

# Varroc Engineering Limited

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www.varroc.com  
CIN: L28920MH1988PLC047335



VARROC/SE/INT/2024-25/51

August 2, 2024

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.  
NSE Symbol: VARROC

The Manager – Listing  
The Corporate Relation  
Department,  
**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai-400001.  
BSE Security Code: 541578  
[Debt: 975062]

Dear Sir/ Madam,

**SUB & REF: Disclosure under Regulation 30 and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and our intimations dated May 17, 2024 and May 30, 2024 in connection with Amalgamation of Varroc Polymers Limited with Varroc Engineering Limited and their respective shareholders**

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

We further wish to inform you that the Company along with VPL filed necessary applications before the National Company Law Tribunal, Mumbai Bench (“NCLT”) for seeking order for dispensing with or convening, holding and/or conducting of the meetings of the respective shareholders, Secured Creditors and Unsecured Creditors, for sanctioning and carrying out of this Scheme. The said Order of NCLT dated August 1, 2024 as received today i.e., on August 2, 2024, is attached herewith and also being uploaded on the Company’s website i.e. [www.varroc.com](http://www.varroc.com). The Petitioner Companies are in the process of complying with the prescribed directions issued by the NCLT.

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.

Yours faithfully,

**For Varroc Engineering Limited**

**Ajay Sharma**  
**Group General Counsel and Company Secretary**  
**Membership No. A-9127**

Encl: A/a



THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

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

*In the matter of*  
*The Companies Act, 2013 (18 of 2013);*  
*And*  
*In the matter of*  
*Sections 232 r/w Section 230*  
*and other applicable provisions of the Companies*  
*Act, 2013 and Rules framed thereunder as in*  
*force from time to time;*  
*and*  
*In the matter of*  
*Scheme of Amalgamation*

**Varroc Polymers Limited**

CIN U25209MH1995PLC090037

...Applicant Company 1/

**Transferor Company**

**Varroc Engineering Limited**

CIN L28920MH1988PLC047335

...Applicant Company 2/

**Transferee Company**

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

***Order delivered on 01.08.2024***

***Coram:***

**Shri Prabhat Kumar**

Hon'ble Member (Technical)

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

Hon'ble Member (Judicial)

***Appearances (through)***

**For the Applicants**

: Mr. Hemant Sethi a/w Ms.  
Devanshi Sethi & Ms.  
Tanaya Sethi, Advocates



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**ORDER**

1. The present scheme is a Scheme of Amalgamation between **Varroc Polymers Limited** ('Transferor Company') and **Varroc Engineering Limited** ('Transferee Company') and their respective shareholders sought under Section 232 r/w Section 230 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable.
2. The Scheme of Amalgamation was approved by the Board of Directors of the respective Applicant Companies in their respective Board Meetings held on 17<sup>th</sup> May 2024. The Board of Directors of the respective Applicant Companies believe that the Scheme is in the best interests of the respective entities and their respective stakeholders including their shareholders, employees, and creditors. The Appointed Date for the Scheme of Amalgamation is 1<sup>st</sup> day of April 2024.
3. The First Applicant Company is engaged in manufacturing of automobile components and the Second Applicant Company is also engaged in manufacturing of automobile components and caters to customers both in the domestic and international markets.
4. The proposed Scheme will be beneficial to the Applicant Companies, their respective shareholders and creditors, employees and other stakeholders and the Rationale for the Scheme is as follows –  
Rationale of the amalgamation:
  - a. *Amalgamation will provide synergies by strengthening the operational capabilities and streamline operations which will result in efficiency of management and maximization of value for all the stakeholders;*



- b. Improved creditworthiness, cash flows and debt servicing abilities of the Transferee Company post amalgamation;*
- c. Pooling and more efficient utilization of the resources, leading to optimum use of infrastructure, cost reduction and efficiencies;*
- d. Ensuring a streamlined group structure by reducing the number of legal entities in the group, reducing the administrative hassles and multiplicity of inter-alia, legal and regulatory compliances required at present.*
5. The Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme becoming effective, no consideration shall be payable by the Transferee Company and the shares of the Transferor Company held by the Transferee Company (or its nominee shareholders) will stand cancelled, without any further act, instrument or deed and pursuant to merger.
6. The share capital of Transferor Company as on 31<sup>st</sup> March, 2024 is as under:

<b>Particulars</b>	<b>Amount (in INR)</b>
<b>Authorized Share Capital</b>	
54,90,000 Equity Shares of INR 10/- each	5,49,00,000
<b>Total</b>	<b>5,49,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
5,29,100 Equity Shares of INR 10/- each, fully paid up	52,91,000
<b>Total</b>	<b>52,91,000</b>

The equity shares of the Transferor Company are not listed on any Stock Exchange. Subsequent to the above date, there has been no change in the authorized, issued and paid up share capital of the Transferor Company.



7. The share capital of Transferee Company as on 31<sup>st</sup> March, 2024 is as under:

Particulars	Amount (in INR)
<b>Authorized Share Capital</b>	
25,45,00,000 Equity Shares of INR 1/- each	25,45,00,000
25,00,00,000 Preference Shares of INR 1/- each	25,00,00,000
<b>Total</b>	<b>50,45,00,000</b>
Issued, Subscribed and Paid-up Share Capital	
15,27,86,400 Equity Shares of INR 1/- each, fully paid up	15,27,86,400
<b>Total</b>	<b>15,27,86,400</b>

There has been no change in the capital structure of the Transferee Company subsequent to 31<sup>st</sup> March, 2024 till the date of approval of the Scheme by the Board of the Transferee Company.

8. The First Applicant Company is a wholly owned subsidiary of the Transferee Company and the Transferee Company holds all the equity shares in the Transferor Company in its name except for 1 equity share each with Six nominee shareholders holding the shares jointly with the Transferee Company as on 31st May 2024. All the Seven Equity Shareholders of the First Applicant Company have given their Consent Affidavits for approval of the scheme. In view of the fact that the First Applicant Company has obtained the Consent Affidavits from all its Equity Shareholders, the meeting of the Equity Shareholders of the First Applicant Company is hereby dispensed with.
9. There are 7 (Seven) Secured Creditors aggregating to Rs. 324.70 Crores (Three Hundred Twenty-Four Crores and Seven Lakh only) and 1742 (One thousand Seven Hundred and Forty-Two) unsecured creditors amounting to Rs. 855,21,01,882/- (Rupees Eight Hundred and Fifty-



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Five Crores, Twenty One Lakh, One Thousand and Eight Hundred and Eighty Two Only) in the Transferor Company as on 31<sup>st</sup> May 2024 in the Applicant Company No.1.

10. The Transferor Company and Transferee Company have a positive net worth of Rs. 646 Crores (Rupees Six Hundred and Forty-Six Crores) and Rs. 891 Crores (Rupees Eight Hundred and Ninety-One Crores) as per their respective audited financial statements for year ended 31st March 2024. Net worth certificates of M/s Tolwani and Associates, Chartered Accountant.
11. As regards the meetings of the Creditors of the First Applicant Company, it is submitted that the proposed Scheme of Amalgamation has no arrangement with the creditors under section 230(1)(a) of the Companies Act, 2013, and post the sanction of the Scheme, the assets of the Transferee Company will be more than sufficient to discharge the secured creditors of the Transferor Company. The net-worth of the Transferee Company is significantly positive and there would not be any material adverse impact on the financial position, post amalgamation of the Transferor Company. It is further submitted that no reconstruction or arrangement is proposed by the Applicant Companies either with its shareholders or with its Secured Creditors or Unsecured creditors, as the case may be. Further, the Scheme involves amalgamation of wholly owned subsidiaries with its Holding Company and is not required to hold meetings of Secured Creditors and Unsecured creditors for approval of the proposed Scheme. The First Applicant Company is directed to send notices to all its Creditors via Courier or Registered Post Acknowledgement Due (RPAD), Hand Delivery and by E-mail, at their last known addresses as per the records of the First Applicant Company, with a clear direction that they may submit their representations, if any, within a period of 30 days from the date of receipt of such intimation to the Tribunal with a copy of such representations to be simultaneously



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served upon the Transferor Company. It will be clear that if no representation is received by this Tribunal, it will be presumed that none of the parties have objected to the scheme. Subject to compliance of the above directions, the meetings of the secured of the Transferor Company are dispensed with.

12. The Applicant Companies submits that for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Amalgamation amongst the Transferor Company and Transferee Company, the Meeting of Equity Shareholders and Creditors of the Transferee Company is to be dispensed with in view of the fact that –

- (i) *The Transferor Company is a wholly owned subsidiary of the Transferee Company;*
- (ii) *No new shares are being issued and therefore the Scheme would not result in any dilution in the shareholding of the Transferee Company;*
- (iii) *There is no reorganisation of the share capital of the Transferee Company since 100% (one hundred percent) share capital of the Transferor Company is held by the Transferee Company and its nominees and because equity shareholders of the Transferee Company are nothing but the shareholders of the Transferor Company;*
- (iv) *Further, the Scheme shall not result in any reorganisation or change in the shareholding of the Transferee Company;*
- (v) *The rights of the Creditors of the Transferee Company are also not affected since there will be no reduction in their claims and the assets of the Transferee Company, post amalgamation, will be more than sufficient to discharge their claims.*
- (vi) *No undertaking of the Transferor Companies is being parted away or being disposed-off and hence provisions of Section 180 of the Companies Act, 2013 are also not applicable.*



13. It is respectfully submitted that the Hon'ble High Court of Judicature at Bombay in the case of **Mahaamba Investments Limited V/s. IDI Limited** (2001) 105 Company Cases page 16 to 18 inter alia observed and held that if the Scheme of Amalgamation provides for no issue of equity shares to the members of the transferor company, being a wholly owned subsidiary of the transferee company and the creditors of the transferee company, are not likely to be affected by the scheme, a separate Petition by the transferee company was not necessary.

1. *Hon'ble National Company Law Appellate Tribunal in the case of **DLF Phase-IV Commercial Developers Limited & Ors**, In Company Appeal (AT) No. 180 of 2019 (Against order passed by Chandigarh Bench);*
2. *Hon'ble National Company Law Appellate Tribunal in the case of **Ambuja Cements Limited**, In Company Appeal (AT) No. 19 of 2021, (Against order passed by Ahmedabad Bench) ;*
3. *Hon'ble National Company Law Appellate Tribunal in the case of **Patel Engineering Limited**, In Company Appeal (AT) No. 137 of 2021, Company Scheme Application No. 911 of 2014 (Against order passed by Mumbai Bench);*
4. *Hon'ble National Company Law Appellate Tribunal in the case of **Reliance Industries Limited**, in Company Appeal (AT) No 109 of 2023 Company Appeal (AT) No. 109 of 2023] dated 11th May, 2023 (Against order passed by Mumbai Bench) in the similar facts have taken similar view.*
5. *Hon'ble National Company Law Appellate Tribunal in the case of **Ericsson India Private Limited** in Company Appeal (AT) No 148 of 2021 dated 18<sup>th</sup> January 2022 (against order passed by Delhi Bench) ;*
6. ***Eurokids India Private Limited** passed by SJ Kathawalla, (J) of Bombay High Court where the filing of the Company application*





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*and Company Petition on behalf of the Transferee/Holding Company was dispensed with;*

14. However, this Bench notice that since the Transferee Company has 12 Secured Creditors amounting to Rs. 895.171 Crores (Eight Hundred and Ninety-Five and One Hundred Seventy-One Crores Only) and 2143 Unsecured Creditors amounting to Rs. 1111,23,65,900/- (One Thousand One Hundred and Eleven Crores Twenty-Three Lakhs Sixty-Five Thousand Nine Hundred Only) in the Transferee Company as on 31<sup>st</sup> May 2024 in the Applicant Company No.2. Therefore, this Bench directs the Applicant Company No. 2 to issue notices to the secured as well as unsecured creditors of the Transferee Company through Speed Post/RPAD, Email and Hand Delivery etc. to file their representation/objection to the present scheme within 30 days before this Tribunal. It is clear that if no representation received from the creditors, it will be presumed that the creditors does not have any objection in approval of the scheme.
15. In view of the above facts and circumstances, the meeting(s) of the Equity Shareholders, Secured Creditors and Unsecured creditors of the Transferee Company are hereby dispensed with.
16. The Applicant Companies are directed to serve notices along with copy of scheme upon: -
- a. The Regional Director, Western Region, Ministry of Corporate Affairs, Mumbai Maharashtra;
  - b. Registrar of Companies, Mumbai;
  - c. Income Tax Authorities within whose jurisdiction the respective applicant companies are assessed to tax;
  - d. Jurisdictional Proper Officer in the GST Department exercising jurisdiction over the Applicant Companies;



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- e. The Official Liquidator; in so far as Transferor Company;  
f. SEBI, RBI and BSE, NSE;  
g. Principal Chief Commissioner of Income tax being the Nodal Authority, at Aayakar Bhavan, Mumbai;

with a direction that they may submit their representations, if any, within a period of 30 (thirty) days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the respective Applicant Companies.

17. The Notice shall be served through by Registered Post-AD, Speed Post, hand delivery and email along with copy of Scheme and state that *“If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities have no objection to the proposed Scheme”*. It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the noticee.
18. The Applicant Companies has filed details of contingent liabilities as well pending litigations of the Transferor Company as well as Transferee Company along with the Company Application. Further, the Applicant companies has enclosed the details of Bank Guarantees extended by Transferor Company as well as Transferee Company.
19. The Applicant Companies to file an affidavit of service within 10 working days after serving to notice to all the regulatory authorities as stated above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

Sd/-

Sd/-

**Prabhat Kumar**  
Member (Technical)

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