

# Varroc Engineering Limited

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www.varroc.com  
CIN: L28920MH1988PLC047335



VARROC/SE/INT/2024-25/138

January 10, 2025

To,

The Manager- Listing  
The Listing Department,  
**National Stock Exchange of India  
Limited**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai-400 051.  
NSE Symbol: VARROC

The Manager – Listing  
The Corporate Relation Department,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai-400 001.  
BSE Security Code: 541578  
[Debt: 975062]

**Sub & Ref: Disclosure under Regulation 30 and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and our intimations dated May 17, 2024, May 30, 2024, August 2, 2024, and November 18, 2024, in connection with Amalgamation of Varroc Polymers Limited with Varroc Engineering Limited and their respective Shareholders**

Dear Sir/Madam,

This is in continuation to our captioned intimations, in connection with the Scheme of Amalgamation of Varroc Polymers Limited (“VPL”) with Varroc Engineering Limited (“the Company” or “VEL”) and their respective Shareholders (“Scheme”) under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

This is to inform that the Hon’ble National Company Law Tribunal, Mumbai Bench (“NCLT”), has vide its Order dated January 10, 2025, approved the Scheme of Amalgamation of VPL with VEL and their respective Shareholders. Copy of the Order as available on the website of the Hon’ble NCLT is enclosed herewith and same is also uploaded on the Company’s website i.e. www.varroc.com. We are currently in the process of obtaining a certified copy of the Order from NCLT.

The Petitioner Companies are in the process of complying with the directions issued by the NCLT. The Scheme will become effective upon filing of the certified true copy of the said order with the Registrar of Companies, Mumbai.

We request you to take this on record and treat the same as compliance with the applicable provisions of the Listing Regulations, as amended.

Thanking you,

Yours faithfully,

**For Varroc Engineering Limited**

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**Ajay Sharma**  
**Group General Counsel and Company Secretary**

Encl: A/a



**THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, COURT-1**

**C.P. (CAA)/206(MB) 2024**

**C/w**

**C.A.(CAA)/128(MB)2024**

*In the matter of  
The Companies Act, 2013 (18 of 2013)  
and  
Section 232 r/w Section 230 of  
The Companies Act, 2013 and other  
applicable provisions of the Companies  
Act, 2013  
read with the Companies (Compromises,  
Arrangements and Amalgamations) Rules,  
2016;*

*In the matter of  
Scheme of Amalgamation*

**AND**

**Varroc Polymers Limited**

**CIN: U25209MH1995PLC090037**

**...Petitioner Company 1/**

**Transferor Company**

**Varroc Engineering Limited**

**CIN: L28920MH1988PLC047335**

**...Petitioner Company 2/**

**Transferee Company**



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*(Collectively referred to as 'Petitioner Companies')*

***Order delivered on 10.01.2025***

***Coram:***

**Shri Prabhat Kumar**

Hon'ble Member (Technical)

**Justice V.G. Bisht (Retd.)**

Hon'ble Member (Judicial)

*(Appearances)*

For the Applicant Company : Mr. Hemant Sethi a/w Ms.  
Devanshi Sethi and Ms.  
Tanaya Sethi, Advocate

For the Regional Director : Mr. Bhagwati Prasad,  
Assistant Director, MCA,  
Office of RD

**ORDER**

1. Heard the Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Company Scheme Petition nor has any party controverted any averments made in the Company Scheme Petition, unless otherwise stated.
2. The sanction of this Tribunal has been sought under Sections 232 r/w Section 230 and other applicable provisions of the Companies Act, 2013 ("the Act") to the Scheme of Amalgamation between **Varroc Polymers Limited** ("Transferor



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Company’) and **Varroc Engineering Limited** (‘Transferee Company’) and their respective shareholders (“the Scheme”). The Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

3. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The shares of the Second Petitioner Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).
4. The Transferor Company is engaged in manufacturing of automobile components and the Transferee Company is also engaged in manufacturing of automobile components and caters to customers both in the domestic and international markets.
5. The Board of Directors of the Petitioner Companies, at their respective meetings held on 17 May 2024, approved the Scheme. The Appointed Date fixed under the Scheme is 01 April 2024 or such other date as may be approved by this Tribunal.
6. The rationale mentioned in the Scheme is as under:
  - Amalgamation will provide synergies by strengthening the operational capabilities and streamline operations which will result in efficiency of management and maximization of value for all the stakeholders;
  - Improved creditworthiness, cash flows and debt servicing abilities of the Transferee Company post amalgamation;



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- Pooling and more efficient utilization of the resources, leading to optimum use of infrastructure, cost reduction and efficiencies;
  - Ensuring a streamlined group structure by reducing the number of legal entities in the group, reducing the administrative hassles and multiplicity of inter-alia, legal and regulatory compliances required at present.
7. The Company Scheme Petition was filed in terms of the Order dated 01 August 2024 passed by this Tribunal in the Company Scheme Application No. C.A.(CAA)/128(MB)2024 and the Petitioner Companies have filed the compliance affidavit recording their compliances.
8. The Petitioner Companies submits that the Tribunal admitted the Company Scheme Petition on 28 October 2024 and fixed 29 November 2024 as the date for hearing and final disposal of the Company Scheme Petition. The Petitioner Companies were directed to publish the notice of hearing of the Company Scheme Petition, at least 10 (ten) days before the date fixed for final hearing in 'Indian Express' in English language and 'Loksatta' in Marathi language. The Petitioner Companies have published the notice of hearing and final disposal of the Company Scheme Petition in the said newspapers on 17 November 2024.
9. The Second Petitioner Company is in receipt of letter dated 5th September, 2024 filed by RBI with this Tribunal. In so far as the observations of the RBI in the letter are concerned, the Petitioner



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Companies undertake to comply with the requirements of various laws including the rules, regulations and guidelines prescribed by RBI, viz., Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder ('FEMA'), as may be applicable.

10. The Regional Director has filed his Report dated 04.12.2024 making certain observations and the Petitioner Companies have undertaken/made following submission that :

- (i) The Petitioner Companies shall comply with the provisions set out in Section 232(3)(i) of the Companies Act, 2013 and that the fees and/ or duties paid, including stamp duty, by Transferor Company for its authorized share capital shall be considered as fees and duties paid, including stamp duty, by the Transferee Company in respect of such authorized share capital, and shall be set-off against any fees and duties including stamp duty payable by the Transferee Company in respect of increase in its authorized share capital to that extent, subsequent to the amalgamation.
- (ii) The remaining fee, if any, after setting off the fees already paid by the Transferor Company on its authorized capital, shall be paid by the Transferee Company on the increased authorized capital subsequent to amalgamation.
- (iii) The interest of all the creditors will be protected.
- (iv) The Scheme in compliance of IND AS-103 and shall also comply with all other Accounting Standards applicable at the



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time of making the Scheme effective such as AS-5 or IND AS-8, etc. Further, clause 13 of the Scheme provides the detailed accounting treatment which has also been certified by the statutory auditors of the Second Petitioner Company vide their certificate dated 03 July 2024.

- (v) The Scheme enclosed to the Company Application and Company Petition are one and the same and there is no discrepancy, or no change is made.
- (vi) The approval of the Scheme will not deter the authorities to deal with any of the issue arising after giving effect to the Scheme. The decision of such authorities shall be binding on the Petitioner Companies concerned unless appealed further by the Petitioner Companies in accordance with the law.
- (vii) The Petitioner Companies submits that scheme is in compliance with the applicable requirements of the Circular no. F. No. 7/12/2019/CL-1 dated 21-08-2019 issued by the Ministry of Corporate Affairs.
- (viii) The Petitioner Companies shall comply with the directions of Income Tax Authorities and GST Authorities, if received.
- (ix) The Second Petitioner Company shall comply with applicable Rules, Regulations and Guidelines of FEMA, FERA and RBI. Further, as mentioned in Clause 12 of the Scheme, since the entire issued, subscribed and paid-up share capital of the First



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Petitioner Company is held by the Second Petitioner Company along with its nominees, no consideration shall be payable pursuant to the amalgamation of First Petitioner Company with Second Petitioner Company. Hence, there shall be no issue of shares by the Second Petitioner Company upon coming into effect of this Scheme, and the shares of the First Petitioner Company, whether held in physical form or in electronic form shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter or thing. Accordingly, the provisions of FEMA/FERA Regulations or RBI guidelines will not be triggered.

- (x) The Second Petitioner Company further states that since this Scheme involves amalgamation of a wholly owned subsidiary with its parent company, the requirement of obtaining observation/ no-objection letters, as stipulated under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read SEBI Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is not applicable. Further, in accordance with the provisions of Regulation 37(6) of SEBI Listing Regulations, read with SEBI Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the Transferee Company has provided adequate disclosures to the stock exchanges. Copy of intimation filed with stock exchanges by the Transferee Company in compliance with Circular issued by SEBI, being circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20,





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2023 is annexed to the Company Scheme Petition as an Exhibit 'G'.

- (xi) The First Petitioner Company and the Second Petitioner Company have filed Form BEN - 2 for declaring the name of the significant beneficial owner. The copies of the Form BEN - 2 filed along with copies of challan by the First Petitioner Company and the Second Petitioner Company are enclosed and marked as Exhibit 'B1 (Colly.)' & 'B2 (Colly.)' respectively.
- (xii) The Transferee Company will comply with Income Tax Provisions in relation to proceedings/claims under Income Tax Act against the Transferor Company.
11. Mr. Bhagwati Prasad, Additional Director for the Office of Regional Director (WR), Mumbai appeared on the date of hearing and submits that above explanations and clarifications given by the Petitioner Company in rejoinder are satisfactory and they have no further objection to the Scheme.
12. The Petitioner Companies submits that the Official Liquidator, High Court of Bombay ("OL") has filed its report dated 01 October 2024 whereby it stated that the affairs of the First Petitioner Company have been conducted in a proper manner. Further, OL has sought for clarifications/explanations from the First Petitioner Company which have been duly submitted by the



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First Petitioner Company vide affidavit dated 21 November 2024 and are as follows:

- (i) The First Petitioner Company submits that the amount owed by the First Petitioner Company to the Micro, Small and Medium Enterprises ('MSME') as on 31.03.24 and 31.03.23 is Rs. 433.67 lakhs and Rs. 349.20 lakhs respectively. Further, as on date, the First Petitioner Company has duly paid the outstanding amount as on 31.03.24 and 31.03.23 to the MSME creditors. Enclosed as Exhibit A1 and A2 is copy of the form MSME-1 filed with the Registrar of Companies along with the challan for the financial year 2022-23 and 2023-24. Further the First Petitioner Company submits that, it undertakes to protect the interest of the MSME creditors.
  
- (ii) The First Petitioner Company submits that the delayed payment of interest amounting to Million INR 4.95 on loan given to VarrocCorp Holding B.V. Netherlands is still receivable and has been treated as interest receivable in the financial statements for financial year 2023-24. The First Petitioner Company further submits that it had filed the necessary application with Citibank NA (Authorised Dealer) on 08 December 2023 for writing off of investments in VarrocCorp Holding B.V. Netherlands in form of capital and inter corporate loan, effective 01 December 2023. After successful scrutiny of the documents, Citibank N.A. (Authorised Dealer) had in turn reported the transaction to Reserve Bank of India ('RBI') on 20 December 2023. The said re-structuring was done and reported in accordance with



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Rule 18 of Foreign Exchange Management (Overseas Investment) Rules, 2022. The same was also verified and certified by registered valuer.

13. From the material on record, the Scheme annexed as Exhibit 'F' to the Company Scheme Petition appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy. Since all the requisite statutory compliances have been fulfilled, the said Company Scheme Petition is made absolute in terms of the prayer clauses 40(b) to 40(e) thereof.
14. The Scheme annexed as Exhibit 'F' to the Company Scheme Petition is hereby sanctioned, with the Appointed Date of 01 April 2024. The Transferor Company is dissolved without winding up.
15. The Petitioner Companies are directed to file a copy of this Order along with a copy of the Scheme with the concerned Registrar of Companies, electronically in E-form INC 28 within 30 days from the date of receipt of the certified copy of this Order by the Petitioner Companies.
16. The Petitioner Company to lodge a copy of this Order along with the Scheme duly certified by the Designated Registrar of this Tribunal, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within 60 days from the date of receipt of the certified order from the Registry of this Tribunal.
17. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this Scheme and it shall be



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open to the Income Tax Authorities to take necessary action to deal with, in relation to tax or any other kind of obligations of Transferor Company against the Transferee Company, as permissible under the Income Tax Laws.

18. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Registrar or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
19. Ordered accordingly. File to be consigned to records.

Sd/-

**Prabhat Kumar**  
Member (Technical)

Sd/-

**Justice V.G. Bisht**  
Member (Judicial)