



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD BENCH, ALLAHABAD**

**Company Petition No. 12/ALD/2018  
Company Application No. 212/ALD/2017**

**IN THE MATTER OF:**

*A Petition under Section 230 To 232 of the Companies Act, 2013;*

**IN THE MATTER OF:**

**ELDECO CITY LTD**

*(A company within the meaning of Companies Act, 2013, having its registered office at First Floor, 15/54-B, Civil Lines, Virendra Smriti Complex, Kanpur-208 001 in the State of Uttar Pradesh, within the jurisdiction above) CIN: U70109UP2006PLC066091*

**PETITIONER/TRANSFEROR COMPANY**

**And**

**ELDECO HOUSING AND INDUSTRIES LTD,**

*(A company within the meaning of Companies Act, 2013, having its registered office Eldeco Corporate Chamber -I, 2<sup>nd</sup> Floor, Vibhuti Khand (Opposite Mandi Parishad), Gomti Nagar, Lucknow-226 010 in the State of Uttar Pradesh, within the jurisdiction above) CIN L45202UP1985PLC099376*

**PETITIONER/TRANSFeree COMPANY**

**JUDGMENT/ORDER DELIVERED ON 27.03.2018**

**Coram: Hon'ble Shri V.P. Singh, Member (Judicial)  
Hon'ble Ms Saroj Rajware (Technical)**

**For the Petitioners: Mr Rajeev K Goel, Advocate**

**For the Central Government: Mr M.K. Bagri, OL**

**AS PER: Saroj Rajware, Member (Technical)**

**ORDER**

1. The object of this petition is to obtain the sanction of this Tribunal to a Scheme of Amalgamation of Eldeco City Ltd with Eldeco Housing and Industries Ltd and their respective shareholders. A copy of the Scheme

— Sd —

— Sd —

of Amalgamation is annexed with the Petition and marked as Annexure "P-1". The Transferor Company is a wholly owned subsidiary of the Transferee Company.

2. The Board of Directors of each Company is of the opinion that the proposed Amalgamation would have beneficial results for the Companies, their shareholders and all concerned, and will not be prejudicial to the interests of any concerned shareholders or creditors or the general public at large.
3. It has been submitted in the Petition that the present Scheme of Amalgamation will result in Consolidation of similar businesses (commercial and residential real estate development) and related assets leading to synergistic linkages and benefits, by combining the businesses and operations of the Petitioner Companies. From a financial and legal perspective, enhancing the feasibility of multiple commercial and financing aspects through carrying on of businesses in one legal entity.
4. It has further been submitted in the Petition that the said Scheme of Amalgamation, among other things, provides as under:



— Sd —

— Sd —




- i. All assets and liabilities including Income Tax and all other statutory liabilities, if any, of the Transferor Company, will be transferred to and vest in the Transferee Company.
- ii. All the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of the Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favourable than those subsisting in the Transferor Company on the said date.
- iii. Appointed Date for Amalgamation will be 1<sup>st</sup> April 2017 or such other date, as the Hon'ble National Company Law Tribunal may approve.
- iv. Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares will be issued by the Transferee Company under this Scheme.



5. The first motion joint Application being CA 212 (ALD) of 2017, was filed before this Hon'ble Tribunal to obtain appropriate orders to dispense with the requirement of convening meetings of Shareholders, Secured Creditors and Un-secured Creditors of the Petitioner Companies for the purpose of the considering and approving, with or without modification, the aforesaid Scheme of Amalgamation and based

on such joint Application moved under section 230-232 of the Companies Act, 2013, by an Order dated 29<sup>th</sup> December 2017, directions were issued by this Tribunal to dispense with the requirement of convening meetings of Shareholders and Un-secured Creditors of the Transferor Company; and Shareholders, Un-secured Creditors and Secured Creditors of the Transferee Company. The Transferor Company does not have any Secured Creditors. Further, directions were issued to serve a copy of the Company Application to the Central Government through the office of the Regional Director, Northern Region, Ministry of Corporate Affairs; Registrar of Companies, Kanpur; Official Liquidator, Allahabad; Income Tax Department; BSE Ltd; The Securities and Exchange Board India; Uttar Pradesh Real Estate Regulatory Authority (RERA) and such other Statutory Authorities, if they are legally required so.

- 
6. Learned Counsel submits that in Compliance with Order dated 29<sup>th</sup> December 2017, of this Tribunal, notice of the Company Application has been sent to the Central Government through the office of the Regional Director, Northern Region; Registrar of Companies, Kanpur; Official Liquidator, Allahabad; Income Tax Department; BSE Ltd; The Securities and Exchange Board India; Uttar Pradesh Real Estate Regulatory Authority (RERA) and affidavit dated 10.01.2018 was filed in compliance of the said Order.

7. After such due compliance, the petitioners have made the instant petition bearing CP No. 12 (ALD)/2018 before this Tribunal, among other things, seeking final sanction to the proposed Scheme of Amalgamation and for orders facilitating and giving effect to the same, in terms of provisions of Section 230 to 232 of the Companies Act, 2013, read with Rule 16 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

8. In Compliance of proviso to Section 230(7) of the Act, the Statutory Auditors of both the Petitioner Companies, by a certificate dated 10.11.2017 <sup>Sd</sup>~~certified~~ that the accounting treatment proposed in the Scheme of Amalgamation conforms with the Accounting Standards under Section 133 of the Act. A copy of the said Certificate of the Statutory Auditor of the Petitioner Companies is annexed to the Petition and market as Annexure P-2.



9. It has been submitted by the Petitioner that the proposed Scheme of Amalgamation does not envisage any corporate debt restructuring. There is no proposal to restructure or vary the debt obligation of the Transferor Company or the Transferee Company towards their respective creditors. The proposed Scheme of Amalgamation will not adversely affect the rights of any of the creditors of the Transferor Company or the Transferee Company in any manner whatsoever.

— Sd

— Sd —



10. It has also been stated in para 1.10 & 2.10 of the Petition that no proceeding for inspection, inquiry or investigation under the provisions of the Companies Act, 2013, or under the provisions of the Companies Act, 1956, is pending against any of the Petitioner Companies.

11. It is further stated in the Petition that no one will be prejudiced if the proposed Scheme of Amalgamation is sanctioned and the sanction of the said Scheme will benefit all and is in the interest of the Transferor Company and the Transferee Company, their Shareholders, Creditors, Employees and all concerned.

12. This Tribunal had passed an Order dated 25<sup>th</sup> January 2018, in the said Petition, directing publication to be effected of the hearing of the Petition, issuance of notices of this Petition to the concerned authorities for their objections, if any.

13. In Compliance with the Order dated 25<sup>th</sup> January 2018, passed by this Tribunal, notices of this Petition were also served upon the Central Government through the office of the Regional Director, Northern Region; Registrar of Companies, Kanpur; Official Liquidator, Allahabad; Income Tax Department; BSE Ltd; The Securities and Exchange Board India; Uttar Pradesh Real Estate Regulatory Authority having jurisdiction over the Petitioner Companies.

14. The Advertisement of the hearing of the Petition was also published once in "**Business Standard**" (English, Lucknow Edition) and once in "**Business Standard**" (Hindi, Lucknow Edition), vernacular daily both dated 09.02.2018 an affidavit was filed on 27.02.2018 in compliance of the said order.

15. The Official Liquidator, Allahabad, in his report submitted that the affairs of the Transferor Company as such not conducted in a manner prejudicial to the interest of their members or public interest. The Official Liquidator has also mentioned that he has no objection to the dissolution of the Transferor Company without winding up under provisions of Section 230-232 of the Companies Act, 2013 and other applicable sections and rules thereunder. The Registrar of Companies, Kanpur has also submitted his report on the said Scheme and has not raised any observation.



16. The Regional Director, Northern Region, Ministry of Corporate Affairs; Mr S.B. Gautam filed his report by way of the affidavit dated 27.02.2018. In his report, Regional Director refers to the report of the Registrar of Companies, Kanpur. It is also stated that none of the Petitioner Companies was investigated u/s 235/237 of the Companies Act, 1956/2013 or inspected u/s 209A/206 of the Companies Act, 1956/2013. The Regional Director further submitted that the "*Petitioner Transferee Company is listed on Bombay Stock Exchange (BSE). Since*

— Sd

— Sd —



*the present Scheme of Amalgamation solely provides for amalgamation of a wholly owned subsidiary with its parent Company, no formal approval, NOC or vetting is required from BSE or SEBI for the Scheme, in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2017, and SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10<sup>th</sup> March 2017, and applicable provisions, if any".*

17. The Regional Director also submitted that Petitioner Companies may be directed to give the undertaking to pay the stamp duty as may be applicable consequent upon the transfer of assets due to the Amalgamation of undertaking/assets.



18. The Petitioner Companies have filed their Reply/Affidavits on dated 06.03.2018 on the aforesaid submissions/observations of the Learned Regional Director. Learned Counsel for the Petitioners submits and confirm that the Petitioner Companies do not seek any waiver or exemption from payment of stamp duty and other charges which may be payable by the Petitioner Companies regarding the provisions of any Statute. The Companies under the Scheme of Amalgamation undertake and confirm to pay the stamp duty and other charges, if any, as may be



applicable consequent upon the sanction of the Scheme of Amalgamation by the Tribunal.

19. Given the above, there does not impede the sanction of the Scheme. The Scheme (Annexure P-1) is approved. While approving the Scheme, it is clarified that this order should not be construed as an order in any way granting exemption from payment of any stamp duty, taxes or any other charges, if any, and payment in accordance with law or in respect of any permission /compliance with any other requirement which may be specifically required under any law. With the sanction of the Scheme, the Transferor Company shall stand dissolved without undergoing the process of winding up increasing the share capital of the Transferee Company.



**AND THIS TRIBUNAL DO FURTHER ORDER:**

- i) That all the property, rights and powers of the Transferor Company be transferred, without further act or deed, to the Transferee Company and accordingly, the same shall pursuant to sections 230 to 232 of the Companies Act, 2013, be transferred to and vested in the Transferee Company for all the estate and interest of the Transferor Company but subject nevertheless to all charges now affecting the same; and

— Sd

— Sd —

- ii) That all the liabilities and duties of the Transferor Company be transferred, without further act or deed, to the transferee Company and accordingly the same shall pursuant to Sections 230 to 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company; and
- iii) That all the proceedings now pending by or against the Transferor Company be continued by or against the Transferee Company; and
- iv) That the employees of the Transferor Company shall be transferred to the Transferee Company as per the 'Scheme'; and
- v) Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares will be issued by the Transferee Company under this Scheme: and



- vi) That the fee, if any, paid by the Transferor Company on its authorized capital shall be set off against any fees payable by the Transferee Company on its authorized capital subsequent to the sanction of the 'Scheme'; and
- vii) That the Petitioner Companies do, within 30 days after the date of receipt of this order, cause a certified copy of this order to be delivered to the Registrar of Companies for registration, and on such certified copy is so delivered, the Transferor Company shall be

— Sd

— Sd —



dissolved without undergoing the process of winding up. The concerned Registrar of Companies shall place all documents relating to the Transferor Company registered with him on file relating to the said Transferee Company and the files relating to the Transferor and Transferee Companies shall be consolidated accordingly, as the case may be; and

- viii) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
- ix) As per the above directions and Form No.CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 formal orders be issued on the petitioners on the filing of the Schedule of Property, i.e. (i) freehold property of the Transferor Company and (ii) leasehold property of the Transferor Company, by way of affidavit of the Transferor Company.



— Sd —

(Ms. Saroj Rajwade)  
Member (Technical)

— Sd —

( V.P Singh)  
Member( Judicial)

**Dated: 27.03.2018**

*Compared by me*  
*Bharat Mishra*  
*02/04/2018*

**FREE OF COST COPY**

*Ravinder Kumar*  
*02/04/2018*  
Ravinder Kumar  
Bench Officer  
National Company Law Tribunal  
Allahabad-U.P.

(4)

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

ALLAHABAD BENCH AT ALLAHABAD

(ORIGINAL JURISDICTION)

COMPANY PETITION NO. CP (CAA) 12/ALD/2018 OF 2018

CONNECTED WITH

COMPANY APPLICATION NO. CA 212 (ALD) OF 2017

IN THE MATTER OF THE COMPANIES ACT, 2013 (18 OF 2013)

SECTIONS 230 & 232

AND

IN THE MATTER OF SCHEME OF AMALGAMATION

**MEMO OF PARTIES**

<b>1. Eldeco City Ltd</b> [CIN: U 70109 UP 2006 PLC 066091; PAN: AABC H 7159K] A Company incorporated under the provisions of the Companies Act, 1956, and having its registered office at First Floor, 15/54-B, Civil Lines, Virendra Smriti Complex, Kanpur-208 001, Uttar Pradesh; e-mail: <a href="mailto:eldeco@eldecousing.co.in">eldeco@eldecousing.co.in</a>	<b>PETITIONER NO. 1</b> <b>Transferor Company</b>
<b>2. Eldeco Housing and Industries Ltd</b> [CIN: L 45202 UP 1985 PLC 099376; PAN: AAAC E 4554 G] A Company incorporated under the provisions of the Companies Act, 1956, and having its registered office at Eldeco Corporate Chamber - I, 2 <sup>nd</sup> Floor, Vibhuti khand (Opposite Mandi Parishad), Gomti Nagar, Lucknow-226 010, Uttar Pradesh, e-mail: <a href="mailto:eldeco@eldecousing.co.in">eldeco@eldecousing.co.in</a>	<b>PETITIONER NO. 2</b> <b>Transferee Company</b>



Date: 6 JAN 2018  
Place: New Delhi

  
Rajeev K Goel, Advocate  
For Rajeev Goel & Associates  
Counsel for the Petitioners  
785, Pocket-E, Mayur Vihar-II,  
NH-24, Delhi 110 091  
Mobile: 93124 09354  
e-mail: [rajeev391@gmail.com](mailto:rajeev391@gmail.com)



## ANNEXURE No. P-1

## SCHEME OF AMALGAMATION

UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

BETWEEN

ELDECO CITY LIMITED

AND

ELDECO HOUSING AND INDUSTRIES LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

## 1. PREAMBLE

## 1.1 Description of Companies:

## 1.1.1 Eldeco Housing and Industries Limited("EHIL" or "Amalgamated Company"):

- (i) EHIL is a public company incorporated on 06 March 1985 under the Companies Act, 1956 having its registered office at Eldeco Corporate Chamber-I, 2nd Floor, Vibhuti Khand (Opp. Mandi Parishad), Gomti Nagar Lucknow, Uttar Pradesh - 226010, India. The Corporate Identification Number ("CIN") of EHIL is L45202UP1985PLC099376. The equity shares of EHIL are listed on the Bombay Stock Exchange.



For Eldeco City Limited  
*[Signature]*  
 Company Secretary

For Eldeco Housing & Industries Ltd.  
*[Signature]*  
 Authorised Signatory

40

- (ii) EHIL is primarily engaged in the business of acquiring land, houses, buildings, and carrying out the construction, development, management and sale of developed and constructed units. The main objects of EHIL are mentioned in the Memorandum of Association ("MoA"), Clause III (A).

**1.1.2 Eldeco City Limited ("ECL" or "Amalgamating Company")**

- (i) ECL, wholly owned subsidiary of EHIL, is a public company incorporated on 20 June 2006 under the Companies Act, 1956, having its registered office at First Floor, 15/54- B Civil Lines Virendra Smriti Complex Kanpur, Uttar Pradesh – 208001, India. The CIN of ECL is U70109UP2006PLC066091.
- (ii) ECL is engaged in the business of construction, development, management and sale of developed and constructed units. The main objects of ECL are mentioned in the MoA, Clause III (A).

**1.2 Key mechanics of the Scheme of Amalgamation ("Scheme")**

This Scheme is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act and the rules or regulations framed thereunder, to the extent notified and applicable for the amalgamation of ECL, as a going concern, into and with EHIL.



For Eldeco City Limited  
*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.  
*[Signature]*  
Authorised Signatory



411

### 1.3 Rationale/ Objectives of this Scheme:

EHIL is primarily engaged in the business of acquiring land, houses, buildings, and carrying out the construction, development, management and sale of developed and constructed units.

ECL, a wholly owned subsidiary of EHIL is engaged in the business of construction, development, management and sale of developed and constructed units.

Management of ECL and EHIL believe that amalgamation of ECL with EHIL would be in the interests of all the stakeholders of ECL and EHIL, and would result in inter-alia achievement of the following:

- (i) Consolidation of similar businesses (commercial and residential real estate development) and related assets leading to synergistic linkages and benefits, by combining the businesses and operations of EHIL and ECL.
- (ii) From a financial and legal perspective, enhancing feasibility of multiple commercial and financing aspects through carrying on of businesses in one legal entity:
- (iii) Achieving benefits resulting from the economies of scale:
  - a) Enabling cost saving and optimum utilisation of valuable resources enhancing management focus thereby leading to higher operational efficiency; and
  - b) Administrative efficiencies.



For Eldeco City Limited  
*[Signature]*  
Company Secretary

Page 3 of 34

For Eldeco Housing & Industries Ltd.  
*[Signature]*  
Authorised Signatory

42<sup>n</sup>

Company have considered and proposed the amalgamation of the entire undertaking and business of the Amalgamating Company into and with the Amalgamated Company.

The amalgamation would thus have beneficial results for the Companies, their shareholders and all concerned, and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

*<This space has intentionally been left blank>*

For Eldeco City Limited

*Shakti*  
Company Secretary

For Eldeco Housing & Industries Ltd,

*Amal*  
Authorised Signatory





43

### OVERVIEW OF THE SCHEME

This Scheme is segregated into the following four (4) parts:

- (i) Part – I deals *inter alia* with definitions and interpretation;
- (ii) Part – II sets forth the capital structure of EHIL and ECL;
- (iii) Part – III deals with amalgamation of ECL into and with EHIL and other relevant aspects; and
- (iv) Part – IV deals with the general terms and conditions and sets forth certain additional arrangements that form part of this Scheme.

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

<This space has intentionally been left blank>

For Eldeco City Limited  
*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.  
*[Signature]*  
Authorised Signatory



44

**PART-I: DEFINITIONS AND INTERPRETATION**

**2. DEFINITIONS AND INTERPRETATION**

**2.1 Definitions**

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

- 2.1.1 **"Accounting Standards"** means the applicable accounting standards in force in India from time to time, consistently applied during the relevant period, including the generally accepted accounting principles and standards, Indian Accounting Standard ("Ind-AS"), and all pronouncements including the guidance notes and other authoritative statements of the Institute of Chartered Accountants of India;
- 2.1.2 **"Act" or "Companies Act"** means the Companies Act, 2013 to the extent notified and the Companies Act, 1956 to the extent applicable, including all amendments thereto, the schedules, rules and regulations prescribed thereunder and shall include all amendments and modifications or re-enactment thereof for the time being in force and references to sections of the Act shall be deemed to mean and include reference to corresponding sections of the Companies Act, 2013 or Companies Act, 1956, as applicable;
- 2.1.3 **"Appointed Date"** means opening hours of business as on 01 April 2017, or such other date as may be approved by the NCLT, for amalgamation of ECL into and with EHIL, as detailed in Part-III;
- 2.1.4 **"Board of Directors" or "Board"** in relation to the Amalgamated Company and Amalgamating Company, as the case may be, means their

For Eldeco City Limited  
  
Company Secretary



For Eldeco Housing & Industries Ltd,  
  
Authorised Signatory

45

respective board of directors, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including committee of directors) or any person authorised by the board of directors or by any such committee;

2.1.5 **"Book Value(s)"** means the value(s) of the assets and liabilities of Amalgamating Company, as appearing in the books of accounts of the Amalgamating Company, and the value(s) of the assets and liabilities of the Amalgamated Company, as appearing in the books of accounts of the Amalgamated Company at the close of business as on the day immediately preceding the Appointed Date and excluding any value arising out of revaluation of any assets;

2.1.6 **"Companies"** shall collectively mean and include EHILand ECL;

2.1.7 **"Effective Date"** means the last of the dates on which certified copy of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Amalgamating Company and Amalgamated Company. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" shall mean the Effective Date;

2.1.8 **"Governmental Authority"** means any legislative, executive, judicial, governmental, quasi-governmental, regulatory, statutory or administrative authority, agency, department, commission agency, bureau or instrumentality (whether local, municipal, national or otherwise), court(s), board or tribunal of competent jurisdiction or other law, rule or regulation making entity having requisite jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;



For Eldeco Housing & Industries Ltd.

Authorised Signatory



46

2.1.9 **"ECL" or "Amalgamating Company"** ECL, a wholly owned subsidiary of EHIL, is a public company incorporated on 20 June 2006 under the Companies Act, 1956, having its registered office at First Floor, 15/54- B Civil Lines Virendra Smriti Complex Kanpur, Uttar Pradesh – 208001, India. The CIN of ECL is U70109UP2006PLC066091. ECL is engaged in the business of construction, development, management and sale of developed and constructed units;

2.1.10 **"EHIL" or "Amalgamated Company"** is a public company incorporated on 06 March 1985 under the Companies Act, 1956 having its registered office at Eldeco Corporate Chamber-I, 2nd Floor, Vibhuti Khand (Opp. Mandi Parishad), Gomti Nagar Lucknow, Uttar Pradesh – 226010, India. The CIN of EHIL is L45202UP1985PLC099376. The equity shares of EHIL are listed on a recognised stock exchange. EHIL is primarily engaged in the business of acquiring land, houses, buildings, and carrying out the construction, development, management and sale of developed and constructed units;

2.1.11 **"IT Act"** means the Income-tax Act, 1961 and the rules and regulations made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;

2.1.12 **"NCLT" or "Tribunal"** means the National Company Law Tribunal, Allahabad Bench at Allahabad or any other Bench of the NCLT having jurisdiction in relation to the Amalgamated Company and the Amalgamating Company;

2.1.13 **"Scheme" or "Scheme of Amalgamation" or "the Scheme" or "this Scheme"** means this Scheme of Amalgamation, for the merger of ECL into

For Eldeco City Limited



Company Secretary

For Eldeco Housing & Industries Ltd.

Authorised Signatory

47

EHIL in its present form (along with any schedules attached hereto), with such modifications and amendments as may be made, from time to time, in accordance with appropriate approvals and sanctions of the NCLT and other relevant Governmental Authorities, as may be required under applicable laws, including the Companies Act 2013, to the extent notified and the Companies Act, 1956 to the extent applicable;

## 2.2 Interpretation

2.2.1 Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, and if not defined therein then under relevant statutes, such as IT Act, Foreign Exchange Management Act, 1999, Foreign Direct Investment Policy and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2.2.2 In this Scheme, unless the context otherwise requires:

- (i) Reference to statutory provision include any subordinate legislation made from time to time under that provision;
- (ii) References to "persons" shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (iii) Heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;



For Eldeco Housing & Industries Ltd.

Authorized Signatory

48

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

### 2.3 Date of taking Effect

The Scheme shall come into legal operation from the Appointed Date, though it shall be effective from the Effective Date.

### 2.4 Compliance with tax laws

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

For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd,

*[Signature]*  
Authorised Signatory





49

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

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

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



For Eldeco Housing & Industries Ltd.  
  
Authorized Signatory

50

power can be exercised at any time and shall be exercised in the best interests of the Companies and their shareholders.

*<This space has intentionally been left blank>*

For Eldeco City Limited  
  
Company Secretary



For Eldeco Housing & Industries Ltd.  
  
Authorised Signatory

(51)

**PART-II: CAPITAL STRUCTURE OF EHILANDECL**

**3. CAPITAL STRUCTURE**

**3.1 EHIL**

3.1.1 The capital structure of EHIL as on 31 March 2017 is as under:

Share Capital	Amount (in Rs.)
<b>Authorised</b>	
10,000,000 equity shares of Rs. 10 each	100,000,000
<b>Total</b>	<b>100,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
1,966,600 equity shares of Rs.10 each	19,666,000
<b>Total</b>	<b>19,666,000</b>

3.1.2 The shares of EHIL are, at present, listed on the Bombay Stock Exchange.

3.1.3 Subsequent to 31 March 2017, pursuant to the scheme of amalgamation of M A K Sales Private Limited & Halwasiya Agro Industries Limited with EHIL (wholly owned subsidiaries merged into holding company), the Authorised Share Capital of EHIL would be increased from Rs. 100,000,000 (Rupees Ten Crore) divided into 10,000,000 (One Crore) equity shares of Rs. 10 each to Rs. 10,55,00,000 (Rupees Ten Crore Fifty Five Lakhs) divided into 1,05,50,000 (One Crore Five Lakhs and Fifty Thousand) equity shares of Rs. 10 each. However, the relevant orders sanctioning such scheme of amalgamation, have been filed with the Registrar of Companies on 11 September 2017, and are pending approval of the Registrar of Companies.

Further, there has been no change in the Issued, Subscribed and Paid-up share capital of EHIL subsequent to 31 March 2017 and upto the date of approval of the Scheme.



For Eldeco City Limited  
*[Signature]*  
 Company Secretary

For Eldeco Housing & Industries Ltd  
*[Signature]*  
 Authorised Signatory



52

### 3.2 ECL

3.2.1 The capital structure of ECL as of 31 March 2017 is as under:

Share Capital	Amount (in Rs.)
<b>Authorised</b>	
17,500,000 equity shares of Rs. 10 each	175,000,000
17,500,000 redeemable non-cumulative preference shares of Rs. 10 each	175,000,000
<b>Total</b>	<b>350,000,000</b>
<b>Issued, Subscribed and Paid-up</b>	
9,695,972 equity shares of Rs. 10 each	96,959,720
<b>Total</b>	<b>96,959,720</b>

3.2.2 As on the date of approval of this Scheme by the Board of the Companies, the entire issued, subscribed and paid-up capital of ECL is held by EHIL.

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

3.2.4 Subsequent to 31 March 2017 and up to the date of approval of this Scheme by the Board of the Companies, there has been no change in the Authorised, Issued, Subscribed and Paid-up share capital of ECL.

<This space has intentionally been left blank>



For Eldeco City Limited  
*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.  
*[Signature]*  
Authorised Signatory

53

**PART – III: AMALGAMATION OF ECL INTO AND WITH EHIL AND  
OTHER RELEVANT ASPECTS**

**4. AMALGAMATION OF THE AMALGAMATING COMPANY INTO  
AND WITH THE AMALGAMATED COMPANY**

**Transfer and vesting**

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

**4.1 Transfer of assets**

4.1.1 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all immovable property of the Amalgamating Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, and licenses, registrations, approvals, etc. pertaining to the subject immovable property, shall stand vested in Amalgamated Company, without any act or deed to be done by the Amalgamating Company or Amalgamated Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, Amalgamated Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all



For Eldeco City Limited  
*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd,

*[Signature]*  
Authorized Signatory



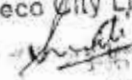
54

obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to such immovable properties shall be made and duly recorded in the name of Amalgamated Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms hereof. The Amalgamating Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to Amalgamated Company. Any inchoate title or possessory title of the Amalgamating Company shall be deemed to be the title of the Amalgamated Company.

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

4.1.3 In respect of movables other than those dealt with in Clause 4.1.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, advances paid to any parties for acquisition of development rights, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or



For Eldeco City Limited  
  
Company Secretary

For Eldeco Housing & Industries Ltd.  
  
Authorised Signatory



SS

with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Amalgamated Company without any notice or other intimation to the debtors (although the Amalgamated Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Amalgamated Company).

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

4.1.5 All assets and properties acquired by the Amalgamating Company after the Appointed Date, but prior to the Effective Date, shall be deemed to have been acquired for and on behalf of the Amalgamated Company and shall also stand transferred to and vested in the Amalgamated Company with effect from the Effective Date.

#### 4.2 Transfer of liabilities

4.2.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities relating to and comprised in the Amalgamating Company, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), guarantees, duties and obligations and



For Eldaco City Limited  
*Shati*  
Company Secretary

For Eldaco Housing & Industries Ltd.  
*[Signature]*  
Authorized Signatory

56

undertakings of the Amalgamating Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in Amalgamated Company under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, without any further act, instrument, deed, matter or thing. The above include such debts, liabilities and loans which may accrue or arise after the Appointed Date but which related to the period up to the day of immediately preceding the Appointed Date, if any, whether quantified or not and obligations incurred or undertaken by the Amalgamating Company as on the Appointed Date.

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

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

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



For Eldeco City Limited

*Shah*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*Shah*  
Authorised Signatory



(57)

4.2.5 The provisions of this Clause 4.2 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

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

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

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



For Eldeco City Limited  
*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.  
*[Signature]*  
Authorised Signatory



58

4.3 **Contracts, deeds, bonds, regulatory approvals and other instruments**

4.3.1 Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, lease deeds, agreements entered into with various persons including independent consultants, subsidiaries/ associate companies and other shareholders of such subsidiaries/ associate companies, arrangements and other instruments of whatsoever nature in relation to which the Amalgamating Company is a party or to the benefit of which the Amalgamating Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour, as the case may be, of Amalgamated Company and may be enforced as fully and effectually as if, instead of the Amalgamating Company, Amalgamated Company had been a party or beneficiary or obligee thereto or thereunder.

4.3.2 Without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of the Scheme, all consents, agreements, permissions, all statutory or regulatory licences, all statutory and regulatory approvals, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Amalgamating Company shall stand transferred to Amalgamated Company as if the same were originally given by, issued to or executed in favour of Amalgamated Company, and Amalgamated Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to Amalgamated Company. In so far as the various incentives, tax benefits (to the extent statutorily available), grants, claims, deferrals, concessions, refunds, subsidies, schemes, special status, liberties and other benefits or privileges



For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorised Signatory

59

enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Amalgamating Company, the same shall vest with and be available to Amalgamated Company on the same terms and conditions as applicable to the Amalgamating Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to Amalgamated Company.

4.3.3 The Amalgamated Company may enter into and/ or issue and/ or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Amalgamating Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Amalgamated Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Amalgamating Company and to implement or carry out all formalities required on the part of the Amalgamating Company to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Amalgamating Company and the Amalgamated Company, as on the Effective Date shall stand cancelled and cease to operate in the Amalgamated Company.

4.3.4 Amalgamated Company may at its discretion, but shall not be compulsorily required to file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets/ properties including, but not limited to, permissions, approvals, consents, licenses, grants, sanctions, remissions, special reservations, incentives, concessions and other authorisations of the Amalgamating Company. However, the same shall not be contrary to the provisions of any law, rules, regulations, which are applicable to Companies which necessitate filing of intimations or approvals for such abovementioned transfers.



For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorised Signatory



60

4.3.5 Further, Amalgamating Company and Amalgamated Company shall make appropriate filings with the Governmental Authorities, in order to give formal effect to the provisions of this Scheme, and the relevant Governmental Authorities to take on record the provisions of this Scheme, and make and duly record the necessary substitution/endorsement in the name of Amalgamated Company upon this Scheme becoming effective in accordance with the terms hereof.

#### 4.4 Employees

4.4.1 Upon the Scheme becoming effective, all employees of the Amalgamating Company shall be deemed to have become employees of Amalgamated Company, without any interruption of service and on the basis of continuity of service and on the same terms and conditions as those applicable to them with reference to the Amalgamating Company, on the Effective Date. The services of such employees with the Amalgamating Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any gratuity and other terminal benefits.

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



For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorised Signatory



61

4.4.3 The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created for such employees of the Amalgamating Company shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by Amalgamated Company without any separate act or deed/ approval.

4.5 **Continuation of Legal Proceedings**

4.5.1 From the Effective Date, all suits, actions, show cause notices/ cases, demands, legal or other proceedings(including before any statutory or quasi-judicial authority or tribunal) of whatsoever nature, by or against the Amalgamating Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Amalgamating Company ("**Amalgamating Company Proceedings**") shall be continued and enforced by or against Amalgamated Company after the Effective Date.

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

4.5.3 After the Appointed Date, if any proceedings are taken against the Amalgamating Company, in respect of Amalgamating Company Proceedings, the Amalgamating Company, shall defend the same at the cost of the Amalgamated Company, and the Amalgamated Company shall



For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorized Signatory

62

reimburse and indemnify the Amalgamating Company against all liabilities and obligations incurred by them in respect thereof. The Amalgamated Company shall further, reimburse all amounts including interest, penalties, damages, costs etc. which the Amalgamating Company may be called upon to pay or secure in respect of any liability or obligation relating to the Amalgamating Company.

#### 4.6 Treatment of taxes

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

4.6.2 All taxes (including income tax, sales tax, customs duty, goods and services tax, service tax, VAT, works contract tax, etc.) paid or payable by the Amalgamating Company in respect of the operations and/ or the profits of the business before the Appointed Date, shall be on account of the Amalgamating Company, insofar as it relates to the tax payment (including, without limitation, sales tax, custom duty, income tax, goods and service



For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorised Signatory



63

tax, service tax, VAT, works contract tax, etc.), whether by way of deduction at source, advance tax, duty under protest or otherwise howsoever, in respect of the profits or activities or operation of the business of the Amalgamating Company after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Amalgamated Company, and, shall, in all proceedings, be dealt with accordingly.

4.6.3 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes and duties payable by Amalgamating Company, accruing and relating to the operations of the Amalgamating Company from the Appointed Date onwards, including all advance tax payments, self-assessment tax, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims, as the case may be, of Amalgamated Company.

4.6.4 Upon the Scheme becoming effective, all unavailed credits and exemptions, and other statutory benefits, including in respect of income tax, Cenvat, customs duty, goods and service tax, VAT, sales tax, service tax, works contract tax, etc. relating to the Amalgamating Company, to the extent statutorily permissible, shall be available to and vest in Amalgamated Company, without any further act or deed.

4.6.5 Upon this Scheme becoming effective, Amalgamated Company is permitted to revise and file its income tax returns, including tax deducted at source returns/ certificates, sales tax/ value added tax returns, goods and service tax returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme.



For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd

*[Signature]*  
Authorised Signatory



64

4.6.6 All tax assessment proceedings/ appeals of whatsoever nature by or against the Amalgamating Company pending and/or arising at the Appointed Date, or which may be instituted at any time in the future and in each case relating to the Amalgamating Company shall be continued and/or enforced by or against the Amalgamated Company after the Effective Date. The pending assessment proceedings/ appeals shall not abate, be discontinued or in any way be prejudicially be affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Amalgamated Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Amalgamating Company, as if this Scheme had not been made.

#### 4.7 Saving of concluded transactions

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

#### 4.8 Conduct of Business

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

- (i) The Amalgamating Company undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Amalgamating Company, for and on account of and in trust for Amalgamated Company.



For Eldeco City Limited  
*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.  
*[Signature]*  
Authorised Signatory

65

- (ii) All profits accruing to the Amalgamating Company and all taxes thereon or losses arising or incurred by it with respect to the Amalgamating Company shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of Amalgamated Company.

4.8.2 With effect from the date of approval to the Scheme by the Board of Directors of Amalgamating Company and Amalgamated Company, and upto and including the Effective Date:

- (i) The Amalgamating Company shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.
- (ii) The Amalgamating Company, except with the consent of the Board of Directors of the Amalgamating Company and Amalgamated Company, shall not make any change in its respective capital structure either by any increase (by issue of equity shares, bonus shares, convertible debentures or otherwise), decrease, reduction, reclassification, subdivision or consolidation, re-organisation, or in any other manner effect the reorganisation of capital of Amalgamated Company.
- (iii) The Amalgamating Company shall not without the prior consent in writing of the Board of Directors of the Amalgamated Company, sell, alienate, charge, mortgage, encumber, or otherwise deal with or dispose of its assets or undertake any financial commitments, issue any additional guarantees, indemnities, letters of comfort, of any nature whatsoever, either for itself or on behalf of any third party,



For Eldeco City Limited  
*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd

*[Signature]*  
Authorised Signatory



66

except in the ordinary course of business, nor shall it undertake any new business or substantially expand its existing business.

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

4.8.4 On the Effective Date but with effect from the Appointed Date, the Amalgamated Company shall be authorised to carry on the businesses carried on by the Amalgamating Company.

4.9 **Dissolution Without Winding Up**

4.9.1 Upon this Scheme becoming effective, the Amalgamating Company shall be dissolved without winding up pursuant to the provisions of Section 232 of the Companies Act.

4.10 **Validity of Existing Resolutions, etc.**

Upon the coming into effect of the Scheme, the resolutions of the Amalgamating Company as are considered necessary by the Board of Directors of Amalgamated Company which are validly subsisting be considered as resolutions of Amalgamated Company. If such resolutions have any monetary limits approved under the provisions of the Companies Act or of any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of Amalgamated



For Eldeco City Limited  
*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorised Signatory



(67)

Company, shall be added to the limits, if any, under the like resolutions passed by Amalgamated Company.

4.11 **Authorised share capital**

- 4.11.1 Upon the Scheme coming into effect, the total authorised share capital of EHIL in terms of its MoA and Articles of Association ("AoA") shall automatically stand enhanced, without any further act, instrument or deed, including payment of stamp duty and fees payable to the Registrar of Companies, by an amount of Rs. 350,000,000 (Rupees Thirty Five Crore Only) comprising of 17,500,000 (One crore Seventy Five Lakh) equity shares of Rs. 10 each and 17,500,000 (One crore Seventy Five Lakh) redeemable non-cumulative preference shares of Rs. 10 each, to reflect the aggregate of the authorised share capital of the Amalgamated Company and the Amalgamating Company.

**Authorised share capital- As on date of approval of Scheme**

Company	No. of shares (of Rs. 10 each)	Amount (in Rs.)
<b><u>(A) Equity share capital</u></b>		
EHIL	10,000,000	100,000,000
ECL	17,500,000	175,000,000
<b>Total equity share capital (A)</b>	<b>27,500,000</b>	<b>275,000,000</b>
<b><u>(B) Preference share capital</u></b>		
ECL	17,500,000	175,000,000
<b>Total preference share capital (A)</b>	<b>17,500,000</b>	<b>175,000,000</b>
<b>Total share capital (A+B)</b>	<b>45,000,000</b>	<b>450,000,000</b>



For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd

*[Signature]*  
Authorized Signatory

4.11.2 The MoA and AoA of EHIL shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment and no further resolution(s) under Section 13, Section 14, Section 61 of the Companies Act, 2013 or any other applicable provisions of the Companies Act, 1956, if applicable, would be required to be passed separately. For this purpose, the filing fees and stamp duty shall be deemed to have been paid and EHIL shall not be required to pay any fees/ stamp duty on the authorised share capital so increased.

#### 4.12 Issue of shares by Amalgamated Company

4.12.1 The Amalgamating Company is a wholly owned subsidiary of the Amalgamated Company i.e. the Amalgamated Company is the only shareholder of the Amalgamating Company. Therefore, the Amalgamated Company cannot issue shares to the shareholders of the Amalgamating Company, being the Amalgamated Company itself, pursuant to applicable provisions of the Companies Act. Hence, no consideration shall be payable by the Amalgamated Company to the shareholders of the Amalgamating Company.

4.12.2 On the Scheme becoming effective, the equity shares, held by the Amalgamated Company in the Amalgamating Company (ECL) shall stand cancelled and no consideration shall be issued for such cancellation.

#### 4.13 Accounting Treatment

4.13.1 Upon the Scheme becoming effective, the Amalgamated Company shall record the assets, liabilities and reserves of the Amalgamating Company in



For Eldec City Limited

Company Secretary

For Eldec Housing & Industries Ltd.

Authorized Signatory



69

its books of accounts in accordance with the 'pooling of interest' method prescribed under Indian Accounting Standard (Ind-AS) 103 "Business Combinations" and/ or such other Ind-AS, as may be applicable, as amended from time to time.

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

4.13.3 The difference, if any, between the book value of assets of Amalgamating Company and the aggregate of (a) book value of liabilities of Amalgamating Company vested in the Amalgamated Company pursuant to this Scheme, (b) book value of reserves of Amalgamating Company vested in the Amalgamated Company pursuant to this Scheme and (c) the book value of investment held by the Amalgamated Company in the Amalgamating Company, cancelled under clause 4.12.2 above, shall be recorded as Capital Reserve in the books of the Amalgamated Company.

4.13.4 To the extent that there are inter-corporate loans or balances, dues between Amalgamating Company and Amalgamated Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of Amalgamated Company for the reduction of any assets or liabilities, as the case may be.

4.13.5 Notwithstanding the above, the Board of Directors of Amalgamated Company, in consultation with its statutory auditors, is authorised to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Indian Accounting Standards issued by Ministry of Corporate Affairs.



For Eldeco City Limited

*Shruti*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorised Signatory



70

**PART – IV : GENERAL TERMS AND CONDITIONS**

- 4.13.6 In case of any differences in the accounting policies of the Amalgamating Company and the Amalgamated Company, the impact of the same will be quantified and recorded in accordance with the applicable Indian Accounting Standards prescribed by Ministry of Corporate Affairs to ensure that the financial statements of the Amalgamated Company reflects the financial position on the basis of consistent accounting policy.

**5. APPLICATION TO THE NCLT**

- 5.1 The Amalgamated Company and Amalgamating Company shall with all reasonable dispatch, make applications to the NCLT, under Sections 230 to 232 and other applicable provisions of the Companies Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/ or creditors and for sanctioning this Scheme, with such modifications as may be approved by the NCLT.

**6. MODIFICATIONS / AMENDMENTS TO THE SCHEME**

- 6.1 The Amalgamated Company and Amalgamating Company (acting through their respective Board of Directors) may, in their full and absolute discretion, assent to any amendments, alterations or modifications to this Scheme, which the NCLT and/ or any other authorities may deem fit to direct, approve or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out this Scheme. The Amalgamated Company and the Amalgamating Company (acting through their respective Board of Directors) be and are hereby authorised to take such steps and do all acts, deeds and things, as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions



For Eldecy City, Limited

*[Signature]*  
Company Secretary

For Eldec Housing & Industries Ltd

*[Signature]*  
Authorised Signatory

71

whether by reason of the order of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/ or any matters concerning or connected therewith and may also in their full and absolute discretion, withdraw or abandon this Scheme at any stage prior to the Effective Date.

- 6.2 If any part of this Scheme is held invalid, ruled illegal by any Court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.

#### 7. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

- 7.1 The Scheme is and shall be conditional upon and subject to the:
- (i) Approval of the Scheme by the NCLT; and
  - (ii) Certified copies of the order of the NCLT, sanctioning the Scheme being filed with the jurisdiction Registrar of Companies.

#### 8. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

- 8.1 In the event of the Scheme not being sanctioned by the NCLT and/ or the order or orders not being passed as aforesaid, the Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se by the parties in terms of the Scheme, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any



For Eldeco City Limited

*[Signature]*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorised Signatory

72

rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. In such event, each party shall bear and pay its respective costs, charges and expenses for and/ or in connection with the Scheme.

**9. COST, CHARGES, AND EXPENSES**

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

For Eldeco City Limited

*Smriti*  
Company Secretary

For Eldeco Housing & Industries Ltd.

*[Signature]*  
Authorised Signatory





**ANNEXURE No.- 1**  
**Eldeco City Ltd**  
**Transferor Company**  
**Schedule of Properties**  
**(As on 31<sup>st</sup> December, 2017)**

(S)

Particulars	
<b>PART-I</b>	
Short Description of the Free hold Property of the Transferor Company	
NIL	
<b>PART-II</b>	
Short Description of the Lease hold Property of the Transferor Company	
NIL	
<b>PART-III</b>	
Short Description of all the Stocks, Shares, Debentures and other Charges in Action of the Transferor Company	
<b>Fixed Assets 18,53,100</b>	
Plant and machinery	14,68,941
Furniture and fixtures	1,98,709
Computer	1,803
Office equipments	22,333
Vehicle	1,61,314
<b>Current Assets</b>	
<b>Investment in Shares</b>	<b>103255000</b>
Artistry Constructions (P) Ltd - Shares	100000.00
Conviction Construction (P) Ltd. - Share	100000.00
Dua Constructions (P) Ltd - Shares	100000.00
Erudite Constructions (P) Ltd - Shares	100000.00
Frozen Constructions (P) Ltd - Shares	100000.00
Heather Buildcon (P) Ltd. - Shares	100000.00
Omni Farms (P) Ltd. (Share)	102255000.00
Placate Constructions (P) Ltd - Shares	100000.00
Swarajya Builders Pvt.Ltd-Share	100000.00
Turbo Realtors (P) Ltd - Shares	100000.00
Utsav Constructions (P) Ltd - Shares	100000.00
<b>Debtors</b>	
Eldeco city debtors	78114772.24
<b>Project in Progress</b>	<b>345142510.17</b>
<b>Loans &amp; Advances</b>	
<b>Advance Recoverable on Cash Or Kind</b>	
Staff Loan & Advances	202544.00
Security Deposit - LESA	56250.00
<b>Advance to Holding Company</b>	
Eldeco Housing & Industries Ltd	500000000.0
<b>Advance to Subsidiaries</b>	

For Eldeco City Limited

Company Secretary



6

Artistry Constructions Pvt. Ltd	5371497.00
Conviction Construction P. Ltd	16195681.00
Dua Constructions (P) Ltd	16730018.00
Erudite Constructions Pvt. Ltd	7306596.00
Frozen Constructions Pvt. Ltd.	4372349.00
Heather Buildcon (P) Ltd.	22068984.41
Placate Constructions Pvt.Ltd.	10295743.00
Swaraj Builders Pvt. Ltd	373068.41
Turbo Realtors Pvt. Ltd.	6407645.00
Utsav Constructions Pvt. Ltd	11318289.00

#### Advance to Suppliers/Contractors/Others

Other Advances	242580842.0
Bulldyers Protections Pvt. Ltd.	116000.00
Chhavi Enterprises -Advance	50000.00
Elora Enterprises	107090.00
New India Properties	3000.00
Sirohi Construction	1646.00
Sports Network INDIA Tennis Academy	42480.00
SRVP Fabrica (Advance)	137852.00
V.R.Exims Pvt. Ltd	19580.00

#### Land Advance

Land Advance- Anora	4000000.00
Land Advance- Lucknow Recreational Facility Centre	20000000.00
Land Advance Manhattan Projects & Infrast.Ltd	10000000.00
Land Advance - Mirza Nafees Beg	1075000.00
Land Advance - Mohit Arya	2164800.00
Land Advance -Puneet Arya	12900775.00
Land Advance- Shallmar Buildwell (P) Ltd	10000000.00
Land Advance-Shobhit Kumar	14408147.00
Land Advance-Tilak Chand Baudh	19287480.00
Prepaid Insurance	24169.65

#### Balance With Government Authorities

57154063.12

(Advance Tax , Tds and Service tax cenvat, VAT)

#### Other Current Assets

Interest Accrued on FDR	341301.28
Unbilled Receivables	132580929.71

#### Long Term Loans & Advances

Income Tax Refunds	29722358.94
Deferred Tax Assets	401597.00

#### Cash & Bank balances

Cash in Hand	55304
--------------	-------

#### Bank Balance:

Axis Bank A/c.917020074477440 (Breeze Collection)	4015943.00
---	------------



For Secretary  
Secretary

HDFC Bank A/c No.50200019110290	10467.30
HDFC Bank Delhi A/c No. 00322320002195	1432453.60
HDFC, Lucknow A/c No.04122320000302	2755.79
ICICI A/c No. 777705591001 (Arcade-1 70%)	1858397.50
ICICI A/c No. 777705591002 (Arcade-2 70%)	2283178.50
ICICI Bank Indira Nagar A/c No.059105000997	1938901.73
ICICI, Delhi A/c No.113405000002	346699.82
PNB A/C NO.6193002900000022 (LIG/EWS Coll.)	201318.00
PNB A/C NO.6193002900000031 (LIG/EWS 70%)	4563981.70
SBI A/c No.32043520557	51590.5
PNB A/C NO.6193002900000040 (LIG/EWS 30%)	955921.50
PNB, Lucknow A/c No.0758002100139875	1778838.21
Syndicate A/c No.8493101000172	940593.89
<b>Fixed Deposit in Bank</b>	
FD in Delhi	60710784.0
FD in Lucknow	3506188.00
Sweep in FDR	2439462.69

**Deposits with Banks:**

**NIL**

**FOR ELDECO CITY LIMITED**

Eldeco City Limited

*Swati Gupta*  
**SWATI GUPTA** Company Secretary  
**COMPANY SECRETARY**

