

June 25, 2015

To,  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051  
NSE Scrip Code: EMCO

To,  
The Department of Corporate Services  
BSE Limited  
P J Towers, Dalal Street,  
Fort, Mumbai - 400 001  
BSE Scrip Code: 504008

Dear Sirs,

Ref: Clause 36 of the Listing Agreement

Sub: Transfer of Infrastructure Undertaking of EMCO Limited into EMCO Infrastructure Limited, it's Wholly owned Subsidiary (WoS)

1. Please note that the Board of Directors of the Company at its meeting held today i.e. on June 25, 2015, have, inter alia, approved a Scheme of Arrangement ("Scheme") between EMCO Limited ("EMCO" or "the Company" or "the Transferor Company") and EMCO Infrastructure Limited ("EIL" or "the Transferee Company"), a wholly owned subsidiary of the Company and their respective Shareholders and Creditors which inter alia envisages transfer of the Infrastructure Undertaking including all related assets and liabilities into EIL and other consequential matters under the provisions of Sections 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 2013.
2. The Board of Directors of EMCO Infrastructure Limited has also approved the Scheme. EMCO Limited holds 99.90% equity stake of EIL and the balance 0.10% equity stake is held by its another wholly owned subsidiary viz. EMCO Renewable Energy Limited.
3. Considering the growth opportunities in the Infrastructure sector, future funding requirements and creation of a niche Infrastructure company, it is considered desirable to transfer the Infrastructure business of EMCO to EIL.
4. The salient features of the proposed Scheme are as under:
  - a. The Company's Infrastructure Undertaking means and includes undertaking engaged in the business of fabrication and galvanizing of steel structures, erection of substation and transmission lines on Engineering – Procurement – Construction (EPC) / Turnkey Basis and any kind of works or projects on EPC or Build-Operate-Transfer (BOT) or Build-Own-Operate-Transfer (BOOT) or

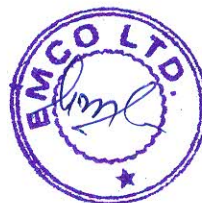


Build-Operate-Own-Maintain (BOOM) basis or any other basis either directly or through subsidiary or joint venture of the Transferor Company, dedicated employees and self-supporting infrastructure would be transferred into EIL for a lump sum consideration of ₹ 418 Crores (Rupees Four Hundred and Eighteen Crores Only) to be paid in cash by EIL.

- b. The Appointed Date of the Scheme would be April 01, 2015.
- c. All assets, liabilities, movable & immovable properties, employees, consents, approvals, licenses, contracts, deeds, right to use the work experience, pre-qualifications, capabilities, legacies, track record (including technical parameters, past performance, financials etc.) of Infrastructure Undertaking will be transferred to EIL.
- d. EMCO would continue with all its other businesses such as Transformers, Energy Meters, Power Generation Business, Coal Mines etc.
- e. There would be no change in the shareholding pattern of EMCO.
- f. No shares will be issued by EIL to the Shareholders of EMCO pursuant to the Scheme.
- g. The Scheme would be effective subject to requisite approvals *inter alia* from Shareholders, Lenders, and regulatory approvals including those from Stock Exchange, SEBI, jurisdictional Registrar of Companies, Jurisdictional Regional Director and Hon'ble Bombay High Court.
- h. Pursuant to the Scheme becoming effective, EIL would continue to remain wholly owned subsidiary of EMCO.

#### 5. Rationale & Object of the Scheme:

- a. Infrastructure Undertaking has ambitious plans for the growth of its business. Transfer of Infrastructure Undertaking to a separate legal entity would facilitate business growth through greater levels of empowerment.
- b. It will enable the Management of the Transferee Company to have focused attention on the Infrastructure business and create increased opportunities for leadership development and a clean structure for fund raising for the Infrastructure business.
- c. The plan includes significant participation in various markets domestic as well as international for which it is necessary to create a robust leadership team and structure to enable funds for future growth of the Infrastructure Business.
- d. Creating a niche in the Infrastructure sector towards building a strong brand image.



- e. Providing greater levels of empowerment to enhance competitiveness, increase accountability and strengthen performance culture.
- f. Facilitating benchmarking with established national / international peers in the Infrastructure sector, thereby bringing in improved efficiency in its operations, enhanced competitiveness & accountability and strengthen performance culture.
- g. Enhancing the overall Shareholders Value.

**6. Valuers / Merchant Banker**

- a. SSPA & Co., Chartered Accountants, Mumbai has issued Report on the Fair Valuation of the Infrastructure Business proposed to be transferred under this Scheme.
- b. Saffron Capital Advisors Private Limited, Merchant Bankers have provided with the Fairness Opinion on the Valuation report adopted under the Scheme;

The Company will file the Scheme and all other documents and information, in the prescribed form, as required under clause 24(f) of the Listing Agreement, with the BSE and NSE in due course of time.

Thanking you,

Yours faithfully,  
For EMCO Limited



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**Ganesh Tawari**  
**Company Secretary & Compliance Officer**

