

Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel +91 240 6653600
Fax +91 240 2564540

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



VARROC/SE/INT/2019-20/61

November 12, 2019

To,

(1) 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

(2) The Manager - Listing

The Corporate Relation Department,

BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol: VARROC

BSE Security Code: 541578

Security ID: VARROC

Dear Sir/Madam,

Ref: Regulation 37(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulation)

Sub: Scheme of Amalgamation of Varroc Lighting Systems (India) Private Limited ("VLSIPL") with Varroc Engineering Limited ("the Company or VEL") and their respective shareholders ('Scheme')

We refer to our letter dated November 12, 2019, submitted under Regulation 30 of the SEBI Listing Regulations, 2015, intimating that the Board of Directors of the Company at its Meeting held on 12th November, 2019, has approved the Scheme of Amalgamation of Varroc Lighting Systems (India) Private ("VLSIPL") 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.

VLSIPL, being the wholly owned subsidiary of VEL, in terms of Regulation 37(6) of the SEBI Listing Regulations, 2015, the provisions of the said Regulation 37 are not applicable to drafts schemes which solely provide for merger of a wholly owned subsidiary with its holding company. Hence, 'No Objection Letter' or 'Observation Letter' on the Scheme is not required to be obtained from the Stock Exchanges on which the equity shares of the Company are listed.

However, in accordance with the provisions of Regulation 37(6) of SEBI Listing Regulations, 2015 read with the provisions of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, such draft schemes shall be filed with the Stock exchanges for the purpose of disclosures and the Stock exchanges shall disseminate the scheme documents on their websites.

Accordingly, the following documents are being filed herewith:



Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel +91 240 6653600
Fax +91 240 2564540

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



- Certified copy of Scheme of Amalgamation of Varroc Lighting Systems (India) Private Limited ("VLSIPL") with Varroc Engineering Limited ("the Company or VEL") and their respective shareholders ('Scheme'); and
- Certified true copy of the Resolution passed by the Board of Directors of Varroc Engineering Limited dated 12th November, 2019, approving the said Scheme.

We request you to take the same on records and acknowledge receipt.

Thanking you,

Yours faithfully,

For Varroc Engineering Limited



Chetan Sharma

Sr. Manager (Legal & Secretarial) & Compliance Officer

Encl : as above

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 [•]

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.

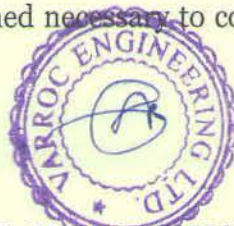
- 4.2.2 All tangible movable assets of the Transferor Company, which are capable of being physically transferred including all movable equipment, computers, software, office equipments and furniture, shall be delivered to the Transferee Company to the end and intent that the property therein passes to 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 INR45,00,000/- (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 INR50,45,00,000/- (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.



DRAFT

Varroc Engineering Ltd.

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel + 91 240 6653700
Fax + 91 240 2564540

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



CERTIFIED TRUE COPY OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF VARROC ENGINEERING LIMITED AT THEIR MEETING HELD ON TUESDAY, NOVEMBER 12, 2019 AT 01:00 P.M. AT MEETING ROOM NO.5,ROOFTOP, HOTEL TRIDENT,NARIMAN POINT,MUMBAI- 400 021MAHARASHTRA.

APPROVAL OF THE DRAFT SCHEME OF AMALGAMATION OF VARROC LIGHTING SYSTEMS (INDIA) PRIVATE LIMITED (WHOLLY OWNED SUBSIDIARY) WITH VARROC ENGINEERING LIMITED

“RESOLVED THAT pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with the relevant Rules of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the National Company Law Tribunal Rules, 2016, including any amendments, statutory modifications or re-enactment thereof for the time being in force, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approvals and sanction of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal") or such other competent authority, as may be applicable and subject to the requisite approval of the shareholders and/or creditors of the Company, Central Government or such other competent authority as may be directed by the NCLT, the approval of the Board be and is hereby accorded to the draft Scheme of Amalgamation of Varroc Lighting Systems (India) Private Limited ("VLSIPL") with Varroc Engineering Limited ("VEL" or "Company") and their respective shareholders (hereinafter referred to as "Scheme");

“RESOLVED FURTHER THAT the draft of the Scheme providing for amalgamation of the VLSIPL with VEL with effect from the "Appointed Date" as defined in the Scheme, placed before the board and initialed by the Chairman of the Meeting for the purposes of identification be and is hereby approved;

“RESOLVED FURTHER THAT as the entire issued, subscribed and paid-up share capital of VLSIPL is directly or indirectly held by VEL, no shares shall be issued by VEL to the shareholders of VLSIPL, pursuant to the Scheme becoming effective.

“RESOLVED FURTHER THAT the certificate from Statutory Auditors of the Company viz. M/s. S R B C & Co LLP, Chartered Accountants, certifying inter-alia that the Scheme is in compliance with all the applicable Accounting



Standards specified by the Central Government under Section 133 of the Companies Act, 2013 as placed before the Board, be and is hereby is accepted and taken on record;

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution,

Sr.	Name	Designation
1.	Mr. Naresh Chandra	Chairman
2.	Mr. Tarang Jain	Managing Director
3.	Mr. T R Srinivasan	Group CFO
4.	Mr. Mandar Ratnaparkhi	Finance Controller
5.	Mr. Satish Mande	Vice President- ER
6.	Mr. Pradeep Patodi	General Manager Corp. Finance
7.	Mr. Chetan Sharma	Sr. Manager Sect. & Legal
8.	Mr. Anil Ghatiya	Authorized Signatory

above (“Authorized Signatories”), all Directors and Company Secretary of the Company be and are hereby authorized severally to take all the necessary actions and steps on behalf of the Company, for affecting the amalgamation, including but not limited to:

- File application with the NCLT seeking directions as to dispensing with the meetings of the shareholders / creditors of the Company and where necessary to take steps to convene and hold such meetings as per the directions of the NCLT;
- Intimate the Stock Exchanges about outcome of the board meeting along with copy of Scheme;
- Finalize and settle the draft of the notices for convening the shareholders' / creditors' meetings and the draft of the explanatory statement under Section 102 of the Companies Act, 2013 or other applicable provisions, if any, with any modifications as they may deem fit, where the shareholders' / creditors' meeting is required to be convened as per NCLT directions;
- File petitions for confirmation of the Scheme by the NCLT or such other competent authority;
- File affidavits, petitions, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants and other professionals and to sign and execute vakalatnama, engagement letters, mandates wherever necessary, and sign and issue public advertisements and notices;

Varroc Engineering Ltd.

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel + 91 240 6653700
Fax + 91 240 2564540

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



- (f) Take all necessary steps in the matter for approving the Scheme and obtaining consent and confirmation for the said Scheme from such other authorities and parties including the shareholders, creditors, lenders as may be considered necessary;
- (g) Apply for and obtain requisite approval and represent before Registrar of Companies, Regional Director, Income-tax authorities, and such other authorities and entities including shareholders, term loan/working capital lenders, financial institution(s), other lenders as may be considered necessary to give effect to the Scheme;
- (h) Make any alterations/ changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme; particularly for satisfying the requirements or conditions imposed by the Central Government or the NCLT or any other authority provided that no alteration which amounts to a material change shall be made to the substance of the Scheme except with the prior approval of the Board of Directors;
- (i) Settle any question or difficulty that may arise with regards to the implementation of the above Scheme, and to give effect to this resolution;
- (j) Suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority or as may be Suo moto decided by the Board in its absolute discretion;
- (k) Sign all applications, petitions, documents, relating to the Scheme or delegate such authority to another person by a valid Power of Attorney;
- (l) Appoint solicitors, advocates, attorneys, pleaders, advisors, valuers, auditors, accountants, registrars or any other agency or agencies, as may be required for the aforesaid purpose, on such terms and conditions as they may deem fit;
- (m) Incur such expenses as may be necessary with regard to the Scheme, including payment of fees to solicitors, advocates, attorneys, pleaders, advisors, valuers, auditors, accountants, registrars and other agencies and such other expenses that may be incidental to the above, as may be decided by them; and
- (n) Do all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto."

"RESOLVED FURTHER THAT for the purpose of exercising any of the above authorities/powers or where any matter or issue concerning the Scheme for giving effect thereto is required to be decided and approved by means of a resolution, the same be approved by the Authorized Signatories and the said Authorized Signatories be and are hereby severally authorized to decide all matters and to do all such acts, deeds, matters and things as may be



Varroc Engineering Ltd.

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel + 91 240 6653700
Fax + 91 240 2564540

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



necessary and settle any questions that may arise concerning the Scheme and transaction and matters relating or incidental thereto."

"RESOLVED FURTHER THAT the seal of the Company, if required, be affixed as per the provisions of the Articles of Association of the Company on all necessary applications, deeds, guarantees, agreements, documents and such other certificates, documents and papers as may be required in the presence of any one of the aforesaid Authorized Signatory(ies), who do sign the same in token thereof and further severally authorized to carry the Common Seal of the Company when the same is required to be affixed, on any document to be executed out of the registered office of the Company as per the provisions of the Articles of Association of the Company."

"RESOLVED FURTHER THAT this resolution shall remain in full force and effect until otherwise amended or rescinded by the Board of Directors.

"RESOLVED FURTHER THAT any Director/ Company Secretary of the Company be and are hereby severally authorized to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned or required."

**■Certified to be true
For Varroc Engineering Limited**

**Tarang Jain
Managing Director
DIN-00027505**

**Date: November 12, 2019
Place: Mumbai**

