4.7. With effect from the Appointed Date, all liabilities, debts, duties and obligations of the Transferor Company shall, without any further act or deed, also stand transferred to the Transferee Company, pursuant to the applicable provisions of the Act, so as to become as from the Appointed Date, the liabilities, debts, duties and obligations of the Transferee Company.
- 4.8. Upon the coming into effect of the Scheme, benefits of all taxes paid including but not limited to MAT paid under Section 115JA/115JB of the IT Act, advance taxes and tax deducted at source, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under Chapter VI-A of the IT Act including its continuing benefits, by the Transferor Company from the Appointed Date, if any regardless of the period to which they relate, shall be deemed to have been paid for and on behalf of and to the credit of the Transferee Company as effectively as if the Transferee Company had paid the same and shall be deemed to be the rights/claims of the Transferee Company. All unavailed credits, incentives, exemptions, set offs, claims for refunds under any State Value Added Tax Acts, CST Acts, Central Excise and Service Tax provisions or any other State or Central statutes regardless of the period to which they may relate, shall stand transferred to the benefit of and shall be available in the hands of the Transferee Company without restrictions under the respective provisions.
- 4.9. All secured and unsecured debts, (whether in rupees or in foreign currency), all liabilities whether provided for or not in the books of the Transferor Company, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon (hereinafter referred to as the "said Liabilities") shall stand transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company, so as to become the debts, liabilities, duties and obligations of the Transferee Company, and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause. It is clarified that in so far as the assets of the Transferor Company are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowing of the Transferor Company shall without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security in relation to any or any part of the assets of the Transferee Company, save to the extent warranted by the terms of the existing security arrangements to which any of the Transferor Company and the Transferee Company are parties, and consistent with the joint obligations assumed by them under such arrangement.
- 4.10. All the properties including freehold & leasehold properties, leases, estates, assets, rights, titles, interests, benefits, licenses, consents, allotment letters, sanctions, approvals, permissions and authorities etc. as described in Clause 4.1 accrued to and/or acquired by the Transferor Company after the Appointed Date, shall have been and deemed to have accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon the coming into effect of the Scheme, pursuant to the provisions of Section 394 of the Act and without any further act, instrument or deed, be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the properties, leases, estates, assets, rights, titles, interests, benefits, licenses, approvals, permissions and authorities etc. of the Transferee Company.

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- 4.11. All loans raised and utilized and all debts, duties, undertakings, liabilities and obligations incurred or undertaken by the Transferor Company after the Appointed Date, shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date.
- 4.12. All inter party transactions between the Transferor Company and the Transferee Company with as may be outstanding on the Appointed Date or which may take place subsequent to the Appointed Date and prior to the Effective Date, shall be considered as intra party transactions for all purposes from the Appointed Date. Any loans or other obligations, if any, due inter-se i.e. between the Transferor Company with the Transferee Company as on the Appointed Date, and thereafter till the Effective Date, shall stand automatically extinguished.
- 4.13. This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(1B) of the IT Act, the provisions of Section 2(1B) of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(1B) of the IT Act, such that the modification to not affect other parts of the Scheme.

5. ISSUE OF SHARES

5.1. Upon this Scheme becoming effective, the Transferee Company shall without any further application, act, instrument or deed, issue and allot its equity shares, credited as fully paid up, to the extent indicated below, to the equity shareholders of Transferor Company (except Transferee Company) and whose name appear in the register of members of the Transferor Company on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Transferor Company / Transferee Company in consideration of the amalgamation of Transferor Company into Transferee Company in the following ratio / proportion ("Share Exchange Ratio"):



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"37 (Thirty Seven) equity shares of face value of Rs.2/- at par each fully paid-up of Transferee Company for every 2 (Two) equity shares of face value of Rs.10/- each fully paid-up held in Transferor Company."

It is clarified that upon this Scheme becoming effective, equity and preference shares of Transferor Company held by the Transferee Company directly and / or through its nominee(s), constituting 60.49% of paid-up equity share capital and entire preference share capital of the Transferor Company will stand cancelled. No shares or consideration shall be issued / paid by the Transferee Company pursuant to the amalgamation of the Transferor Company with Transferee Company in respect of equity and preference shares of Transferor Company held by Transferee Company.

For the avoidance of doubt, in respect of equity shareholders of the Transferor Company (except Transferee Company) who, on the Record date do not hold equity shares in the Transferor Company in multiple of 2 (Two) shall be allotted number of fully paid-up equity shares of Rs. 2/- each at par of the Transferee Company in the same ratio as the actual number of equity shares held by the member in the Transferor Company on the Record Date, bear to the Share Exchange Ratio.

5.2. The equity shares to be issued and allotted by Transferee Company as above shall be subject to the provisions of the memorandum and articles of association of Transferee Company and shall rank paripassu in all respects including dividends.



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5.3. In respect of fractional entitlements, if any, by Transferee Company, to the equity shareholders of Transferor Company at the time of issue and allotment of Transferee Company's Equity Shares under Clause 5.1, the Board of Directors of Transferee Company shall consolidate all fractional entitlements, and allot Transferee Company's Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of Transferee Company shall appoint in this behalf, who shall hold the Transferee Company's Equity Shares issued in Transferee Company, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Transferee Company, the net sale proceeds thereof, whereupon Transferee Company shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Directors of Transferee Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

5.4. The new equity shares issued pursuant to Clause 5.1 above shall be issued in the dematerialized form by Transferee Company unless otherwise notified in writing by the shareholders of Transferor Company to Transferee Company on or before such date as may be determined by the Board of Directors of Transferee Company. In the event, such notice has not been received by Transferee Company in respect of any of the members of Transferor Company, the new equity shares shall be issued to such shareholders in dematerialized form provided that the members of Transferor Company shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. It is only thereupon that Transferee Company shall issue and directly credit the dematerialized securities account of such members of Transferor Company.



In the event that Transferee Company has received the notice from any of the shareholders of Transferor Company that the new equity shares are to be issued in certificate form or if any shareholder has not provided the requisite details regarding the account with a depository participant or other confirmations as may be required, then Transferee Company shall issue the new equity shares in certificate form in such number.

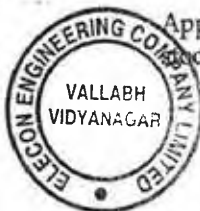
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Such physical share certificates (if any) shall be sent by Transferee Company to such equity shareholders of Transferor Company at their respective registered addresses, as appearing in the register of members maintained by Transferor Company as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and Transferee Company shall not be responsible for any loss in transit.

5.5. The Board of Directors of Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares pursuant to Clause 5.1 of the Scheme.

5.6. Equity shares of Transferee Company issued in terms of Clause 5.1 above shall be listed on the relevant stock exchange/s, where the existing equity shares of Transferee Company are listed and / or admitted to trading in accordance with the applicable laws including without limitation the SEBI Circulars and SEBI Regulations. Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the

Applicable Laws or regulations for complying with the formalities of the relevant stock exchanges.



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- 5.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the Board of Directors of Transferee Company or any committee thereof if in existence, or failing which the Board of Directors or any committee thereof of Transferee Company shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in Transferor Company and in relation to the equity shares of Transferee Company after the Scheme becomes effective.
- 5.8. The equity shares to be issued pursuant to this Scheme by Transferee Company in respect of the equity shares of Transferor Company which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 (erstwhile Section 206A of the Companies Act, 1956) or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by Transferee Company.
- 5.9. On the Scheme becoming effective and as an integral part of the Scheme, the authorized, issued, subscribed and the paid-up share capital of Transferee Company shall stand suitably increased consequent on the issue of the Equity Shares by Transferee Company. It is clarified that approval of this Scheme by the shareholders of Transferee Company shall be deemed to be the due compliance of the provisions of Section 62(1)(c) of the Companies Act, 2013 and the other relevant and applicable provisions thereof for the issue and allotment of equity shares by Transferee Company to the shareholders of Transferor Company, as provided in this Scheme.
- 5.10. The approval of this Scheme by the shareholders of Transferee Company and Transferor Company under Section 391 and 394 of the Act or any corresponding provisions of Companies Act, 2013 shall be deemed to have the approval under Section 16, 31 and other applicable provisions of the Act or any corresponding provisions of Companies Act, 2013 and any other applicable law, including but not limited to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and any other consents and approvals required in this regard.



6. ALTERATIONS / AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION AND CONSOLIDATION OF AUTHORIZED CAPITAL

A. COMBINATION OF AUTHORISED CAPITAL

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- 6.1. Upon sanction of the scheme, the authorised share capital of Transferee company shall stand increased without any further act, instrument or deed on the part of Transferee company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised Equity and Non-Cumulative Non-Convertible Preference Share Capital of Transferor Company amounting to Rs. 50,00,000/- (Rupees Fifty Lacs only) and Rs. 1,27,50,00,000 (Rupees One Hundred and Twenty Seven Crores and Fifty Lacs) respectively and the Memorandum of Association and Articles of Association of Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under the applicable provisions of the Act would be required to be separately passed, as the case may be and for this purpose the stamp duty and fees paid on the authorized capital of Transferor Company shall be utilized and applied to the increased authorized share capital of Transferee Company and there would be no requirement for any further payment of stamp duty and / or fee by Transferee Company for increase in the authorised share capital to that extent.



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6.2. Consequent upon the Scheme becoming effective, the authorised share capital of Elecon will be as under:

Particulars	Rupees in Lacs
Authorised Capital	
22,75,00,000 Equity Shares of Rs. 2/- each	4,550
2,50,00,000 Cumulative Redeemable Preference Shares of Rs. 2/- each	500
1,27,50,000 Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs. 100/- each	12,750
Total	17,800

6.3. It is hereby clarified that the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61 or any other applicable provisions of the Companies Act, 2013, would be required to be separately passed.

B. OBJECT CLAUSE

6.4. With effect from the Appointed Date and upon the Scheme becoming effective, the Object Clause of the Memorandum of Association of the Transferee Company shall stand amended without any act, instrument or deed and stand altered, modified and amended pursuant to applicable provisions of the Act as set out below:

6.5. Subsequent to Clause III (2) of the Memorandum of Association of the Transferee Company a new Clause III (2A) shall be inserted as reproduced hereunder:

2A. To prepare designs and drawings of various processes, plants and projects and to manufacture, erect, install, commission, supply, fabricate, construct, repair, maintain, procure and deal in all types of material handling equipment and other machineries of all kinds and do all related services and work, to act as consulting engineers and undertake studies and projects in India and other parts of the World.

6.6. It is clarified that upon approval of Scheme by the High Court the Transferee Company shall not be required to seek separate consent / approval of its shareholders for the alternation of the Memorandum and Articles of Association of the Transferee Company as required under Section 13, 14, 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Companies Act, 1956.

7. TRANSACTIONS BETWEEN APPOINTED DATE AND EFFECTIVE DATE:

7.1. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the business and undertaking of Transferor Company for and on account of and in trust for the Transferee Company. Transferor Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

7.2. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Transferee Company alienate, charge, mortgage, encumber or otherwise deal with or dispose of Transferor Company or part thereof.



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- 7.3. With effect from the Appointed Date and up to and including the Effective Date, all the profits or income accruing or arising to Transferor Company or expenditure or losses arising or incurred or suffered by Transferor Company pertaining to the business and undertaking of Transferor Company shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of the Transferee Company.
- 7.4. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Appointed Date.
- 7.5. With effect from the date of passing of the board resolution for approving the Scheme and up to and including the Effective Date, Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company, may require pursuant to this Scheme.
- 7.6. All loans raised and utilized and all liabilities, duties and obligations incurred or undertaken and all encumbrances/ charges created by Transferor Company over assets of the Undertaking in order to secure the said loans, debts and liabilities on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken or created for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which the Transferee Company shall meet, discharge and satisfy the same.



8. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

On and from the Effective Date:

- 8.1. All employees of the Transferor Company in service on the Effective Date shall become the employees of the Transferee Company on such date without any break or interruption in service and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company as on the Effective Date.
- 8.2. The accumulated balances standing to the credit of the employees of the Transferor Company on the Effective Date in the Provident Fund, Gratuity Fund, Superannuation Fund and/or other Funds and including any surplus in any such Funds created or existing for the benefit of the employees of the Transferor Company shall be identified, determined and transferred to the corresponding funds of the Transferee Company in due course.

9. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 9.1. Subject to other provisions of this Scheme, the Transferee Company shall accept all acts, deeds and things relating to the Undertaking of the Transferor Company done and executed by and/or on behalf of the Transferor Company on or after the Appointed Date as acts, deeds and things done and executed by and/or on behalf of the Transferee Company.



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9.2. Subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, leases, insurance policies and other instrument of whatsoever nature relating to the Undertaking to which the Transferor Company is a party and subsisting or having effect on or before the Effective date shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually, as if, instead of the Transferor Company, the Transferee Company had at all material times been a party thereto.

9.3. On this Scheme finally taking effect as aforesaid:

- a. All the agreements, guarantees, approvals, consents, permissions, licenses, sanctions, leases and the like entered into with and/or given by, as the case may be, the various Central/ State Governments, statutory or regulatory body or agencies or third parties with respect to the Transferor Company shall, without any further act, deed, matter or thing, stand transferred to and vested in the Transferee Company;
- b. All business activities engaged in by the Transferor Company shall be continued by the Transferee Company under its own name; and
- c. The Transferor Company shall stand dissolved without winding up.

10. LEGAL PROCEEDINGS:

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called the "Proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertaking of the Transferor Company or of anything contained in the Scheme, but the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made.



11. DIVIDEND:

Following provisions will apply with regard to any distribution or declaration or payment of dividend or interim dividend, as the case may be, by the Board of Directors of the Transferor Company and / or Transferee Company:

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11.1. The Transferor Company may declare and pay dividend subject to the provisions of the Act, to its equity and preference shareholders for the accounting period commencing on or after the Appointed Date but prior to the Effective Date provided the Board of Directors of the Transferor Company has obtained prior consent and approval of the Board of Directors of the Transferee Company before making such declaration or payment to the members of the Transferor Company.

11.2. The Transferee Company may also declare and pay dividend subject to the provisions of the Act, to its equity shareholders for the accounting period commencing on or after the Appointed Date but prior to the Effective Date. It is hereby clarified that the shareholders of Transferor Company shall not be entitled to any dividend from Transferee Company under this sub-clause.

11.3. The Transferee Company may, on or after the Effective Date but on or before the Record Date, declare and pay dividend to its equity shareholders subject to the provisions of the Act provided the shareholders of the Transferor Company who are entitled to receive shares of Transferee Company shall also be entitled to such dividend in the same manner and to the same extent as if they were shareholders of the Transferee Company on the date of such declaration by the Board of Directors of Transferee Company. In such event, the shareholders of the Transferor Company who are entitled to receive shares of Transferee Company shall, on Record Date, also



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be eligible to receive an amount representing such dividend proportionate to the shares they are entitled to receive. For this purpose, the Transferee Company shall, at the time of declaration of dividend to its shareholders as aforesaid, reserve the amount required for payment of dividend to such Transferor Company's shareholders. The Board of Directors of Transferee Company will declare the aforesaid reserved amount as dividend to such Transferor Company's shareholders after the Record Date and the amount set apart will be appropriate towards such declaration. For the avoidance of doubt, it is clarified that no interest shall be payable by the Transferee Company to such Transferor Company's shareholders in relation to such amount to be applied towards payment of such dividend.

11.4. Subject to the provisions of the Scheme, the profits of the Transferor Company, for the period beginning from the Appointed Date, shall belong to and be the profits of Transferee Company and will be available to Transferee Company for being disposed of in any manner as it thinks fit.

11.5. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any rights on any member of the Companies to demand or claim any dividends which, subject to the provisions of Companies Act, 1956 / Companies Act, 2013, as applicable, shall be entirely at the discretion of the respective Board of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.



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PART IV

12. ACCOUNTING TREATMENT

12.1. Upon the Scheme becoming effective:

- a. The Transferee Company shall account for amalgamation in accordance with the 'Purchase Method of Accounting' laid down by Accounting Standard 14 (Accounting for Amalgamation) issued by the Institute of Chartered Accountants of India.
- b. Upon coming into effect of this Scheme, Transferee Company shall record, all the assets and liabilities of Transferor Company transferred to and vested in Transferee Company pursuant to this Scheme, at their respective fair market values at the close of business on the day immediately preceding the Appointed Date.
- c. Inter-company balances and investments, if any, appearing in the books Transferor Company and Transferee Company inter se, will stand cancelled.
- d. Transferee Company shall credit to its Equity Share Capital account, the aggregate face value of the Equity Shares issued and allotted under Clause 5.1 of this Scheme.
- e. The difference, if any, between Net Assets Value of Transferor Company transferred to and recorded by Transferee Company in terms of this Clause, and the amount credited to Equity Share Capital and cancellation of inter-company balances and investment as per this Clause, shall be credited to the Capital Reserve or shall be debited to the Goodwill Account of Transferee Company as the case may be.

("Net Asset Value" shall be computed as the value of assets less the value of liabilities, of Transferor Company transferred to Transferee Company and recorded in books of Transferee Company in terms of this Scheme)

f. If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and Transferee Company, Transferee Company may make suitable adjustments and reflect the effect thereof in the Capital Reserve or Goodwill Account of Transferee Company, as the case may be.

g. The amalgamation of Transferor Company with the Transferee Company in terms of this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961.



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PART V

13. APPLICATION TO THE HIGH COURT

On the Scheme being agreed to by the requisite majorities of the members and creditors of the Transferor Company and the Members of Transferee Company as per requirement of Companies Act, 1956 or Companies Act, 2013 and SEBI Circular, SEBI Regulations, the Transferor Company and the Transferee Company shall respectively and/or jointly with reasonable dispatch, apply to the Hon'ble High Court for sanctioning this Scheme of Amalgamation under Sections 391 to 394 of the Act and for an order or orders under Section 394 of the Act for carrying this Scheme into effect.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

14.1. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Court may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty that may arise under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Company). In the event that any conditions are imposed by the High Court which the Transferor Company or the Transferee Company find unacceptable for any reason whatsoever then the Transferor Company and/or the Transferee Company shall be entitled to withdraw from the Scheme.

14.2. For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors or a Committee appointed by the Board of the Transferee Company are hereby authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

15. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS

The Scheme is conditional upon and subject to:

- a. The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Transferor Company and the Transferee Company as required under the Act, SEBI Circular, SEBI Regulations and the requisite order or orders referred to in Clause 13 hereof being obtained;
- b. The sanction of the Scheme by public shareholders through postal ballot and e-voting in accordance with Clause 9 of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.
- c. The sanction of the Scheme by the Hon'ble Court under Sections 391 and 394 of the Act;
- d. Obtaining approval of the designated stock exchange as required under the SEBI Circular.
- e. The certified copies of the order of the Hon'ble High Court referred to in Clause 13 above being filed with the Registrar of Companies, Gujarat at Ahmedabad.
- f. Any other sanction or approval of any governmental or regulatory authority, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.



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16. EFFECTIVE DATE OF THE SCHEME

16.1. This Scheme shall become effective when all the following conditions are fulfilled:

- a. The Scheme being approved by the requisite majority of the shareholders and creditors of the Transferor Company and the Transferee Company as may be required under the Act, SEBI Circular, SEBI Regulations and/or the orders of the High Court.
- b. The Scheme is sanctioned by the said High Court under Section 394 of the Act.
- c. The certified copy of the order of the said High Court sanctioning the Scheme is filed with the Registrar of Companies, Gujarat at Ahmedabad.

16.2. In the event of this Scheme failing to take effect finally within such period or periods as may be decided by the Transferor Company (by its Directors) and the Transferee Company (by its Directors), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or by incurred inter se to or by the Parties or any one of them. In such a case, each company shall bear its own cost or as may be mutually agreed.

16.3. The Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed through the Board of Directors of the Transferor Company and the Transferee Company. In such a case, each company shall bear its own cost or as may be mutually agreed.

17. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

18. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall be dissolved without winding up in accordance with the provisions of Sections 391 to 394 of the Act.

19. SCHEME RENDERED NULL AND VOID

19.1. This Scheme although comes into operation from the Appointed Date shall not become effective until the last of the date on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clause 15 shall be obtained or passed. The last of such dates shall be the "Effective Date" for the purpose of this Scheme.

19.2. In the event of this Scheme failing to take effect on or before Long Stop Date, this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the Parties or any one of them and accordingly Transferor and Transferee Company shall be entitled to take requisite steps to withdraw the Scheme.

19.3. In the event the Board of Directors of the Transferor Company and the Transferee Company, either through itself or through a committee appointed in this behalf, agree to proceed with the sanctioning of the Scheme in part, the Transferor Company and the Transferee Company shall proceed with the High Court's Order for sanctioning of the Scheme in part.

20. EXPENSES CONNECTED WITH THE SCHEME

20.1. Save and except as provided elsewhere in the Scheme, all costs, charges taxes, levies and other expenses including registration fee of any deed, in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by the Transferee Company.



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20.2 In the event that this Scheme fails to take effect within such period or periods as may be decided by the Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors), or the Scheme is rendered null and void in terms of Clause 19 above of this Scheme then, the Transferor Company and Transferee Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

21. GENERAL TERMS AND CONDITIONS

21.1 The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make all applications / petitions under Section 391 and 394 and other applicable provisions of the Act to the Court for the sanctioning of the Scheme and obtain all approvals and consents as may be required under law or any agreement.

21.2 The respective Board of Directors of the Transferor Company and the Transferee Company may empower any Committee of Directors or Officer(s) or any individual director, officer or other person to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.

21.3 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Transferee Company and the Transferor Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.

21.4 If any part of this Scheme is invalid, ruled illegal by any court(s) or authority of competent jurisdiction or unenforceable under the 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.



In view of para 18 of the order dated 7th October 2016 passed by the Hon'ble court (Coram: Hon'ble Mr. Justice R. M. Chhaya) in Company Petitions No. 398 and 399 of 2016, the Scheme is hereby authenticated.

Adarsh
19-10-2016
Registrar (Judicial)

Shelvi
This 19th day of October 2016

(CSO)

Alma
(S. Manoj)

Yam
19/10/2016

Sealer and Deputy Registrar

This 19th day of October 2016



TRUE COPY

19/10

ASSISTANT REGISTRAR
THIS DAY OF

