

COMPOSITE SCHEME OF ARRANGEMENT OF ECE INDUSTRIES LIMITED, BIRLA ELEVATORS LIMITED AND UNIVERSAL INVESCO LIMITED; AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 & 232 READ WITH SECTION 66 AND OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AND OTHER APPLICABLE PROVISIONS, IF ANY

A. Preamble and Overview of the Scheme

This Composite Scheme of Arrangement is framed in terms of the provisions of Sections 230 & 232 read with Section 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, together with Section 2(19AA) and other relevant provisions of the Income Tax Act, 1961, and other applicable provisions, if any.

The Composite Scheme of Arrangement provides the following:

- i. Capital Reduction of ECE Industries Limited by way of cancellation of Equity Shares held by 'Non-Promoter/Public Category Shareholders' and payment of 'Capital Reduction Consideration' to such Shareholders.
- ii. Demerger of 'Elevator Business' and 'Securities Investment Business and other ancillary activities' (Demerged Undertaking 1 & 2, respectively) of ECE Industries Limited (the Demerged Company) into Birla Elevators Limited and Universal Invesco Limited, respectively (the Resulting Companies No. 1 & 2, respectively), on a going-concern basis.
- iii. Various other matters incidental, consequential or otherwise integrally connected with the aforesaid Capital Reduction and Demerger, as the case may be.

B. Background and brief description of the Companies to the Scheme

I. Demerged Company-ECE Industries Limited

- i. ECE Industries Limited (the Demerged Company) is incorporated under the provisions of the Indian Companies Act, 1913 and has its registered office at A-20, Industrial Area, Meerut Road, Ghaziabad-201 001, Uttar Pradesh; e-mail: ecodelhi1@gmail.com; Website: www.eceindustriesltd.com.
- ii. ECE Industries Limited is engaged in manufacturing of electric power transformers and switchgears, elevators and other components, industrial adhesives, securities investments, other related and ancillary activities. The Demerged Company has following business verticals:
 - a. **Transformer Business:** Manufacturing, marketing, supply, after-sales services, repair and maintenance of electric power transformers, switchgears, other related products and equipment, and other related and ancillary activities.
 - b. **Elevator Business:** Manufacturing, marketing, installation, supply, after-sales services and maintenance of elevators,

lifts, escalators, other related products and equipment, and other related and ancillary activities.

c. Industrial Adhesive Business: Manufacturing and supply of industrial adhesives and other related and ancillary activities.

d. Securities Investment and ancillary Business: Purchase, sale and investments in shares, debentures, bonds, mutual funds, alternate investment funds (AIFs), government securities, etc., investments in real estates and other related and ancillary activities.

Thus, the Demerged Company has multiple business verticals.

- iii. ECE Industries Limited is an un-listed public limited company. Around 99.70% of the total paid-up Equity Share Capital of the Company is held by the Promoters, their family members and Group Companies ['Promoter Category Shareholders']. Whereas balance 0.30% of the total Paid-up Equity Share Capital of the Company is held by Non-Promoter/Public Category Shareholders.

II. Resulting Company No. 1-Birla Elevators Limited

- i. Birla Elevators Limited [Formerly: ECE Elevators Limited] (the Resulting Company No. 1) is incorporated under the provisions of the Companies Act, 2013 and has its registered office at A-20, Industrial Area, Meerut Road, Ghaziabad-201 001, Uttar Pradesh; e-mail: ecehodelhi@gmail.com.
- ii. Birla Elevators Limited is recently incorporated to carry on manufacturing, marketing, installation, supply, after-sales services and maintenance of elevators, lifts, escalators, other related products and equipment, and other related and ancillary activities.
- iii. Birla Elevators Limited is a wholly owned subsidiary of the Demerged Company-ECE Industries Limited. Accordingly, entire issued and paid-up Equity Share Capital of the Resulting Company No. 1 is held by the Demerged Company and its nominee Shareholders.

III. Resulting Company No. 2-Universal Invesco Limited

- i. Universal Invesco Limited (the Resulting Company No. 2) is incorporated under the provisions of the Companies Act, 2013 and has its registered office at A-20 Industrial Area, Meerut Road, Ghaziabad-201 001, Uttar Pradesh; e-mail: universalinvesco@gmail.com.
- ii. Universal Invesco Limited is recently incorporated to carry on purchase, sale and investments in shares, debentures, bonds, mutual funds, alternate investment funds (AIFs), government securities, etc., investments in real estates and other related and ancillary activities.
- iii. Universal Invesco Limited is a wholly owned subsidiary of the Demerged Company-ECE Industries Limited. Accordingly, entire

issued and paid-up Equity Share Capital of the Resulting Company No. 2 is held by the Demerged Company and its nominee Shareholders.

- IV.** Relevant corporate details of all the Companies are given in 'Clause-1: Definitions Clause' of Part-1 of this Scheme.
- V.** The Demerged Company is an un-listed public limited company. Whereas both the Resulting Companies No. 1 & 2 are wholly owned subsidiaries of the Demerged Company. All the Companies in this Scheme are Group Companies under common management and control.
- VI.** The proposed Scheme of Arrangement will not result in any change in management or control of any of the Companies in the Scheme.

C. Detailed Rationale and benefits of the Scheme

The circumstances which justify and/or necessitate the proposed Composite Scheme of Arrangement of ECE Industries Limited, Birla Elevators Limited and Universal Invesco Limited; and benefits of the proposed Capital Reduction and Demerger, as perceived by the Board of Directors of these Companies, to the Shareholders and other stakeholders are, inter alia, given below.

- I.** The circumstances which justify and/or necessitate the proposed Capital Reduction are, inter alia, as follows:
 - a. The Demerged Company-ECE Industries Limited was de-listed from NSE in terms of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and other applicable provisions, if any. Despite multiple Exit Opportunities given to the Public Shareholders, the Demerged Company still has some Non-promoter/Public Shareholders holding a minuscule proportion of total paid-up Share Capital of the Demerged Company.
 - b. Post-delisting of the Company from NSE, there has been no trading platform available to these public shareholders due to which such shares have lost their marketability. Consequently, Public Shareholders are not able to monetize their investments in the open market to realize return on their investments. There is no mechanism/platform available to these Shareholders to sell/dispose-off these shares, if they so wish. Further, in view of very insignificant shareholding, the Public Shareholders do not have any meaningful participation in the Demerged Company.
 - c. In order to provide an exit opportunity to all the Non-Promoter/Public Category Shareholders, it is proposed to compulsorily reduce the issued and paid-up share capital of the Demerged Company by cancelling the Equity Shares held by all the Non-Promoter/Public Category Shareholders; and make payment to all such Shareholders.
 - d. The proposed Capital Reduction will be beneficial to all the Non-Promoter/Public Category Shareholders.

- e. The proposed Capital Reduction will, in particular, result in the following benefits to the Non-Promoter/Public Category Shareholders and the Demerged Company:
 - i. Provide a permanent liquidity option to Public Shareholders for illiquid Shares of the Demerged Company.
 - ii. Exceptional opportunity to Public Shareholders to realize fair market value of investments held in the Equity Shares of the Company.
 - iii. Making efficient and simplification of corporate governance in terms of convening the meeting of Shareholders and compliances required to be undertaken for a company.
 - iv. Effective and focused management through single handed control.
 - v. Attracting strategic partners/investors which requires narrow shareholder base.
- f. The interest of the public shareholders is of paramount importance and thus it is proposed to provide a permanent liquidity option for illiquid shares, paying off the paid-up capital in excess of the Company's requirements and the operational and administrative flexibilities for the Company.

II. The circumstances which justify and/or necessitate the proposed Demerger of 'Elevator Business' and 'Securities Investment Business and other ancillary activities' of ECE Industries Limited into Birla Elevators Limited and Universal Invesco Limited, respectively, are, inter alia, as follows:

- a. ECE Industries Limited (the Demerged Company) is engaged in manufacturing of electric power transformers and switchgears, elevators and other components, industrial adhesives, securities investments, other related and ancillary activities. The Demerged Company has following business verticals:
 - i. Transformer Business:** Manufacturing, marketing, supply, after-sales services, repair and maintenance of electric power transformers, switchgears, other related products and equipment, and other related and ancillary activities.
 - ii. Elevator Business:** Manufacturing, marketing, installation, supply, after-sales services and maintenance of elevators, lifts, escalators, other related products and equipment, and other related and ancillary activities.
 - iii. Industrial Adhesive Business:** Manufacturing and supply of industrial adhesives and other related and ancillary activities.
 - iv. Securities Investment and ancillary Business:** Purchase, sale and investments in shares, debentures,

bonds, mutual funds, alternate investment funds (AIFs), government securities, etc., investments in real estates and other related and ancillary activities.

Thus, the Demerged Company has multiple business verticals.

- b.** All these business verticals are quite distinct from each other and have different characteristics. These businesses require people with completely different skill set.
- c.** Management of the Demerged Company is proposing to hive off its 'Elevator Business' and 'Securities Investment Business and other ancillary activities' into two separate companies to create focused business entities.
- d.** The proposed demerger of 'Elevator Business' and 'Securities Investment Business and other ancillary activities' into the Resulting Companies No. 1 & 2 will provide flexibility in dealing with each Resulting Company differently and to enter into different partnerships in various businesses in future.
- e.** The proposed demerger will enable the Resulting Companies to adopt capital structure and other financial policies appropriate to their operational and strategic objectives.
- f.** The proposed Scheme will enable the Demerged Company and the Resulting Companies to hire suitable manpower, raise necessary funds, invite strategic investors and other stakeholders for their respective businesses.
- g.** The demerger will provide scope for independent expansion without committing the existing organization in its entirety.
- h.** With a view to achieve greater management focus and keeping in mind the paramount and overall interest of the shareholders, the Board of Directors of the Demerged Company and the Resulting Companies considered that a Scheme for Demerger would be the most appropriate methodology.
- i.** The said Scheme of Demerger will have beneficial impact on the Demerged Company and the Resulting Companies, their employees, shareholders and other stakeholders and all concerned.

III. The Composite Scheme of Arrangement is proposed for the aforesaid reasons. The Board of Directors and Management of the Demerged Company and the Resulting Companies is of the opinion that the proposed Scheme is in the best interest of these Companies, their Shareholders and other stakeholders.

D. Parts of the Composite Scheme of Arrangement:

This Scheme provides for matters connected with the aforesaid Capital Reduction and Demerger, etc. The Scheme is, accordingly, divided into the following parts:

Part-1 deals with the Definitions, Interpretation and Share Capital of the Companies.

Part-2 deals with Capital Reduction of ECE Industries Limited.

Part-3 deals with Demerger of 'Elevator Business' and 'Securities Investment Business and other ancillary activities' of ECE Industries Limited into Birla Elevators Limited and Universal Invesco Limited, respectively, as going concern.

Part-4 deals with General Terms and Conditions applicable to this Scheme.

PART-1

DEFINITIONS, INTERPRETATION AND SHARE CAPITAL OF THE COMPANIES

1.1 DEFINITIONS

In this Scheme and all other Scheme related documents, unless repugnant to the meaning or context thereof, the following expressions will have the meaning as under:

- 1.1.1 "Act or Companies Act, 2013"** means the Companies Act, 2013 (18 of 2013), and Rules, Notifications, Circulars, Clarifications made or issued thereunder [including but not limited to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal (Procedure for reduction of share capital of company) Rules, 2016, and the National Company Law Tribunal Rules, 2016]; and includes any amendments, statutory re-enactments, and modifications thereof for the time being in force.
- 1.1.2 "Applicable Law(s)"** means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, competent authority, court, tribunal having jurisdiction over the Companies; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Companies to this Scheme and shall include, without limitation, the listing agreement, if any, executed with the Stock Exchange.
- 1.1.3 "Appointed Date"** for the purpose of this Scheme means commencement of business on the Effective Date, or such other date as may be mutually decided by the Board of Directors of the Demerged Company and the Resulting Companies with the approval of the Hon'ble National Company Law Tribunal, or such other date as the Hon'ble National Company Law Tribunal, or any other Appropriate Authority may approve.
- 1.1.4 "Appropriate Authority"** means:
- i. The Government of any jurisdiction (including any Central, State, Provincial, Municipal or Local Government or any political or administrative sub-division thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof.
 - ii. Any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation) NCLT, SEBI and Stock Exchanges.

iii. Such other Sectoral Regulators or Authorities as may be applicable.

- 1.1.5 "Board" or "Board of Directors"** means the respective Board of Directors of the Demerged Company and the Resulting Companies and will, unless it is repugnant to the context or otherwise, include committee(s) so authorised by the Board of Directors, or any person authorised by the Board of Directors or such committee(s).
- 1.1.6 "Capital Reduction"** means Reduction of Equity Share Capital of ECE Industries Limited by way of compulsory cancellation of Equity Shares held by Non-Promoter/Public Category Shareholders and payment of Capital Reduction Consideration to such Non-Promoter/Public Category Shareholders.
- 1.1.7 "Capital Reduction Consideration"** means consideration per equity share proposed to be paid to Non-Promoter/Public Category Shareholders of ECE Industries Limited on compulsory cancellation of Equity Shares held by such Non-Promoter/Public Category Shareholders.
- 1.1.8 "Companies"** means the Demerged Company and the Resulting Companies No. 1 & 2 when referred collectively; and "Company" means any of these Companies, individually.
- 1.1.9 "Demerged Company"** means **ECE Industries Limited** being a company incorporated under the provisions of the Indian Companies Act, 1913, and having its registered office at A-20, Industrial Area, Meerut Road, Ghaziabad-201 001, Uttar Pradesh; e-mail: ecehodelhi1@gmail.com; Website: www.eceindustriesltd.com.

ECE Industries Limited [Corporate Identity Number (CIN): U31500UP1945PLC219439; Income Tax Permanent Account Number (PAN): AAACE1936C] (hereinafter referred to as "the Demerged Company/the Company") was originally incorporated on 13th June 1945, under the provisions of the Indian Companies Act, 1913, as a public limited company with the name and style as 'Electric Construction and Equipment Company Limited' vide Certificate of Incorporation issued by the Registrar of Joint Stock Companies, Bengal. Registered Office of the Company was shifted from the State of West Bengal to the NCT of Delhi as approved by the Hon'ble Company Law Board, Eastern Region Bench, Calcutta, vide Order dated 17th May 1976. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company. Name of the Company was changed to its present name 'ECE Industries Limited' vide Fresh Certificate of Incorporation dated 5th June 1987, issued by the Registrar of Companies, NCT of Delhi and Haryana, New Delhi. Registered Office of the Company was shifted from the NCT of Delhi to the State of Uttar Pradesh as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 10th March 2025. The Registrar of Companies, Uttar Pradesh, Kanpur, registered the aforesaid order and allotted a new CIN to the Company.

1.1.10 "Demerged Undertaking 1" or "Demerged Business 1" means 'Elevator Business' of ECE Industries Limited (the Demerged Company), various ancillary and support services and other related activities with all properties, assets, rights and powers and all debts, liabilities, duties and obligations, litigations, working capital (including all inventories), whether tangible or intangible, and such other ventures and shall include ancillary and support services in relation to the same, to be transferred to Birla Elevators Limited (the Resulting Company No. 1) as a going concern with effect from the Appointed Date, and shall include (without limitation):

- i.** Entire operations and activities of 'Elevator Business' (Demerged Undertaking 1) of ECE Industries Ltd consisting of manufacturing, marketing, installation, supply, after-sales services and maintenance of elevators, lifts, escalators, other related products and equipment, and other related and ancillary activities.
- ii.** All the movable and immovable properties, tangible or intangible, investments, plant and machinery, electrical installations, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets, pertaining to Demerged Undertaking 1 of the Demerged Company including cash in hand, amounts lying in the banks, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold, leasehold rights, brands, sub-letting tenancy rights, leave and license permissions, no objection certificates, goodwill, other intangibles, registration, approvals, Permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and credential and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to and pertaining to Demerged Undertaking 1.
- iii.** All other interests or rights (including claim, arbitration awards, on-going arbitration proceedings, etc.) or,

accumulated experience or performance qualifications including financial, technical, manufacturing and other qualifications, work experience in or arising out of or relating to the Demerged Undertaking 1 of the Demerged Company together with all respective powers, interests, charges, privileges, benefits, entitlements, building plans, drawings (including approvals obtained for such drawings or pending applications for approvals), approved tenders, past experience and credentials, business track record, brands and trademarks, patents, copyrights, other intellectual property rights, industrial and other registrations, licenses, quotas, subsidies, grants, powers and facilities of every kind, nature and descriptions whatsoever, income tax (including advance tax, self-assessment tax, regular assessment tax, tax deducted at source) paid by Demerged Company pertaining to Demerged Undertaking 1, un-utilised credits relating to excise duties, sales tax, service tax, VAT, GST or any other Taxes by whatever name called belonging to Demerged Undertaking 1, tax benefits and other claims and powers, rights to use and avail of telephones, facsimile connections and other communication facilities, connections, installations and equipment, utilities, e-mail, internet and leased lines, utilities, electricity, water and other services, and all other interests in connection with or relating to Demerged Undertaking 1.

- iv.** All receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company in relation to and pertaining to the Demerged Undertaking 1.
- v.** All the debts, liabilities, duties and obligations, funded and non-funded facilities, bank guarantees, performance guarantees, corporate guarantees, letters of credit including contingent liabilities of the Demerged Company in relation to and pertaining to the Demerged Undertaking 1 after following the due process prescribed by lenders/ Persons wherever required.
- vi.** All contracts (including vendor contracts, lease contracts, customer contracts of every nature and revenue and receipts associated therewith), ongoing projects and completed projects which are part of the Demerged Undertaking 1, agreements, entitlements, pre-qualifications, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertaking, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff orders, open order book(s), expression of interest, resolution plans, letter of intent, hire purchase agreements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and

clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder in relation to and pertaining to the Demerged Undertaking 1.

vii. All civil, legal or other litigations and proceedings including arbitration proceedings in relation to the Demerged Undertaking 1.

viii. All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs/ software along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Demerged Undertaking 1.

ix. All Transferring Employees.

x. It is clarified that all the property of the Demerged Undertaking 1 and all the liabilities relatable to the Demerged Undertaking 1, immediately before the Demerger, shall be transferred to the Resulting Company No. 1. For the purpose of this Scheme, liabilities relatable to the Demerged Undertaking 1 shall include the following:

- (a) The liabilities which arise out of the activities or operations of the Demerged Undertaking 1.
- (b) The specific loans or borrowings (including debentures) raised, incurred and utilised solely for the activities or operations of the Demerged Undertaking 1.
- (c) In cases, other than those referred to in clause (a) or clause (b), so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company as stand in the same proportion which the value of the assets transferred in the Demerger bears to the total value of the assets of the Demerged Company immediately before the Demerger.

It is specifically clarified that the Resulting Company No. 1 shall be entitled and authorised to use the work experience, credential, qualifications, performance qualifications including financial, technical, manufacturing and other qualifications, capabilities, legacies and track record with various Central and State Government Agencies and private sector entities, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of the Demerged Company, pertaining to the Demerged Undertaking 1, acquired by reason of the completion of various projects and works, certificates of completion of projects or works issued by the clients and the right to use all these for qualifying for any tender or project that may be issued at any time.

It is clarified that any question as to whether or not a specified asset or liability pertains to the Demerged Undertaking 1 or arises out of the activities or operations of Demerged Undertaking 1 shall be decided by the Demerged Company.

Proforma Balance Sheet of the Demerged Undertaking 1 of the Demerged Company is set out in **Schedule-1**.

1.1.11 “Demerged Undertaking 2” or “Demerged Business 2” means ‘Securities Investment Business and other ancillary activities’ of ECE Industries Limited (the Demerged Company), various ancillary and support services and other related activities with all properties, assets, rights and powers and all debts, liabilities, duties and obligations, litigations, working capital (including all inventories), whether tangible or intangible, and such other ventures and shall include ancillary and support services in relation to the same, to be transferred to Universal Invesco Limited (the Resulting Company No. 2) as a going concern with effect from the Appointed Date, and shall include (without limitation):

- i. Entire operations and activities of ‘Securities Investment Business and other ancillary activities’ (Demerged Undertaking 2) of ECE Industries Limited consisting of purchase, sale and investments in shares, debentures, bonds, mutual funds, alternate investment funds (AIFs), government securities, etc., investments in real estates and other related and ancillary activities.
- ii. All the movable and immovable properties, tangible or intangible, investments, plant and machinery, electrical installations, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets, pertaining to Demerged Undertaking 2 of the Demerged Company including cash in hand, amounts lying in the banks, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold, leasehold rights, brands, sub-letting tenancy rights, leave and license permissions, no objection certificates, goodwill, other intangibles, registration, approvals, Permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and credential and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies

and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to and pertaining to Demerged Undertaking 2.

- iii.** All other interests or rights (including claim, arbitration awards, on-going arbitration proceedings, etc.) or, accumulated experience or performance qualifications including financial, technical, manufacturing and other qualifications, work experience in or arising out of or relating to the Demerged Undertaking 2 of the Demerged Company together with all respective powers, interests, charges, privileges, benefits, entitlements, building plans, drawings (including approvals obtained for such drawings or pending applications for approvals), approved tenders, past experience and credentials, business track record, brands and trademarks, patents, copyrights, other intellectual property rights, industrial and other registrations, licenses, quotas, subsidies, grants, powers and facilities of every kind, nature and descriptions whatsoever, income tax (including advance tax, self-assessment tax, regular assessment tax, tax deducted at source) paid by Demerged Company pertaining to Demerged Undertaking 2, un-utilised credits relating to excise duties, sales tax, service tax, VAT, GST or any other Taxes by whatever name called belonging to Demerged Undertaking 2, tax benefits and other claims and powers, rights to use and avail of telephones, facsimile connections and other communication facilities, connections, installations and equipment, utilities, e-mail, internet and leased lines, utilities, electricity, water and other services, and all other interests in connection with or relating to Demerged Undertaking 2.
- iv.** All receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company in relation to and pertaining to the Demerged Undertaking 2.
- v.** All the debts, liabilities, duties and obligations, funded and non-funded facilities, bank guarantees, performance guarantees, corporate guarantees, letters of credit including contingent liabilities of the Demerged Company in relation to and pertaining to the Demerged Undertaking 2 after following the due process prescribed by lenders/ Persons wherever required.
- vi.** All contracts (including vendor contracts, lease contracts, customer contracts of every nature and revenue and receipts associated therewith), ongoing projects and completed projects which are part of the Demerged Undertaking 2, agreements, entitlements, pre-qualifications, purchase orders/service orders, operation and maintenance contracts,

memoranda of understanding, memoranda of undertaking, memoranda of agreements, memoranda of agreed points, bids, tenders, tariff orders, open order book(s), expression of interest, resolution plans, letter of intent, hire purchase agreements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacture of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims and clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder in relation to and pertaining to the Demerged Undertaking 2.

vii. All civil, legal or other litigations and proceedings including arbitration proceedings in relation to the Demerged Undertaking 2.

viii. All books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs/ software along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Demerged Undertaking 2.

ix. All Transferring Employees.

x. It is clarified that all the property of the Demerged Undertaking 2 and all the liabilities relatable to the Demerged Undertaking 2, immediately before the Demerger, shall be transferred to the Resulting Company No. 2. For the purpose of this Scheme, liabilities relatable to the Demerged Undertaking 2 shall include the following:

(a) The liabilities which arise out of the activities or operations of the Demerged Undertaking 2.

(b) The specific loans or borrowings (including debentures) raised, incurred and utilised solely for the activities or operations of the Demerged Undertaking 2.

(c) In cases, other than those referred to in clause (a) or clause (b), so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company as stand in the same proportion which the value of the assets transferred in the Demerger bears to the total value of the assets of the Demerged Company immediately before the Demerger.

It is specifically clarified that the Resulting Company No. 2 shall be entitled and authorised to use the work experience, credential, qualifications, performance qualifications including financial, technical, manufacturing and other qualifications, capabilities,

legacies and track record with various Central and State Government Agencies and private sector entities, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of the Demerged Company, pertaining to the Demerged Undertaking 2, acquired by reason of the completion of various projects and works, certificates of completion of projects or works issued by the clients and the right to use all these for qualifying for any tender or project that may be issued at any time.

It is clarified that any question as to whether or not a specified asset or liability pertains to the Demerged Undertaking 2 or arises out of the activities or operations of Demerged Undertaking 2 shall be decided by the Demerged Company.

Proforma Balance Sheet of the Demerged Undertaking 2 of the Demerged Company is set out in **Schedule-2**.

1.1.12 “Demerged Undertaking or Demerged Undertakings” means Demerged Undertaking 1 and Demerged Undertaking 2 of the Demerged Company, collectively or any one of them as the context requires.

1.1.13 “Demerged Undertaking 1 and 2” have been referred to as the respective Demerged Undertakings or the Demerged Businesses, for the sake of brevity and simplicity.

1.1.14 “Demerger” means transfer and vesting of respective ‘Elevator Business’ and ‘Securities Investment Business’ of ECE Industries Limited, as going concern, by way of demerger into Birla Elevators Limited and Universal Invesco Limited, respectively, in terms of this Scheme in its present form or with any modification(s) as approved by the Hon’ble National Company Law Tribunal or any other Appropriate Authority, as the case may be.

1.1.15 “Effective Date” means last of the dates on which the certified copies of the Order(s) passed by the Hon’ble National Company Law Tribunal, sanctioning this Scheme, are filed with the concerned Registrar of Companies, Ministry of Corporate Affairs. Any references in this Scheme to “upon this Scheme becoming effective” or “upon this Scheme coming into effect” or “effectiveness of this Scheme” will be a reference to the Effective Date.

It is, however, clarified that though this Scheme will become operative from the Effective Date, the provisions of this Scheme will be effective from the Appointed Date. In other words, the effective date is only a trigger point for implementation of the Scheme. As soon as the effective date is achieved, provisions of this Scheme will come into operation; and will be effective and applicable with effect from the Appointed Date in terms of the provisions of Section 232(6) of the Companies Act, 2013, and other applicable provisions, if any.

1.1.16 “Elevator Business” means manufacturing, marketing, installation, supply, after-sales services and maintenance of elevators, lifts, escalators, other related products and equipment, and other related and ancillary activities, being carried on by the Demerged Company.

- 1.1.17 "Encumbrance"** means (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person, including any right granted by a transaction which in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; (b) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any person; and (c) any adverse claim as to title, possession or use.
- 1.1.18 "FEMA"** means the Foreign Exchange Management Act, 1999 and the rules, regulations, notifications and circulars, etc., made thereunder and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 1.1.19 "Industrial Adhesive Business"** means manufacturing and supply of industrial adhesives and other related and ancillary activities, being carried on by the Demerged Company.
- 1.1.20 "INR " or "INR "** means the Indian Rupee being the official currency of the Republic of India [currency code: 'INR ', and its symbol: 'INR '].
- 1.1.21 "Intellectual Property Rights"** means, whether registered or not, in the name of or recognized under Applicable Laws as being intellectual property of the respective Demerged Undertakings of the Demerged Company, or in the nature of common law rights of the respective Demerged Undertakings of the Demerged Company, as the case may be, all domestic and foreign (a) trademarks, service marks, brand names, internet domain names, websites, online web "Portals", trade names, logos, as well as copyright in all of the brands, logos and their variations, along with the global goodwill associated with the foregoing; uniforms, all applications and registration for the foregoing (b) all domestic and/or foreign Patents granted or applied for (c) confidential and proprietary information and trade secrets; (d) published and unpublished works of authorship and copyrights therein, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (e) computer software, programs (including source code, object code, firmware, operating systems and specifications) and processes; (f) designs, drawings, sketches; (g) tools, databases, frameworks, customer data, proprietary information, knowledge, any other technology or know-how, licenses, software licenses and formulas; (h) ideas and all other intellectual property or proprietary rights; and (i) all rights in all of the foregoing provided by Applicable Laws.
- 1.1.22 "IT Act"** means the Income Tax Act, 1961, and the rules, regulations, notifications and circulars, etc., made thereunder and will include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.

- 1.1.23 "National Company Law Tribunal"** means appropriate Bench/Benches of the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters. The National Company Law Tribunal is hereinafter referred to as "the Tribunal"/"NCLT".
- 1.1.24 'Non-Promoter/Public Category Shareholders'** means Equity Shares held in ECE Industries Limited by all the persons other than 'Promoter Category Shareholders'. List of 'Non-Promoter/Public Category Shareholders' of ECE Industries Limited is attached herewith as **Schedule-3**.
- 1.1.25 "Permits"** means all consents, licenses, permits, permissions, authorisations, rights, clarifications, approvals, environmental approvals, customer approvals, no objection certificates (NOCs), clearances, confirmations, declarations, waivers, exemptions, registrations, enlistments, filings, whether governmental, statutory, regulatory, or otherwise under Applicable Law.
- 1.1.26 "Person"** means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority.
- 1.1.27 "Portals"** means electronic portals and/or websites maintained by Appropriate Authority, government departments, public sector undertakings, private sector undertakings, banks, financial institutions and other entities and Persons.
- 1.1.28 'Promoter Category Shareholders'** means Equity Shares held in ECE Industries Limited by Mr Prakash Kumar Mohta, his relatives and Group Companies, as case may be, constituting the Promoters Group.
- 1.1.29 "Record Date-1"** means the date(s) to be fixed by the Board of Directors of the Demerged Company with reference to which the eligibility of Non-Promoter/Public Category Shareholders of the Demerged Company will be determined to receive payment of Capital Reduction Consideration on Reduction of Equity Share Capital of the Demerged Company in terms of this Scheme.
- 1.1.30 "Record Date-2"** means the date(s) to be fixed by the Board of Directors of the Demerged Company and/or the Resulting Companies No. 1 & 2, with reference to which the eligibility of the shareholders of the Demerged Company will be determined for allotment of shares in the Resulting Companies No. 1 & 2, respectively, on Demerger and other matters, if any, in terms of this Scheme.
- 1.1.31 "Record Date"** means Record Date-1 and Record Date-2, collectively or any one of them, as the context requires.
- 1.1.32 "Registrar of Companies"** means concerned Registrar(s) of Companies, Ministry of Corporate Affairs having jurisdiction under

the Companies Act, 2013, and other applicable provisions, if any, on the respective Companies.

1.1.33 "Remaining Business or Residual Business of the Demerged Company" means all the business, units, divisions, undertakings, activities, operations, assets, liabilities, investments, cash and bank balances and intellectual property rights of the Demerged Company other than those forming part of Demerged Undertaking 1 & 2. It is clarified that all the assets and corresponding liabilities of the Remaining Business shall be retained in the Demerged Company.

Without prejudice to the generality of this Clause, the Remaining Business of the Demerged Company will include the following:

- i. Transformer Business:** Manufacturing, marketing, supply, after-sales services, repair and maintenance of electric power transformers, switchgears, other related products and equipment, and other related and ancillary activities, along with all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Transformer Business.
- ii. Industrial Adhesive Business:** Manufacturing and supply of industrial adhesives and other related and ancillary activities along with all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) of such Industrial Adhesive Business.
- iii.** All trademarks, service marks, patents and domain names, copyrights, industrial designs, product registrations and other intellectual property rights being used by ECE Industries Limited for its remaining business.

1.1.34 "Resulting Company No. 1" means **Birla Elevators Limited** [Formerly known as: ECE Elevators Limited] being a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at A-20, Industrial Area, Meerut Road, Ghaziabad-201 001, Uttar Pradesh; e-mail: ecehodelhi@gmail.com.

Birla Elevators Limited [Corporate Identity Number (CIN): U29309UP2022PLC206990; Income Tax Permanent Account Number (PAN): AAGCE9134N] (hereinafter referred to as "the Resulting Company No. 1/the Company") was incorporated on 23rd February 2022, under the provisions of the Companies Act, 2013, as a public limited company with the name and style as 'ECE Elevators Limited' vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur. Registered Office of the Company was shifted from the State of Uttar Pradesh to the State of Haryana as approved by the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 18th December 2023. The Registrar of Companies, NCT of Delhi & Haryana, New Delhi, registered the aforesaid order and allotted a new CIN to the Company. Subsequently, Registered Office of the Company was shifted from the State of Haryana to the State of Uttar Pradesh as approved by the Hon'ble Regional Director,

Northern Region, Ministry of Corporate Affairs, New Delhi, vide Order dated 6th June 2024. The Registrar of Companies, Uttar Pradesh, Kanpur, registered the aforesaid order and allotted a new CIN to the Company. Name of the Company was changed to its present name 'Birla Elevators Limited' vide Fresh Certificate of Incorporation dated 31st December 2024, issued by the Registrar of Companies, Central Processing Centre.

1.1.35 "Resulting Company No. 2" means **Universal Invesco Limited** being a company incorporated under the provisions of the Companies Act, 2013 and having its registered office at A-20 Industrial Area, Meerut Road, Ghaziabad-201 001, Uttar Pradesh; e-mail: eceshodelhi@gmail.com.

Universal Invesco Limited [Corporate Identity Number (CIN): U66190UP2024PLC208501; Income Tax Permanent Account Number (PAN): AADCU6540K] (hereinafter referred to as "the Resulting Company No. 2/the Company") was incorporated on 29th August 2024, under the provisions of the Companies Act, 2013, as a public limited company vide Certificate of Incorporation issued by the Registrar of Companies, Central Registration Centre on behalf of the jurisdictional Registrar of Companies, Uttar Pradesh, Kanpur.

1.1.36 "Resulting Companies" means Birla Elevators Limited and Universal Invesco Limited, collectively or any one of them as the context requires.

1.1.37 "Scheme" means the present Composite Scheme of Arrangement framed under the provisions of Sections 230 & 232 read with Section 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, together with Section 2(19AA) and other relevant provisions of the Income Tax Act, 1961, and other applicable provisions, if any, which provides for (a) Capital Reduction of ECE Industries Limited by way of cancellation of Equity Shares held by 'Non-Promoter/Public Category Shareholders' and payment of 'Capital Reduction Consideration' to such 'Non-Promoter/Public Category Shareholders'; (b) Demerger of 'Elevator Business' and 'Securities Investment Business and other ancillary activities' of ECE Industries Limited into Birla Elevators Limited and Universal Invesco Limited, respectively, and (c) various other matters incidental, consequential or otherwise integrally connected with the said Capital Reduction and Demerger, if any, in the present form or with any modification(s) approved or imposed or directed by Members/Creditors of these Companies and/or by any Appropriate Authority and/or by the Hon'ble National Company Law Tribunal or that may otherwise be deemed fit by these Companies.

1.1.38 "Securities Investment Business" means purchase, sale and investments in shares, debentures, bonds, mutual funds, alternate investment funds (AIFs), government securities, etc., investments in real estates and other related and ancillary activities, being carried on by the Demerged Company.

1.1.39 "Taxation" or "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, international, local governmental or municipal impositions, duties, contributions and

levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Demerged Company or the Resulting Companies No. 1 & 2 or any other Person and all penalties, charges, costs and interest relating thereto.

1.1.40 "Transferring Employees" means (a) all the employees of the respective Demerged Undertaking 1 and 2 as on the Effective Date and (b) such other employees as identified by the Demerged Company as on the Effective Date.

1.1.41 "Transformer Business" means Manufacturing, marketing, supply, after-sales services, repair and maintenance of electric power transformers, switchgears, other related products and equipment, and other related and ancillary activities, being carried on by the Demerged Company.

1.2 INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein will, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, and if not defined therein then under the relevant statute/legislation. In this Scheme, unless the context otherwise requires:

- i.** Words denoting singular will include the plural and vice-versa.
- ii.** Heading, sub-heading and bold typeface are only for convenience and will not affect the construction or interpretation of this Scheme.
- iii.** References to clauses, and schedules are, unless the context otherwise requires, are references to clauses, and schedules to this Scheme.
- iv.** References to one gender includes all genders.
- v.** Any phrase introduced by the terms "including", "include", "in particular" or any similar expression will be construed as illustrative and will not limit the sense of the words preceding those terms.
- vi.** Reference to days, months and years are to calendar days, calendar months and calendar years as per the English calendar, respectively.
- vii.** Any reference to "writing" shall include printing, typing, lithography and other means of reproducing words in visible form.
- viii.** Where a wider construction is possible, the words "other" and "otherwise" shall not be construed ejusdem generis with any foregoing words.
- ix.** All references in this Scheme to statutory provisions shall be construed as meaning and including references to:

- a.** Any statutory modification, consolidation or re-enactment made after the date of approval of this Scheme by the Board of Directors of the respective Companies and for the time being in force.
- b.** All subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated).
- c.** All statutory instruments or orders made pursuant to a statutory provision.
- d.** Any statutory provisions of which these statutory provisions are a consolidation, re-enactment, or modification.

1.2 SHARE CAPITAL

- i.** The present Authorised Share Capital of the Demerged Company is INR 15,00,00,000 divided into 1,43,00,000 Equity Shares of INR 10 each aggregating to INR 14,30,00,000; and 7,00,000 Preference Shares of INR 10 each aggregating to INR 70,00,000. The present Issued Share Capital of the Company is INR 3,82,70,750 divided into 38,27,075 Equity Shares of INR 10 each. The present Subscribed and Paid-up Share Capital of the Company is INR 3,78,35,450 divided into 37,81,845 Equity Shares of INR 10 each, fully paid up, aggregating INR 3,78,18,450; and INR 17,000 being amount paid on the forfeited shares.
- ii.** The present Authorised Share Capital of the Resulting Company No. 1 is INR 1,00,000 divided into 10,000 Equity Shares of INR 10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is INR 1,00,000 divided into 10,000 Equity Shares of INR 10 each.
- iii.** The present Authorised Share Capital of the Resulting Company No. 2 is INR 1,00,000 divided into 10,000 Equity Shares of INR 10 each. The present Issued, Subscribed and Paid-up Share Capital of the Company is INR 1,00,000 divided into 10,000 Equity Shares of INR 10 each.
- iv.** The Demerged Company is an un-listed public limited company. Whereas both the Resulting Companies No. 1 & 2 are wholly owned subsidiaries of the Demerged Company. Accordingly, entire issued and paid-up Equity Share Capital of the Resulting Companies No. 1 & 2 is held by the Demerged Company and its nominee Shareholders.
- v.** All the Companies in this Scheme are Group Companies under common management and control.
- vi.** The proposed Scheme of Arrangement will not result in any change in management or control of any of the Companies in the Scheme.

PART-2

REDUCTION OF SHARE CAPITAL OF THE DEMERGED COMPANY

2.1 Background

- 2.1.1** Initially, the Demerged Company-ECE Industries Limited was listed on the BSE and NSE. It was delisted from BSE in the year 2015. However, it remained listed on NSE. Subsequently, the Promoters of the Transferee Company had proposed for complete delisting of the Company and accordingly had provided an exit opportunity ("Delisting Offer") to the Public Shareholders of the Company in terms of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("the SEBI Delisting Regulations") and other applicable provisions, if any.
- 2.1.2** After providing an Exit Opportunity to all the Public Shareholders in compliance with the SEBI Delisting Regulations, the Demerged Company applied for delisting of its Equity Shares from the NSE, the only stock exchange where its Equity Shares were listed. Consequent to the same, the Demerged Company got delisted from NSE with effect from 17th May, 2019. Presently, the Demerged Company is an un-listed public limited company.
- 2.1.3** Despite multiple Exit Opportunities given to the Public Shareholders, the Company still has some Non-promoter/Public Shareholders holding a minuscule proportion of total paid-up Share Capital of the Demerged Company. Present, Shareholding Pattern of the Demerged Company is given below:

Particulars	No. of Shares held	% of Total Paid-up Share Capital
Promoter Group Shareholders	37,70,339	99.70%
Non-promoter/Public Category Shareholders	11,506	0.30%
Total	37,81,845	100.00%

- 2.1.4** Post-delisting of the Company from NSE, there has been no trading platform available to these public shareholders due to which such shares have lost their marketability. Consequently, Public Shareholders are not able to monetize their investments in the open market to realize return on their investments. There is no mechanism/platform available to these Shareholders to sell/dispose-off these shares, if they so wish. Further, in view of very insignificant shareholding, the Public Shareholders do not have any meaningful participation in the Demerged Company.
- 2.1.5** In order to provide an exit opportunity to all the Non-promoter/Public Shareholders, it is proposed to compulsorily reduce the issued and paid-up share capital of the Demerged Company by cancelling the Equity Shares held by all the Non-promoter/Public Shareholders; and make payment to all such Shareholders.

2.2 Progressive approach

The Board of Directors of the Company, following prime objectives were laid keeping the interest of the Company and all the stakeholders, particularly, the Public Shareholders of paramount importance:

- i.** Provide a permanent liquidity option to Public Shareholders for illiquid Shares of the Company.
- ii.** Exceptional opportunity to Public Shareholders to realize fair market value of investments held in the Equity Shares of the Company.
- iii.** Making efficient and simplification of corporate governance in terms of convening the meeting of Shareholders and compliances required to be undertaken for a company.
- iv.** Effective and focused management through single handed control.
- v.** Attracting strategic partners/investors which requires narrow shareholder base.
- vi.** The interest of the public shareholders is of paramount importance and thus it is proposed to provide a permanent liquidity option for illiquid shares, paying off the paid-up capital in excess of the Company's requirements and the operational and administrative flexibilities for the Company.

2.3 Proposed Transaction

The Company is accordingly, proposing compulsory reduction of the 11,506 (eleven thousand five hundred and six) Equity Shares having face value of INR 10 (Rupees ten) each fully paid-up, aggregating to INR 1,15,060 (Rupees one lakh fifteen thousand and sixty) held by the Non-promoters/Public Category Shareholders after payment of the consideration @ INR 987 (Rupees nine hundred and eighty-seven only) per Equity Share ('Capital Reduction Consideration') aggregating to INR 1,13,56,422 (Rupees one crore thirteen lakh fifty-six thousand four hundred and twenty-two) determined on the basis of the Valuation Report of the IBBI Registered Valuer and cancellation/extinguishment of all of such Equity Shares without any further act or deed ("Capital Reduction").

On this Scheme coming into effect, the total Paid-up Equity Share Capital of the Demerged Company shall be reduced from INR 3,78,18,450 (Rupees three crore seventy eight lakh eighteen thousand four hundred and fifty) divided into 37,81,845 (thirty seven lakh eighty one thousand eight hundred and forty five) Equity Shares having face value of INR 10 (Rupees ten) each fully paid-up, to INR 3,77,03,390 (Rupees three crore seventy seven lakh three thousand three hundred and ninety) divided into 37,70,339 (thirty seven lakh seventy thousand three hundred and thirty nine) Equity Shares having face value of INR 10 (Rupees ten) each fully paid-up.

2.4 Fair Value of Consideration

To maintain fairness and transparency, Mr Gautam Maurya, a Chartered Accountant and Registered Valuer in respect of Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India (IBBI) vide Registration No. IBBI/RV/05/2019/10980, was appointed to undertake an independent and fair valuation of the Equity Shares of the Company and to issue the Valuation Report, to assist the Company in determining the fair value of the Equity Shares of the Company for the purposes of the proposed Capital Reduction.

Composite Report on Valuation of Shares, recommendation of Cash Consideration to be paid on the proposed Capital Reduction in ECE Industries Limited and recommendation of Share Exchange for the proposed Demerger issued by the aforesaid Independent Registered Valuer has been received, considered and unanimously approved by the Board of Directors of the Company. The Board has undertaken detailed deliberations in relation to the valuations determined and provided in the Valuation Report (including on the valuation methodologies considered and other relevant aspects). After due consideration in relation to the above, the Board was of the view that the valuation mentioned in the Valuation Report issued by the Registered Valuer, i.e., INR 987 (Rupees nine hundred and eighty-seven) per Equity Share of the Company represents the fair value of the Equity Shares of the Company.

The Company has sufficient funds for the proposed Capital Reduction and intends to compensate the Non-promoters/ Public Category Shareholders by paying off at the value determined as per the Valuation Report of the Independent Valuer.

2.5 Effective Date and operational terms

- 2.5.1** Upon the Capital Reduction being confirmed by the Hon'ble National Company Law Tribunal and/or the receipt of such other approvals as may be required, the Board of Directors of the Demerged Company shall fix a date for determination of the Non-promoters/Public Category Shareholders ("Record Date-1") who shall be entitled to receive the Capital Reduction Consideration.
- 2.5.2** Within a period of thirty (30) days from the Effective Date, the Company shall (a) deposit the amount of Capital Reduction Consideration in a separate bank account ("Special Bank Account"); and (b) send the requisition form at the mailing address of each of the Non-promoters/Public Category Shareholders registered in the records of the Demerged Company or with its RTA, as on the Record Date-1 with return request for furnishing relevant information/ documents in respect of proof of residential status, permanent account number, bank account details, original share certificates and other relevant details within thirty (30) days of receipt of requisition form.
- 2.5.3** The amount of Capital Reduction Consideration shall be remitted through RTGS, NEFT or account payee cheque or any other payment instrument based on the details furnished in response to the requisition issued above within thirty (30) days of the receipt of all requisite information by the Company.

- 2.5.4** The payment of Capital Reduction Consideration shall be subject to deduction of applicable taxes, if applicable, and receipt of prescribed regulatory approvals, as may be applicable on any of the Non-promoters/Public Category Shareholders in their individual capacity. It is hereby clarified that it shall be the obligation of such Non-promoters/Public Category Shareholders to obtain and furnish such regulatory approvals as may be applicable to them individually so as to enable the Company to process the due payment.
- 2.5.5** In case, there is any amount that remains unpaid in the Special Bank Account designated for the purpose of payment of Capital Reduction Consideration to the Non-promoters/Public Category Shareholders after the expiry of requisite period provided under the Companies Act, 2013 [presently seven (7) years] from the Effective Date, the Company shall transfer such unpaid balance (along with interest accrued thereon, if any) in the said account to the Government of India under Investor Education and Protection Fund or similar account, in accordance with applicable laws prevailing then, and subsequently, the Company shall not be liable to any of the claims of Non-promoters/Public Category Shareholders.
- 2.5.6** All the Equity Shares held by the Non-promoters/Public category Shareholders whether held in physical form or in demat form, as well as all the relevant share certificates, shall without any further application, act, instrument, deed, be deemed to have been automatically cancelled, extinguished and rendered invalid and be of no effect on and from the date of deposit of Capital Reduction Consideration into Special Bank Account.
- 2.5.7** The Company shall pass necessary entries to update the list of registered members/beneficial owners in its records & registers; shall execute necessary corporate action with the Depositories to give effect to the Capital Reduction; and to take such other steps that may be required to give effect to the Capital Reduction and other related matters.

It is, however, clarified that the procedure and steps given above are indicative in nature. The Company will be free to take such steps as may be required for effective implementation of the Capital Reduction and other matters connected therewith.

2.6 Tax & Regulatory

2.6.1 Income Tax on dividend income

- 2.6.1.1** As per the provisions of Section 2(22)(d) of the Income-tax Act, 1961 ("IT Act"), any distribution to the shareholders of a company on account of capital reduction is treated as dividend to the extent of accumulated profits. For said purposes, the term "accumulated profits" has been defined to include all the profits of the company up to the date of payment to shareholders.

It may be noted that with effect from April 1, 2020, the burden of taxation on dividend income has been shifted from the remitting company to the recipient shareholders.

Further, as per the provisions of Section 194 of the IT Act, if the Company being payer of income in the nature of dividend is obligated to deduct tax at the rate of 10% if the amount payable exceeds INR 5,000 (Rupees five thousand only) in a financial year.

- 2.6.1.2 The Demerged Company is a profit-making company and has accumulated profits in its books of accounts. The entire Capital Reduction Consideration will be deemed to be paid out of the accumulated profits for the purpose of the Income Tax Act.

However, it may be noted that the abovementioned tax implications are required to be re-examined at the time of making actual payment or on account of any changes made in the provisions of the IT Act, as the case may be.

2.6.2 Income Tax on capital gains

- 2.6.2.1 In the situation where the payer company has no accumulated profits or an amount in excess of the accumulated profits of the company is proposed to be paid, capital gain tax implications may arise in the hands of the recipient shareholder.

In the aforementioned case, the Non-promoter/Public Category Shareholders are requested to evaluate their own tax position in consultation with their tax advisors, if required, and pay appropriate tax (as may be applicable) on the amount received from the Company.

- 2.6.2.2 Without prejudice to above, it may be noted that where the recipient is a foreigner or non-resident Non-promoters/Public Category Shareholders, the Company would withhold applicable taxes. In this regard, the Company would call for necessary details/documents to determine appropriate withholding tax amount. If any of the necessary documents are not submitted at the time of processing of payment of Capital Reduction Consideration, then the Company shall be entitled to withhold the consideration in the Separate Bank Account.

2.7 Regulatory approvals

- 2.7.1** The Non-promoters/Public Category Shareholders, being non-resident for the purposes of the Foreign Exchange Management Act, 1999, shall be required to obtain and furnish to the Company necessary approvals in relation to Capital Reduction, as may be applicable, and:

- a. If the Equity Shares of the Company are held on repatriation basis, the Non-promoters/Public Category Shareholders may be required to obtain a letter from his/her/its authorized dealer/ bank confirming that at the time of acquisition of such shares, payment for the same was made by the Non-promoters/Public Category Shareholders from the appropriate account (e.g., NRE a/c) as specified by the Reserve Bank of India; or

- b. If the non-resident Public Shareholder is not in a position to produce the letter referred to in paragraph 'a' above, his/her/its shares will be deemed to have been acquired on a non-repatriation basis and in that case, the non-resident shareholder shall submit a consent letter addressed to the Company or its RTA for allowing the Company to make the payment on a non-repatriation basis.

2.7.2 In the absence of furnishing the requisite documents as mentioned above at the time of processing of payment of Capital Reduction Consideration, the Company shall hold the consideration under Separate Bank Account.

2.8 General

Impact on stakeholders

- i. The creditors (secured or unsecured) of the Demerged Company are in no way affected by the proposed Capital Reduction, as there is no reduction in the amount payable to any of the creditors.
- ii. The proposed Capital Reduction will not have any impact on the operations of the Demerged Company or the ability of the Demerged Company to honor its commitment or to pay its debts in the ordinary course of business. It must be noted the Demerged Company is only paying off capital in excess of its requirements. Also, there is no compromise or arrangement contemplated with its creditors. After the implementation of the Capital Reduction, the Company will have assets in excess of its liabilities.
- iii. As of date, the Demerged Company has not accepted any deposits or issued any debentures. Therefore, the question of having any effect of the proposed Capital Reduction on any such public deposit holders or debenture holders or debenture trustees does not arise.
- iv. The Demerged Company has issued only one class of share capital, viz., Equity Shares.
- v. Also, the proposed Capital Reduction will have no effect on the employees, if any, of the Demerged Company.
- vi. There is no winding up petition which is pending against the Company. Also, there are no proceedings for inspection or investigation under the Companies Act, 1956 or Companies Act, 2013 pending against the Company.
- vii. The proposed Capital Reduction does not contemplate any debt restructuring nor the Company is undergoing any debt restructuring.
- viii. The Company will comply with all the relevant accounting standards as applicable in relation to the accounting for Capital Reduction.

2.9 Accounting Treatment

Upon the Scheme becoming effective, Capital Reduction of ECE Industries Limited and other connected matters, if any, will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

The Board of Directors of ECE Industries Limited, in consultation with its Statutory Auditors, shall account the proposed Capital Reduction and other connected matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

PART-3

DEMERGER OF 'ELEVATOR BUSINESS' AND 'SECURITIES INVESTMENT BUSINESS' OF ECE INDUSTRIES LIMITED INTO BIRLA ELEVATORS LIMITED AND UNIVERSAL INVESCO LIMITED, RESPECTIVELY

3.1 TRANSFER AND VESTING OF DEMERGED UNDERTAKING

3.1.1 Upon the Scheme becoming effective and with effect from the commencement of business on the Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 & 232 of the Act, and other applicable provisions, if any, the whole of the Demerged Undertaking 1 & 2 of the Demerged Company, as defined in 'Sub-clause 1.1.10' and 'Sub-clause 1.1.11' of 'Clause-1.1: Definitions' of this Scheme, shall stand demerged in the Resulting Companies No. 1 & 2, respectively, as going concern, and all assets, liabilities, contracts, arrangements, Transferring Employees, Permits, licenses, registrations, enlistment, records, no objection certificates, approvals, credentials, litigations, etc., of the respective Demerged Undertaking 1 & 2 shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Companies No. 1 & 2, respectively, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, Permits, licenses, registrations, enlistment, records, approvals, etc. of the Resulting Companies No. 1 & 2, respectively, by virtue of, and in the manner provided in this Scheme.

3.1.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, with effect from the Appointed Date:

3.1.2.1 With respect to the assets of the respective Demerged Undertaking 1 & 2 that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Demerged Company by operation of law without any further act or execution of an instrument with the intent of vesting such assets with the Resulting Companies No. 1 & 2, respectively, as on the Appointed Date.

3.1.2.2 With respect to the assets of the respective Demerged Undertaking 1 & 2, other than those referred to in Clause 3.1.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), contracts, investment in shares, mutual funds, bonds, and any other securities, fixed deposits, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, earnest moneys and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other Person, whether or not the same is held in the name of the Demerged Company, shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Companies No. 1 & 2, respectively, with effect from the Appointed Date by operation

of law as transmission, as the case may be, in favour of the Resulting Companies No. 1 & 2, respectively. It is clarified that all agreements with customer, agreements with any Appropriate Authority, agreement with banks/funds, vendor agreements, software or third party licenses, statutory and regulatory permissions, environmental approvals and consents, registrations, enlistments or other licenses and power of attorneys would get transferred to and vested in the Resulting Companies No. 1 & 2, respectively, with effect from the Appointed Date by operation of law as transmission, as the case may be, in favour of the Resulting Companies No. 1 & 2, respectively, and shall have been deemed to have been entered into by the Resulting Companies No. 1 & 2, respectively, with such respective parties.

- 3.1.2.3 Without prejudice to the aforesaid, all the immovable property whether or not included in the books of the Demerged Company pertaining to the Demerged Undertaking, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall stand transferred to and be vested in the Resulting Companies No. 1 & 2, respectively, with effect from the Appointed Date, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Companies No. 1 & 2, respectively. With regard to the licenses of the properties, the Resulting Companies No. 1 & 2, respectively, will enter into novation agreements, if it is so required.
- 3.1.2.4 All debts, liabilities, duties and obligations (debentures, bonds, notes and other debt securities), bank guarantees, performance guarantees, corporate guarantees, letters of credit including contingent liabilities of the Demerged Company in relation to and pertaining to the respective Demerged Undertaking 1 & 2 shall, without any further act, instrument or deed or wherever required after following the due process prescribed by lenders/ Persons, be transferred to, and vested in, and/or deemed to have been transferred to, and vested in, the Resulting Companies No. 1 & 2, respectively, so as to become on and from the Appointed Date, the debts, liabilities, duties and obligations of the Resulting Companies No. 1 & 2, respectively, on the same terms and conditions as were applicable to the Demerged Company, and it shall not be necessary to obtain the consent of any Person who is a party to contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause 3.1. It is clarified that in terms of the provisions of Section 2(19AA) and relevant provisions of the Income Tax Act, 1961, all the liabilities relatable to the respective Demerged Undertaking 1 & 2, being transferred by the Demerged Company, immediately before the Demerger, shall become the liabilities of the Resulting Companies No. 1 & 2, respectively, by virtue of the Demerger. The liabilities relatable to the respective Demerged Undertaking 1 & 2 shall include the following:

- a.** The liabilities which arise out of the activities or operations of the respective Demerged Undertaking 1 & 2.
- b.** The specific loans or borrowings (including debentures) raised, incurred and utilised solely for the activities or operations of the respective Demerged Undertaking 1 & 2.
- c.** In cases, other than those referred to in sub-clause 'a' or sub-clause 'b', so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company as stand in the same proportion which the value of the assets transferred in the Demerger of the respective Demerged Undertaking 1 & 2 bears to the total value of the assets of the Demerged Company immediately before the Demerger.

3.1.2.5 All the brands and trademarks pertaining to the respective Demerged Undertaking 1 & 2 including registered and unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights, trademarks and all such other industrial and intellectual property rights of whatsoever nature pertaining to respective Demerged Undertaking 1 & 2 shall be transferred to the Resulting Companies No. 1 & 2, respectively, with effect from the Appointed Date. The Resulting Companies No. 1 & 2, respectively, shall take such actions as may be necessary and permissible to get the same transferred and/or registered in the name of the Resulting Companies No. 1 & 2, respectively.

3.1.2.6 The vesting of the respective Demerged Undertaking 1 & 2, as aforesaid, shall be subject to the Encumbrances, if any, over or in respect of any of the assets or any part thereof, in respect of any financing, borrowings and/or debts pertaining to the respective Demerged Undertaking 1 & 2 which shall be transferred to the Resulting Companies No. 1 & 2, respectively, provided however that such Encumbrances shall be confined only to the relevant assets of the respective Demerged Undertaking 1 & 2 or part thereof on or over which they are subsisting on and no such Encumbrances shall extend over or apply to any other asset(s) of the respective Resulting Companies. Any reference in any security documents or arrangements (to which the Demerged Company is a party) related to any assets of the respective Demerged Undertaking 1 & 2 shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Resulting Companies No. 1 & 2, respectively. Similarly, the respective Resulting Companies shall not be required to create any additional security over assets vested under this Scheme for any loans, debentures, deposits or other financial assistance already availed of/to be availed of by it, and the Encumbrances in respect of such indebtedness of the respective Resulting Companies shall not automatically extend or be deemed to extend or apply to the assets so vested. It is clarified that upon the Scheme becoming effective, the Demerged Company and Resulting Companies will file requisite

form(s) with the Registrar of Companies for creation, modification and/or satisfaction of charge(s), to the extent required, to give effect to the provisions of this Scheme.

- 3.1.2.7 Upon the Scheme being effective, the work experience, qualifications, capabilities, legacies and track record with Government/Non-Government agencies/bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of the Demerged Company acquired by reason of the completion of various projects and works pertaining to the respective Demerged Undertaking 1 & 2 and certificates of completion of projects or works pertaining to the respective Demerged Undertaking 1 & 2 issued by the clients of the Demerged Company shall be deemed to be part of and belonging to the Resulting Companies No. 1 & 2, respectively, and shall for all purposes be regarded as the work experience, credentials and qualification, capabilities and legacies (including technical parameters, past performance, track record, financials etc.) and certificates of completion of the Resulting Companies No. 1 & 2, respectively.
- 3.1.2.8 Further, upon the Scheme being effective, the respective Resulting Companies shall be entitled and authorised to use the total work experience, credential, qualifications, performance qualifications including financial, technical, manufacturing and other qualifications, capabilities, legacies and track record Government/Non-Government agencies/bodies, contracts with clients and with vendors (including technical parameters, past performance, track record, financials, etc.) of the Demerged Company, pertaining to the respective Demerged Undertaking 1 & 2, acquired by reason of the completion of various projects and works, certificates of completion of projects or works issued by the clients. The respective Resulting Companies No. 1 & 2 shall have the right to use all the abovementioned work experience, etc., for getting registration/enlistment with Government/Non-Government agencies/bodies, and private sector entities, and for qualifying for any tender or project that may be issued at any time.
- 3.1.2.9 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2, if any, has been replaced with that of the Resulting Companies No. 1 & 2, respectively, the respective Resulting Companies shall be entitled to maintain and operate the bank accounts of the respective Demerged Undertaking 1 & 2 in the name of the Demerged Company and for such time as may be determined to be necessary by the respective Resulting Companies. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company and pertaining to the respective Demerged Undertaking 1 & 2 after the Effective Date shall be accepted by the bankers of the Resulting Companies No. 1 & 2, respectively, and credited to the account of the respective Resulting Companies, if presented by the Resulting Companies No. 1 & 2, respectively.

3.1.2.10 Without prejudice to the foregoing provisions of this Scheme, the Demerged Company and/or the Resulting Companies shall be entitled to apply to the Appropriate Authority and Person, as are necessary under any law, for such consents, approvals, sanctions and process which the respective Resulting Companies may require and execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary applications, notices, intimations, novation or letters with any Appropriate Authority or Person, to give effect to the above provisions. Additionally, at the election of the Demerged Company and the Resulting Companies immovable properties forming a part of the respective Demerged Undertaking 1 & 2 may be assigned, not by virtue of this Scheme, but by way of separate deeds of conveyance, so as to give effect to the above provisions of the Scheme.

3.2 TAXES, DUTIES, CESS ETC.

- 3.2.1** The unutilized credits relating to excise duties, sales tax, service tax, VAT, GST or any other Taxes by whatever name called as applicable which remain un-utilised in the electronic ledger of the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2 shall be transferred to and vest in the Resulting Companies No. 1 & 2, respectively, upon filing of requisite forms. Thereafter the un-utilised credit so specified shall be credited to the electronic credit ledger of the Demerged Company and the input and capital goods shall be duly adjusted by the respective Resulting Companies in books of account.
- 3.2.2** After the Appointed Date, Taxes of whatsoever nature including advance tax, self-assessment tax, regular assessment taxes, tax deducted at source, GST, wealth tax, if any, paid by the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2 shall be treated as paid by the Resulting Companies No. 1 & 2, respectively, and it shall be entitled to claim the credit, refund, adjustment for the same as may be applicable notwithstanding that challans or records may be in the name of the Demerged Company.
- 3.2.3** All the Tax payments/compliances (including, but without limitation to income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2 after the Appointed Date, shall be deemed to be paid by the Resulting Companies No. 1 & 2, respectively, and shall, in all proceedings, be dealt with accordingly.
- 3.2.4** Further, any tax deducted at source by the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2 on transactions with the Resulting Companies No. 1 & 2, respectively, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid or tax deposited by the respective Resulting Companies, and shall, in all proceedings, be dealt with accordingly in the hands of the respective Resulting Companies (including but

not limited to grant of such tax deposited as credit against total tax payable by the respective Resulting Companies, while filing consolidated return of income on or after Appointed Date).

3.2.5 Upon Scheme becoming effective, the Demerged Company and the Resulting Companies are expressly permitted to revise their financial statements and its income tax returns along with prescribed forms, filings and annexures under the Income-Tax Act, 1961 and other statutory returns, including but not limited to tax deducted/collected at source returns, service tax returns, excise tax returns, sales tax/VAT/GST returns, as may be applicable. The respective Resulting Companies expressly reserves the right to make such provision in returns and to claim refunds, advance tax credits, credit of tax deducted at source, credit of foreign taxes paid/withheld, etc., if any, as may be required for the purposes of/consequent to implementation of the Scheme. All compliances done by the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2 will be considered as compliances by the respective Resulting Companies.

3.2.6 It is hereby clarified that in case of any benefits, incentives, grants, subsidies, etc., under Income-tax Act, 1961, service tax laws, excise duty laws, central sales tax, applicable state value added tax laws, any incentive scheme or policies or any other applicable laws/regulations dealing with Taxes/duties/levies due to the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2 shall stand vested in the Resulting Companies No. 1 & 2, respectively, upon this Scheme becoming effective.

3.2.7 Upon the Scheme becoming effective, all Tax assessment proceedings/appeals of whatsoever nature by or against the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2 pending and/or arising shall be transferred to the Resulting Companies No. 1 & 2, respectively.

3.3 PERMITS

3.3.1 With effect from the Appointed Date, all the Permits, registrations, enlistment, and approvals held or availed of by, and all rights and benefits that have accrued to, the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2, pursuant to the provisions of Sections 230 & 232 of the Act, shall be transferred to and vested in the Resulting Companies No. 1 & 2, respectively, and shall stand transferred to and vested in or be deemed to have been transferred to, and vested in, and be available to, the Resulting Companies No. 1 & 2, respectively, so as to become as and from the Appointed Date, the Permits, estates, assets, rights, title, interests and authorities of the Resulting Companies No. 1 & 2, respectively, and shall remain valid, effective and enforceable on the same terms and conditions. The benefits and obligations of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to the Resulting Companies No. 1 & 2, respectively, pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, Government body,

local authority or by any other Person, or availed of by the Demerged Company in relation to the respective Demerged Undertaking 1 & 2 are concerned, the same shall vest with and be available to the Resulting Companies No. 1 & 2, respectively, on the same terms and conditions. Upon the vesting and transfer of the respective Demerged Undertaking 1 & 2 pursuant to this Scheme, all the concerned licensor and grantors of such Permits shall promptly mutate, endorse and/or transfer where necessary, and record the Resulting Companies No. 1 & 2, respectively, on such Permits so as to empower and facilitate the transfer and vesting of the respective Demerged Undertaking 1 & 2 in the Resulting Companies No. 1 & 2, respectively, and continuation of operations pertaining to the respective Demerged Undertaking 1 & 2 in the Resulting Companies No. 1 & 2, respectively, without any hindrance.

- 3.3.2** Upon the Effective Date and until the Permits are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the respective Resulting Companies, the respective Resulting Companies, is authorized to carry on business in the name and style of the Demerged Company, and under the relevant Permit, license and/or approval, as the case may be, and the respective Resulting Companies shall keep a record and/or account of such transactions.

3.4 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 3.4.1** Subject to the other provisions of the Scheme, all contracts, guarantees, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature in relation to the respective Demerged Undertaking 1 & 2, to which the Demerged Company is a party and which is subsisting or having effect on or immediately before the Appointed Date shall remain in full force and effect against or in favour of the Resulting Companies No. 1 & 2, respectively, and shall be binding on and be enforceable by and against the Resulting Companies No. 1 & 2, respectively, as fully and effectually as if the respective Resulting Companies No. 1 & 2 had at all material times been a party or beneficiary or obligee thereto. The respective Resulting Companies No. 1 & 2 will, if required, enter into a novation agreement, sub-contracting agreement, deeds, writings or confirmations in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above and, if required, cause such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above to be formally taken on record/ recognised by the Appropriate Authority.
- 3.4.2** Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the respective Demerged Undertaking 1 & 2 of the Demerged Company occurs by virtue of this Scheme, the Demerged Company and/or the Resulting Companies may, at any time in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. The

respective Resulting Companies shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company, to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company pertaining to Demerged Undertaking 1 & 2.

3.4.3 On and from the Effective Date, and thereafter, the respective Resulting Companies shall be entitled to enforce all pending contracts and transactions and to accept stock returns and issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking 1 & 2, in the name of the Resulting Companies No. 1 & 2, respectively, in so far as may be necessary until the transfer of rights and obligations of the respective Demerged Undertaking 1 & 2 to the Resulting Companies No. 1 & 2, respectively, under this Scheme have been given effect to under such contracts and transactions.

3.4.4 In an event where any contracts, agreements, arrangements and other instruments of whatsoever nature pertaining to the respective Demerged Undertaking 1 & 2 are not transferrable for any reasons, the Demerged Company shall sub-contract such contracts to the Resulting Companies No. 1 & 2, respectively, by entering into applicable agreements/ deeds as per the Applicable Law. In such cases, the respective Resulting Companies, if required, shall indemnify the Demerged Company for any risks or loss or reward associated with such contracts sub-contracted. Further, if any contracts, agreements, arrangements and other instruments of whatsoever nature pertaining to the Demerged Undertaking 1 & 2 are not transferrable for any reasons and can not be sub-contracted to the respective Resulting Companies, then, the respective Resulting Companies shall allow the Demerged Company to complete/implement only such contracts, agreements, arrangements. The right to use such performance qualifications, technical experience and credentials, if required, will be transferred to the respective Resulting Companies pursuant to this Scheme.

3.5 LEGAL PROCEEDINGS

3.5.1 Upon the coming into effect of this Scheme, proceedings relating to the Demerged Undertaking 1 & 2 shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme but shall be continued and be enforced by or against the Resulting Companies No. 1 & 2, respectively, with effect from the Effective Date in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

3.5.2 The Resulting Companies No. 1 & 2, respectively, (a) shall be replaced/added as party to such proceedings relating to the Demerged Undertaking 1 & 2; and (b) shall prosecute or defend such proceedings at its own cost and the liability of the Demerged Company shall, consequently, stand nullified.

3.5.3 The Resulting Companies No. 1 & 2, respectively, undertakes to have all legal or other proceedings initiated by or against the Demerged Company, in relation to the Demerged Undertaking 1 & 2,

transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Companies No. 1 & 2, respectively, to the exclusion of the Demerged Company, in relation to the Demerged Undertaking 1 & 2.

3.5.4 It is clarified that except as otherwise provided herein, the Demerged Company shall, in no event, be responsible or liable in relation to any proceedings relating to the Demerged Undertaking 1 & 2 that stand transferred to the Resulting Companies No. 1 & 2, respectively, pursuant to this Scheme.

3.5.5 In case, for any reason, any of the legal proceedings, in relation to the Demerged Undertaking 1 & 2, cannot be transferred to the respective Resulting Companies, the same may be continued by or against the Demerged Company on behalf of the respective Resulting Companies only. All the associated costs, losses or consequences of all such proceedings shall be borne by the respective Resulting Companies. Similarly, all the benefits of all such proceedings shall accrue to the respective Resulting Companies.

3.6 STAFF, WORKMEN AND EMPLOYEES

3.6.1 On the Scheme becoming effective, all Transferring Employees of the Demerged Company, in service on the Effective Date, shall become and deemed to have become employees of the Resulting Companies No. 1 & 2, respectively, on such date without any break or interruption in their service and on the basis of continuity of service, and upon terms and conditions not less favorable than those applicable to them in the Demerged Company, on the Effective Date.

3.6.2 It is expressly provided that on the Scheme becoming effective, the services of all such Transferring Employees with the Demerged Company prior to the Demerger shall be taken into account for the purposes of all existing benefits to which the said Transferring Employees may be eligible, including for the purpose of payment of any gratuity and other retiral/terminal benefits and to this effect the accumulated balances, if any, standing to the credit of such Transferring Employees in the existing provident fund, gratuity fund and superannuation fund of which they are members, will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Companies No. 1 & 2, respectively, and/ or such new provident fund, gratuity fund and superannuation fund to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authority, by the Resulting Companies No. 1 & 2, respectively. The decision on whether or not Transferring Employee is part of the respective Demerged Undertaking 1 & 2, be decided by the Demerged Company, and shall be final and binding on all concerned.

3.6.3 Pending the transfer as aforesaid, the provident fund, the gratuity fund and superannuation fund dues of the said Transferring Employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund, respectively, of the Demerged Company, as the case may be.

3.7 SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the Demerged Undertaking 1 & 2 into the Resulting Companies No. 1 & 2, respectively, as above and the continuance of proceedings by or against the Resulting Companies No. 1 & 2, shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the respective Resulting Companies No. 1 & 2 accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to the respective Demerged Undertaking 1 & 2, in respect thereto as done and executed on behalf of the Resulting Companies No. 1 & 2, respectively.

3.8 CONDUCT OF BUSINESS OF DEMERGED UNDERTAKING 1 & 2 UPTO THE EFFECTIVE DATE BY THE DEMERGED COMPANY

From the Appointed Date until the Effective Date:

- i.** The Demerged Company (with respect to the respective Demerged Undertaking 1 & 2) 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 the assets for and on account of, and in trust for the Resulting Companies No. 1 & 2, respectively.
- ii.** The Demerged Company shall stand possessed of all the assets and properties of the respective Demerged Undertaking 1 & 2, in trust for the Resulting Companies No. 1 & 2, respectively. Accordingly, any asset or property acquired by the Demerged Company pertaining to the respective Demerged Undertaking 1 & 2, on or after the Appointed Date, shall be deemed to be the assets and properties of the Resulting Companies No. 1 & 2, respectively.
- iii.** The Demerged Company shall be deemed to have carried on business and activities of the Demerged Undertaking 1 & 2 for and on behalf of and for the benefit and on account of the Resulting Companies No. 1 & 2, respectively. With effect from the Appointed Date, all profits or income arising or accruing to the Demerged Company with respect to the respective Demerged Undertaking 1 & 2 and all Taxes paid thereon (including but not limited to advance tax, tax deducted at source, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the respective Demerged Undertaking 1 & 2 shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, of the Resulting Companies No. 1 & 2, respectively.
- iv.** Any of the rights, powers, authorities, privileges exercised by the Demerged Company, in relation to the respective Demerged Undertaking 1 & 2, shall be deemed to have been exercised for and on behalf of, and in trust for the Resulting Companies No. 1 & 2, respectively. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Demerged Company, in relation to the respective Demerged Undertaking 1 & 2, shall be deemed to have been undertaken for and on behalf of the Resulting Companies No. 1 & 2, respectively.

- v. All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the respective Demerged Undertaking 1 & 2 after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Companies No. 1 & 2, respectively, and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Companies No. 1 & 2, respectively.
- vi. The Demerged Company, in relation to the respective Demerged Undertaking 1 & 2 shall not, without the prior written consent of the Board of Directors of the Resulting Companies No. 1 & 2, respectively, or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the respective Demerged Undertaking 1 & 2 or any part thereof except in the ordinary course of business.

3.9 REMAINING BUSINESS OF THE DEMERGED COMPANY

- 3.9.1** The Remaining Business and all the assets including immovable properties, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company.
- 3.9.2** All legal, Taxation and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced against the Demerged Company. The Resulting Companies shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Remaining Business.
- 3.9.3** If proceedings are taken against the Resulting Companies, in respect of matters relating to the Remaining Business, the Resulting Companies shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Companies against all liabilities and obligations incurred by the Resulting Companies in respect thereof.
- 3.9.4** If proceedings are taken against the Demerged Company in respect of matters relating to the respective Demerged Undertaking 1 & 2, the Demerged Company shall defend the same in accordance with the advice of the respective Resulting Companies No. 1 & 2 and at the cost of the respective Resulting Companies No. 1 & 2 and the latter shall reimburse and indemnify the Demerged Company, against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 3.9.5** With effect from the Appointed Date and including the Effective Date and thereafter:

- a. The Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to its Remaining Business for and its own behalf.
- b. All profit accruing to the Demerged Company or losses arising or incurred by it relating to the Remaining Business shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company.

3.10 CONSIDERATION FOR DEMERGER

3.10.1 Upon the Scheme coming into effect and after giving effect to the Capital Reduction in terms of Part 2 of this Scheme and in consideration of Demerger and vesting of the Demerged Undertaking 1 & 2 of the Demerged Company into the Resulting Companies No. 1 & 2, respectively, in terms of this Scheme; the Resulting Companies shall, without any further application or deed, issue and allot Share(s), to the Shareholders of the Demerged Company whose names appear in the Register of Members as on the Record Date-2, in the following ratio:

- i. The Resulting Company No. 1-Birla Elevators Limited will issue 1 (one) Equity Share of INR 10 each, credited as fully paid-up, to the Equity Shareholders of the Demerged Company, for every 1 (one) Equity Share of INR 10 each held in the Demerged Company-ECE Industries Limited.
- ii. The Resulting Company No. 2-Universal Invesco Limited will issue 1 (one) Equity Share of INR 10 each, credited as fully paid-up, to the Equity Shareholders of the Demerged Company, for every 1 (one) Equity Share of INR 10 each held in the Demerged Company-ECE Industries Limited.

3.10.2 Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to the nearest whole number.

3.10.3 New Equity Shares to be issued by the Resulting Companies No. 1 & 2, respectively, in terms of Clause 3.10.1 above, will be subject to the provisions of the Memorandum and Articles of Association of the respective Resulting Companies No. 1 & 2. New Equity Shares shall rank pari passu in all respects, including dividend, with the existing Equity Shares of the respective Resulting Companies No. 1 & 2.

3.10.4 The issue and allotment of Equity Shares by the respective Resulting Companies No. 1 & 2, as the case may be, to the Shareholders of the Demerged Company, as provided in this Scheme, is an integral part thereof. The Members of the respective Resulting Companies No. 1 & 2, on approval of the Scheme, shall be deemed to have given their approval under Sections 42 and 62 of the Companies Act, 2013, and other applicable provisions, if any, for issue of fresh Shares to the Members of the Demerged Company in terms of this Scheme.

3.10.5 In the event there being any pending share transfer(s), the Board of Directors of the Demerged Company or any committee thereof, shall be empowered in appropriate cases, prior to or even subsequent to the Record Date-2, to effectuate such transfer in the

Demerged Company as if such changes in the registered holders were operative on the Record Date-2, in order to remove any difficulty arising on account of such transfer and in relation to equity shares to be issued to the shareholders of the Demerged Company pursuant to this Scheme.

- 3.10.6** Shares to be issued by the respective Resulting Companies No. 1 & 2, pursuant to this Scheme in respect of any shares of the Demerged Company which are held in abeyance under the provisions of the Act or otherwise, shall be held in abeyance by the respective Resulting Companies No. 1 & 2.
- 3.10.7** New Equity Shares to be issued by the Resulting Companies to the shareholders of the Demerged Company as on the Record Date-2, in terms of this Scheme, will be issued in dematerialized form with such shares being credited to the existing depository account of the Shareholders of the Demerged Company. All those Equity Shareholders who hold shares of the Demerged Company as on the Record Date-2 in physical form, shall receive Equity Shares in the respective Resulting Companies in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the respective Resulting Companies and provided such intimation has been received by the respective Resulting Companies at least 7 (seven) days before the Record Date-2. If no such intimation is received from any shareholder who holds shares of the Demerged Company in physical form at least 7 (seven) days before the Record Date-2, the respective Resulting Companies shall keep such shares in abeyance / escrow account / suspense account / with a trustee nominated by the Board of the respective Resulting Companies for the benefit of such shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such shareholders as and when the details of such shareholder's account with the depository participant are intimated in writing to the respective Resulting Companies and/or their respective Registrar and Transfer Agent (RTA), as may be permitted under Applicable Law.
- 3.10.8** It is clarified that in the event of any change in the capital structure of the Demerged Company or the Resulting Companies, such as share split or consolidation of shares, issue of bonus shares, rights issue or other similar action; or any material accounting changes at any time before the Record Date-2; the Share Exchange Ratio as specified in Clause 3.10.1 of this Scheme, may be suitably adjusted for such changes, if and to the extent required, with mutual consents of the Board of Directors of the Demerged Company and the Resulting Companies. Any such adjustment in the Share Exchange Ratio will be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of the Demerged Company and the Resulting Companies.
- 3.10.9** It is, however, clarified that provisions of this Scheme with regard to issue of shares by the Resulting Companies No. 1 & 2, to the Shareholders of the Demerged Company will not apply to the share application money, if any, which may remain outstanding in the Demerged Company as on the Record Date-2.

3.11 UPON THIS SCHEME BECOMING EFFECTIVE

- 3.11.1** Present issued and paid-up share capital of each of the Resulting Companies No. 1 & 2 is INR 1,00,000 divided into 10,000 Equity Shares of INR 10 each. In terms of the provisions of this Scheme, the Resulting Companies No. 1 & 2 will issue Shares to the Shareholders of the Demerged Company. However, it is proposed that upon the Scheme becoming effective, the Resulting Companies No. 1 & 2 will have Shareholders consisting of the Shareholders of the Demerged Company only. In other words, post-Scheme, the Demerged Company and the Resulting Companies will have mirror shareholding [the same set of shareholders holding the same percentage of shares in both the Companies].

To achieve the aforesaid shareholding pattern, upon the Scheme coming into effect, entire pre-Scheme issued and paid-up share capital of each of the Resulting Companies No. 1 & 2 consisting of 10,000 Equity Shares of INR 10 each aggregating INR 1,00,000 each, shall stand cancelled, without any payment being made to any shareholder against such cancellation. It is clarified that the Resulting Companies No. 1 & 2 will not make any payment to any Shareholders against such cancellation.

- 3.11.2** Cross holding of shares as on the Record Date-2 between the Respective Demerged Undertaking 1 & 2 of the Demerged Company and the Resulting Companies No. 1 & 2, respectively, if any, shall stand cancelled.
- 3.11.3** In terms of the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles, the Demerged Company and the Resulting Companies may utilise their reserves and surplus, as the case may be, to account for the Demerger in their respective books of accounts.
- 3.11.4** It is clarified that such utilisation of reserves and surplus by the Demerged Company and the Resulting Companies, as the case may be, shall be affected as an integral part of the Scheme only. Approval of this Scheme by the Shareholders and/or Creditors of the Demerged Company and the Resulting Companies, as the case may be, and sanction by the Hon'ble Tribunal under Sections 230 & 232 of the Companies Act, 2013, shall be sufficient compliance with the provisions of Section 66 of the Companies Act, 2013, and other applicable provisions, if any, for the aforesaid matters.
- 3.11.5** It is, however, clarified that none of the Demerged Company and the Resulting Companies will be required to use the words "and reduced" as part of their respective corporate names upon sanction of the Scheme.
- 3.11.6** It is further clarified that none of the creditors of the Demerged Company and the Resulting Companies will be adversely affected by the provisions of the Scheme.
- 3.11.7** Save as provided in this Scheme, the Demerged Company and/or the Resulting Companies will increase/modify their respective

Authorized Share Capital to implement the terms of this Scheme, to the extent necessary. It is, however, clarified that approval of the present Scheme of Arrangement by the Shareholders of Demerged Company and the Resulting Companies will be sufficient for such modification/ increase in the authorised share capital and no further approval from the Shareholders or any other person will be required for the same.

3.12 ACCOUNTING TREATMENT

Upon the Scheme becoming effective, Demerger of the respective Demerged Undertaking 1 & 2 of the Demerged Company into the Resulting Companies No. 1 & 2, respectively, and other connected matters, if any, will be accounted for in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

The Demerged Company and the Resulting Companies No. 1 & 2 will, accordingly, give effect of the proposed Demerger and other connected matters in their respective books of accounts in accordance with the applicable provisions of the Companies Act, 2013, Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and Generally Accepted Accounting Principles.

Without prejudice to the generality of the aforesaid, following are the salient features of the accounting treatment to be given:

3.12.1 In the books of the Demerged Company

- i. All the assets and liabilities pertaining to the Demerged Undertaking 1 & 2, which cease to be the assets and liabilities of the Demerged Company, will be reduced from the books of accounts of the Demerged Company at their respective carrying values as on the Appointed Date. Difference between the carrying values of assets and liabilities of the respective Demerged Undertaking 1 & 2 will hereinafter be referred to as 'Net Assets' or 'Net Book Value of Assets'.
- ii. Various items under the head Reserves and Surplus will be reduced from the books of accounts of the Demerged Company in the same proportion which the Net Assets Value of the respective Demerged Undertaking 1 & 2 bears to the total Net Assets Value of the Demerged Company immediately before the Demerger (after giving effect to the Capital Reduction), as on the Appointed Date.
- iii. To the extent, there are any inter-corporate loans, advances, or any other payable/receivable balances between the Demerged Undertaking 1 & 2 of the Demerged Company and the Resulting Companies No. 1 & 2, respectively, the rights and obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the Demerged Company.

- iv. Any deficit or surplus arising out of Demerger will be debited or credited to Capital Reserve in the books of the Demerged Company.

3.12.2 In the books of the Resulting Companies No. 1 & 2

- i. The respective Resulting Companies No. 1 & 2 will record the assets and liabilities pertaining to the respective Demerged Undertaking 1 & 2 vested in each of these Companies pursuant to this Scheme, at the respective carrying values as appearing in the books of the Demerged Company as on the Appointed Date.
- ii. The respective Resulting Companies No. 1 & 2 will also record in their books of accounts, various items of Reserves and Surplus which are reduced from the books of accounts of the Demerged Company in terms of Clause 3.12.1 'ii' above.
- iii. To the extent, there are any inter-corporate loans, advances or any other payable/receivable balances between the respective Demerged Undertaking 1 & 2 of the Demerged Company and the Resulting Companies No. 1 & 2, respectively, the rights and obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of the concerned Resulting Companies.
- iv. Entire pre-Scheme issued and paid-up share capital of the Resulting Companies will stand cancelled, without any payment being made to any shareholder against such cancellation.
- v. The respective Resulting Companies No. 1 & 2 will credit to the Share Capital Account, in the books of accounts, the aggregate face value of the new Shares to be issued by each of these Companies to the Shareholders of the Demerged Company pursuant to Clause 3.10.1 of the Scheme.
- vi. Any deficit or surplus arising out of Demerger will be debited or credited to Capital Reserve in the books of the respective Resulting Companies No. 1 & 2.

3.12.3 It is, however, clarified that the Board of Directors of the Demerged Company and the Resulting Companies No. 1 & 2, in consultation with their respective Statutory Auditors, may account the present Demerger and other Scheme matters in such manner as to comply with the provisions of Section 133 of the Companies Act, 2013, the applicable Accounting Standard(s), Generally Accepted Accounting Principles and other applicable provisions, if any.

3.13 STEPS TO BE TAKEN FOR EFFECTIVE IMPLEMENTATION OF THE SCHEME

Upon this Scheme becoming effective, the Demerged Company and/or the Resulting Companies will take necessary steps for the smooth and uninterrupted transition/transfer of the respective Demerged Undertaking 1 & 2 of the Demerged Company into the Resulting

Companies No. 1 & 2, respectively, on Demerger and effective implementation of the Scheme.

Without prejudice to the generality of the aforesaid, following are the salient features/chronology to be followed in this regard:

- 3.13.1** Upon the Scheme becoming effective, the respective Resulting Companies No. 1 & 2 will inform approval of this Scheme by the Hon'ble NCLT to the customers of the respective Demerged Undertaking 1 & 2 of the Demerged Company, concerned Appropriate Authority, and other relevant third parties. The respective Resulting Companies No. 1 & 2 will, if so require, make necessary application in compliance with the applicable provisions of law to give effect to this Scheme.

All such Persons will take note of the same and will promptly take all necessary steps to give effect to the Scheme including but not limited to changing the name of the Demerged Company with the respective Resulting Companies No. 1 & 2, details of the bank account(s) of the respective Demerged Undertaking 1 & 2 of the Demerged Company will be replaced with that of the Resulting Companies No. 1 & 2, respectively.

- 3.13.2** It is clarified that no adverse action will be taken against the Resulting Companies No. 1 & 2, or the Demerged Company for any delay in action taken by the concerned Person in giving effect of the sanction of this Scheme.

- 3.13.3** It is clarified that upon the Scheme becoming effective, the Resulting Companies No. 1 & 2 shall assume full responsibility toward the respective Demerged Undertaking 1 & 2 and fulfill all the obligations pertaining to the respective Demerged Undertaking 1 & 2. Notwithstanding anything contained in this Scheme or in any other document, the respective Resulting Companies No. 1 & 2 shall fully indemnify the Demerged Company for any financial or other liability or consequence that the Demerged Company has to face due to any act of omission or commission by the respective Resulting Companies No. 1 & 2 with regard to any matter pertaining to the respective Demerged Undertaking 1 & 2.

3.14 FACILITATION PROVISIONS

Immediately upon the Scheme being effective, the Demerged Company and the Resulting Companies will enter into necessary arrangements including sub-contracting agreements, sub-licensing agreements and shared services agreements, as may be necessary, *inter alia*, in relation to use by the Resulting Companies of office space, infrastructure facilities, information technology services, employee/ staff, tax, audit, finance, secretarial, human resource service, security personnel, legal, administrative and other services, etc., of the Demerged Company, and so as to give full effect to the provisions of this Scheme, each, on such terms and conditions that may be agreed between the Companies and on payment of consideration on an arm's length basis and which are in the ordinary course of business.

3.15 PROPERTY IN TRUST

- 3.15.1** Notwithstanding anything contained in this Scheme, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom, being part of the respective Demerged Undertaking 1 & 2, are transferred, vested, recorded, effected and/or perfected, in the records of the Appropriate Authority, Person or otherwise, in favour of the respective Resulting Companies, the respective Resulting Companies is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement.
- 3.15.2** It is clarified that till entry is made in the records of the Appropriate Authority or Person and till such time as may be mutually agreed by the Demerged Company and the Resulting Companies, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, as the case may be, in trust and on behalf of the respective Resulting Companies No. 1 & 2.
- 3.15.3** It is further clarified that on the Effective Date, notwithstanding the Scheme being made effective, any asset/liability identified as part of the respective Demerged Undertaking 1 & 2 and pending transfer due to the pendency of any approval/consent and/or sanction, shall be held in trust by the Demerged Company for the respective Resulting Companies No. 1 & 2.
- 3.15.4** Immediately upon receipt of such approval/consent and/or sanction, such asset and/or liability forming part of the respective Demerged Undertaking 1 & 2 shall, without any further act/deed or consideration, be transferred/vested in the Resulting Companies No. 1 & 2, respectively, with all such benefits, obligations and rights with effect from the Appointed Date.
- 3.15.5** All costs, payments and other liabilities that the Demerged Company shall be required to bear to give effect to this Clause shall be borne solely by the Resulting Companies No. 1 & 2, respectively, and the Resulting Companies No. 1 & 2, respectively, shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

3.16 COMPLIANCE WITH THE INCOME TAX ACT

- 3.16.1** The provisions of this Scheme relating to Demerger have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) read with other applicable provisions of the Income Tax Act, 1961.
- 3.16.2** It is clarified that the present Scheme of Arrangement will result in the following:
- i. All the property and assets of the Demerged Undertaking 1 & 2, being transferred by the Demerged Company, immediately before the Demerger, shall become the property and assets of

the Resulting Companies No. 1 & 2, respectively, by virtue of the present Demerger.

ii. All the liabilities relatable to the Demerged Undertaking 1 & 2, being transferred by the Demerged Company, immediately before the Demerger, shall become the liabilities of the Resulting Companies No. 1 & 2, respectively, by virtue of the Demerger. The liabilities relatable to the respective Demerged Undertaking 1 & 2 shall include the following:

- (a) The liabilities which arise out of the activities or operations of the respective Demerged Undertaking 1 & 2.
- (b) The specific loans or borrowings (including debentures) raised, incurred and utilised solely for the activities or operations of the respective Demerged Undertaking 1 & 2.
- (c) In cases, other than those referred to in clause (a) or clause (b), so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company as stand in the same proportion which the value of the assets transferred in the Demerger bears to the total value of the assets of the Demerged Company immediately before the Demerger.

iii. The property and the liabilities of the respective Demerged Undertaking 1 & 2 being transferred by the Demerged Company shall be transferred at values appearing in the books of account of the Demerged Company immediately before the Demerger. For determining the value of the property of the respective Demerged Undertaking 1 & 2, any change in the value of assets consequent to their revaluation shall be ignored.

Provided that the provisions of this sub-clause shall not apply where the Resulting Companies No. 1 & 2 records the value of the property and the liabilities of the respective Demerged Undertaking 1 & 2 at a value different from the value appearing in the books of account of the Demerged Company, immediately before the Demerger, in compliance with the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015.

iv. The Resulting Companies No. 1 & 2, respectively, will issue, in consideration of the Demerger, its shares, credited as fully paid, to all the shareholders of the Demerged Company on a proportionate basis except where the Resulting Companies No. 1 & 2, respectively, is itself a shareholder of the Demerged Company.

v. The shareholders holding not less than three-fourths in value of the shares in the Demerged Company (other than shares already held therein immediately before the Demerger by, or by a nominee for, the Resulting Companies No. 1 & 2, respectively, or, its subsidiary) shall become shareholders of the Resulting Companies No. 1 & 2, respectively, by virtue of the Demerger.

vi. The transfer of the respective Demerged Undertaking 1 & 2 shall be on a going concern basis.

3.16.3 It is clarified that if, at a later date, any of the terms or provisions of the Scheme relating to Demerger are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of Section 2(19AA) of the Income Tax Act, 1961, or corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961 or such newly enacted law or new legislation. Such modifications will, however, not affect the other provisions of the Scheme. The power to make such amendments as may become necessary shall vest with the respective Board of Directors of the Demerged Company and/or the Resulting Companies, which power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

PART-4

OTHER TERMS AND CONDITIONS

4.1 NO COMPROMISE WITH CREDITORS

The present Scheme in no way, is a scheme of compromise with the creditors and is not, in any way, adversely affecting the rights of the creditors. Further, the present Scheme is not a scheme of corporate debt restructuring as envisaged under Section 230(2)(c) of the Act. Aggregate assets of the Demerged Company and the Resulting Companies are more than sufficient to meet the liabilities of the respective creditors in full.

4.2 APPLICATION/PETITION TO THE NATIONAL COMPANY LAW TRIBUNAL AND OTHER APPROPRIATE AUTHORITY

4.2.1 The Demerged Company will make the requisite application(s)/petition(s) under the provisions of Sections 230 & 232 read with Section 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench(es) of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

4.2.2 The Resulting Companies No. 1 & 2 will make the requisite application(s)/petition(s) under the provisions of Sections 230 & 232 read with Section 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the National Company Law Tribunal Rules, 2016, and other applicable provisions, if any, to the appropriate Bench(es) of the Hon'ble National Company Law Tribunal and other competent authorities, if any, for sanctioning of this Scheme and other connected matters.

4.2.3 It is clarified that pending the sanction of the Scheme, the Demerged Company and the Resulting Companies No. 1 & 2 shall be entitled to apply to any Appropriate Authority or any third party for such consents, approvals, sanction or process which the Demerged Company and the Resulting Companies No. 1 & 2 may require under any Applicable Law to own the assets and/or liabilities of the Respective Demerged Undertaking 1 & 2 or to carry on the business of the Demerged Undertaking 1 & 2 or that may otherwise be required to give effect to any provision of this Scheme.

4.3 MODIFICATIONS/AMENDMENTS TO THE SCHEME

4.3.1 The Demerged Company and the Resulting Companies, through their respective Board of Directors, may make or assent, from time to time, on behalf of all persons concerned, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by the Board of Directors of these Companies and

resolve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

4.3.2 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Company and Resulting Companies may give and are authorized to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

4.3.3 In the event of any difficulty arising in connection with the implementation of this Scheme, or in the event that any clarification, modification, or amendment is required to give effect to the Scheme, the Board of Directors of the Demerged Company and Resulting Companies shall have the authority to take such steps as may be necessary, expedient, or desirable to resolve the difficulty or to give effect to the provisions of this Scheme.

4.4 IMPLEMENTATION OF THE SCHEME:

Upon sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred in the sequence and in the order mentioned hereunder. Accordingly, the Composite Scheme of Arrangement will be implemented in that order.

- i. Reduction of Equity Share Capital of ECE Industries Limited by way of cancellation of Equity Shares held by Non-Promoter/Public Category Shareholders as on Record Date-1, and payment of Capital Reduction Consideration to such Non-Promoter/Public Category Shareholders, as provided in Part-2 of this Scheme.
- ii. Demerger of the respective Demerged Undertaking 1 & 2 of the Demerged Company into the Resulting Companies No. 1 & 2, respectively, as provided in Part-3 of this Scheme; and issue of shares by the Resulting Companies No. 1 & 2 to the Shareholders of the Demerged Company, as on Record Date-2, pursuant to such Demerger.
- iii. It is clarified that the Demerged Company will first give effect to the Capital Reduction as provided in Part-2 of this Scheme. List of shareholders of the Demerged Company, after giving effect to the Capital Reduction, will be considered for the purpose of issuance of shares by the Resulting Companies on Demerger.

4.5 SEVERABILITY

If any part and/or provision of this Scheme is invalid, ruled illegal by any court or tribunal of competent jurisdiction or unenforceable under present or future laws or is unworkable, then it is the intention of the Companies that such part and/or provision shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part and/or provision shall cause this Scheme to become materially adverse to any Company or Companies to the Scheme. In such case, subject to the consent of the Board of Directors of the Companies,

the Companies shall attempt to bring about a modification in the Scheme as will best preserve the benefits and obligations of the Scheme for all the Companies to the Scheme.

4.6 CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to the following:

- i. The Scheme being approved by the respective requisite majorities of the shareholders and/or the creditors of the Demerged Company and the Resulting Companies, to the extent required, accorded either by way of a resolution passed in duly convened meeting(s) or through written consent/NOC or otherwise.
- ii. Sanction by the Hon'ble NCLT under Sections 230 and 232 and other relevant provisions of the Companies Act, 2013 and other applicable provisions, if any, and other Appropriate Authority, if so required.
- iii. Certified copy of the order of the Hon'ble NCLT sanctioning the Scheme is filed with the Registrar of Companies by the respective Demerged Company and the Resulting Companies.

4.7 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes, duties, levies, fees and expenses, if any, to the extent applicable and payable in relation to or in connection with this Scheme or incidental to the completion of Capital Reduction and Demerger in pursuance of this Scheme, shall be borne and paid by the Demerged Company. However, in the event of the Scheme becoming invalid for any reason whatsoever, all costs, charges and expenses relating to the Capital Reduction and Demerger exercise or incidental thereto shall be borne and paid by the respective Companies incurring the same.

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Schedule-1 to the Scheme of Arrangement

**Proforma Balance Sheet of 'Elevator Business' of ECE Industries Limited
to be demerged into Birla Elevators Limited**

As on 31st December, 2024

Particulars	Amount (INR in Lacs)
ASSETS	
Non-current Assets	
Property, Plant & Equipment	842.68
Capital work-in-progress	12.00
Other Non-current Assets	309.15
Current Assets	
Inventories	2,906.30
Sundry Debtors	5,963.37
Cash and Cash Equivalents	367.17
Short-term Loans and Advances	46.95
Other Current Assets	348.14
Total Assets (I)	10,795.77
LIABILITIES	
Non-current Liabilities	343.67
Current Liabilities	9,382.46
Total Liabilities (II)	9,726.13
Net Asset Value (NAV) [III=I-II]	1,069.64

Schedule-2 to the Scheme of Arrangement

Proforma Balance Sheet of 'Securities Investment Business' of ECE Industries Limited to be demerged into Universal Invesco Limited

As on 31st December, 2024

Particulars	Amount (INR in Lacs)
ASSETS	
Non-current Assets	
Property, Plant & Equipment	596.24
Non-current Investments	21,907.91
Other Non-current Assets	12.00
Current Assets	
Cash and Cash Equivalents	56.93
Short-term Loans and Advances	1.27
Other Current Assets	31.27
Total Assets (i)	22,605.61
LIABILITIES	
Non-current Liabilities	2,780.98
Current Liabilities	752.43
Total Liabilities (ii)	3,533.41
Net Asset Value (NAV) [iii=i-ii]	19,072.20

Schedule-3 to the Scheme of Arrangement

List of 'Non-Promoter/Public Category Shareholders' of ECE Industries Limited

Sl. No.	Name	No. of Shares Held
1.	Ravi Janwahar Kalro	9,701
2.	Pradeep Rastogi	1
3.	Rajat Sharma	231
4.	Sandeep Sharma	200
5.	Mahendra Kumar Jajoo	100
6.	Vijay Kumar Daga	1
7.	Alok Nautiyal	1
8.	Sunita Daga	1
9.	Nawal Kishore Bagri	1
10.	Pawan Kumar	1
11.	Kalpana Daga	2
12.	Uma Devi Bagri	1
13.	Neeraj Gupta	1,006
14.	Gaurav Rathi	1
15.	Hanuman Mal Mot	2
16.	Prabhu Dayal Gill	1
17.	Abhishek Bagri	1
18.	Varsha Rathi	1
19.	Pragya Gupta	250
20.	Saurabh Parihar	1
21.	Amit Kumar	1
22.	Raghav Daga	1
Total		11,506