

Varroc Engineering Ltd.

Regd. & Corp. Office

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Waluj, Aurangabad 431
136, Maharashtra, India

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Fax + 91 240 2564540

email: varroc.info@varroc.com
www.varroc.com
CIN: L28920MH1988PLC047335



VARROC/SE/INT/2020-21/49

November 12, 2020

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-400051.

The Manager – Listing
The Corporate Relation
Department,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.

NSE Symbol: VARROC

BSE Security Code: 541578

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in connection with approval of Scheme of Amalgamation of Varroc Lighting Systems (India) Private Limited with Varroc Engineering Limited and their respective Shareholders

Dear Sir/Madam,

This is to inform that the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'), has vide its Order dated November 2, 2020, approved the Scheme of Amalgamation of Varroc Lighting Systems (India) Private Limited with Varroc Engineering Limited and their respective Shareholders. A certified copy of the Order of the NCLT is attached herewith and same is also uploaded on the Company's website i.e. www.varroc.com.

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

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

Thanking you,

Yours faithfully,

For Varroc Engineering Limited

**AJAY KUMAR
SHARMA**

Digitally signed by AJAY KUMAR SHARMA
DN: cn=IN, o=Personal,
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204ae92155ae8623d, postalCode=121004, st=HARYANA,
serialNumber=6874ec243b772feb55e684ac7af69e44bde0b2f
83f14b15f3058c3ed4b3ae, cn=AJAY KUMAR SHARMA
Date: 2020.11.12 15:13:45 +05'30'

Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a

C.P. (CAA) 948/MB-II/2020
C.A. (CAA) 3753/MB-II/2019

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH, COURT II

C.P. (CAA) 948/MB-II/2020

IN

C.A.(CAA) 3753/MB-II/2019

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable
provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation of Varroc Lighting
Systems (India) Private Limited ('VLSIPL' or 'the Transferor
Company') with Varroc Engineering Limited ('VEL' or 'the
Transferee Company') and their respective shareholders

Varroc Lighting System (India) Private Limited , ... First Petitioner Company
Varroc Engineering Limited, ... Second Petitioner Company

Order delivered on 02.11.2020

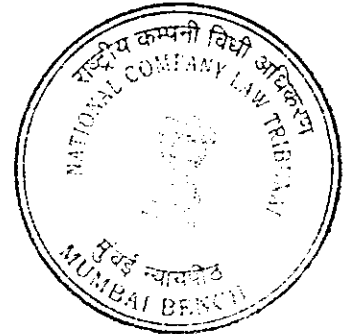
Coram:

Hon'ble Sh. H.P. Chaturvedi, Member (Judicial)

Hon'ble Sh. Ravikumar Duraisamy, Member (Technical)

For the Petitioner(s):

Appearances (through videoconferencing)



For the Petitioner(s)

: Mr. Hemant Sethi i/b

Hemant Sethi & Co., Advocates

For the Regional Director (WR)

: Ms. Rupa Sutar, Deputy Director

ORDER:

Per: RAVIKUMAR DURAISAMY, MEMBER TECHNICAL

1. The court is convened by videoconferencing today.
2. Heard the Learned Counsel for the Petitioner Companies and the representative of the Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition to the said Scheme.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 to the Scheme of Amalgamation of Varroc Lighting Systems (India) Private Limited ('the Transferor Company') with Varroc Engineering Limited ('the Transferee Company') and their respective shareholders.
4. The Petitioners state that the Transferor Company is engaged in the business of design, manufacture and sale of automotive lighting applications mainly head lamps, tail lamps, fog lamps and other automotive lighting products for four-wheeler passenger/ commercial vehicles. The Transferee Company is

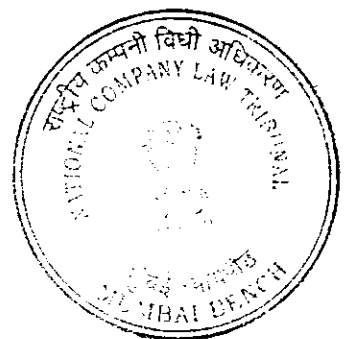


engaged in the business of manufacturing of automobile components and caters to customers both in the domestic and international markets. The Transferee Company and its subsidiaries operate from manufacturing plants and technical development centers across 4 continents and 14 countries spread across the globe. Further, the Transferee Company holds 100% shares in the Transferor Company.

5. The Petitioner Companies states that both the Petitioner Companies believe that the amalgamation would benefit them and its stake holders on account of following reasons:

- i. *Merger of VLSIPL into VEL will provide synergies by strengthening the operational capabilities;*
- ii. *Streamline operations and reduce operational cost by sharing common functions like legal, human resource, finance, etc.;*
- iii. *Better economic and efficient management, control and running of the businesses;*
- iv. *Improved organizational capability and leadership by pooling human capital resource with diverse skills, talent and experience. The consolidation would enable the business units of VLSIPL and VEL to leverage on talent pool to compete successfully in an increasingly competitive industry.*

6. The Petitioner Companies have approved the said Scheme by passing the Board Resolutions at their respective board meeting held on 12th November 2019 which are annexed to the Company Scheme Petition.



7. The Learned Counsel for the Petitioner Companies state that the Joint Company Petition has been filed in consonance with the order dated 20th February 2020 passed by the National Company Law Tribunal, Mumbai Bench in the Company Application bearing C.A.(C.A.A.)/3753/MB/2019.
8. The Learned Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of this Tribunal and they have filed necessary affidavits of compliance. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements if any, as required under the Companies Act, 2013 and the Rules made there under whichever is applicable. The said undertaking is accepted.
9. The Regional Director has filed a Report dated 11th day of August 2020, based on the report issued by ROC, Pune, stating therein, save and except as stated in paragraph IV, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV of the said Report, the Regional Director has stated that: -

“IV. The observations of the Regional Director on the proposed Scheme to be considered by the Hon’ble NCLT are as under:



- a. *(a) In compliance of AS-14 (Ind AS 103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (Ind AS-8) etc.*
- b. *As per Definition of the Scheme,*

"Appointed Date" means 1st day of April, 2020.

"Effective Date" means the date on which certified copy(s) of the Order of the Hon'ble National Company Law Tribunal or any other appropriate authority as prescribed under Section 230-232 of the Act sanctioning this Scheme are filed by the Transferor Company and Transferee Company with the Registrar of Companies, Pune, and Registrar of Companies, Mumbai, respectively.

In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.

Further, the Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-1, dated 21.08.2019 issued by the Ministry of Corporate Affairs.



- c. *Petitioner Company have to undertake to comply with section 232(3)(i) of the Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorised capital shall be set-off against any fees payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to affirm that they comply the provisions of the section.*
- d. *In view of the observation raised by the ROC Pune, mentioned at para 10 above Hon'ble NCLT may pass appropriate order as deem fit;*
- e. *The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.*
- f. *As the Petitioner Companies are listed, hence, the petitioner be directed to file an affidavit to the extent it has complied with the directions of issued vide letter No. DCS/AMAL/AJ/R37/1060/2017-18 dated 08.03.2018 and NSE/LIST/14769 dated 12.03.2018, by BSE and NSE respectively;*
- g. *Regarding clause 21.9 of the Scheme the shares sought to be issued to the non-resident equity shareholders the Share Exchange price and price per share arrived should be ~~minimum~~*



of fair price determined as per FEMA guidelines. Hence, valuer should certify that the price per share is as per FEMA guidelines

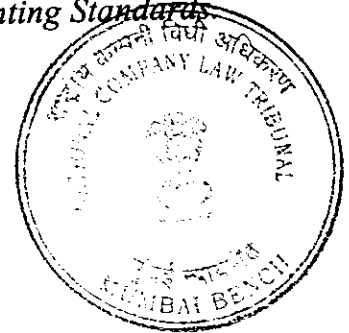
- h. Certificate of Auditor under Section 133 of the companies Act, 2013 has not been provided. Petitioner Company may be asked to submit the same.*

Save and except stated in Para IV (a) to (h) above, the Regional Director prays this Hon'ble Tribunal may kindly be pleased to:

- a. Take this representation on record;*
b. Consider the observations made at Sr. No. IV (a) to (h) mentioned above; and
c. Pass such other order or orders as deemed fit and proper in the facts and circumstances of the case.

10. In response to the report of the Regional Director, the Petitioner Companies have filed Affidavit in Rejoinder dated 12th August, 2020 and have clarified as under:

- a. Apropos observation made in paragraph IV (a) of the Report of Regional Director is concerned, the Petitioner Companies undertake that they will comply with all the applicable Accounting Standards. Further, in addition to compliance with the applicable Accounting Standards, the Transferee Company shall pass such Accounting entries as may be necessary in connection with the Scheme to comply with other applicable Accounting Standards.*



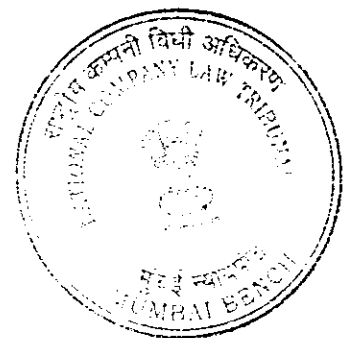
- b. *Apropos observation made in paragraph IV (b) of the Report of Regional Director is concerned, the definition as stated in the Scheme read as under:*

"1.2. "Appointed Date" means 1st day of April, 2020;"

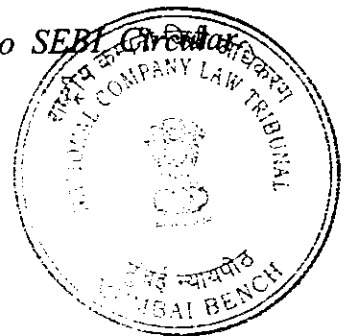
"1.3. "Effective Date" means the date on which certified copy(s) of the Order of the Hon'ble National Company Law Tribunal or any other appropriate authority as prescribed under Section 230-232 of the Act sanctioning this Scheme are filed by the Transferor Company and Transferee Company with the Registrar of Companies, Pune, and Registrar of Companies, Mumbai, respectively;

Further, the Transferee Company confirms that as per Clause 1.2 of the Scheme, "Appointed Date" for the purpose of this scheme means 1st day of April 2020. Further, Clause 2 of the Scheme specifies that the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date. In this regard, it is submitted that, in terms of provisions of section 232(6) of the Companies Act, 2013, the Scheme shall be deemed to be effective from 1st day of April 2020 i.e. the Appointed Date. Accordingly, the effective date is not in contravention with the provisions of section 232(6) of the Companies Act, 2013.

Further Petitioner Companies confirm and undertake to comply with the requirements and clarifications vide Circular No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs to the extent applicable.



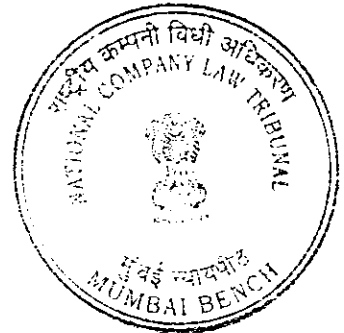
- c. *Apropos observation made in paragraph IV (c) of the Report of Regional Director is concerned, the Petitioner Companies confirm and undertake to comply with the provisions of section 232(3)(i) of Companies Act, 2013 subsequent to the amalgamation.*
- d. *Apropos observation made in paragraph IV (d) of the report of Regional Director is concerned, the Transferor Company undertake that the charges are on account of enhancement in the overall limit of the existing working capital (fund and non-fund based) facility of the Transferor Company from Rs. 7 Crore to Rs. 20 Crore. Further, as provided in clause 4.2.1 of the Scheme, with effect from the Appointed Date, all assets of the Transferor Company shall vest in the Transferee Company along with existing charges and pledges, if any. In this regard, the necessary filings made with the ROC along with relevant attachments were provided to the Regional Director.*
- e. *Apropos observation made in paragraph IV (e) of the report of Regional Director is concerned, the Petitioner Companies states that this Tribunal, vide its order dated February 20, 2020, had dispensed with the requirement of convening the meeting of the equity shareholders and creditors of the Transferor Company as well as the Transferee Company. Further, the Transferor Company submits that, pursuant to the directions given by this Tribunal in the said order, it had issued notices to all its creditors and have not received any representation till date from any of the Creditors.*
- f. *Apropos observation made in paragraph IV (f) of the report of Regional Director is concerned, the Second Petitioner Company, which is a listed company states that pursuant to SEBI Circular*



CFD/DIL3/CIR/2017/21 dated March 10 2017 and CFD/DIL3/CIR/2018/2 dated January 3, 2018, the Second Petitioner Company, by their letter dated November 13, 2019, had filed a copy of the Scheme with the BSE Ltd and the National Stock Exchange of India Limited. Copies of the letter filed with BSE and the National Stock Exchange of India Limited were provided to the Regional Director. The Second Petitioner Company further states that the letter No. DCS/AMAL/AJ/R37/1060/2017-18 dated 08.03.2018 and NSE/LIST/14769 dated 12.03.2018, by BSE and NSE respectively, seems to have been erroneously mentioned in the RD report, as the Second Petitioner Company has not received any such letters from either BSE or NSE.

- g. Apropos observation made in paragraph IV (g) of the report of Regional Director is concerned, the Petitioner Companies states that clause 11.1 and 11.2 of Part III of the Scheme reads as under:*

“11.1 Since the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation of Transferor Company into Transferee Company. Accordingly, there shall be no issue of shares by the Transferee Company upon coming into effect of this Scheme, and the shares of the Transferor 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.

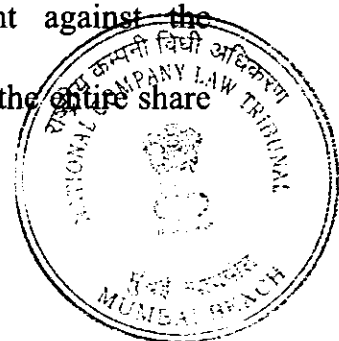


11.2 Further, upon coming into effect of this Scheme, the investment in the shares of the Transferor Company, appearing in the books of account of the Transferee Company, shall stand cancelled."

Further, the Transferee Company confirms that as per Clause 11.1 of the Scheme, no consideration shall be payable pursuant to the amalgamation and no shares shall be issued by the Transferee Company upon the Scheme coming into effect. Accordingly, the requirement of complying with the FEMA guidelines in relation to Share Exchange price and fair price per share does not arise. The Petitioner Companies further state that reference to clause 21.9 of the Scheme seems to have been erroneously mentioned in the RD report, as there is no such clause in the Scheme.

h. Apropos observation made in paragraph IV (h) of the report of Regional Director is concerned, the Petitioner Companies state that the certificate under section 133 of the Companies Act, 2013 was attached as Annexure 'O' to the reply letter dated July 27, 2020 submitted by the First Petitioner Company in response to the letter issued by the Regional Director. Copy of the auditor certificate was also annexed to the company application and company petition.

11. The Regional Director has filed its Supplementary Report dated 14th August, 2020 taking into consideration report issued by ROC Mumbai. ROC Mumbai in their report have brought out that there are no investigation/inspection/inquiry proceedings and complaint against the present scheme. ROC Mumbai has made an observation that the entire share



capital of the Transferor Company is held by the Transferee Company and its nominee.

12. The observations made by the Regional Director mentioned in para 9 above have been explained by the Petitioner Companies in Para 10 above. Further, the Petitioner Companies have also filed affidavit in rejoinder to the report of Regional Director with the Tribunal on 12th August 2020. The clarifications and undertakings given by the Petitioner Companies are accepted by the Tribunal.

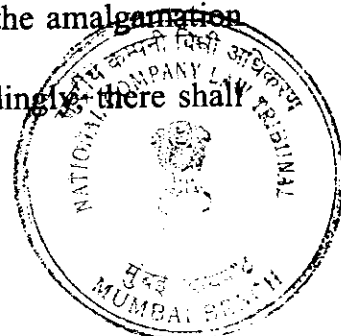
13. In view of certain observations made in the Report of RD especially para IV e,f and g the matter was listed for clarification on 06.10.2020 and the Ld Counsel clarified the points. However, the bench felt it appropriate to obtain clarification from RD and Dy Director representing RD sought some time to reply. Accordingly, the matter was posted on 16.10.2020 and RD/Dy director confirmed verbally, that the above observations crept in inadvertently, by mistake and the same may be ignored in this case. Further, Dy Director also confirmed that no objection for sanction of the scheme as prayed for.

14. The Official Liquidator has filed his report dated 7th August 2020 inter alia, stating therein that the affairs of the transferor Company have ~~not been~~



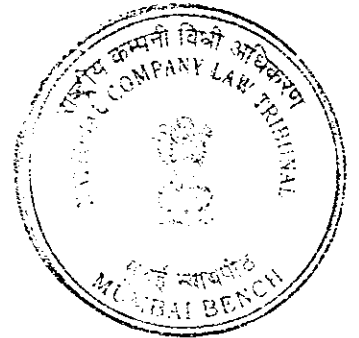
conducted in a manner prejudicial to the interest of its members or to the public interest.

15. The Jurisdictional Income Tax Department of the Petitioner Companies have filed their replies in relation to the Scheme, stating therein the details of pending assessments and appeals and praying that the fact of the pending assessments / appeals be taken into consideration by this Tribunal while passing the amalgamation order.
16. The Petitioners submit that all tax issues arising out of the Scheme will be met and answered in accordance with law.
17. From the material on record, the Scheme appears to be fair and reasonable and is not contrary to public policy.
18. All the assets and liabilities including taxes and charges, if any and duties of the Transferor Company, employees shall pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company.
19. Since the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation of Transferor Company into Transferee Company. Accordingly, there shall



be no issue of shares by the Transferee Company upon coming into effect of this Scheme, and the shares of the Transferor 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. Further, upon coming into effect of this Scheme, the investment in the shares of the Transferor Company, appearing in the books of account of the Transferee Company, shall stand cancelled.

20. Since all the requisite statutory compliances have been fulfilled, C.P. (CAA) 948/MB-II/2020 is made absolute in terms of prayer clause of the Company Petition. First Petitioner Company / Transferor Company is ordered to be dissolved without winding up.
21. The Petitioners are directed to file a certified copy of this Order along with the copy of Scheme with the concerned Registrar of Companies, electronically, in e-form INC-28 within 30 days from the date of receipt of the Order duly certified by the Registry of this Tribunal.
22. As a complete information dissemination/disclosure to all Shareholders, Creditors, Government Authorities, other stakeholders the petitioner companies are directed to publish immediately the approval granted by this Tribunal for the scheme in the same newspapers in which previous



publication was made. Further copy of this order shall also be hosted on the website of the respective petitioner companies.

23. The Petitioners shall lodge a copy of this order duly certified by the Registry of this Tribunal along with Scheme, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within a period of 60 days from the date of the receipt of the order by the Transferee Company.
24. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

Sd/-
RaviKumar Duraisamy
Member(Technical)

Sd/-
H.P Chaturvedi
Member (Judicial)



Certified True Copy
Date of Application 04 NOV 2020
Number of Copies 15
Fee of 75
Application copy on 09.11.2020
Copy of 09.11.2020


Joint Registrar
National Company Law Tribunal Mumbai Bench

SCHEME OF AMALGAMATION
OF
VARROC LIGHTING SYSTEMS (INDIA) PRIVATE LIMITED
[CIN: U31401PN2012PTC142539]
(Transferor Company)
WITH
VARROC ENGINEERING LIMITED
[CIN: L28920MH1988PLCo47335]
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS
(Under Sections 230-232 of the Companies Act, 2013)

PREAMBLE

The Scheme of Amalgamation ("Scheme") is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013. The Scheme provides for the amalgamation of Varroc Lighting Systems (India) Private Limited ("VLSIPL", or 'the Transferor Company') with Varroc Engineering Limited ("VEL", or 'the Transferee Company') and their respective shareholders.

Rationale for the Scheme.

1. The Transferor Company is engaged in the business of design, manufacture and sale of automotive lighting applications mainly head lamps, tail lamps, fog lamps and other automotive lighting products for four-wheeler passenger/commercial vehicles. The Company has one manufacturing plant in Pune, India and sells primarily in India.
2. The Transferee Company is a publicly listed company with its shares listed on the National Stock Exchange and Bombay Stock Exchange. It is engaged in the business of manufacturing of automobile components and caters to customers both in the domestic and international markets. The Transferee Company and its subsidiaries operate from manufacturing plants and technical development



centers across 4 continents and 14 countries spread across the globe. The Transferee Company holds 100% shares in the Transferor Company.

3. The Board of Directors of the Transferor Company and Transferee Company anticipate the following benefits pursuant to amalgamation of both the Companies:

- Merger of VLSIPL into VEL will provide synergies by strengthening the operational capabilities;
- Streamline operations and reduce operational cost by sharing common functions like legal, human resource, finance, etc.;
- Better economic and efficient management, control and running of the businesses;
- Improved organizational capability and leadership by pooling human capital resource with diverse skills, talent and experience. The consolidation would enable the business units of VLSIPL and VEL to leverage on talent pool to compete successfully in an increasingly competitive industry.

This Scheme of Amalgamation is divided into the following parts: -

Part I: Definitions of the terms used in this Scheme and details of the share capital of VLSIPL and VEL.

Part II: Amalgamation of VLSIPL with VEL.

Part III: Consideration for Amalgamation and Accounting Treatment.

Part IV: General Terms and Conditions



PART – I

DEFINITIONS AND SHARE CAPITAL

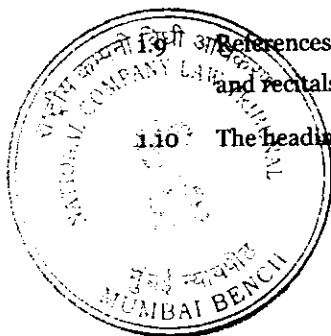
1) DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “The Act”** means the Companies Act, 2013, and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 **“Appointed Date”** means 1st day of April, 2020.
- 1.3 **“Effective Date”** means the date on which certified copy(s) of the Order of the Hon'ble National Company Law Tribunal or any other appropriate authority as prescribed under Section 230-232 of the Act sanctioning this Scheme are filed by the Transferor Company and Transferee Company with the Registrar of Companies, Pune, and Registrar of Companies, Mumbai, respectively.
- 1.4 **“NCLT”** means the National Company Law Tribunal, Mumbai Bench.
- 1.5 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation, in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the NCLT or any other appropriate authority.
- 1.6 **“Transferee Company”** means Varroc Engineering Limited, a publicly listed company incorporated on 11th May, 1988 under the Act, having its registered office at L-4, MIDC, Waluj Aurangabad, Maharashtra - 431136, India.
- 1.7 **“Transferor Company”** means Varroc Lighting Systems (India) Private Limited, a private company incorporated on 13th March, 2012 under the Act, having its registered office at Survey No. 279, Village Mann, Hinjewadi, Pune, Maharashtra - 411057, India.
- 1.8 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, shall have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

1.9 References to clauses and recitals, unless otherwise provided, are to clauses and recitals of and to this scheme.

1.10 The headings herein shall not affect the construction of this scheme.



- 1.11 Any phrase introduced by terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words proceeding those terms.

2) DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme shall be effective from the **Appointed Date** but shall be operative from the Effective Date.

3) SHARE CAPITAL

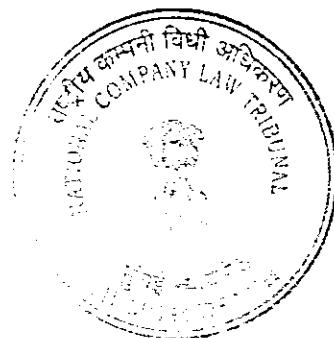
- 3.1 The Share Capital of VLSIPL as per the latest audited balance sheet as on March 31, 2019 is as under:

Particulars	Amount (INR)
Authorized Capital	
4,50,000 equity shares of INR 10 each	45,00,000
TOTAL	45,00,000
Issued, Subscribed and Paid-up	
4,39,997 equity shares of INR 10 each	43,99,970
TOTAL	43,99,970

The Share Capital of VLSIPL as per the latest unaudited balance sheet as on September 30, 2019 is as under:

Particulars	Amount (INR)
Authorized Capital	
4,50,000 equity shares of INR 10 each	45,00,000
TOTAL	45,00,000
Issued, Subscribed and Paid-up	
4,39,997 equity shares of INR 10 each	43,99,970
TOTAL	43,99,970

Subsequent to the Balance Sheet date, there has been no change in the issued, subscribed and paid-up capital of VLSIPL.



- 3.2 The Share Capital of VEL as per the latest audited balance sheet as on March 31, 2019 is as under:

Particulars	Amount (INR)
Authorized Capital	
25,00,00,000 equity shares of INR 1 each	25,00,00,000
25,00,00,000 preference shares of INR 1 each	25,00,00,000
TOTAL	50,00,00,000
Issued, Subscribed and Paid-up	
13,48,11,530 equity shares of INR 1 each	13,48,11,530
NIL preference shares of INR 1 each	NIL
TOTAL	13,48,11,530

The Share Capital of VEL as per the latest unaudited balance sheet* as on September 30, 2019 is as under:

Particulars	Amount (INR)
Authorized Capital	
25,00,00,000 equity shares of INR 1 each	25,00,00,000
25,00,00,000 preference shares of INR 1 each	25,00,00,000
TOTAL	50,00,00,000
Issued, Subscribed and Paid-up	
13,48,11,530 equity shares of INR 1 each	13,48,11,530
NIL preference shares of INR 1 each	NIL
TOTAL	13,48,11,530

* Limited review report filed with the stock exchange on November 12, 2019

Subsequent to the Balance Sheet date, there has been no change in the issued, subscribed and paid-up capital of VEL.



PART – II

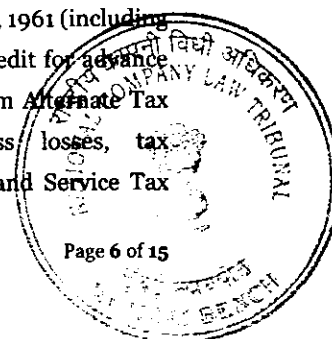
AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

4) TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANY

4.1 Upon the coming into effect of the Scheme and with effect from the Appointed Date, the entire business and the whole of the undertaking of the Transferor Company shall, pursuant to the sanction of the Scheme by the NCLT and pursuant to the provisions of sections 230-232 and other applicable provisions, if any, of the Act, be and hereby stand transferred to and vested in and/or be deemed to have been transferred to and vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the estate, assets, liabilities, rights, title, interests and authorities of the Transferee Company, by virtue of and in the manner provided in this Scheme.

4.2 Without prejudice to the generality of the above clause 4.1:

4.2.1 With effect from the Appointed Date, the entire business and whole of the undertaking of the Transferor Company, including but not limited to land and building (whether owned or leased), office space, Information and Communications Technology (ICT) equipments (whether owned or leased), plant and machinery (whether owned or leased), computers, computer software, furniture and fixture, office equipments, leasehold improvements, electrical fittings, vehicles, work in progress of all kinds (whether tangible or intangible), receivables (including government refunds and dues), inventories of all kind, cash and bank balances, investments of all kinds, loans, advances, contingent right or benefits, receivables, benefit of any deposits, financial assets, leases, leasing contracts and assets, hire purchase contracts and assets, lending contracts, employment agreements, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts, licenses, development rights, whether vested or potential and whether under agreements or otherwise, tenancies and all advantages of whatsoever nature and whosoever situated belonging to or enjoyed by the Transferor Company, including but without being limited to trade and service names and marks, patents, copyrights, designs and other intellectual property rights of any nature whatsoever, authorizations, benefits, including but not limited to the benefit(s) under Income tax Act, 1961 (including tax relief under the Income tax Act, 1961 such as credit for advance tax, TDS, TCS, Dividend Distribution tax, Minimum Alternate Tax (MAT), unabsorbed depreciation and Business losses, tax holidays/exemptions, etc.), Custom duties, Goods and Service Tax



(including benefit of any unutilized CENVAT / Service tax / Goods and Service tax credits, export incentives/benefits including but not limited to Duty drawback, MEIS and SEIS, refunds/rebates, export obligations etc.) benefits and permits, approvals, concessions, reliefs, rights to use and avail of assets shall, without any further act, instrument or deed stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, free from all encumbrances, but subject to subsisting charges and pledges, if any.

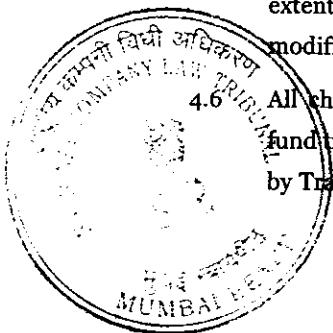
- 4.2.2 All tangible movable assets of the Transferor Company, which are capable of being physically transferred including all movable equipment, computers, software, office equipments and furniture, shall be delivered to the Transferee Company to the end and intent that the property therein passes to the Transferee Company. The Bank balances as appearing in the books of the Transferor Company shall also be transferred to the Transferee Company. Such transfer should be mutually agreed.
- 4.2.3 All immovable properties of the Transferor Company would become the properties of Transferee Company under and pursuant to order of the NCLT approving this Scheme, without requiring the execution of any other deed or document or instrument of conveyance, and the order of the NCLT shall for all purposes be treated as the instrument conveying such properties and assets to Transferee Company.
- 4.2.4 The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Company is a party wherein the assets of the Transferor Company has been or is offered or agreed to be offered as security for any financial assistance or obligations then the same shall be construed as reference only to the assets pertaining to the Transferor Company and shall be vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. Further, the Scheme shall not operate to enlarge the security for any liabilities of the Transferee Company, in as much as the security shall not extend to the assets transferred by the



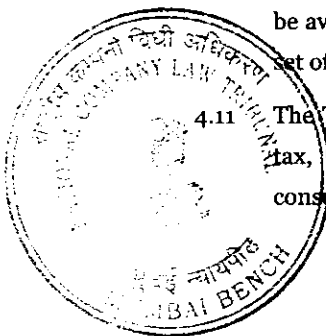
Transferor Company to the Transferee Company in terms of Clause 4.1 above.

- 4.2.5 The liabilities of the Transferor Company shall also, without any further act, instrument or deed be and hereby stand transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this clause.
- 4.3 The Transferee Company may at any time, after the coming into effect of the Scheme in accordance with the provisions of this Scheme, if so required, under any law or otherwise, execute necessary writings, in favour of the creditors of the Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to implement or carry out all such formalities or compliances referred to above on the part of Transferor Company to be carried out or performed.
- 4.4 With effect from the Appointed Date and upon coming into effect of this Scheme, all the rights, licenses, permission, approvals, consent, etc., to carry on the operations and business of the Transferor Company shall 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 in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, consents, registrations or other licenses and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.
- 4.5 The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme shall be in accordance with section 2(1B) of the Income tax Act, 1961. If any terms or provisions of the Scheme are 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 the said section. Such modification will however not affect the other parts of the Scheme.
- 4.6 All cheques and other negotiable instruments, payment order, electronic fund transfers (like NEFT, RTGS, etc.) received or presented for encashment by Transferee Company, which are in the name of the Transferor Company,



after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company or received through electronic transfers. Similarly, the banker of the Transferee Company shall honour all cheques / electronic fund transfer instructions issued by the Transferor Company for payment after the Effective Date. If required, the bankers of Transferor Company shall allow maintaining and operating of the bank accounts (including banking transactions carried out electronically) in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferee Company for presentation and deposition of cheques, pay order and electronic transfers that have been issued/made in the name of the Transferor Company.

- 4.7 Upon the Scheme becoming effective, the Transferor Company and the Transferee Company are expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the Income tax Act, 1961, Customs laws, Goods and Service tax laws and other tax laws, and to claim refunds and/or credit for taxes paid (including tax deducted at source) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.
- 4.8 Any tax liabilities under the Income tax Act, 1961, Customs laws, Director General of Foreign Trade (DGFT), Goods and Service tax laws and other tax laws or other applicable laws/regulations dealing with taxes/duties/levies of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 4.9 Any refund, under the Income tax Act, 1961, Customs laws, Goods and Service tax laws and other tax laws or other applicable laws/regulations dealing with taxes/duties/levies due to Transferor Company consequent to the assessment made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 4.10 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, without limitation income tax, tax deducted at source, Goods and Service tax, etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect. In particular, any MAT credit available to the Transferor Company shall get transferred to and be available to the Transferee Company for being carried forward and being set off against tax on future taxable income.
- 4.11 The Transferee Company is expressly permitted to file/revise their income tax, Goods and Service tax, Custom, VAT and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the



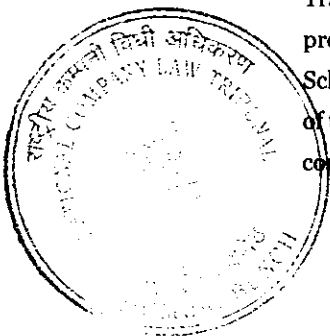
period for filing/ revising such returns may have lapsed. The Transferee Company is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes / transactions from the Appointed Date. It is specifically declared that the taxes/duties paid by Transferor Company with effect from the Appointed Date shall be deemed to be the taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit for such taxes deducted / paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Transferor Company.

5) CONTRACTS, DEEDS, APPROVALS, EXEMPTIONS, ETC.

5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or there under.

5.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities, power of attorney given by, issued to or executed in favor of the Transferor Company shall stand transferred to Transferee Company, as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to Transferee Company. Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

5.3 Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement to which the Transferor Company is a party in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Company.



6) LEGAL PROCEEDINGS

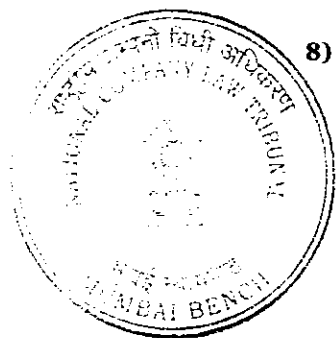
- 6.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/ or arising on or after the Appointed Date and relating to the Transferor Company shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company, if this Scheme had not been made.
- 6.2 Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 6.1 above transferred in its name respectively and to have the same continued, prosecuted and enforced by or against Transferee Company to the same extent as would or might have been continued and enforced by or against the Transferor Company, to the exclusion of the Transferor Company.

7) STAFF AND EMPLOYEES

- 7.1 On the Scheme becoming effective, all employees of the Transferor Company in service on the Effective Date shall be deemed to have become employees of Transferee Company with effect from the Appointed Date without any break, discontinuance or interruption in their service and on the basis of continuity of service, and the terms and conditions of their employment with Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Company on the Effective Date. Transferee Company further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with the Transferor Company shall also be taken into account.
- 7.2 In so far as the existing provident fund, gratuity fund and pension and/ or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits (collectively referred to as the "Funds") created by the Transferor Company, the Funds and such of the investments made by the Funds which pertains/ relates to the employees of the Transferor Company shall be transferred to Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Transferee Company, either be continued as separate funds of Transferee Company for the benefit of the employees of the Transferor Company or be transferred to and merged with other similar funds, if any, of Transferee Company.

8) CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

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



8.1 The Transferor Company undertake to preserve and carry on their business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:

- (a) if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT(s); or
- (b) if the same is expressly permitted by this Scheme; or
- (c) if the prior written consent of the Board of Directors of Transferee Company has been obtained.

8.2 The Transferor Company shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest of the Transferor Company for and on account of, and in trust for Transferee Company.

8.3 All profits and cash accruing to or losses arising or incurred (including the effect of taxes if any thereon), by the Transferor Company, respectively, shall for all purposes, be treated as the profits/ cash, taxes or losses of Transferee Company.

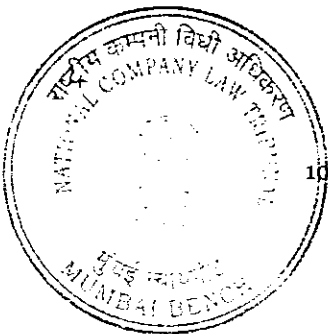
9) SAVING OF CONCLUDED TRANSACTIONS

9.1 The transfer and vesting of the assets, liabilities and obligations pertaining /relating to the Transferor Company, pursuant to this Scheme, and the continuance of the proceedings by or against Transferee Company, under Clause 6 hereof shall not affect any transactions or proceedings already completed by the Transferor Company, on and after the Appointed Date to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and/ or on behalf of the Transferor Company, as acts, deeds and things done and executed by and on behalf of Transferee Company.

10) COMBINATION OF AUTHORISED SHARE CAPITAL

10.1 On coming into effect of this Scheme, the Authorized Share Capital of the Transferor Company of INR 45,00,000/- (Rupees Forty Five Lakhs only) consisting of 4,50,000 (Four Lakhs Fifty Thousand) equity shares of INR 10/- each shall be added to the Authorized Share Capital of the Transferee Company and the Authorized Share Capital of the Transferee Company shall stand enhanced to INR 50,45,00,000/- (Fifty Crore Forty Five Lakhs only) consisting of 4,50,000(Four Lakhs Fifty Thousand) equity shares of INR 10 each, 25,00,00,000 (Twenty Five Crores only) Equity shares of INR 1 each and 25,00,00,000 (Twenty Five Crores only) Preference shares of INR 1 each without any act or deed on part of the Transferee Company including payment of stamp duty and Registrar of Companies' Fee.

10.2 It is hereby clarified that for the purposes of this clause, the consent of the Transferee Company to this scheme shall be deemed to be sufficient for the



purposes of effecting this amendment and that no further resolutions under Sections 13, 14 and 61 of the Companies Act, 2013 or any other applicable provisions of this Act, would be required to be separately passed by the Transferee Company.

- 10.3 It is further clarified that upon the increase of the authorized share capital of the Transferee Company, pursuant to this Scheme, the fees and duties paid by Transferor Company for its authorized share capital shall be considered as fees and duties paid by the Transferee Company in respect of such authorized share capital, and no further fees and duties including stamp duty shall be payable by the Transferee Company in respect of such increase in the Authorized share capital to that extent.
- 10.4 It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum Of Association of the Transferee Company as may be required under the Act, and Clause V(1)(a) of the Memorandum of Association of the Transferee Company shall respectively stand substituted by virtue of the Scheme to read as follows

Clause V(1)(a) of the Memorandum of Association of the Transferee Company:

The Authorised Share Capital of the Company is Rs. 50,45,00,000 (Rupees Fifty Crores Forty Five Lakhs Only) comprising of:

- (a) Rs. 25,00,00,000 (Rupees Twenty Five Crore only) divided into 25,00,00,000 equity shares of Re. 1 each;
- (b) Rs. 45,00,000 (Rupees Forty Five Lakhs only) divided into 4,50,000 equity shares of Rs. 10 each; and
- (c) Rs. 25,00,00,000 (Rupees Twenty Five Crore only) divided into 25,00,00,000 preference shares of Re. 1 each

with power to increase or reduce the capital of the Company and to divided the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.

PART – III

**CONSIDERATION FOR AMALGAMATION AND ACCOUNTING
TREATMENT**

11) CONSIDERATION



11.1 Since the entire issued, subscribed and paid up share capital of the Transferor Company is held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation of Transferor Company into Transferee Company. Accordingly, there shall be no issue of shares by the Transferee Company upon coming into effect of this Scheme, and the shares of the Transferor 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.

11.2 Further, upon coming into effect of this Scheme, the investment in the shares of the Transferor Company, appearing in the books of account of the Transferee Company, shall stand cancelled.

12) ACCOUNTING TREATMENT

12.1 Upon the coming into effect of this Scheme, the amalgamation of the Transferor Company with the Transferee Company shall be accounted for as per Appendix C to the "Indian Accounting Standard (Ind AS) 103 for Business Combinations" prescribed under the section 133 of the Companies Act 2013 as notified under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time.

PART – IV

GENERAL TERMS AND CONDITIONS

13) APPLICATION TO THE NCLT

13.1 Transferor Company and Transferee Company shall, with all reasonable dispatch, make necessary applications to the NCLT pursuant to Sections 230-232 of the Act, for convening and/or seeking exemption to convene meetings of shareholders and creditors, for sanctioning and carrying out of this Scheme and for consequent dissolution of the Transferor Company without winding up and shall apply for and obtain such other approvals, as required by law.

14) MODIFICATIONS/AMENDMENTS TO THE SCHEME

14.1 Transferor Company and Transferee Company by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority, may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). Transferor Company and Transferee Company by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

15) DISSOLUTION OF TRANSFEROR COMPANY



- 15.1 On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up.

16) CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 17.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of the Transferor Company as prescribed under the Act and as may be directed by the NCLT or any other appropriate authority as may be applicable.
- 17.2 The sanction of this Scheme by the NCLT or any other appropriate authority under Sections 230-232 and other applicable provisions, if any of the Act in favor of Transferor Company and Transferee Company.
- 17.3 Certified or authenticated copy of the Order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Pune and Registrar of Companies, Mumbai by Transferor Company and Transferee Company respectively.
- 17.4 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

18 EFFECT OF NON-RECEIPT OF APPROVALS

- 18.1 In the event of any of the said sanctions and approvals referred to in any of the preceding clauses not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, 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 rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

19 COSTS, CHARGES AND EXPENSES

- 19.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of Transferor Company and Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by Transferee Company.

