

SCHEME OF REDUCTION OF SHARE CAPITAL

BETWEEN

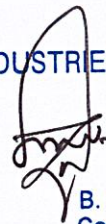
W.S.INDUSTRIES (INDIA) LIMITED

AND

ITS SHAREHOLDERS

**UNDER SECTION 66 READ WITH SECTION 52 AND OTHER APPLICABLE
SECTIONS OF THE COMPANIES ACT, 2013 AND NATIONAL COMPANY LAW
TRIBUNAL (PROCEDURE FOR REDUCTION OF SHARE CAPITAL OF COMPANY)
RULES, 2016**

For W.S. INDUSTRIES (INDIA) LTD.



**B. SWAMINATHAN
Company Secretary**

PREAMBLE OF THE SCHEME:

This Scheme of Reduction of Share Capital is presented by W.S.Industries (India) Limited ("the Company" or "WSIIL"), pursuant to the provisions of Section 66 read with Section 52 and other applicable provisions of the Companies Act, 2013 ("the Act") and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 ("Scheme").

PARTS OF THE SCHEME OF REDUCTION OF SHARE CAPITAL:

The Scheme is divided into the following paragraphs:

- a) **Part 1** which deals with the Definitions and Interpretations;
- b) **Part 2** which deals with details of the Company (including its capital structure);
- c) **Part 3** which deals with reduction of share capital of the Company; and
- d) **Part 4** which deals with the General Clause, other Terms and Conditions

PART 1 - DEFINITIONS AND INTERPRETATIONS

1.1 DEFINITIONS

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

- a. **"Accumulated Losses"** shall mean the losses that have been brought forward from previous years and having such amount as shown in the unaudited standalone financials of the Company as on September 30, 2023;
- b. **"Act"** or **"the Act"** means the Companies Act, 2013 and shall include any rules, regulations, orders, statutory modifications, enactments or re-enactments thereof for the time being in force;
- c. **"Applicable laws"** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority, having the force of law and as applicable to the Company;
- d. **"WSIIL"** or **"the Company"** means W.S.Industries (India) Limited, being a company incorporated on August 23, 1961, under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) of the Company is L29142TN1961PLC004568 and its registered office is situated at 108, Mount Poonamallee Road, Porur, Chennai - 600116, Tamil Nadu, India;
- e. **"Board"** or **"Board of Directors"** means Board of Directors of the Company including any duly constituted committee(s) thereof;

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- f. **"BSE"** shall means BSE Limited;
- g. **"Capital Reserve Account"** means the capital reserve account maintained by the Company and having such amount as shown in the unaudited standalone financials of the Company as on September 30, 2023;
- h. **"Capital Redemption Reserve Account"** means the capital redemption reserve account maintained by the Company and having such amount as shown in the unaudited standalone financials of the Company as on September 30, 2023;
- i. **"Effective Date"** for the Scheme shall mean the date on which the certified copy of the order of the NCLT under Section 66 read with Section 52 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable), is filed with the Registrar of Companies. Any reference in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" or "Scheme coming into effect" shall mean the "Effective Date";
- j. **"Equity Shares"** means fully paid-up equity shares of Rs. 10/- each issued by the Company;
- k. **"Listing Agreement"** shall mean an agreement that is entered into between a recognized stock exchange and an entity, on the application of that entity to the recognized stock exchange, undertaking to comply with conditions for listing of designated securities as per the provisions of the Listing Regulations;
- l. **"Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- l. **"NCLT"** means the Hon'ble National Company Law Tribunal constituted under the Companies Act, 2013, or such other court, tribunal, forum or authority having jurisdiction to sanction the present Scheme and other connected matters as per the law for the time being in force;
- m. **"NSE"** shall means National Stock Exchange of India Limited;
- n. **"RoC"** means Registrar of Companies, Chennai;
- o. **"Rules"** means National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016;
- p. **"Scheme" or "this Scheme" or "the Scheme"** means the present Scheme of Reduction of Share Capital between the Company and its Shareholder and Creditors in its present form or with such alterations(s)/ modification(s) as may be approved, imposed or directed by NCLT;

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- q. **"SEBI"** means the Securities and Exchange Board of India;
- r. **"SEBI Circular"** means SEBI Master Circular No. SEBI/HO/CFD/DILI/CIR/P/2021/0000000665 dated November 23, 2021 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- s. **"Securities Premium Account"** means the securities premium account maintained by the Company in accordance with the provision of Section 52 of the Companies Act, 2013 and having such amount as shown in the unaudited standalone financials of the Company as on September 30, 2023;
- t. **"Shareholders" or "the Shareholder"** means a person registered (whether registered owner of the shares or the beneficial owner of shares) as holders of the equity share capital in the Register of members of the Company. The word "Shareholder" and/ or "Member", wherever mentioned, are used to denote the same meaning and are used interchangeably;
- u. **"Stock Exchanges"** means the stock exchanges where the equity shares of the Company are listed and admitted to trading, viz, BSE And NSE;

All terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Securities Contract (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, Depositories Act, 1996, Listing Regulations, Listing Agreement or other Applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory amendment, modification or re- enactment thereof, from time to time.

1.2 INTERPRETATION

In this Scheme, unless the context otherwise requires:

- a. references to "persons" shall include individuals, bodies corporate (wherever incorporated), government, state or agency of state, un-incorporated entities, joint venture, associations, partnerships and proprietorship;
- b. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme;
- c. reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- d. references to one gender includes all genders;

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- e. any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- f. words denoting singular shall include the plural and vice versa;
- g. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.
- h. reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- i. word(s) or expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them;
- j. unless otherwise defined, the reference to the word "days" shall mean calendar days; and
- k. references to dates and times shall be construed to be references to Indian dates and times.

PART 2 - DETAILS OF THE COMPANY

2.1 INCORPORATION OF THE COMPANY

The Company was incorporated as a public limited company under the name and style "W.S. Insulators of India Limited" on August 23, 1961 with the Registrar of Companies, Chennai under the Companies Act, 1956. Subsequently, name of the Company was changed to "W.S. Industries (India) Limited" pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Chennai on July 15, 1987.

The current registered office of the Company is situated at 108, Mount Poonamallee Road, Porur, Chennai - 600116, Tamil Nadu, India and general office at Third Floor, New No. 48, old No. 21, Savidhaanu Building, Casa Major Road, Egmore, Chennai - 600008, Tamil Nadu, India. The Corporate Identification Number (CIN) of the Company is L29142TN1961PLC004568.

The Equity shares of Company is listed on BSE Limited (BSE) and National Stock Exchanges of India Limited (NSE).

This Scheme of reduction of Share Capital (hereinafter referred to as "the Scheme") is made pursuant to the provisions of Section 66 read with Section 52 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions

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of the Companies Act, 2013 (to the extent applicable) and provides for writing off the Accumulated Losses against the balance in Capital Reserves Account, Capital Redemption Reserve and Securities Premium Account.

2.2 MAIN OBJECTS OF THE COMPANY

1. To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export or otherwise deal in all kinds of insulators of all types and of all voltage from low tension to high tension voltage upto 330 K.V., and above, porcelain supports, separators, baffles, fixtures, bushings, condensers of all makes and of all types for all industrial domestic and other uses, apparatus insulators, condenser bushings for transformer and circuit breakers for voltage up to 330 K.V., and above distribution transformer bushings, bulk type transformer bushings, capacitor bushings, fuse cut-out porcelains, voltages regulator bushings, potential and current transformer bushings, wall bushings, ceramic condensers, switch, bus station and post insulators for outdoor voltages upto 330 K.V., and above, in door switch and bus insulators, station porcelain insulators, distribution insulators, H.V., and LV., type insulators, line post insulators, guy strain insulators, spool type insulators, suspension type insulators up to 3300 K.V., and above., telegraph and telephone insulators, insulators required for railway requirements, insulators for electronic and radio industries, fuse units, outdoor and indoor fuse cut-outs of all voltages and ranges, LT., and H.T. switchgear insulating materials, switch bases and all kinds of porcelain and other insulating products, disconnecting and air break switches of all types and description.

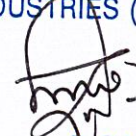
2. To carry on the business of manufacturing, buying, selling, re-selling, altering, importing, exporting, improving, assembling, distributing, lightning arresters or surge diverters, of all voltages and of all types ranging from lo tension to high tension voltages up to 330 K.V., and above, distribution type lightning arresters, station type lightning arresters, auto-valve lightning arresters, encapsulation type lighting arresters, and all other types and designs of lightning arresters required for the electrical trade industry, power stations, sub-stations, distribution net-works and for all other allied uses.

3. To carry on, either by itself or in association/joint venture with other parties, the business/activity of developing, constructing, demolishing, rebuilding, dividing, subdividing, repairing, maintaining, owning, buying, selling, renting, leasing, sub-leasing, pledging, mortgaging or to otherwise deal in lands, buildings, apartments, housing colonies, commercial offices/complexes/multiplexes, hotels/serviced apartments; shopping complexes and other immovable properties and to promote industrial/ infrastructure as well as real estate projects and equip/provide the same or part thereof with all or any amenities or conveniences including but not limited to drainage, electric, communication, television installations/ connections.

2.3 Capital Structure of the company

The Capital Structure of the Company as per the unaudited standalone financial statements as on September 30, 2023 is as under:

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(Amount in Rs.)

| Particulars | September 30, 2023 |
|--|---------------------|
| <i>Authorised Share Capital:</i> | |
| 6,50,00,000 equity shares of Rs. 10/- each | 65,00,00,000 |
| 15,00,000 Non convertible, cumulative & redeemable preference shares of Rs. 100/- each | 15,00,00,000 |
| Total | 80,00,00,000 |
| <i>Issued, Subscribed and fully paid-up share capital:</i> | |
| 4,69,51,585 equity shares of Rs. 10/- each, fully paid up | 46,95,15,850 |
| 12,75,000 Non convertible, cumulative & redeemable preference shares of Rs. 100/- each | 12,75,00,000 |
| Total | 59,70,15,850 |
| 1,38,98,246 Convertible Warrants of Rs. 2.50 each (partly paid up) | 3,47,45,615 |

Subsequently, the Company on November 10, 2023 has allotted 60,000 equity shares having face value of Rs. 10/- (Rupees Ten only) each fully paid-up on account of conversion of warrants.

The Authorised, Issued, Subscribed and paid-up share capital of the Company as on November 17, 2023 is as under:

(Amount in Rs.)

| Particulars | November 17, 2023 |
|--|---------------------|
| <i>Authorised Share Capital:</i> | |
| 6,50,00,000 equity shares of Rs. 10/- each | 65,00,00,000 |
| 15,00,000 Non convertible, cumulative & redeemable preference shares of Rs. 100/- each | 15,00,00,000 |
| Total | 80,00,00,000 |
| <i>Issued, Subscribed and fully paid-up share capital:</i> | |
| 4,70,11,585 equity shares of Rs. 10/- each, fully paid up | 47,01,15,850 |
| 12,75,000 Non convertible cumulative & redeemable preference shares of Rs. 100/- each | 12,75,00,000 |
| Total | 59,76,15,850 |
| 1,38,38,246 Convertible Warrants of Rs. 2.50 each (partly paid up) | 3,45,95,615 |

Subsequently, there has been no change in the Authorised, Issued, Subscribed and paid-up share capital of the Company till the date of the approval of the proposed Scheme by the Board of Directors. The Capital structure provided here is subject to change pursuant to allotment of shares upon conversion of convertible warrants. Further, the Company has its Equity Shares listed on both, NSE and BSE.

2.4 COMPLIANCE WITH TAX LAWS

The Scheme has been drawn up to comply with the provisions of the Income-tax Act, 1961 to the extent applicable. If any terms or the provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the Act at a later date including resulting from a retrospective amendment of law or for any other reason

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whatsoever, till the time the Scheme becomes effective, the provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to that extent determined necessary to comply with the provisions of the Income-tax Act, 1961.

PART 3 - REDUCTION OF SHARE CAPITAL OF THE COMPANY

3.1 RATIONALE AND PURPOSE OF THE REDUCTION

- a. The Company's financial statement currently reflects Accumulated Losses (debit balance of Profit & Loss Account) to the tune of Rs.526,92,60,751/- (Rupees Five Hundred and Twenty Six Crores Ninety Two Lakhs Sixty Thousand Seven Hundred and Fifty One Only) based on unaudited standalone financial statements for the quarter ended September 30, 2023. The present issued, subscribed and paid-up share capital of the Company is Rs.59,76,15,850/- (Rupees Fifty Nine Crore Seventy Six Lakhs Fifteen Thousand Eight Hundred and Fifty only) comprising of 4,70,11,585 equity shares of Rs. 10/- each and 12,75,000 Non convertible, cumulative & redeemable preference shares of Rs. 100/- each. Accumulated Losses have substantially wiped off the value represented by the Share Capital. This has given to the need for readjustment of capital reserve, capital redemption reserve and securities premium in its books of accounts.
- b. In order to re-align the relation between capital and assets; and to accurately and fairly reflect the assets and liabilities of the Company in its books of accounts; and for better presentation of the financial position of the Company, the Board of Directors has decided to write off the Accumulated Losses against Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account in accordance with the provisions of Sections 66 read with Section 52 of the Companies Act, 2013, and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions.
- c. By virtue of article 49 and 50 of Articles of Association of the Company, the Company is authorized to reduce its share capital in any manner and in accordance with the provisions of the Act.
- d. In the above context, the Company proposes to write off Accumulated Losses of Rs.526,92,60,751/- (Rupees Five Hundred and Twenty Six Crores Ninety Two Lakhs Sixty Thousand Seven Hundred and Fifty One Only) reflecting in the unaudited standalone financial statements of the Company as on September 30, 2023 with the balance appearing in Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account.
- e. Accordingly, upon coming into effect of the Scheme, balance in Capital Reserve Account be reduced from Rs.455,31,65,614 (Rupees Four Hundred Fifty Five Crores Thirty One Lakhs Sixty Five Thousand Six Hundred Fourteen Only) to NIL, balance in Capital Redemption Reserve be reduced from Rs.17,61,55,000 (Rupees Seventeen Crores Sixty One Lakhs Fifty Five Thousand Only) to NIL and balance in Securities Premium Account be reduced from Rs.77,80,20,025/- (Rupees Seventy

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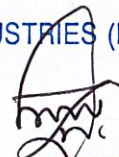
Seven Crores Eighty Lakhs Twenty Thousand Twenty Five Only) to Rs.23,80,79,888/- (Rupees Twenty Three Crores Eighty Lakhs Seventy Nine Thousand Eight Hundred and Eighty Eight Only), balance in accumulated losses be reduced from Rs.526,92,60,751/- (Rupees Five Hundred and Twenty Six Crores Ninety Two Lakhs Sixty Thousand Seven Hundred and Fifty One Only) to NIL.

- f. The balance in Securities Premium Account can only be utilized for purposes specified under Section 52 of the Companies Act, 2013 and any utilization of Securities Premium Account for other purposes would be construed as reduction in capital and the provisions of Section 66 of the Companies Act, 2013 would accordingly be applicable in respect of such reduction.
- g. The reduction envisaged under this Scheme will not result in any change in the shareholding of the Members of the Company and would not in any way have any adverse effect on the Company's ability to honour its commitments or meet its obligations in the ordinary course of business.
- h. Hence, the Board of Directors believe that in order to present a fair position of the affairs of the Company, the most practically and economically efficient option available to the Company would be to utilize the balance lying in the Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account to the extent of writing of the Accumulated Losses of the Company, subject to the confirmations/ sanctions of the requisite majority of the Shareholders of the Company and the NCLT and such other appropriate authority, as may be applicable.

3.2 OBJECTS/ BENEFITS ARISING OUT OF THE SCHEME

- a. Under this Scheme, if approved, the books of the Company would better represent its financial position which would help the Company position itself better in the market and undertake business activities efficiently. This would be value accretive to the Shareholders as well, as their holdings would yield better results.
- b. The adjustment/set off of the balance in Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account would not have any impact on the shareholding pattern and the capital structure of the Company.
- c. The proposed restructuring under the Scheme, if approved, would enable the Company to explore opportunities for the benefit of its Shareholders, including the form of dividend payments, in terms of the applicable laws.
- d. The Scheme, if approved, may enable the Company to explore opportunities that it was unable to take advantage of because of it experiencing Accumulated Losses.
- e. The reduction of Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account in the manner proposed would enable the Company to have a rational structure which is commensurate with its business and assets.

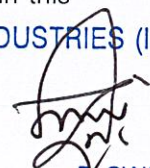
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- f. The Scheme of reduction, after full implementation, will result in making the Company's balance sheet leaner and downsized.
- g. The proposed Scheme would be for the overall benefit of the Company, its creditors, its Shareholders and all other stakeholders.
- h. The proposed Scheme would enable the Company to utilize the amount lying unutilised in the Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account of the Company in an effective manner for the benefit of the Company.
- i. The reduction of the Paid-up share capital of the Company by way of adjustment/set off of the Accumulated Losses against the amount lying in the Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account of the Company does not involve reduction in the issued, subscribed, paid-up share capital of the Company, any payment of the paid up share capital to the shareholders of the Company nor does it result in extinguishing of any liability or diminution of any liability.
- j. The Scheme, if approved, would provide greater flexibility to the Company in raising funds either from the capital market or from any bank/ financial institutions in the form of equity or debt, depending on the business needs of the Company.
- k. The reduction of Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account does not result in diminution of any liabilities of the Company, in respect of any unpaid capitals nor entails payment to any Shareholder of any paid-up capital. Further, reduction of Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account does not result in any prejudice to the Shareholders, the creditors or any other stakeholders of the Company nor for that matter adversely affect the ordinary operations of the Company or its ability to honor its commitments or pay its debts in the ordinary course of its business.
- l. The consent of the Shareholders of the Company to this Scheme of reduction of Share Capital of the Company shall be taken through a resolution under the provisions of Section 66 read with Section 52 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable).
- m. The Scheme is merely a reduction in the Share Capital of the Company prepared in terms of Section 66 read with Section 52 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) and does not envisage transfer, conveyance or vesting of any of the properties and/ or liabilities of the Company to any person or entity. Consequently, the order of NCLT approving the Scheme would not attract any stamp duty in this regard under the applicable provisions of the Indian Stamp Act, 1899.

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Company Secretary

3.3 EFFECTS OF THE SCHEME

- a. The proposed reduction of Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account against the Accumulated Losses shall be reflected in the books of accounts of the Company, on the Effective Date, in the following manner:

The pre and post reduction of Capital Reserve Account, Capital Redemption Reserve and Securities Premium Account of the Company against its Accumulated Losses:

(Amount in Rs.)

| Particulars | Pre reduction (As on September 30, 2023) | Proposed reduction | Post reduction |
|--|--|-----------------------|----------------|
| Capital Reserve Account | 455,31,65,614 | 455,31,65,614 | - |
| Capital Redemption Reserve Account | 17,61,55,000 | 17,61,55,000 | - |
| Securities Premium Account | 77,80,20,025 | 53,99,40,137 | 23,80,79,888 |
| Retained Earnings i.e. Accumulated Losses | (526,92,60,751) | (526,92,60,751) | - |

- b. Upon Scheme being effective, the amount standing to the credit of the Capital Reserve Account shall get reduced from Rs.455,31,65,614 (Rupees Four Hundred Fifty Five Crores Thirty One Lakhs Sixty Five Thousand Six Hundred Fourteen Only) to NIL, the amount standing to the credit of the Capital Redemption Reserve shall get reduced from Rs.17,61,55,000 (Rupees Seventeen Crores Sixty One Lakhs Fifty Five Thousand only) to NIL and the amount standing to the credit of the Securities Premium Account shall get reduced from Rs.77,80,20,025/- (Rupees Seventy Seven Crores Eighty Lakhs Twenty Thousand Twenty Five Only) to Rs.23,80,79,888/- (Rupees Twenty Three Crores Eighty Lakhs Seventy Nine Thousand Eight Hundred and Eighty Eight Only) , balance in accumulated losses be reduced from Rs.526,92,60,751/- (Rupees Five Hundred and Twenty Six Crores Ninety Two Lakhs Sixty Thousand Seven Hundred and Fifty One Only) to NIL.
- c. The Scheme is only for reduction of Share Capital of the Company and it does not envisage transfer or vesting of any properties and /or liabilities to or in favor of the Company.
- d. The shareholding pattern of the Company and the number of shares shall remain unchanged as there is no reduction in the Paid-up share capital of the Company contemplated in the Scheme.

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- e. The proposed reduction of capital of the Company by way of writing off the Accumulated losses against the amount lying in the Capital Reserve Account, Capital Redemption Reserve Account and Securities Premium Account of the Company will be for the benefit of the Company, its creditors, Shareholders and all the concerned stakeholders. Such reduction will not cause any prejudice to the creditors of the Company. The reduction of Capital Reserve Account, Capital Redemption Reserve Account and Securities Premium Account does not involve either the diminution of any liability in respect of any unpaid capital or the payment to the Shareholder of the paid-up capital. Further, the proposed reduction of capital would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or pay its debts in the ordinary course of the business.
- f. The Company shall not be required to use the words "AND REDUCED" as part of its corporate name and such use is dispensed with.

PART 4 - GENERAL CLAUSE, OTHER TERMS AND CONDITIONS

4.1 CONDITIONALITY OF THE SCHEME


The Scheme is conditional upon and subject to:

- a. The Scheme being approved by the Shareholders of the Company through special resolution;
- b. The Scheme being approved by the creditors of the Company as prescribed under the Act and/or as may be directed by NCLT and/or any other appropriate authority as may be applicable;
- c. The Company obtaining the observation letter/ no-objection letter from the relevant Stock Exchanges for the implementation of the Scheme;
- d. The Scheme being approved by the NCLT under Section 66 read with Section 52 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable);
- e. Certified copy of the order of the NCLT sanctioning this Scheme and the form of minutes of reduction being filed with the RoC by the Company; and
- f. 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.

4.2 COSTS, CHARGES AND EXPENSES

All past, present and future costs, charges, levies, duties and expenses in relation to or in connection with or incidental to the proposed Scheme of reduction of share

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capital and of carrying out and implementing/complementing thereof shall be borne and paid solely by the Company and all above costs shall be treated as costs relating to the Scheme.

4.3 IMPACT OF THE SCHEME ON EMPLOYEES

The Scheme shall not have any adverse impact on the employees of the Company. All staff, workmen and other employees in the service of the Company immediately before the capital reduction shall stay as staff, workmen and employees of the Company after the capital reduction. Their service shall be continuous and shall not be interrupted by reason of this capital reduction. The terms and conditions of service applicable to the said staff, workmen or employees after such capital reduction shall not in any way be less favourable to them than those applicable to them immediately before the capital reduction.

4.4 IMPACT OF THE SCHEME ON CREDITORS / LENDERS / FINANCIAL INSTITUTIONS

The proposed scheme would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honour its commitments or pay the debts in ordinary course of business. The above proposal, does not in any manner, alter, vary, or affect the rights of the creditors/ lenders/ financial institutions. They would in fact be generally benefitted as the Scheme would help improving the financial position of the Company.

The proposed reduction in capital reserves, capital redemption reserve and securities premium in any manner whatsoever does not, alter, vary, or affect the payment of any types of dues or outstanding amounts including all or any of the statutory dues payable or outstanding.

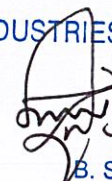
4.5 CONTRACTS, DEEDS, AGREEMENTS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, Deeds, Agreements and other instruments of whatever nature to which the Company is a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Company, as the case may be, and shall be enforced as fully and as effectually as before such reduction.

4.6 CONDUCT OF BUSINESS BY THE COMPANY

The Scheme does not involve any financial outlay / outgo and therefore, would not affect the ability or liquidity of the Company to meet its obligations/ commitments in the normal course of business. Further, this Scheme would also not in any way adversely affect the ordinary operations of the Company during the course or after the approval of reduction of capital.

For W.S. INDUSTRIES (INDIA) LTD.



B. SWAMINATHAN
Company Secretary

4.7 LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature by or against the Company are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by the capital reduction, but such proceedings may be continued, prosecuted and enforced by or against the Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Company before such capital reduction.

4.8 APPLICATION TO THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

This involves reduction of share capital as contemplated by Article 49 and 50 of the Articles of Association of the Company. The Company shall make all applications/petitions to the NCLT, Chennai Bench for sanctioning of this Scheme and obtain all approvals as may be required under Section 66 read with Section 52 of the Companies Act, 2013 and National Company Law Tribunal (Procedure for reduction of share capital of Company) Rules, 2016 and other applicable provisions of the Companies Act, 2013 (to the extent applicable) are to be sought as a measure of legal compliance, transparency, prudence and extra caution.

4.9 MODIFICATIONS/AMENDMENTS TO THE SCHEME

The Company, by its Board or such other committee/ person or persons, as the Board may authorize, may make, or affect or assent to any modification or amendment of the Scheme which the Hon'ble National Company Law Tribunal, Chennai Bench, the SEBI, the Stock Exchanges and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable by the Board for settling any question or doubt or difficulty that may arise for implementing and/ or carrying out the Scheme or otherwise howsoever arising out of or under or by virtue of the Scheme and/ or any matter concerned or connected herewith, as may be considered by the Board to be in the best interest of the Company and its Shareholders including the withdrawal of the Scheme, and do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme.

4.10 DATE OF TAKING EFFECT

The Scheme set out herein in its present form or with any modification(s) hereto approved or imposed or directed by the Hon'ble National Company Law Tribunal, Chennai Bench, shall be effective from the Effective Date.

4.11 EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

- a. In the event of any aforesaid sanction and approvals not being obtained and/or the resolution not being sanctioned by the Hon'ble National Company Law Tribunal, Chennai Bench and/or the order or orders not being passed as aforesaid, the Scheme shall become null and void and Company shall bear and pay the costs, charges and expenses for/or in connection therewith.

For W.S. INDUSTRIES (INDIA) LTD.


B. SWAMINATHAN
Company Secretary

- b. In the event of any condition or amendment or modification that may be imposed by the Hon'ble National Company Law Tribunal, Chennai Bench or any competent authority, or if the Board of Directors of the Company decides, they shall be at a liberty to withdraw from the Scheme unconditionally.

4.12 SEVERABILITY

If, in the opinion of the Board, any part of the Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of other parts or provisions of the Scheme. If any part of this Scheme here of is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected there by, unless the deletion of such part shall cause this Scheme to become materially adverse, in which case the Board shall attempt to bring a suitable modification to the Scheme. The Board shall be entitled to revoke, cancel and declare the Scheme to have no effect, if the Board is of the view that the coming into effect of the Scheme would have adverse implications on the Company.

4.13 ACCOUNTING TREATMENT

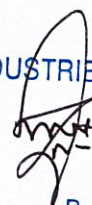
The Company shall pass appropriate entries as per the applicable accounting policies and accounting standards (specified in Section 133 or any other provision of the Act) as regards accounting for the reduction of Capital Reserve Account, Capital Redemption Reserve Account and Securities Premium Account and writing off the Accumulated Losses.

The adjustment / reduction, in the capital reserve, Capital Redemption Reserve Account and securities premium account of the Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 and Section 66 and other applicable provisions of the Act and the order of the National Company Law Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction and no further act, deed, or thing as required under the provisions of the Act would be required. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.

4.14 DESIGNATED STOCK EXCHANGE

The designated stock exchange for interaction with SEBI in terms of SEBI Circular shall be National Stock Exchange of India Ltd (NSE).

For W.S. INDUSTRIES (INDIA) LTD.



B. SWAMINATHAN
Company Secretary

4.15 LISTING OF SHARES


Notwithstanding the reduction of capital of the Company in pursuance of the Scheme, the listing benefit of the Company on the Stock Exchanges where the existing Equity shares of the Company are listed shall continue and the Company will comply with the applicable provision of Listing Agreement with the Stock Exchanges.

4.16 FORM OF MINUTE UNDER SECTION 66(5) OF THE COMPANIES ACT, 2013

The form of minute proposed to be registered under Section 66(5) of the Companies Act, 2013, is as follows:

"The issued, subscribed, and paid up equity share capital of W. S. Industries (India) Limited as on November 17, 2023 is Rs.47,01,15,850/- (Forty Seven Crores One Lakh Fifteen Thousand Eight Hundred and Fifty only) divided into 4,70,11,585 equity shares of Rs.10/- each. At the date of registration of this minute 4,70,11,585 equity shares of Rs.10/- each have been issued and are fully paid up."

For W.S. INDUSTRIES (INDIA) LTD.


G. SWAMINATHAN
Company Secretary