

SCHEME

OF

REDUCTION OF CAPITAL

BETWEEN

TRIGYN TECHNOLOGIES LIMITED

AND

ITS SHAREHOLDERS

THIS SCHEME PROVIDES FOR REDUCTION OF CAPITAL OF TRIGYN TECHNOLOGIES LIMITED

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. **'Act'** means the Companies Act, 1956 or Companies Act, 2013, as the case may be, the rules and regulations made thereunder and will include any statutory modifications, re-enactments and/or amendments thereof from time to time;
- b. **'Appointed Date'** means 31 March 2016 or such other date as may be approved by the Court or such other appropriate authority;
- c. **'Board'** or **'Board of Directors'** means Board of Directors of the Company;
- d. **'BSE'** shall mean BSE Limited;
- e. **'Company'** means Trigyn Technologies Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 27, SDF - I, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096;
- f. **'DSE'** or **'Designated Stock Exchange'** means a Stock Exchange which is chosen by the Company in accordance with SEBI Circular (CIR/CFD/CMD/16/2015) dated November 30, 2015 issued by the SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and for the purpose of the Scheme, BSE Limited is the DSE;
- g. **'Listing Regulation'** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- h. **'Listing Agreement'** shall mean an agreement that is entered into between a recognised stock exchange and an entity, on the application of that entity to the recognised stock exchange, undertaking to comply with conditions for listing of designated securities as per the provisions of the Listing Regulations;
- i. **'Accumulated Losses'** means the losses that have been carried forward from previous years and the amount shown in the audited balance sheet of the Company;
- j. **'NSE'** shall mean the National Stock Exchange of India Limited;
- k. **'₹'** shall mean the lawful currency of India, that is, Indian Rupees;
- l. **'SEBI'** shall mean the Securities and Exchange Board of India;

- m. **'Securities Premium Account'** shall mean the securities premium account maintained by the Company in accordance with the provisions of Section 52 of the Companies Act, 2013 and Section 78 of the Companies Act, 1956 having such amount in it as on 31 March 2016;
- n. **'Stock Exchanges'** shall mean BSE and NSE collectively;
- o. **'The Court'** shall mean the Bombay High Court Judicature at Mumbai or the National Company Law Tribunal (NCLT) or such tribunal or any other appropriate forum or authority having jurisdiction to approve the Scheme as per the law for the time being in force;
- p. **'The Effective Date'** for the Scheme shall mean the date on which certified copies of the order of the Court under Sections 66 of the Companies Act, 2013 or Section 100-104 of the Companies Act, 1956, as the case may be, and other applicable provisions of the Act, if any, are filed with the Registrar of Companies, Maharashtra and if the certified copies are filed on different dates, the last of such dates;
- q. **'This Scheme or The Scheme or Scheme'** means this scheme of reduction of capital between the Company & its shareholders in its present form or with such alterations/modifications as may be approved by the Court or any regulatory authority under the applicable law;
- r. The words **"shareholder"** and **"member"** are used to denote the same meaning and are used interchangeably.

All terms and words not defined in the Scheme 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 and other applicable laws, rules, regulations, bye laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

PART- II

2. DETAILS OF THE COMPANY

A. Incorporation of the Company

The Company was incorporated as a private limited company under the name and style "Leading Edge Systems Private Limited" on 25 March 1986 with the Registrar of Companies, Maharashtra. Subsequently, the Company was converted into a public company in compliance with the provisions of the Companies Act, 1956 and special resolution passed by the shareholders in the extra-ordinary general meeting held on 25 July 1994, and the name of the Company was changed from "Leading Edge Systems Private Limited" to "Leading Edge Systems Limited" and a fresh certificate of incorporation consequent upon change of name was obtained on 8 August 1994. Subsequently, the name of the Company was changed from "Leading Edge Systems Limited" to its present name "Trigyn Technologies Limited" and a fresh certificate of incorporation consequent upon change of name was obtained on 19 July 2000. The Company is a public limited company listed with NSE and BSE.

B. Main Objects of the Company

1. To carry on the business of designing, developing, selling, installing and maintaining all kinds of Computer software and hardware on Home, Personal, Micro, Mini and Mainframe computer systems for the domestic and Software export market.
2. To carry on business as Engineering and Procurement Contractors, general engineers, mechanical engineers, Process engineers, civil engineers, general mechanical and civil contractors for power plant, sinter plant, wet and dry cooling systems specialists and to enter into contracts and joint ventures in relation to and to erect, construct, supervise, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons, works of all descriptions, including plants of all descriptions, factories, mills, refineries, pipelines, gas works, electrical works, power plants, water works, water treatment plants and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in or acquire interest in companies carrying on the above business.
3. To carry on the business of manufacturing, assembling, installing, repairing, covering, buying, selling, exchanging, altering, importing, exporting, hiring, letting on hire, distributing or dealing in all types of power plants, sinter plants, coke oven plants, wet and dry cooling systems, monitoring equipment, steam trap and strainers, heat exchangers and other tools, implements, appliances, bolts, nuts, hooks and engineering goods, ferrous and non-ferrous metals and metal products, foundry and factory supplies, mill supplies, industrial articles of all kinds and description for all types of cooling systems applications and industrial vehicles of all kinds and all components, parts, accessories, equipments and apparatus for use in connection therewith.
4. To act as engineering, technical, financial and management consultants and to advice and assist on all aspects of industrial management or activity and to make evaluations, feasibility studies, project reports, forecasts and surveys and to give expert advice and suggest ways and means for improving efficiency in power plants,

chemical, petrochemical plants, steel and iron manufacturing and processing industries, plants of all other kinds, factories and industries of all kinds and supply to and to provide, maintain and operate service facilities, convenience, bureaus and the like for the benefit of any person, company, corporate body, firm, trust, association, society, organisation whatsoever and generally to act as service organisation or for providing generally engineering, administrative, advisory, commercial, management, consultancy, technical, quality control, and other services to persons, companies, corporate bodies, firms, trusts, association or organisations, whatsoever and to undertake the supervision of any business or organisation and to undertake turnkey projects and to invest in or acquire interest in companies carrying on above business.

5. To carry on the business as manufacturers, Exporters, Importers, Contractors, Sub-contractors, Sellers, Buyers, lessors or lessee and Agents for Wind Electric Generators and turbines, hydro turbines, thermal turbines, solar modules and components and parts including Rotor Blades, Braking systems, Tower, Nacelle, Control Unit, Generators, etc., and to set up Wind Farms for the Company and / or for others either singly or jointly and also to generate, acquire by purchase in bulk, accumulate, sell, distribute and supply electricity and other power (subject to and in accordance with the policy / laws in force from time to time).
6. To carry on the business as manufacturers, exporters, importers, contractors, sub-contractors, sellers, buyers and agents for wind mills and components and parts including Rotor Blades, braking systems, tower, nacelle, control unit, generator etc., to carry on the business of manufacturers, exporters, importers, contractors, sub-contractors, sellers, buyers and agents for renewable energy systems like solar, biomass, solid wastes, by-product gases and components thereof.

C. Capital Structure of the Company as on 31 March 2016*

Share Capital	Amount in ₹
Authorised: 3,50,00,000 Equity Shares of ₹ 10/-each 50,00,000 Preference Shares of ₹ 10/- each	For Equity Shares: ₹ 35,00,00,000 /- For Preference Shares: ₹ 5,00,00,000 /-
Issued: 2,94,45,736 Equity Shares of ₹ 10/- each	₹ 29,44,57,360 /-
Subscribed: 2,94,45,736 Equity Shares of ₹ 10/- each	₹ 29,44,57,360 /-
Paid-up: 2,94,45,736 Equity Shares of ₹ 10/- each	₹ 29,44,57,360 /-

** Please note that the capital structure provided here is subject to change pursuant to the issues of shares under various employees' stock options.*

D. Compliance with Tax Laws

This Scheme has been drawn up to comply also with the provisions 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 a retrospective amendment of law or for any other reason whatsoever, till the time the Scheme becomes effective, 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 provision of the Income-tax Act, 1961.

PART - III

SCHEME FOR REDUCTION OF SHARE CAPITAL

1. The Board, vide resolution dated 9 July 2016, has considered and approved the proposal to reduce the Securities Premium Account of the Company amounting to ₹ 661,02,27,115 /-, and that such reduction be effected by writing off the Accumulated Losses in part amounting to ₹ 528,25,91,328/- to give true and fair view of books of accounts of the Company, subject to the consent of the shareholders and the approval from the Court and other statutory authorities as and where applicable.
2. The issued, subscribed and paid- up capital of the Company is ₹ 29,44,57,360 /- comprising 2,94,45,736 Equity Shares of ₹ 10/- each as on 31 March 2016.
3. JUSTIFICATION OF THE SCHEME
 - (a) The Company has Accumulated Losses reflecting in the books of the Company, from the previous years, primarily, due to diminution in value of investments made in the year 2000. As on 31 March 2016, as per the audited financial results of the Company, the Accumulated Losses amounts to ₹ 528,25,91,328/- represented as 'Deficit in Statement of Profit & Loss' in the Reserves & Surplus Account. Further, the Company also has balance in the Securities Premium Account amounting to ₹ 661,02,27,115/- as on 31 March 2016.
 - (b) The Board of Directors of the Company, in accordance with the provision of Section 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013, and other applicable provisions, if any of the Companies Act, 2013 read with the applicable rules therein, and subject to the consent of the shareholders and the approval from the Court and other statutory authorities as and where applicable, proposes to write-off the Accumulated Losses amounting to ₹ 528,25,91,328/- reflecting in the book of the Company, by reducing the amount standing to the credit of the Securities Premium Account from ₹ 661,02,27,115/- to ₹ 132,76,35,787/- as on 31 March 2016.
 - (c) Further the Articles of Association of the Company authorizes the Company to reduce its share capital in any manner and in accordance with the provision of the Act.
 - (d) Under Section 52 of the Companies Act, 2013, the balance in the Securities Premium Account can only be utilized for purpose specified therein and any utilization of Securities Premium Account for other purpose would be construed as reduction in capital and provision of Sections 100 to 104 of the Companies Act, 1956 will be applicable.
 - (e) Hence, the Board of Directors believe that in order to present fair financial position of the Company and after an analysis of the various options available to the Company, the Board of Directors felt that it would be prudent to utilize the balance lying in the Securities Premium Account of the Company to the extent of writing off the Accumulated Losses of the Company which is the most practical and economically efficient option available to the Company in the present scenario.

4. OBJECTS/ BENEFITS ARISING OUT OF THE SCHEME

- (a) Under this Scheme, if approved, the Company will represent true financial position which would benefit both shareholders as their holding will yield better results and value and also enable the Company to explore opportunities to benefit of the shareholders of the Company including in the form of dividend payment as per the applicable provisions of the Act.
 - (b) The adjustment/set off, of the Securities Premium Account would not have any impact on the shareholding pattern, and the capital structure of the Company.
 - (c) 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.
 - (d) The Scheme, if approved, may enable the Company to foresee business opportunity that it may be unable to take advantage because of it experiencing Accumulated Losses.
 - (e) The proposed Scheme will enable the Company to use the amount which is lying unutilized in the Securities Premium Account of the Company in an effective manner for the benefit of the Company.
 - (f) The true financial statement of the Company would ensure the Company to expand & smoothen the business activity and to attract new source of avenue and in turn enhancement of its shareholders' value.
5. Upon the Scheme becoming effective and after obtaining the necessary approvals, consents, permissions, etc., the Securities Premium Account of the Company amounting to ₹ 661,02,27,115 /- be reduced in part and such reduction be effected by writing off the Accumulated Losses amounting to ₹ 528,25,91,328 /- as on 31 March 2016.
 6. The reduction of the paid-up share capital of the Company by way of writing off the Accumulated Losses against the amount lying in the 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 extinguishment of any liability or diminution of any liability.
 7. The Scheme is merely a reduction in the Securities Premium Account of the Company prepared in terms of Section 100 to 104 of the Companies Act, 1956 read with Section 52 of the Companies Act, 2013, and does not envisage transfer or vesting of any of the properties and/or liabilities of the Company to any person or entity. The Scheme also does not involve any conveyance or transfer of any property of the Company and consequently the order of the Bombay approving the scheme will not attract any stamp duty in this regard under the applicable provisions of the Maharashtra Stamp Act, 1958.
 8. The consent of the members of the Company to this Scheme of reduction of capital of the Company shall be taken through a resolution under the provisions of Section 100 to 104

of the Companies Act, 1956 and any other applicable provisions.

9. EFFECT OF THE SCHEME

The proposed reduction of capital by utilizing in part the Securities Premium Account against Accumulated Losses pursuant to the Scheme shall be reflected in the books of accounts of the Company, on the Effective Date, in the following manner:

Particulars	Prior to the Scheme as on 31 March 2016 (Audited)	Proposed Reduction	After the Scheme as on the Effective Date
Paid Up Share Capital	₹ 29,44,57,360 /-*	Nil	₹ 29,44,57,360 /-*
Securities Premium Account	₹ 661,02,27,115 /-	₹ 528,25,91,328 /-	₹ 132,76,35,787 /-
P&L Account (Dr.) i.e. Accumulated Losses	₹ 528,25,91,328 /-	₹ 528,25,91,328 /-	₹ Nil

** Please note that the paid-up share capital provided here is subject to change pursuant to the issues of shares under various employees' stock options.*

10. The Scheme is only reduction of 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.
11. Since the reduction of the paid-up share capital of the Company by way of writing off the Accumulated Losses against the amount lying in the 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 extinguishment of any liability or diminution of any liability, therefore, there is no outflow of/ payout of funds from the Company and hence the interests of the creditors is not adversely affected and therefore it is submitted that the provisions of Section 101(2) of the Companies Act, 1956, do not apply in the instant case, and hence consent of the creditors is not required as stipulated under Section 101(2) of the Companies Act, 1956. The reasons for reduction of capital of the Company under Section 52 of the Companies Act, 2013, read with Section 100-104 of the Companies Act, 1956, are intended for the benefit of all the stakeholders including creditors. It is submitted that the requirement of consent of creditors otherwise under Section 101(2) of the Companies Act, 1956 is also not required on this ground as well.
12. 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. The pre and post reduction shareholding pattern of the Company will be as follows:

Particulars	Prior to the Scheme as on 31 March 2016*		After the implementation of the Scheme as on 31 March 2016*	
	Number of Shares (₹ 10/- each)	% of total	Number of Shares (₹ 10/- each)	% of total

Promoter and Promoter Group	14,159,020	48.09	14,159,020	48.09
Public	15,286,716	51.91	15,286,716	51.91
Total	29,445,736	100.00	29,445,736	100.00

** Please note that the capital structure provided here is subject to change pursuant to the issues of shares under various employees' stock options.*

13. The Company shall make all applications/ petitions as may be required under the applicable laws including but not limited to Section 100 to 104 of the Companies Act, 1956 and other applicable provisions of the Act to the Court, for obtaining the sanction of the Court of this Scheme of Reduction of Capital, under Section 100 to 104 of the Companies Act, 1956 and other applicable provisions of the Act and for such orders for carrying this Scheme into effect.

PART - IV

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE ENTIRE SCHEME

1. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

- (a) the Scheme being agreed to by the respective requisite majorities of members of the Company as required under the Act and the requisite sanction and orders of the Court or of such other authority having jurisdiction under applicable law, being obtained;
- (b) the requisite sanctions and approvals under the applicable law including but not limited to approvals, sanctions required under the SEBI Circular (CIR/CFD/CMD/16/2015) dated November 30, 2015 issued by the SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be required by law in respect of this Scheme being obtained;
- (c) the Scheme being approved by the Court under Section 100 to 104 of the Companies Act, 1956, read with Section 52 of the Companies Act, 2013, and all other applicable provisions if any, of the Act; and
- (d) the certified copy of the above order of the Court sanctioning this Scheme being filed with the Registrar of Companies, Mumbai.

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 Scheme or the implementation thereof shall be borne by the Company and all of the above costs (including stamp duty, if any) shall be treated as costs relating to the Scheme.

3. IMPACT OF THE SCHEME ON EMPLOYEES/ WORKERS

The Scheme shall not have any adverse impact on the employees and workers of the Company.

4. IMPACT OF THE SCHEME ON CREDITORS/ BANKS/ FINANCIAL INSTITUTIONS

The Scheme will not have any adverse impact on any of the Company's creditors/ banks/ financial institutions. They would in fact be generally benefitted as the Scheme would help improving the financial position of the Company. The Scheme will help the revival of the Company which will be in the interest of the Company's creditors/ banks/ financial institutions.

5. LEGAL PROCEEDINGS

The Scheme would not affect any legal or other proceedings by or against the Company.

6. APPLICATION TO THE COURT

This Scheme involves reduction of share capital as contemplated by Article 57 of the Company's Article of Association. The Company shall make all applications/petitions under Section 100 - 104 of the Companies Act, 1956 or Section 66 of the Companies Act, 2013 (as the case may be), read with Section 52 of the Companies Act, 2013, to the extent applicable, and other applicable provisions of the Act to the Court for sanctioning of this Scheme and obtain all approvals as may be required under law.

7. MODIFICATIONS / AMENDMENTS OF THE SCHEME

The Company, by its Board or such other person or persons, as the Board may authorize, may make, or affect or assent to any modification or amendment of the Scheme which the Court 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 therewith, as may be considered by the Board to be in the best interest of the Company and its members 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.

8. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

In the event of any of the aforesaid sanctions and approvals not being obtained and/ or the Scheme not being sanctioned by the Court and/ or the order or orders not being passed as aforesaid, the Scheme shall become null and void, 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 the Company shall bear and pay the costs, charges and expenses for/ or in connection with the Scheme.

9. 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 is hereof is invalid, ruled illegal by any appropriate authority of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Board that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become material 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 of no effect, if the Board is of the view that the coming into effect of the Scheme would have adverse implications on the Company.

10. PARTLY PAID- UP SHARES

As on date the Company does not have any partly-paid up shares.

11. CROSS HOLDING

Since it is not a matter concerning to merge or de-merge, the concept of cross holding does not apply.

12. DESIGNATED STOCK EXCHANGE:

The Designated Stock Exchange for interaction with SEBI shall be the BSE Limited.

13. ACCOUNTING TREATMENT

The Securities Premium Account of the Company amounting to ₹ 661,02,27,115 /- shall be reduced in part and shall be utilized for writing off the Accumulated Losses to the extent of ₹ 528,25,91,328/-. The Company shall pass appropriate entries as per the applicable accounting policies and accounting standards as regards accounting for the reduction of capital and writing off the Accumulated Losses.

14. LISTING OF SHARES

Notwithstanding the reduction of capital of the Company in pursuance of this 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 provisions of the Listing Agreement with the Stock Exchanges.

Notwithstanding the reduction of capital of the Company in pursuance of this Scheme, the Company shall not be required to add the words "And Reduced" to its name as the last words thereof.

15. FORM OF MINUTE UNDER SECTION 103(1)(b) OF THE COMPANIES ACT, 1956

The form of minute proposed to be registered under Section 103(1)(b) of the Companies Act, 1956, as on 31 March 2016, is as follows:

"The issued, subscribed and the paid up capital of Trigyn Technologies Limited as on 31 March 2016 is henceforth ₹ 29,44,57,360 /- divided into 2,94,45,736 Equity Shares of ₹ 10/- each. The Securities Premium Account of the Company is henceforth ₹ 1,327,635,787 /- reduced from ₹ 661,02,27,115 /- as on 31 March 2016."