



# **LLOYD ELECTRIC AND ENGINEERING LIMITED**

**Registered Office :** A-146(B&C), RIICO Industrial Area, Bhiwadi, Distt.- Alwar, Rajasthan-301019

**Corporate Office :** 159, Okhla Industrial Estate, Phase III, New Delhi - 110020 (INDIA)

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## **COURT CONVENED MEETING OF THE SECURED CREDITORS**

Day : Saturday  
Date : 24<sup>th</sup> November 2012  
Time : 11.30 A.M.  
Venue : A-146(B&C), RIICO Industrial Area, Bhiwadi,  
District- Alwar, Rajasthan-301019

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In the High Court of Judicature for Rajasthan

At Jaipur Bench, Jaipur

S.B. Company Application No. 50/2012

In the matter of the Companies Act, 1956

And

In the matter of sections 391 to 394 of the Companies Act, 1956

And

In the matter of Scheme of Arrangement between Lloyd Electric and Engineering Limited and Perfect Radiators and Oil Coolers Private Limited

**Lloyd Electric and Engineering Limited**

a company incorporated under the Companies Act, 1956  
and having its registered office at A-146(B&C),  
RIICO Industrial Area, Bhiwadi, District Alwar,  
Rajasthan-301019

.....the Applicant Company

**NOTICE CONVENING MEETING OF THE SECURED CREDITORS**

To:

The secured creditors of Lloyd Electric and Engineering Limited ("**Applicant Company**").

Take notice that by an order made on 11<sup>th</sup> October, 2012 in the above S.B. Company Application, the Hon'ble High Court has directed that a meeting of the secured creditors of the Applicant Company be convened and held at A-146(B&C), RIICO Industrial Area, Bhiwadi, District Alwar, Rajasthan-301019 on Saturday, the 24<sup>th</sup> day of November, 2012 at 11.30 A.M for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement embodied in the scheme of arrangement between Lloyd Electric and Engineering Limited and Perfect Radiators and Oil Coolers Private Limited.

Take further notice that in pursuance of the said order, a meeting of the secured creditors of the Applicant Company will be held at the registered office of the Applicant Company i.e., at A-146(B&C), RIICO Industrial Area, Bhiwadi, District Alwar, Rajasthan-301019, on Saturday, the 24<sup>th</sup> day of November 2012, at 11.30 A.M, which you are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Applicant Company i.e., at A-146(B&C), RIICO Industrial Area, Bhiwadi, District Alwar, Rajasthan-301019, not later than 48 hours before the meeting.

The Hon'ble High Court has appointed Ms. Nikita Sud as a chairperson for the meeting of the secured creditors of the Applicant Company.

A copy each of the scheme of arrangement, the statement under section 393 of the Companies Act, 1956, a form of proxy, and attendance slip is enclosed.

Dated this 23<sup>rd</sup> day of October, 2012

Sd/-  
Ms. Nikita Sud  
Chairperson appointed for the meeting

In the High Court of Judicature for Rajasthan

At Jaipur Bench, Jaipur

S.B. Company Application No. 50/2012

In the matter of the Companies Act, 1956

And

In the matter of sections 391 to 394 of the Companies Act, 1956

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In the matter of Scheme of Arrangement between Lloyd Electric and Engineering Limited and Perfect Radiators and Oil Coolers Private Limited

**Lloyd Electric and Engineering Limited**

a company incorporated under the Companies Act, 1956

and having its registered office at A-146(B&C),

RIICO Industrial Area, Bhiwadi, District Alwar,

Rajasthan-301019

.....the Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956**

1. Pursuant to an order dated October 11, 2012, passed by the Hon'ble High Court of Rajasthan, Jaipur Bench, Jaipur in the company application referred to above, a meeting of the secured creditors of the Applicant Company is being convened and held at A-146(B&C), RIICO Industrial Area, Bhiwadi, District Alwar, Rajasthan-301019, on Saturday, 24<sup>th</sup> November, at 11.30 A.M. for the purpose of considering and if thought fit, approving with or without modification, the arrangement embodied in the scheme of arrangement between Lloyd Electric and Engineering Limited and Perfect Radiators and Oil Coolers Private Limited ("**Scheme**"). In this statement, Lloyd Electric and Engineering Limited is hereinafter referred to as the "**Applicant Company**" or the "**Transferee Company**" and Perfect Radiators and Oil Coolers Private Limited is hereinafter referred to as the "**Transferor Company**". Other terms capitalized but not defined herein will have the meaning ascribed thereto in the Scheme.
2. The Scheme envisages the demerger and vesting of the Heat Exchangers Business, as defined under the Scheme, of the Transferor Company into the Applicant Company, as per the provisions contained under sections 391 to 394 of the Companies Act, 1956.
3. The Applicant Company was incorporated on November 10, 1987 under the provisions of the Companies Act, 1956, under the name and style of "Lloyd Electric and Engineering Private Limited". The name of the Applicant Company was changed to "Lloyd Electric and Engineering Limited" with effect from August 5, 1994.
4. The registered office of the Applicant Company is situated at A-146(B&C), RIICO Industrial Area, Bhiwadi, District-Alwar, Rajasthan-301019.
5. The share capital of the Applicant Company as on March 31, 2011, is as under:

**Amount (Rs. In lakhs )**

**Authorised Capital**

5,00,00,000 equity shares of Rs. 10 each 5000.00

**Total 5000.00**

**Issued, and Subscribed Capital\*\***

3,10,13,160 equity shares of Rs. 10 each fully paid up\* 3101.32

**Total 3101.32**

**\*Paid up Capital**

3,10,00,260 equity shares of Rs. 10 each 3100.03

Add: Equity shares forfeited (amount originally paid up) 0.64

**Total 3100.67**

**\*\*Out of the equity shares:**

- a) Includes 40,00,000 equity shares allotted in the financial year 2006-07 on conversion of warrants issued by the Applicant Company on preferential basis during the year 2005-06.
- b) Includes 92,00,000 underlying equity shares representing 46,00,000 Global Depository Receipts issued by the Applicant Company during the financial year 2005-06.

- c) In the financial year 2006-07, the Applicant Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The board of directors of the Applicant Company had annulled the forfeiture of 400 equity shares on receipt of payment advice by the shareholders of the Applicant Company and accordingly 400 equity shares had been restored back. Subsequent to the annulment of forfeiture, the paid-up capital stands increased to Rs. 3,10,002,600 i.e. 3,10,00,260 equity shares of Rs. 10 each fully paid-up.
6. The main objects of the Applicant Company are as follows:
- (a) *To design, develop, assemble, manufacture, distribute, market, sell, import, export, service, repair, replace, all types of refrigeration, air-conditioning, cooling, freezing dehydrating equipments, machines, units, complete or parts thereof.*
- (b) *To carry on the business of manufacture, importers, exporters, dealers, agents and hirers of all types of compressors, evaporator and condenser coils, and other accessories and equipments needed for the carrying out of the objects, referred to in Para (a) above.*
- (c) *To carry on the business of manufacture, importers, exporters, dealers, agents and hirers of all types of centrifugal fans, axial flow fans, Fan cooling units, mancooling fans, blowers, motors, starters, relays and other electrical equipment needed for carrying on above business.*
- (d) *To give consultancy service in respect of the business referred to in paragraphs (a), (b) and (c) above.*
7. The Transferor Company was incorporated on June 16, 2003, under the provisions of the Companies Act, 1956 under the name and style of "Perfect Radiators and Oil Coolers Private Limited".
8. The registered office of the Transferor Company is situated at B-10/1, Okhla Industrial Area, Phase II, New Delhi-110020.
9. The share capital of Transferor Company as on March 31, 2011 is as under:

**Amount (Rs. In lakhs)**

**Authorised Capital**

1,00,00,000 equity shares of Rs. 10 each 1000.00

**Total** **1000.00**

**Issued, Subscribed and Paid up Capital**

80,00,000 equity shares of Rs. 10 each 800.00

**Total** **800.00**

10. The restructuring embodied in the Scheme is intended to provide greater business focus both in the Applicant Company and the Transferor Company. The demerger of the Heat Exchangers Business, as defined under the Scheme, into the Applicant Company would be in line with its existing heat exchanger business and would add significant value by integrating and consolidating the heat exchanger business globally thereby providing more product range to its existing and new customers. The proposed demerger and the vesting of the Heat Exchanger Business of the Transferor Company into the Applicant Company would also enable the Transferor Company and the Applicant Company to focus on their respective line of businesses thereby increasing shareholder's value. Further, the demerger will be beneficial to the shareholders, creditors, and employees of both the Transferor Company and the Applicant Company, since the demerger is expected to enable the Transferor Company and the Applicant Company to achieve and fulfill their objectives more efficiently and economically.
11. The respective board of directors of the Applicant Company and the Transferor Company, have approved and adopted the Scheme in their meetings held on March 29, 2012, by virtue of which, and subject to the sanction of the Hon'ble High Court of Rajasthan, Jaipur Bench, Jaipur, within whose jurisdiction the registered office of the Applicant Company is situated, and the sanction of the Hon'ble High Court of Delhi, within whose jurisdiction the registered office of the Transferor Company is situated, the whole of the undertaking, assets, properties and liabilities of the 'Heat Exchangers Business' of the Transferor Company is proposed to be demerged and vested into the Applicant Company.
12. The consideration for the arrangement is based on the valuation report of Ernst & Young Private Limited dated March 29, 2012. The respective board of directors of the Applicant Company and the Transferor Company have based on and relying upon the said valuation reports and their independent evaluation, have accepted the consideration recommended in the said valuation reports i.e., the Applicant Company shall issue and allot to every member of the Transferor Company holding fully paid up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on such date as the board of directors of the Applicant Company will determine ("Record Date"), 54 fully paid up equity shares of Rs. 10 each of the Applicant Company with rights attached thereto as hereinafter mentioned, in respect of every 100 fully paid up equity shares of Rs. 10 each held by such member in the capital of the Transferor Company as on the Record Date.

13. The salient features of the Scheme, as approved by the respective board of directors of the Transferor Company and the Applicant Company on March 29, 2012, are as under:
- a) Appointed Date shall be April 1, 2011 or such other date as may be directed or imposed by the High Court of Delhi at New Delhi and/or the High Court of Rajasthan at Jaipur, whichever is later, or such other date as may be directed or imposed by such other competent authority as may be applicable.
  - b) Effective Date shall be the last dates on which the certified copies of the Court Orders are filed by the Transferor Company and the Applicant Company with the Registrar of Companies, Delhi and Haryana and Registrar of Companies, Jaipur, respectively.
  - c) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the whole of the undertaking, assets, properties and liabilities of the Heat Exchangers Business of the Transferor Company, shall, without any further act, instrument or deed, stand demerged into the Applicant Company, to the extent and in the manner set out in the Scheme.
  - d) Without prejudice to the generality of the foregoing:
    - (i) the assets to be transferred as part of the Heat Exchangers Business shall include, without limitation, all the other properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature relating to the Heat Exchangers Business including but not limited to licenses, privileges and exemptions, registrations, approvals, subsidies, lease rights, tenancy rights, permissions, Intellectual Property Rights, investments, incentives, contractual rights, and all other rights, title, interest, consents, approvals or powers of every kind, nature and descriptions whatsoever, existing as on the Appointed Date and thereafter; and
    - (ii) the liabilities to be transferred as part of the Heat Exchangers Business shall include, without limitation, all debts, liabilities including general and multipurpose borrowings, if any dealt with in accordance with section 2(19AA) of the Income Tax Act, 1961, contingent liabilities, charges, liens, mortgages, taxes, duties and obligations of the Transferor Company relating to the Heat Exchangers Business as on the Appointed Date and thereafter whether or not provided in the books of the Transferor Company, which shall be deemed to be the debt, liabilities, charges, liens, mortgages, taxes, duties and obligations of the Applicant Company, and in order to give effect to the provisions of this sub-paragraph, 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, charges, liens, mortgages, taxes, duties and obligations have arisen. Provided that all claims expenses, liabilities and obligations of the Transferor Company in relation to the Remaining Business or any other business, operations and undertakings of the Transferor Company, other than the Heat Exchangers Business or as expressly provided in the Scheme, shall continue to be borne, fulfilled or assumed by the Transferor Company.
  - e) Upon the Scheme coming into effect and in consideration thereof, the Applicant Company shall, without any application or deed, issue and allot to every member of the Transferor Company holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on such date (“**Record Date**”) as the board of directors of the Applicant Company will determine, 54 fully paid-up Equity Share of Rs.10 each of the Applicant Company with rights attached thereto as hereinafter mentioned, in respect of every 100 fully paid-up equity shares of the face value of Rs.10 each held by such member in the capital of the Transferor Company as on the Record Date.
  - f) No coupons shall be issued in respect of fractional entitlements, if any, by the Applicant Company, to the members of the Transferor Company at the time of issue and allotment of equity shares as set out above. In case any equity shareholder’s holding in Transferor Company is such that the said shareholder becomes entitled, pursuant to the above paragraph, to a fraction of equity share of the Transferee Company, the Applicant Company shall round off the said entitlement to the nearest integer and allot equity shares accordingly.
  - g) The equity shares to be issued to the members of the Transferor Company as above shall be subject to the memorandum of association and articles of association of the Applicant Company.
  - h) Until the coming into effect of the Scheme, the holders of equity shares of the Transferor Company and the Applicant Company shall, save as expressly provided otherwise in the Scheme, continue to enjoy their existing respective rights under their respective articles of associations.
  - i) Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of Heat Exchangers Business of the Transferor Company into the Applicant Company shall be accounted as per the following:

In the books of the Applicant Company:

- (i) The Applicant Company shall, record all the assets and liabilities, of the Heat Exchangers Business vested in it pursuant to the Scheme, at their respective book values as appearing in the books of the Applicant Company at the close of business of the day immediately preceding the Appointed Date.

- (ii) The Applicant Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it to the shareholders of the Transferor Company, pursuant to the Scheme. After the equity shares are issued by the Applicant Company to the shareholders of the Transferor Company, pursuant to the Scheme, the Applicant Company shall obtain requisite approvals/no objection from the Stock Exchanges for the listing of the equity shares so issued.
- (iii) The excess of the value of the assets over the value of liabilities of the Heat Exchangers Business and the amount credited to share capital as per sub paragraph(ii) above, pursuant to the Scheme shall be credited to the general reserve account or dealt in any other manner, as may be deemed fit by the board of directors of the Applicant Company. However, where the value of liabilities and the amount credited to share capital as per the above paragraph, pursuant to the Scheme exceeds the value of assets of the Heat Exchangers Business, such excess shall be recorded by the Applicant Company, as goodwill account.

In the books of the Transferor Company:

- (i) Upon the Scheme becoming effective, the Transferor Company shall reduce the book value of assets and liabilities pertaining to the Heat Exchangers Business.
  - (ii) The difference between the amount of assets and liabilities so transferred shall be adjusted against the balance of profit and loss account in the balance sheet of the Transferor Company.
- j) The Scheme is conditional upon and subject to the following:
- (i) The Scheme being approved by the respective requisite majorities, as required by section 391 of the Companies Act, 1956, of the members and creditors of the Transferor Company and the Applicant Company, except to the extent as may be waived by the Hon'ble High Court of Delhi at New Delhi, and/or the Hon'ble High Court of Rajasthan at Jaipur, and it being sanctioned by the Hon'ble High Court of Delhi at New Delhi, and/or the Hon'ble High Court of Rajasthan at Jaipur or any other competent authority as may be applicable.
  - (ii) Certified copies of the Court Orders being filed with the Hon'ble High Court of Delhi at New Delhi, and/or the Hon'ble High Court of Rajasthan at Jaipur.
  - (iii) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.
- k) In the event of any of the said sanctions and approvals referred to in the preceding paragraph not being obtained and / or the Scheme not being sanctioned by the High Court of Delhi at New Delhi and/or the Hon'ble High Court of Rajasthan at Jaipur or by such other competent authority as may be applicable and / or the Court Order(s) not being passed as aforesaid before September 30, 2012 or within such further period or periods as may be agreed upon between the Transferor Company and the Applicant Company through their respective board of directors (and which the boards of directors of the Transferor Company and the Applicant Company are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right and / or liability 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.

***Since the above are only the salient features of the Scheme, the secured creditors are requested to read the entire text of the Scheme, annexed to this notice, to get better acquainted with the provisions thereof.***

14. The Scheme does not adversely affect the shareholders or the creditors of the Applicant Company, as is evident from the Scheme. The Scheme will be beneficial to the Applicant Company and the Transferor Company, and the respective shareholders and creditors of both the companies.
15. The Applicant Company has 21,647 (Twenty one thousand six hundred and forty seven) equity shareholders, as on June 30, 2012. As far as the rights of the creditors of the Applicant Company are concerned, they will not be affected adversely with the proposed Scheme as, post arrangement, the assets of the Applicant Company will be sufficient to discharge the liabilities of its creditors. As on March 31, 2011, the aggregate assets over liabilities of the Transferor Company is about Rs. 31,64,40,342 (Rupees thirty one crores sixty four lakhs forty thousand three hundred and forty two only), after adjustment of inter-company loans/balances and investments. Further, the excess of assets over liabilities of the Applicant Company is about Rs. 3,36,17,52,000 (Rupees three hundred thirty six crores seventeen lakhs and fifty two thousand only) as on March 31, 2011, after adjustment of inter-company loans/balances and investments. The aggregate excess of assets over liabilities of the Applicant Company and the Transferor Company, after adjustment of inter-company balances and investments as on March 31, 2011 is about Rs. 3,67,81,92,342 (Rupees three hundred sixty seven crores eighty one lakhs ninety two thousand and three hundred and forty two).
16. The directors of the Applicant Company and the Transferor Company may be deemed to be concerned and/or interested in the Scheme to the extent of shares and/or directorships held by them in the Applicant Company and/or the Transferor Company.

17. No investigation proceedings are pending against the Applicant Company under sections 235 to 251 or any other provisions of the Companies Act, 1956.
18. This statement may be treated as an explanatory statement under section 393 of the Companies Act, 1956.
19. A copy of the Scheme, explanatory statement and form of proxy may be obtained from the registered office of the Applicant Company at A-146 (B&C), RIICO Industrial Area, Bhiwadi, District-Alwar, Rajasthan-301019.
20. Inspection of the following documents may be carried out at the registered office of the Applicant Company on any working day (except Saturday) upto one day prior to the date of the meeting between 11.00 A.M and 4.00 P.M.
  - (i) Memorandum and articles of association of the Transferor Company and the Applicant Company.
  - (ii) Audited financial statements of the Transferor Company and the Applicant Company as on March 31, 2010, March 31, 2011 and March 31, 2012.
  - (iii) Copy of the valuation report of Ernst & Young Private Limited dated March 29, 2012, on the basis of which the consideration for the arrangement embodied in the Scheme has been arrived at.
  - (iv) Copy of the no objection certificate dated May 11, 2012 obtained from the National Stock Exchange under section 24(f) of the listing agreement.
  - (v) Copy of the no objection certificate dated June 1, 2012 obtained from the Bombay Stock Exchange under section 24(f) of the listing agreement.
  - (vi) Order dated October 11, 2012 of the High Court of Rajasthan, Jaipur, in company application no. 50 of 2012 directing to convene the meeting of the secured creditors of the Applicant Company.
  - (vii) Copy of the Scheme.

Place: New Delhi  
Date: 23<sup>rd</sup> October, 2012

Registered Office:  
A-146(B&C),RIICO Industrial Area  
Bhiwadi, District Alwar, Rajasthan-301019

sd/-  
Anita K. Sharma  
Company Secretary  
Lloyd Electric and Engineering Limited



**SCHEME OF ARRANGEMENT  
OF  
PERFECT RADIATORS AND OIL COOLERS PRIVATE LIMITED  
(TRANSFEROR COMPANY)  
WITH  
LLOYD ELECTRIC AND ENGINEERING LIMITED  
(TRANSFEEE COMPANY)  
AND  
THEIR RESPECTIVE SHAREHOLDERS**

**SCHEME OF ARRANGEMENT**

This Scheme of Arrangement (*as defined hereinafter*) is presented for demerger and vesting of the Heat Exchangers Business (*as defined hereinafter*) of the Transferor Company, i.e., Perfect Radiators and Oil Coolers Private Limited into the Transferee Company, i.e., Lloyd Electric and Engineering Limited, under sections 391 to 394 and other applicable provisions of the Act (*as defined hereinafter*). This Scheme of Arrangement also provides for various other matters consequential or otherwise integrally connected therewith.

**PART -I**

**PREAMBLE**

The Transferor Company, i.e., Perfect Radiators and Oil Coolers Private Limited, is a private limited company incorporated under the Act, having its registered office at B-10/1, Okhla Industrial Area, Phase II, New Delhi 110020, and is inter-alia engaged in the business of manufacture of copper-brass/aluminum brazed heat exchangers for automotive, industrial and locomotive applications and shell and tube heat exchangers and oil coolers, and investing in various companies.

The Transferee Company, i.e., Lloyd Electric and Engineering Limited is a public limited company, incorporated under the Act, and has its registered office at A-146 (B&C), RIICO Industrial Area, District Alwar, Rajasthan-301019. The Transferee Company is inter-alia engaged in the business of manufacture of evaporator and condenser coils for air conditioners and heat exchanger coils serving the 'Heating, Ventilation, Air-Conditioning and Refrigeration (HVAC&R) Industry and air conditioners for domestic use. The Transferee Company is listed with the Bombay Stock Exchange and the National Stock Exchange (collectively, the "**Stock Exchanges**"). Further, 3,96,000 Global Depository Receipts ("**GDRs**") underlying 7,92,000 equity shares of the Company are outstanding as on March 31, 2011 and such GDRs are listed on the London Stock Exchange ("**LSE**").

The Transferee Company is also an 'original equipment manufacturer (OEM)' supplier to manufacturers' of air conditioners in India, and provides customized air conditioning solutions for institutional clients like railways.

**RATIONALE FOR THE SCHEME**

The restructuring as embodied in this Scheme is intended to provide greater business focus, both in the Transferor Company and the Transferee Company. The demerger of the Heat Exchangers Business (*as defined below*) into the Transferee Company would be in line with its existing line of 'Heat Exchangers' business and would add significant value by integrating and consolidating the 'Heat Exchangers' business globally thereby providing more product range to its existing and new customers.

The proposed demerger and vesting of the Heat Exchangers Business of the Transferor Company into the Transferee Company would also enable the Transferor Company and the Transferee Company to focus on their respective line of businesses thereby increasing shareholders' value.

Further, the demerger will be beneficial to the shareholders, creditors and employees of both the Transferor Company and the Transferee Company since the demerger is expected to enable the Transferor Company and Transferee Company to achieve and fulfill their objective more efficiently and economically.

To achieve the same, an arrangement has been arrived at by the board of directors of the Transferor Company and the Transferee Company, to be implemented by making requisite applications before the Hon'ble High Court of Delhi at New Delhi and the Hon'ble High Court of Rajasthan at Jaipur (collectively the "**High Courts**"), under sections 391 to 394 of the Act for the sanction of the following Scheme of Arrangement between the Transferor Company and the Transferee Company.

**PART-II**

**1. DEFINITIONS**

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

- 1.1 "**Act**" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force.
- 1.2 "**Appointed Date**" means April 01, 2011 or such other date as may be directed or imposed by the High Courts of Delhi at New Delhi and/or High Court of Rajasthan at Jaipur, whichever is later, or such other date as may be directed or imposed by such



other competent authority as may be applicable, and from which date the Heat Exchangers Business of the Transferor Company shall stand demerged and vested to or vested in or deemed to be transferred to or vested in the Transferee Company without any further act, deed or thing.

- 1.3 **“Heat Exchangers Business”** means any and all undertakings, assets, properties and liabilities of the Heat Exchangers business of Perfect Radiators and Oil Coolers Private Limited being the business carried on as on the Appointed Date by the Transferor Company of manufacturing of copper brass / aluminum brazed heat exchangers for automotive, industrial and locomotive applications and shell and tube heat exchangers and oil coolers and without limiting the generality of the foregoing, such undertakings, assets, properties and liabilities shall include (a) all movable assets (tangible or intangible) and all other rights relating thereto, records, the operations, licenses, taxes and duties, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, etc.) the liabilities and obligation, and (b) employees, Intellectual Property Rights, or such other rights or tangible or intangible properties belonging to, or forming part of, or relating or appertaining to, or attributable to the division identified as the Heat Exchangers Business, and which have been more appropriately described at **Schedule A**.
- 1.4 **“Court Order(s)”** means the order(s) passed by the High Court of Delhi at New Delhi or the High Court of Rajasthan at Jaipur or such other competent authority sanctioning the Scheme.
- 1.5 **“Effective Date”** means the last of the dates on which the certified copies of the Court Orders are filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Delhi and Haryana and Registrar of Companies, Jaipur, respectively.
- 1.6 **“Intellectual Property Rights”** means patents, trademarks, service marks, registered designs, data base rights, trade or business names, know-how, copyright (including but not limited to rights in software), design rights, domain name rights and any other intellectual property rights and rights of a similar or corresponding nature in any part of the world (in each case whether registered or not and whether capable of registration or not) possessed/used by the Transferor Company in relation to the Heat Exchangers Business.
- 1.7 **“Remaining Business”** means all the undertakings, businesses activities, investments, immovable and other assets, liabilities and operations of the Transferor Company, other than the undertakings, assets, properties, and liabilities of the Transferor Company in relation to the Heat Exchangers Business.
- 1.8 **“Scheme”** or **“this Scheme”** or **“this Scheme of Arrangement”** means this scheme of arrangement in its present form or with any modification(s) made under Clause 14 of this Scheme, as approved or directed by the High Courts or such other competent authority as may be applicable.
- 1.9 **“Transferor Company”** means and refers to Perfect Radiators and Oil Coolers Private Limited, a private limited company, incorporated under the Act and having its registered office at B-10/1, Okhla Industrial Area, Phase II, New Delhi-110020.
- 1.10 **“Transferee Company”** means and refers to Lloyd Electric And Engineering Limited, a public limited company, incorporated under the Act, listed with the Bombay Stock Exchange, the National Stock Exchange and its GDR’s listed on the London Stock Exchange and having its registered office at A-146 (B&C), RIICO Industrial Area, District Alwar, Rajasthan-301019.

### PART-III

#### 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date and the whole of the undertakings, assets, properties and liabilities of the Heat Exchangers Business of the Transferor Company shall, without any further act or deed, be and stand transferred to and vested in the Transferee Company, pursuant to sections 391 and 394 of the Act, to the extent and in the manner set out herein, so as to vest in the Transferee Company, all rights, title and interest of the Transferor Company pertaining to the Heat Exchangers Business.

#### 3. SHARE CAPITAL

- 3.1 Based on the last audited balance sheet for the financial year ending March 31, 2011, the share capital of the Transferor Company is as under:

SHARE CAPITAL		
1. Authorised Capital		Amount (Rs.in lacs)
Equity	1,00,00,000 equity shares of Rs. 10 each	1000.00
Preference	Nil	Nil
<b>Total</b>		<b>1,000.00</b>
2. Issued, subscribed and paid-up		
Equity	80,00,000 equity shares of Rs.10 each	800.00
Preference	Nil	Nil
<b>Total</b>		<b>800.00</b>

- 3.2 Based on the last audited balance sheet for the financial year ending March 31, 2011, the share capital of the Transferee Company is as under:

<b>SHARE CAPITAL</b>		
<b>1. Authorised Capital</b>		<b>Amount (Rs. in lacs)</b>
Equity	5,00,00,000 equity shares of Rs. 10 each	5,000.00
Preference	Nil	Nil
<b>TOTAL</b>		<b>5,000.00</b>
<b>2. Issued and subscribed</b>		
Equity	3,10,13,160 equity shares of Rs. 10 each	3101.32
Preference	Nil	Nil
<b>TOTAL</b>		<b>3101.32</b>
<b>3. Paid-up Capital*</b>		
Equity	3,10,00,260 equity shares of Rs. 10 each fully paid-up	3100.03
	Add: Equity shares forfeited (amount originally paid-up)	0.64
Preference	Nil	Nil
<b>TOTAL</b>		<b>3100.67</b>

\*Out of the equity shares:

- a) Includes 40,00,000 equity shares allotted in the financial year 2006-07 on conversion of warrants issued by the Transferee Company on preferential basis during the year 2005-06.
- b) Includes 92,00,000 underlying equity shares representing 46,00,000 Global Depository Receipts issued by the Transferee Company during the financial year 2005-06.
- c) In the financial year 2006-07, the Transferee Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The board of directors of the Transferee Company had annulled the forfeiture of 400 equity shares on receipt of payment advice by the shareholders of the Transferee Company and accordingly 400 equity shares had been restored back. Subsequent to the annulment of forfeiture, the paid-up capital stands increased to Rs. 3,10,00,260 i.e. 3,10,00,260 equity shares of Rs. 10 each fully paid-up.

#### **4. TRANSFER OF UNDERTAKING**

- 4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the undertaking, assets, properties and liabilities of the Heat Exchangers Business of the Transferor Company, shall, without any further act, instrument or deed, stand demerged into the Transferee Company, to the extent and in the manner set out herein, and:
  - 4.2 Without prejudice to the generality of the foregoing:
    - a) the assets to be transferred as part of the Heat Exchangers Business shall include, without limitation, all the other properties and assets (whether movable or immovable, tangible or intangible) of what so ever nature relating to the Heat Exchangers Business including but not limited to licenses, privileges and exemptions, registrations, approvals, subsidies, lease rights, tenancy rights, permissions, Intellectual Property Rights, investments, incentives, contractual rights, and all other rights, title, interest, consents, approvals or powers of every kind, nature and descriptions whatsoever, existing as on the Appointed Date and thereafter; and
    - b) the liabilities to be transferred as part of the Heat Exchangers Business shall include, without limitation, all debts, liabilities including general and multipurpose borrowings, if any dealt with in accordance with section 2(19AA) of the Income Tax Act, 1961, contingent liabilities, charges, liens, mortgages, taxes, duties and obligations of the Transferor Company relating to the Heat Exchangers Business as on the Appointed Date and thereafter whether or not provided in the books of the Transferor Company, which shall be deemed to be the debt, liabilities, charges, liens, mortgages, taxes, duties and obligations of the Transferee Company, and in order to give effect to the provisions of this sub-clause, 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, charges, liens, mortgages, taxes, duties and obligations have arisen. Provided that all claims expenses, liabilities and obligations of the Transferor Company in relation to the Remaining Business or any other business, operations and undertakings of the Transferor Company, other than the Heat Exchangers Business or as expressly provided in this Scheme, shall continue to be borne, fulfilled or assumed by the Transferor Company.

4.3 It is clarified that:

- a) The tangible movable assets forming part of the Heat Exchangers Business, which shall include, without limitation, plant and machinery, furniture and fixtures, cash on hand, sundry debtors shall be physically handed over by manual delivery to the Transferee Company, along with such other documents, as may be necessary to the end and intent that the property therein passes to the Transferee Company on such delivery by virtue of the Court Orders;
- b) in relation to the intangible movable assets forming part of the Heat Exchangers Business, which shall include, without limitation, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the Transferor Company shall issue notices in such form, as it may deem fit and proper to each of the concerned parties, debtors or depositors of the Transferor Company, as the case maybe, that pursuant to the Court Orders, the said debt, loan, or advance be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company, to recover or realise the same stands extinguished, and that such rights to recover or realize the same shall vest in the Transferee Company;
- c) any statutory license, permission or approval or consent held by the Transferor Company to carry on the Heat Exchangers Business shall, to the extent transferrable under applicable law, stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, registrations or other licenses, and consents, available to the Transferor Company in relation to the Heat Exchangers Business, as on, and from the Appointed Date, shall vest in and become available to Transferee Company pursuant to the Scheme;
- d) all the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets transferred to the Transferee Company by virtue of this Scheme and also over the assets of the Remaining Business shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferor Company. Further, it is clarified that in so far as the assets of the Transferor Company are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowings of the Heat Exchanger Business of the Transferor Company, shall, without any further act or deed continue to relate to such assets or any part thereof after the Effective Date and shall not relate to or be available as security or charge in relation to any or any part of the assets of the Transferee Company;
- e) each of the permissions, approvals, consents, sanctions, remissions, special reservations, all existing and future incentives, unavailed credits and exemptions, benefits of carried forward losses, incentives, subsidies, special status and other benefits or privileges granted by any government body or local authority, and other statutory benefits, including in respect of income tax, excise (including Modavt / Cenvat), Customs, VAT, sales tax, service tax, etc. concessions and other authorizations, relating to Heat Exchangers Business of the Transferor Company, shall stand transferred by the Court Orders to the Transferee Company, and the Transferee Company shall file the relevant intimations for the record of the statutory authorities, government bodies or local authorities, who shall take them on file, pursuant to the Court Orders;
- f) all the taxes and duties payable by the Transferor Company from the Appointed Date onwards in relation to the Heat Exchangers Business including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferor Company is expressly permitted to revise and the Transferee Company is expressly permitted to file their respective income tax returns including tax deducted at source certificates, sales tax / value added tax returns, service tax returns and other tax returns, and to claim refunds / credits, pursuant to this Scheme;
- g) this Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under section 2(19AA) of the Income-tax Act, 1961. If any term or provision of the Scheme is found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 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. Such modification will however not affect the other parts of the Scheme;
- h) all Intellectual Property Rights of the Transferor Company in relation to the Heat Exchangers Business as on the Appointed Date including those developed by the Transferor Company in relation to the Heat Exchangers Business in the period from the Appointed Date and upto the Effective Date, shall stand transferred by the Court Orders to the Transferee Company and the Transferee Company shall be entitled to undertake all such actions as may be necessary to procure the assignment of the Intellectual Property Rights in its favour;
- i) all insurance policies in the name of the Transferor Company in relation to the Heat Exchangers Business as on the Appointed Date including those obtained by the Transferor Company during the period between the Appointed Date and the Effective Date shall stand transferred by the Court Orders to the Transferee Company and the Transferee

Company shall be entitled to undertake all such actions as may be necessary to procure the assignment of the said insurance policies in its favour; and

- j) save and except for the Heat Exchangers Business of the Transferor Company and as expressly provided in this Scheme, nothing contained in this Scheme shall affect the undertakings, operations, investments, liabilities, obligations, entitlements and assets of the Remaining Business of the Transferor Company or any other business, assets, and liabilities of the Transferor Company which shall not stand vested in or transferred to the Transferee Company but shall continue to belong to and be vested in and be managed by the Transferor Company.

## **5. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 5.1 Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments writings and benefits of whatever nature in relation to the Heat Exchangers Business to which the Transferor Company is a party, subsisting or having effect immediately before the Effective Date ("**Contracts**"), shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been the party thereto. All such Contracts from the Appointed Date shall be deemed to have been executed by the Transferee Company who shall be entitled to exercise all such rights as were vested with the Transferor Company under such Contracts.
- 5.2 Save and except for the provisions of Clause 8 and Clause 9 of this Scheme, the transfer and vesting of the Heat Exchangers Business pursuant to this Scheme, and the continuance of proceedings by or against Transferor Company shall not affect any transaction or proceedings already concluded by the Transferor Company in relation to the Heat Exchangers Business on or before the Appointed Date and until the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.
- 5.3 The experience, track record and credentials of the Heat Exchangers Business in manufacturing and supplying the products thereof to various authorities, agencies and clients prior to its transfer to the Transferee Company shall be taken into account and treated and recognised as the experience, track record and credentials of such Heat Exchangers Business even after its transfer to the Transferee Company, including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of such authorities, agencies and clients.

## **6. TREATMENT OF EMPLOYEES**

- 6.1 On the Scheme becoming effective, all employees of the Transferor Company in service on the Effective Date, and employed with the Heat Exchangers Business shall be deemed to have become employees of the Transferee Company with effect from the Appointed Date or their respective joining date, whichever is later, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company shall not be less favorable than those applicable to them in the Transferor Company on the Effective Date.
- 6.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Transferor Company and employed with the Heat Exchangers Business, shall be transferred to the Transferee Company in accordance with Clause 6.1 above and thereafter shall be deemed to have been created by the Transferee Company in place of the Transferor Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that the services of such employees of the Transferor Company will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

## **7. LEGAL PROCEEDINGS**

If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company in relation to the Heat Exchangers Business, be pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.

## **8. DIVIDENDS, PROFITS, BONUS/RIGHTS SHARES**

- 8.1 With effect from the Appointed Date and up to and including the Effective Date, all the profits or income accruing or arising to the Transferor Company in relation to the Heat Exchangers Business or expenditure or losses arising to or incurred by the Transferor Company, in relation to the Heat Exchangers Business, save and except for the income arising from the Remaining Business of the Transferor Company, which shall continue to be the income of the Transferor Company, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company, as the case may be. The Transferor Company shall not without the prior written consent of the Transferee Company utilize the profits in relation to the Heat Exchangers Business, if any, for the period from and after the Appointed Date, for declaring or paying any dividend.

- 8.2 It is clarified that the aforesaid provision in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of Transferor Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the board of directors of Transferor Company and subject, wherever necessary, to the approval of the shareholders of Transferor Company.
- 8.3 Further, the Transferor Company shall not after the Appointed Date, issue or allot any further securities either through rights or a bonus issue or otherwise without the prior written consent of the Transferee Company.

## **9. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

- 9.1 As and from the date of acceptance of this Scheme by the board of directors of the Transferee Company and the board of directors of the Transferor Company and till the Effective Date:
- 9.1.1 The Transferor Company shall carry on the Heat Exchangers Business with reasonable diligence, business prudence, consistent with past practices and shall stand possessed of the properties and assets of the Heat Exchangers Business for and in trust for Transferee Company and all the profits / losses of the Transferor Company in relation to the Heat Exchangers Business shall for all purposes be treated as profits / losses of the Transferee Company. Further, the Transferor Company shall not, without the prior written consent of Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the Heat Exchangers Business, the properties and assets of the Heat Exchangers Business, or any part thereof except in the ordinary course of business nor shall it undertake any new business or a substantial expansion of its existing business.
- 9.1.2 The Transferor Company shall not vary the terms and conditions of service of its permanent employees relating to the Heat Exchangers Business except in the ordinary course of its business.
- 9.1.3 The Transferor Company shall not engage in any corporate restructuring exercise including any merger and / or demerger, without the prior written consent of the Transferee Company.

## **10. CONSIDERATION**

- 10.1 Upon this Scheme coming into effect and in consideration thereof, the Transferee Company shall, without any application or deed, issue and allot to every member of the Transferor Company holding fully paid-up equity shares in the Transferor Company and whose names appear in the register of members of the Transferor Company on such date ("**Record Date**") as the board of directors of the Transferee Company will determine, **54** fully paid-up Equity Share of Rs.10 (Rupees Ten) each of the Transferee Company with rights attached thereto as hereinafter mentioned, in respect of every **100** fully paid-up equity shares of the face value of Rs.10 (Rupees Ten) each held by such member in the capital of the Transferor Company as on the Record Date.
- 10.2 It is clarified that the approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the shareholders of Transferor Company, as provided for in Clause 10.1 above.
- 10.3 No coupons shall be issued in respect of fractional entitlements, if any, by Transferee Company, to the members of Transferor Company at the time of issue and allotment of equity shares under Clause 10.1. In case any equity shareholder's holding in Transferor Company is such that the said shareholder becomes entitled, pursuant to Clause 10.1 above, to a fraction of equity share of the Transferee Company, the Transferee Company shall round off the said entitlement to the nearest integer and allot equity shares accordingly.
- 10.4 The equity shares to be issued to the members of Transferor Company as above shall be subject to the memorandum of association and articles of association of the Transferee Company.
- 10.5 Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing respective rights under their respective articles of associations.

## **11. ACCOUNTING TREATMENT**

Upon the Scheme becoming effective and with effect from the Appointed Date, the demerger of Heat Exchangers Business of the Transferor Company into the Transferee Company shall be accounted as per the following:

In the books of the Transferee Company:

- (a) The Transferee Company shall, record all the assets and liabilities, of the Heat Exchangers Business vested in it pursuant to this Scheme, at their respective book values as appearing in the books of the Transferor Company at the close of business of the day immediately preceding the Appointed Date.
- (b) The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it to the shareholders of the Transferor Company, pursuant to Clause 10.1 of this Scheme. After the equity shares are issued by the Transferee Company to the shareholders of the Transferor Company, pursuant to Clause 10.1 of this Scheme, the Transferee Company shall obtain requisite approvals/no objection from the Stock Exchanges for the listing of the equity shares so issued.



- (c) The excess of the value of the assets over the value of liabilities of the Heat Exchangers Business and the amount credited to share capital as per sub clause (b) above, pursuant to the Scheme shall be credited to the general reserve account or dealt in any other manner, as may be deemed fit by the board of directors of the Transferee Company. However, where the value of liabilities and the amount credited to share capital as per sub clause (b) above, pursuant to the Scheme exceeds the value of assets of the Heat Exchangers Business, such excess shall be recorded by the Transferee Company, as goodwill account.

In the books of the Transferor Company:

- (a) Upon the Scheme becoming effective, the Transferor Company shall reduce the book value of assets and liabilities pertaining to the Heat Exchangers Business.
- (b) The difference between the amount of assets and liabilities so transferred shall be adjusted against the balance of Profit and Loss Account in the balance sheet of the Transferor Company.

## **12. APPLICATION TO THE HIGH COURTS OR SUCH OTHER COMPETENT AUTHORITY**

- 12.1 The Transferor Company as well as the transferee company shall with all reasonable dispatch, make applications to the High Court of Delhi at New Delhi and/or the High Court of Rajasthan at Jaipur or such other competent authority for sanctioning this Scheme of Arrangement under sections 391 to 394 of the Act.

## **13. FURTHER ASSURANCES**

The Transferor Company and the Transferee Company shall co-operate with each other and shall take such steps as necessary or desirable including making applications, submissions, etc., to give effect to the transaction contemplated herein.

## **14. MODIFICATION/AMENDMENT TO THE SCHEME**

- 14.1 The Transferor Company and the Transferee Company through their respective board of directors or any duly authorised committee may make or consent to, on behalf of all persons concerned, any modification or amendment to the Scheme or to any condition or limitation which the High Courts or any other competent authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them or it (i.e, the board of directors or committee thereof) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.
- 14.2 For the purpose of giving effect to this Scheme or to any modification thereof the board of directors of the Transferee Company or any other duly authorised committee thereof may give and are authorised severally to give such directions including directions for settling any question of doubt or difficulty that may arise in case of issue and allotment of shares.

## **PART –IV**

## **15. CONDITIONS**

- 15.1 The Scheme is conditional upon and subject to the following :

- (a) The Scheme being approved by the respective requisite majorities, as required by section 391 of the Act, of the members and creditors of the Transferor Company and the Transferee Company except to the extent as may be waived by the Hon'ble High Court of Delhi at New Delhi and/or the Hon'ble High Court of Rajasthan at Jaipur and it being sanctioned by the Hon'ble High Court of Delhi at New Delhi and/or the Hon'ble High Court of Rajasthan at Jaipur or any other competent authority as may be applicable.
- (b) Certified copies of the Court Orders being filed with the Registrar of Company, Delhi and Haryana and Registrar of Companies, Jaipur.
- (c) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

## **16. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS**

- 16.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 15 not being obtained and / or the Scheme not being sanctioned by the High Court of Delhi at New Delhi and/or the Hon'ble High Court of Rajasthan at Jaipur or by such other competent authority as may be applicable and / or the Court Order(s) not being passed as aforesaid before 30.09.2012 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective board of directors (and which the boards of directors of the Transferor Company and the Transferee Company are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right and / or liability 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.

## **17. COSTS**

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall also be borne by the Transferee Company.



## Schedule A

### Part A

#### Assets taken over by the Transferee Company .

		<b>As on 31.12.2011</b>
		<b>(In Rs.)</b>
<b>1. Fixed Assets</b>		
a) Gross Block		33,28,91,458
b) Less: Depreciation		(5,56,67,296)
c) Net Block		<u>27,72,24,162</u>
d) Capital Work in Progress		4,58,30,628
<b>2. Current Assets, Loans &amp; Advances</b>		
<b>a) Inventories</b>		
i) Raw Materials		15,05,26,379
ii) Work in Progress		7,80,36,244
iii) Finished Goods		5,93,97,159
iv) Stock in transit		
		<u>28,79,59,782</u>
<b>b) Sundry Debtors</b>		
(Unsecured, considered good)		<u>17,12,26,971</u>
<b>c) Cash and Bank Balances</b>		
i) Cash in hand		4,61,738
ii) Balance with Scheduled Bank		
in Current Accounts		40,93,422
in Fixed Deposit		20,000
		<u>45,75,160</u>
<b>d) Loans and Advances</b>		
i) Security Deposits		1,91,31,867
ii) Balance with Revenue Authorities		12,56,660
		<u>2,03,88,527</u>
<b>Total Assets Taken Over</b>		<u><u>80,72,05,231</u></u>

### Part B

#### Liabilities Taken over by the Transferee Company

		<b>As on 31.12.2011</b>
		<b>(In Rs.)</b>
<b>SECURED LOANS</b>		
Term Loan - From State Bank of Bikaner & Jaipur		11,62,62,937
Working Capital Loan - From State Bank of Bikaner & Jaipur		26,32,85,203
Vehicle Loans-		
From Kotak Mahindra Bank		12,28,065
		<u>38,07,76,206</u>
<b>Current Liabilities</b>		
i) Sundry Creditors		<u>14,97,88,391</u>
<b>Total Liabilities</b>		<u><u>53,05,64,597</u></u>

## Part C

### Details of Employees to be transferred to the Transferee

Transferor's unit at Tauru, [Perfect Radiators and Oil Coolers Pvt. Ltd. Khasra No. 11-12, Near Village Nizampur, Tauru Rewari Road, Tehsil Tauru, Distt. Mewat, Haryana]

S. No.	EMPLOYEE'S NAME	DESIGNATION	DATE OF JOINING
1	N.K. Sharma	Director-Management	01.07.2003
2	Harshad B Banker	Vice President- Management	23.01.2007
3	PRAMOD MEHRA	Vice President-	01.09.2011
4	S.R. Gopinath	Deputy General Management	09.12.2009
5	Tajinder Kr. Kharbanda	Deputy General Manager-Sales	09.01.2008
6	R.S. Chavan	Assistant General Manager- Sales & Marketing	19.04.2007
7	Santosh Kumar Mishra	Senior.Manager-Quality Control	04.08.2008
8	Sanjeev Kumar Dogra	Manager-Sales & Marketing	09.06.2008
9	JAGAT SINGH	Manager Research &Development	01.09.2011
10	VikasArora	Manager-Commercial	09.07.2003
11	ShovonChakarwarty	Manager-Finance&Accounts	01.02.2005
12	GURU PRASAD VERMA	ManagerQuality Assurance	17.10.2011
13	SUNIL YADAV	Manager Human resources	17.10.2011
14	VirenderRai	Manager-Production	02.05.2005
15	Girish Prasad	Assistant Manager-Sales &	03.02.2009
16	Ghanshyam Das	Assistant Manager R & D	25.04.2008
17	K. HANUMAN SINGH	Assistant Manager R & D	01.05.2011
18	Pritam Kumar	Assistant Manager R & D	07.07.2008
19	RajuB.Sharma	Assistant Manager- Sales	18.05.2009
20	S Bhaskar	Assistant Manager- Sales	13.02.2009
21	Rajender B. Darji	Assistant Manager- Sales	12.03.2009
22	ChanderBhan Vats	Asst.Manager Vender Development.	12.04.2010
23	DHARMVIR JANGRA	Assistant Manager	20.09.2010
24	Omveer Singh	Senior Engineer- Maintenance	01.04.2006
25	KavitBansal	Senior Engineer - Research and Development	02.08.2006
26	VIKRAM SINGH	Senior Engineer –Production	01.07.2011
27	Harendra Singh	Senior Engineer –Production	03.04.2010
28	Saurabh Kr. Maurya	Senior Engineer-Research and Development	20.08.2008
29	Praveen Sharma	Senior Engineer Production	24.01.2009
30	Vinay Kumar Singh	Engineer -Research and Development	01.08.2007
31	RAKESH KUMAR	Engineer VMC.	25.04.2011
32	RAJNISH KUMAR MISHRA	Engineer	02.08.2010
33	Sanjay	Engineer –Production	12.01.2009
34	NARESH KUMAR	Engineer Research and Development	13.06.2011
35	PremDarshan	Engineer- Production	24.12.2008
36	Ravinder Kumar	Assistant Engineer-Production	03.05.2007
37	Naresh Kumar	Assistant Engineer-Production	09.05.2007
38	SURESH KR. JOON	Assistant Engineer - Quality Assurance	21.06.2010
39	NarenderYadav	Assistant Engineer-Production	15.12.2008
40	Pankaj Kumar	Assistant Engineer-Production	11.05.2009
41	Sunil Kumar	Assistant Engineer-Quality	03.09.2009
42	Manish Giri	Assistant –Finance	18.07.2007
43	PawanYadav	Assistant Engineer-Quality	23.12.2007
44	Mukesh Kumar	Assistant Sotre Keeper - Materials	03.01.2008
45	Sumit Kumar Pathak	Assistant – Finance	01.07.2008
46	RAJESH KUMAR	Assistant- commercial	01.08.2011

47	SHIV KUMAR SHARMA	Assistant- Dispatch	02.09.2011
48	Harindra Kumar Yadav	Assistant –Logistics	01.12.2005
49	BIJENDER YADAV	Assistant Store Keeper	01.12.2010
50	RAJESH	Assistant- Marketing	03.03.2011
51	Yashwant Kumar	Assistant – Sales	09.02.2009
52	Dinesh Saini	Assistant Officer –Sales	18.05.2009
53	PUSHPENER KUMAR	Junior Engineer Production.	17.01.2011
54	JAGDISH GIRI	Junior Engineer Production	16.07.2011
55	GURINDER SINGH	Junior Engineer Production.	17.01.2011
56	GouravMaheshwari	Executive - Finance & Accounts	21.09.2009
57	VED PRAKASH YADAV	Excutive- Commercial	07.09.2011
58	Manish Bhardwaj	Executive - Finance & Accounts	12.10.2009
59	Naresh Kumar	Junior Officer Officer-HR & Admin	02.11.2007
60	CHANDER MOHAN	Inspector- Quality Control	12.11.2010
61	DEVENDRA SINGH	Inspector- Quality Control	18.07.2011
62	HEMANT KR. SHARMA	Draughtsman- Research and Development	06.06.2011
63	Naresh Kumar	Draughtsman- Research and Development	16.09.2008
64	Anil Raghav	Store Keeper- Materials & Stores	04.04.2006
65	Tarun Kumar Yadav	Graduate Engineer Trainee-Research and Development	04.01.2010
66	FEROJ KHAN	Graduate Engineer Trainee-Research and Development	01.02.2011
67	BALWAN SINGH	Graduate Engineer Trainee	04.04.2011
68	JITENDER KUMAR	supervisor- Production	01.06.2011
69	Sukhender Singh	Worker- Production	08.07.2003
70	Ravinder Pal	Worker- Production	08.07.2003
71	Janak Raj Jatav	Worker- Production	08.07.2003
72	Pramod Kumar	Worker- Production	08.07.2003
73	Sobaran Singh	Worker- Production	08.07.2003
74	Tuntun Ram	Worker- Production	08.07.2003
75	Hari Chand	Worker- Production	09.07.2003
76	Vinod Kumar Tiwari	Worker- Production	10.07.2003
77	Deena NathYadav	Worker- Production	14.07.2003
78	Dev Singh Rathore	Worker- Production	15.07.2003
79	K Vishawnathan	Worker- Production	03.06.2005
80	LiluThapa	Worker- Production	04.06.2005
81	Kamlesh Kumar	Worker- Production	02.07.2005
82	ShyamLalYadav	Worker- HR & Admin	05.07.2005
83	Anil Kumar Raghav	Worker-Production	01.09.2005
84	Ram Parvesh	Worker-Production	01.04.2006
85	Dinesh Kumar Yadav	Worker-Production	01.04.2006
86	Suresh Yadav	Worker-Production	01.04.2006
87	Kunal Kishore	Worker-Production	01.04.2006
88	SantoshGiri	Worker-Production	01.04.2006
89	SantoshPaswan	Worker-Production	01.04.2006
90	Ram Suresh	Worker-Production	01.04.2006
91	SardaNand	Worker-Production	03.04.2006
92	Grind Pal Singh	Worker-Production	03.04.2006
93	Amar Singh	Worker-Production	01.05.2006
94	Akhilesh Singh	Worker-Production	01.05.2006
95	Sadaveer.	Worker-Production	01.05.2006
96	Guddu Singh	Worker-Production	01.05.2006
97	Kumedan.	Worker-Production	01.06.2006

98	Anil Giri	Secretary-HR & Admin	24.10.2006
99	Umesh Chand	Worker-Production	01.09.2007
100	Rajesh Kumar	Worker-Production	24.10.2007
101	YogenderPratap Singh	Worker - HR & Admin	01.07.2008
102	Yusuf Khan	Worker- Finance & Account	01.11.2008
103	RamnayanVerma	Worker-Production	01.01.2009
104	Arjun Singh	Worker-Production	01.01.2009
105	Jasraj	Worker-Production	01.04.2009
106	Anil Kumar	Worker-R & D	01.04.2009
107	Kali Charan	Worker-Production	01.04.2009
108	Jabed	Worker- Production	01.06.2009
109	Jaitun	Worker- Production	01.06.2009
110	ARSHAD	Worker- Production	01.04.2010
111	AAS MOHAMAND	Worker- Production	01.04.2010
112	GAURAV KUMAR	Worker- Production	01.06.2010
113	KHAJAN SINGH	Gardener	01.08.2010
114	NARENDER KUMAR	Electrician	24.01.2011
115	ABHISHEK KUMAR	OPERATOR	01.03.2011
116	BHOLA NATH SUKLA	OPERATOR	02..05.2011
117	RAM KUMAR	OPERATOR	02.05.2011
118	PUNCH PRAKASH	OPERATOR	02.05.2011
119	SANTOSH KUMAR	OPERATOR	11.05.2011
120	RAM KHILARI	ELECTRICIAN	19.05.2011
121	MANJEET KUMAR	WORKMAN	01.06.2011
122	PRADEEP	OPERATOR	13.07.2011
123	ARSHAD KHAN	STORE HELPER	01.10.2011
124	AJIT SINGH	DRIVER	01.10.2011
125	RAMESH PRASAD CHAMOLI	DRIVER	01.10.2011
126	AJAY TIWARI	SEC. GUARD	01.10.2011
127	MADAN PAL	DRIVER	01.10.2011
128	LAXMAN DUTT	DRIVER	01.10.2011

**Transferor's unit at Haridwar, [Perfect Radiators and Oil Coolers Private Limied Khasra No. 1519, Village silampur, Mehdood-II, Pargana Roorki, Tehsil and Dist. Haridwar, Uttrakhand]**

S. No.	EMPLOYEE'S NAME	DESIGNATION	DATE OF JOINING
1	Mr. Singupurapu Satyanarayana	Senior General Manager	04.07.2011
2	Mr. Hemant Kumar Sharma	Assistant General Manager	21.11.2011
3	Mr. Sateesh Gedupudi	Assistant General Manager	15.12.2011
4	Mr. Anuj Sharma	Senior Engineer	23.08.2010
5	Mr. Dinesh Kumar	Senior Engineer	07.09.2010
6	Mr. Paramjit Singh	Senior Manager	29.10.2010
7	Mr. Deepak Vij	Senior Manager	01.01.2012
8	Mr. SharadSachan	Deputy Manager	01.10.2011
9	Mr. Bhagwati Prasad Uniyal	Senior Executive	27.06.2011
10	Mr. Sitender Kumar	Senior Engineer	12.09.2011
11	Mr. Virendra Vir Vikram Singh	Senior Engineer	03.10.2011
12	Mr. LalBahadur	Assistant Engineer	05.07.2011
13	Mr. Omveer Singh	Junior Officer	05.05.2006
14	Mr. Rahul Tanwar	Graduate Engineer Trainee	1.11.2010

In the High Court at Judicature for Rajasthan

At Jaipur Bench, Jaipur

S.B. Company Application No. 50/2012

In the matter of the Companies Act, 1956

And

In the matter of sections 391 to 394 of the Companies Act, 1956

And

In the matter of Scheme of Arrangement between Lloyd Electric and Engineering Limited and Perfect Radiators and Oil Coolers Private Limited

**Lloyd Electric and Engineering Limited**

a company incorporated under the Companies Act, 1956  
and having its registered office at A-146(B&C),  
RIICO Industrial Area, Bhiwadi, District Alwar,  
Rajasthan-301019

.....the Applicant Company

**FORM OF PROXY**

I/We, the undersigned, being the secured creditor of the Applicant Company hereby appoint/s \_\_\_\_\_ of \_\_\_\_\_, and failing him/her \_\_\_\_\_ of \_\_\_\_\_, as my/our proxy, to act for me/us at the meeting of the secured creditors to be held at A-146 (B&C), RIICO Industrial Area, Bhiwadi, District Alwar, Rajasthan-301019 on Saturday, the 24th day of November, 2012 at 11.30 A.M, for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the scheme of arrangement of Lloyd Electric and Engineering Limited and Perfect Radiators and Oil Coolers Private Limited and at such meeting and any adjournment or adjournments thereof, to vote, for me/us and in my/our name \_\_\_\_\_ [insert either 'for' if for or 'against' if against] the scheme of arrangement between Lloyd Electric and Engineering Limited and Perfect Radiators and Oil Coolers Private Limited either with or without modification as my/our proxy may approve.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Name: \_\_\_\_\_

Signature of Secured Creditor: \_\_\_\_\_

Address: \_\_\_\_\_

Signature



Signature of Proxy Holder: \_\_\_\_\_

Note:

- 1) The form of proxy must be deposited at the registered office of the Applicant Company not later than 48 hours before the time for holding the meeting.
- 2) All alterations made in the form of proxy should be initialed.
- 3) Please affix revenue stamp before putting signature.

**LLOYD ELECTRIC AND ENGINEERING LIMITED**

Registered office: A-146(B&C), RIICO Industrial Area, Bhiwadi, District Alwar, Rajasthan-301019

**ATTENDANCE SLIP**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE REGISTERED COUNTER**

I hereby record my presence at the meeting of the secured creditors of Lloyd Electric and Engineering Limited convened pursuant to an order dated October 11, 2012 of the Hon'ble High Court of Rajasthan, Jaipur Bench, Jaipur at A-146 (B&C), RIICO Industrial Area, Bhiwadi, District Alwar, Rajasthan-301019, on Saturday, 24th November, at 11.30A.M.

Name and Address of the Secure Creditor: \_\_\_\_\_

Signature of the Creditor: \_\_\_\_\_

NAME OF THE PROXY HOLDER/AUTHORISED REPRESENTATIVE: \_\_\_\_\_

SIGNATURE OF THE PROXY HOLDER/AUTHORISED REPRESENTATIVE: \_\_\_\_\_

NOTE: Secured creditors attending the meeting in person or by proxy or through authorised representatives are requested to complete and bring the attendance slip with them and hand it over at the registration counter.

## BOOK-POST

*If undelivered, please return to:*

**LLOYD ELECTRIC AND ENGINEERING LIMITED**

**Corporate Office** : 159, Okhla Industrial Estate,  
Phase III, New Delhi - 110020 (INDIA)