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**REDUCTION OF CAPITAL**

**In the matter of Companies Act of 1956 of  
ARIS INTERNATIONAL LIMITED**

**AND**

**THEIR RESPECTIVE MEMBERS  
UNDER SECTION 66 OF THE COMPANIES ACT 2013  
(SECTION 100 TO 104 THE COMPANIES ACT 1956)**

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**THIS SCHEME PROVIDES FOR:**

1. **REDUCTION OF EQUITY SHARE CAPITAL OF ARIS INTERNATIONAL LIMITED (AIL) and**
2. **SPLIT OF SHARES FROM FACE VALUE OF RS.10/- EACH TO Re. 1/- EACH.**

**PART - I**

**1. DEFINITIONS**

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

- a. **'The Act'** means the Companies Act, 2013 as amended from time to time;
- b. **'Appointed Date'** means 01.04.2013 or such other date as may be approved by the High Court of Judicature at Mumbai or such other appropriate authority;
- c. **'AIL'** means M/s. Aris International Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 129-B, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (E) Mumbai, Maharashtra 400072;
- d. **'DSE'** designated stock exchange means a stock exchange which is chosen by the company in accordance with SEBI circular bearing No. CIR/CRD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 and for the purpose of the scheme Bombay Stock exchange is the DSE.
- e. **'Losses'** means the accumulated losses available to the Company to be set off against its Capital.
- f. **'The Court'** shall mean the Bombay High Court judicature at Mumbai,
- g. **'The Effective Date'** for the Scheme of Arrangement shall mean the date on which certified copies of the Order of the respective Hon'ble High Court under Sections 66 of the Companies Act, 2013 (Section 100 - 104 of the Companies Act, 1956) and other applicable provisions of the Companies Act, if any, are filed with the Registrar of Companies; and if the certified copies are filed on different dates, the last of such dates;
- h. **'Record Date'** is any date after the Effective Date to be fixed by the Board of Directors of the company for determining the members of the Company whose shares in the Company will stand reduced in accordance with this scheme;
- i. The words **"shareholder"** and **"member"** are used to denote the same meaning and are used interchangeably;
- j. Reference in the Scheme to **"coming into effect of the Scheme"** or **"effectiveness of the Scheme"** shall mean the Effective Date;

**2. EFFECTIVE DATE AND OPERATIVE DATE**

This Scheme of reduction of capital shall be effective from the Effective Date.



**PART- II**

**3. DETAILS OF THE COMPANY**

**A. Incorporation of the Company**

The Company was incorporated as M/s. Aditya Gears Limited on 21<sup>st</sup> August 1995.

The Company has obtained the certificate of commencement of Business on 23<sup>rd</sup> August 1995.

The Name of the Company Change from M/s. Aditya Gears Limited to M/s. Aris International Limited on 19<sup>th</sup> March 2013.

**B. Present Object of the Company**

1. To carry on the business as manufacturers ; Processors , Designers , Refiners, Formulators, Buyers, Sellers, Traders, Importers, Exporters, Consignors, Consignees, Dealers, Distributors , Suppliers, Stockists, Brokers, Agents, Dealers of any nature and any kind whatsoever of all Gears, Bevel Gears, Transmission Gears, Crown Wheel Pinion , Differential Gears & Pinion. All Automobiles Spare parts, Accessories, Instrument, Hardware Items, Paints, Diesel Oil Engine Spare parts, Iron & Steel items, machinery spares & tools , other equipments related with the automobile industries.
2. To carry on the business in the field of all types of paintings and buy sell, set up and deal online. Create a painting platform , enhance business performance of companies, web development, strategizing, communications implementation, hardware implementation / facilitation, software implementation as well as manpower supply, to engage in India or abroad, with or without foreign collaboration, in the business and activities of provision of Software Design and Development and such other related services in Internet, Intranet, Web-developments and E-Commerce or any other such new technological innovations in Software Industry that may be available from time to time including services in Information Technology field on the basis of permanent recruitment, on-site or off-site or on-shore or off-shore development contracts, processing, formulating, converting, developing, designing, buying, selling, importing, exporting, re-exporting, distributing, program planning, providing computerization services, project planning, production scheduling and such other services related to computer software, hardware, electronic and communication technology, including technology transfer and of developing and patenting any computer or communication systems or peripherals, spares, consumables pertaining to hardware, software and communication systems.

*Rajan Khanna*



3. To carry on the business in the field of information technology to provide web based business solutions services in terms of e-commerce, infrastructure and technology to enhance business performance of companies, web development, strategizing, communications implementation, hardware implementation / facilitation, software implementation as well as manpower supply, to engage in India or abroad, with or without foreign collaboration, in the business and activities of provision of Software Design and Development and such other related services in Internet, Intranet, Web-developments and E-Commerce or any other such new technological innovations in Software Industry that may be available from time to time including services in Information Technology field on the basis of permanent recruitment, on-site or off-site or on-shore or off-shore development contracts, processing, formulating, converting, developing, designing, buying, selling, importing, exporting, re-exporting, distributing, programme planning, providing computerization services, project planning, production scheduling and such other services related to computer software, hardware, electronic and communication technology, including technology transfer and of developing and patenting any computer or communication systems or peripherals, spares, consumables pertaining to hardware, software and communication systems.

**C. Capital Structure of the Company as on 31<sup>st</sup> March, 2013**

Share Capital	Amount in Rs.
<b>Authorised:</b>	
7,000,000 Equity Shares of Rs.10/-each	Rs. 70,000,000/-
<b>Issued:</b>	
46,20,100 Equity Shares of Rs.10/- each	Rs. 46,201,000/-
<b>Subscribed</b>	
46,20,100 Equity Shares of Rs.10/- each	Rs. 46,201,000/-
<b>Paid-up</b>	
46,20,100 Equity Shares of Rs.10/- each	Rs. 46,201,000/-

*Tarun Kumar*



**PART - III**

**4. PURPOSES & RATIONALE FOR THE REDUCTION OF CAPITAL**

The Company has been incurring losses for past couple of years AND due to business Loss and inadequate working capital facilities the present business of the company suffered. The accumulated losses of the Company as on 31<sup>st</sup> March 2013 which amounted to Rs. 45,435,966 /- (Rupees Four crore fifty-four lacs thirty-five thousand Nine hundred and Sixty Six Only) out of the paid up capital of Rs. 46,201,000/-. Around 98% of paid up capital has almost wiped off.

As on 31<sup>st</sup> December 2013 the company suffered losses and the accumulated losses of the Company as on 31<sup>st</sup> December 2013 which amounted to Rs. 4,76,46,448 /- (Rupees Four crore Seventy Six Lacs Forty Six thousand Four hundred and forty eight Only) out of the paid up capital of Rs. 46,201,000/-. Entire paid up capital has almost wiped off

The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed Scheme would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.

**5. PURPOSE OF THE SCHEME:**

**5.1 REDUCTION OF PAID UP CAPITAL AGAINST ACCUMULATED LOSSES**

On the effective date and after securing necessary approvals and permissions, the accumulated losses of Rs. 4,15,80,900/- (Rupees Four Crore Fifteen Lacs Eighty Thousand and Nine Hundred Only) of the Company out of total accumulated Loss of Rs. 45,435,966/- (Rupees Four Crore fiftyfour Lacs Thirtyfive Thousand Nine hundred sixty-six Only) is sought to be set off against the paid up capital of the Company, as a result of which the Subscribed and Fully Paid-up Share Capital of the Company shall stand reduced from Rs. 46,201,000/- (Rupees Four Crore Sixty two Lacs One Thousand Only) divided into 4,620,100 (Forty six Lacs twenty Thousand one hundred) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 46,20,100 (Forty six Lacs twenty Thousand one hundred only) divided into 462,010 (Four Lacs Sixty two Thousand and Ten ) Equity Shares of Rs. 10/- (Rupees Ten only) each.



*Tanvir Khan*

Consequently, every shareholder of the Company, whose name appears on the Register of Members on the Record Date, shall receive 1 (one) Equity Share of Rs.10/- (Rupees Ten each only) in lieu of every 10 (Ten) Equity Shares of Rs.10/- (Rupees Ten Only) each, held earlier in the Company.

For example, a person who is holding 100 (Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.1,000/- (Rupees One Thousand Only) shall hold (after the reduction) 10 (Ten) Equity Shares of Rs.10/- (Rupees ten Only) each aggregating to Rs.100/- (Rupees One Hundred Only).

### **5.2 FRACTIONAL SHARES ON ACCOUNT OF REDUCTION OF CAPITAL**

The reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company. In respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number. For example if shareholder will hold 15.4 shares after reconstruction of capital, it shall be rounded off to 15 shares and the 0.4 shares shall be ignored. However, if the shareholder will hold say 15.5 shares, it shall be rounded off to 16 shares. For the purpose of rounding off, in case it is required, then the promoters will offer their holdings for reduction to the nearest rounding off.

After reduction the capital of the company will not exceed Rs. 4,620,100 (Rupee Fortysix Lacs twenty Thousand one hundred only) divided into 462,010 (Four Lacs Sixty-two Thousand Ten) Equity Shares of RS. 10/- (Ten only) each.

### **5.3. SPLIT OF CAPITAL AFTER REDUCTION OF PAID UP CAPITAL**

Further, the capital of the company of Rs. 4,620,100 (Rupees Forty six Lacs twenty Thousand one hundred only) divided into 462,010 (Four Lacs Sixty two Thousand Ten) Equity Shares of Rs. 10/- (Ten only), will split into capital of Rs. 4,620,100 (Rupee Forty six Lacs twenty Thousand one hundred only) divided into 4,620,100 (Forty six Lacs twenty Thousand one hundred only) equity shares of Re. 1/- (Rupee One only) each.

*Pawan Kumar*



PART -III

**6. CORPORATE ACTION AND OTHER PROVISIONS AT THE TIME OF ISSUE OF SHARES**

- 6.1. The said new Equity Shares issued and allotted by the Company will be in terms of this Scheme shall be subject to the provisions of the Memorandum and Articles of Association of the Company .
- 6.2 The shares to be issued to the members of the Companies shall rank for voting rights and in all other respects pari-passu with the existing Equity Shares of the Company and having same ratio.
- 6.3 New Equity shares of the Company issued may be listed and / or admitted to trading on the Bombay Stock Exchange (BSE) and / or any other Stock Exchange where the shares of Company are listed and / or admitted to trading in terms of the applicable laws and regulations.
- 6.4 The Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities being fulfilled the said Stock exchanges shall list and / or admit such equity shares also for the purpose of trading.
- 6.5 For the purpose of issue of equity shares to the shareholders of the Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Company of such equity shares.
- 6.6 The Equity Shares to be issued by the Company pursuant to this Scheme in respect of Equity Shares which are not fully paid up shall also be kept in abeyance.
- 6.7 The Company, shall issue Equity shares within 90 days from the date of sanction of this scheme by the Hon'ble Court(s) or as early as possible depending upon the situation.
- 6.8 There shall be no change in the shareholding pattern of the Company.
- 6.9 Upon issuance and allotment of the Equity Shares by the Company to its members, the existing Equity Shares held by the members of the Company shall automatically stand cancelled / extinguished.

*Ravi Kumar*



## 7. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

Clause V of the Memorandum of Association and Clause will be read as:

### MOA

V. The Authorised Share Capital of the Company is Rs. 70,000,000. (Rupees seven crore only) comprising of 70,000,000 (Seven crore) Equity Shares of Rs. 1/- each. The Company has power from time to time to increase or reduce its capital and to divide the shares in such capital for the time being into secured classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such right, privileges or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the Company or the legislative provision for the time being in force in that behalf.

### AOA

3(a) The Authorised Share Capital of the Company is as per Clause V of the Memorandum of Association of the Company."

### 8. PENDING CONVERTIBLE WARRANTS INTO EQUITY SHARES

There were no convertible warrants in to equity shares pending for allotment in the company.

### 9. PARTLY PAID UP SHARES

The company does not have any partly paid up shares as on date.

### 10. CANCELLATION OF SHARES

Upon this reduction becoming finally effective, all the shareholders, if so required by the Company, shall surrender their share certificates for cancellation thereof. Notwithstanding anything to the contrary, upon the issue of the new share certificates in the Company to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid, the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The Company may instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of the sanctioning of this

*Tarun Kumar*





Scheme, shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders.

**PART- VI**

**11. DESIGNATED STOCK EXCHANGE**

Bombay Stock Exchange Limited (BSE) is the designated Stock Exchange as per the SEBI Circular CIR/CRD/DIL/5/2013.

**12. MODIFICATIONS, AMENDMENTS TO THE SCHEME:**

The company may assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Scheme or to any conditions or limitations which the respective High Courts or any authorities under the Law may deem fit to approve of or impose and to resolve any doubt or difficulties that may arise for carrying out this Scheme and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Scheme into effect.

For the purpose of giving effect of this Scheme or to any modifications or amendments, thereof, the Directors of the Company may give and are authorised to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

**13. SCHEME CONDITIONAL UPON APPROVALS / SANCTIONS:**

This Scheme is specifically conditional upon and subject to:

13.1. The approval of and agreement to the Scheme by the requisite majority of such Classes of persons of Company as may be directed by the High Court of judicature at Mumbai for the company on the applications made for directions under Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.

13.2. The sanctions of the High Court obtained under Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) and other applicable provisions of the Act, if so required on behalf of the Company.

*Jayaram Kumar*



13.3. Filing certified copies of the court orders referred to in this Scheme with the Registrar of Company.

13.4. Pursuant to this Scheme, the Company shall file the requisite forms with the Registrar of Companies and other statutory authorities.

**14. EFFECTIVE DATE OF THE SCHEME:**

This Scheme of reduction of capital although to come into operation from Appointed Date shall not come into effect until the last of the following dates viz.

14.1. The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and/or orders as are hereinabove referred to have been obtained or passed; and

14.2. The date on which all necessary certified copies of the order under section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) of the Act are duly filed with the Registrar of Companies and such date shall be referred to as Effective Date for the purpose of the Scheme.

**15. REVOCATION OF THE SCHEME**

15.1. In the event of any of the said sanctions and approvals referred to in Clause 14 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Hon'ble High Court or such other appropriate authority and/or order or orders not being passed as aforesaid before 31.03.2015 or such other date as may be agreed upon by the respective Board of Directors of the Company who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect.

15.2. In the event of revocation under clause (a) above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Company or their respective shareholders or employees or any other person if any and in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed.

15.3. Further, the Board of Directors of the Company shall be entitled to revoke, cancel and

*Ravi Kumar*



declare the Scheme of no effect if such boards are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on any of the company.

#### PART-VII

#### **16. APPLICATION TO THE HIGH COURT:**

The Company shall make all applications/petitions under Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) and other applicable provisions of the Act to the High Court of Judicature at Mumbai for sanctioning of this Scheme and obtain all approvals as may be required under law.

The Company shall also with reasonable dispatch make all applications/petitions under Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) and other applicable provisions of the Act to the High Court of Judicature at Mumbai, Maharashtra for sanctioning of this Scheme under the Provisions of Act and obtain all approvals as may be required under law.

#### **17. STATUTORY COMPLIANCES**

Pursuant to this Scheme of reduction, the Company shall file the requisite forms with the Registrar of Companies, Stock Exchanges & other Statutory and other authorities.

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*Pravin Kumar*

