**Arvind Limited**
LALBHAI GROUP

Naroda Road, Ahmedabad 380 025, India
T +91 79 30138000 W www.arvind.com
CIN - L17119GJ1931PLC000093

ARVIND

December 6, 2014

National Stock Exchange of India Ltd.
Listing Dept.,Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

**Sub : Notice of Court Convened meeting of the equity shareholders of the Company**

Dear Sir,

In compliance with Clause 31 of the Listing Agreement, we send herewith three copies of notice of convening the meeting of the equity shareholders of the Company on Wednesday, the 7th day of January, 2015 at 9.30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad - 380 006, Gujarat directed by Hon'ble High Court of Gujarat by its Order dated 12th November, 2014 in the matter of Composite Scheme of Arrangement in the nature of demerger and transfer of Real Estate Undertaking of Arvind Limited to Arvind Infrastructure Limited and consequential restructure of share capital as proposed between the Company and its shareholders.

Kindly find the same in order.

Thanking you,

Yours faithfully,

R. V. Bhimani
Company Secretary

Encl : As above.

Arvind

# ARVIND LIMITED

## A MEMBER OF LALBHAI GROUP

**Regd. Office: Naroda Road, Ahmedabad - 380 025**
**CIN - L17119GJ1931PLC000093**

**Phone No. 079-30138000, Fax No. 079-30138668**
**Website: www.arvind.com : Email : Investor@arvind.in**

| | | |
|---|---|---|
| **Day** | **:** | **Wednesday** |
| **Date** | **:** | **7th January, 2015** |
| **Time** | **:** | **09:30 a.m.** |
| **Venue** | **:** | **Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad** |

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Arvind

# IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
## ORIGINAL JURISDICTION
## COMPANY APPLICATION NO.266 OF 2014

In the matter of Sections 391 to 394 read with Sec. 78, 100 to 103 of the Companies Act,1956;

And

In the matter of Arvind Limited.
A Company incorporated under the Indian Companies Act, 1913 and having its registered office at Naroda Road, Ahmedabad-380025, in the state of Gujarat.

And

In the matter of Composite Scheme of Arrangement in the nature of Demerger and transfer of Real Estate Undertaking of Arvind Limited to Arvind Infrastructure Limited and Restructuring of Share Capital.

**Arvind Limited.**
A Company incorporated under the Indian Companies Act, 1913 and having its Registered office at Naroda Road, Ahmedabad-380025, in the state of Gujarat….....Applicant De-merged/Transferor Company

## NOTICE OF CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS

To,
The Equity Shareholders of Arvind Limited.

TAKE NOTICE that by an Order made on 12thNovember 2014, the High Court of Gujarat has directed that a meeting of the Equity Shareholders of Arvind Limited, be convened and held on Wednesday, the 7th day of January,2015 at 9.30 a.m., at the Thakorbhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad 380 006 in the state of Gujarat, for the purpose of considering and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement in the nature of de-merger and transfer of Real Estate Undertaking of Arvind Limited to Arvind Infrastructure Limited and consequential Restructure of Share Capital as proposed between the company and its shareholders.

TAKE FURHTER NOTICE that in pursuance of the said Order and as directed therein a meeting of the Equity Shareholders of the Applicant Company will be convened and held on Wednesday, the 7th day of January, 2015 at 9.30 a.m., at the Thakorbhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad 380 006 in the state of Gujarat, when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or by your authorized representative is deposited at the Registered Office of the Applicant Company at Ahmedabad, not later than forty-eight hours before the meeting.

The Hon'ble High Court of Gujarat has appointed Shri Sanjay S. Lalbhai, the Chairman and Managing Director of the Applicant Company and failing him Shri Jayesh K. Shah, the Director and Chief Financial Officer of the Applicant Company and failing him Shri Jagdish Dalal, Vice President, Legal and Secretarial of the Applicant Company, to be the Chairman of the said meeting.

A copy of each of the Scheme of Arrangement, the Explanatory Statement under Section 393 of the Companies Act, 1956, Fairness Opinion, Form of Proxy, and Attendance Slip is enclosed.

Sanjay S. Lalbhai
**Chairman appointed for the meeting**

Dated this 24th Day of November, 2014
Ahmedabad

Registered Office:
Naroda Road,
Ahmedabad-380025,
in the State of Gujarat.

**Note:**

1. The said meeting can be attended either in person or by an Authorised Representative or by Proxy appointed by the Shareholder.

**Explanatory Statement to the Composite Scheme of Arrangement between Arvind Limited and Arvind Infrastructure Limited and their respective shareholders and creditors under section 393 of the Companies act, 1956.**

1. This Composite Scheme of Arrangement provides for De-merger and transfer of Real Estate Undertaking of Arvind Limited to Arvind Infrastructure Limited and consequential Restructuring of share capital pursuant to Sections 391 to 394 read with Sections 78, 100 to 103 and other relevant provisions of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013. Pursuant to an Order dated 12th November, 2014 passed by the Hon'ble High Court of Gujarat at Ahmedabad in the Company Applications No. 266 and 267 of 2014, the meeting of the Equity Shareholders of Arvind Limited, is being convened and held at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad-380006 in the state of Gujarat on Wednesday 7th day of January 2015 and that of Secured Creditors of Arvind Limited, is being convened and held at the Registered Office of Arvind Limited at Arvind Mills Premises, Naroda Road, Ahmedabad-380025 in the state of Gujarat on Wednesday 7th day of January, 2015 for the purpose of considering and if thought fit, approving with or without modification(s), the aforesaid Scheme of Arrangement.

2. The Board of Directors of the Demerged Company and the Transferee Company had vide a resolution passed at their respective Board Meetings held on 30th July, 2014 had approved the terms and conditions of the Scheme of Arrangement pursuant to the provisions of Sections 391 to 394 read with Sections 78, 100 to 103 and other relevant provisions of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013. A copy of the Scheme of Arrangement setting out in detail the terms and conditions on which the Scheme of Arrangement is proposed as approved by the Board of Directors of the Demerged Company and the Resulting Company is enclosed as **Annexure I.** The same was sent to BSE Limited **("BSE")**, The National Stock Exchange of India Limited **("NSE")** as well as Ahmedabad Stock Exchange Limited **(ASE)** for obtaining their approval.

3. Post receipt of comments from SEBI on the Scheme of Arrangement, the Company has received, in terms of Clause 24(f) of the Listing Agreement, observation letters from BSE, NSE and ASE dated October 28, 2014, October 27, 2014 and November 10, 2014 respectively conveying their 'No-Objection' for filing the Scheme of Arrangement with the High Court. Copies of the aforementioned observation letters are enclosed as **Annexure II, Annexure III and Annexure IV** to this Notice.

4. As required by the SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 **("SEBI Circular"),** the Company has filed the complaints report with the BSE and NSE **("Stock Exchanges")** on 17th September, 2014. A copy of the same is enclosed as **Annexure V** to this Notice.

**5. BACKGROUND OF THE COMPANIES/DIVISION**

**5.1. ARVIND LIMITED**

5.1.1. Arvind Limited (hereinafter referred to as "AL" or "the De-Merged Company/ Transferor Company") was incorporated on 1st June, 1931 in the office of the Registrar of Companies, Bombay under Indian Companies Act, 1913 as "The Arvind Mills Limited". Vide the certificate issued by Registrar of Companies, Gujarat, with effect from 12th May, 2008 the name of the company was changed to "Arvind Limited".

5.1.2. The Registered Office of AL is situated at Naroda Road, Ahmedabad – 380025 , Gujarat.

5.1.3. The Share capital of AL as on 31.3.2014, consists of the following:

| **AUTHORISED** | **Rs. in Crores** |
|---|---|
| 56,50,00,000 Equity Shares of Rs.10/- each | 565.00 |
| 1,00,00,000 10% Preference Shares of Rs. 100/- each | 100.00 |
| | 665.00 |
| **Issued and Subscribed** | |
| 25,81,77,289 Equity Shares of Rs.10/- each fully paid up | 258.17 |

Subsequent to the aforesaid date, Transferor Company has issued and allotted 33,340 equity shares of Rs.10/- each and hence Issued and Subscribed Capital has increased to 25,82,09,729 equity shares of Rs.10/- each.

5.1.4. The Equity Shares of Arvind Limited are listed on the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited and the Ahmedabad Stock Exchange Limited.

5.1.5. The revenue from the operations of Arvind Limited, the Transferor Company during the last financial year i.e. 2013-14 has been nearly Rs. 4779 crores including the export turnover and net profit after tax has been Rs. 361 crores. Thus, it is a profit making and divided paying company.

**5.2. ARVIND INFRASTRUCTURE LIMITED**

5.2.1. Arvind Infrastructure Limited (hereinafter referred to as "the Resulting Company/ Transferee Company/AIL") was incorporated on 26th December, 2008 with the Registrar of Companies, Gujarat under the Companies Act, 1956.

5.2.2. The Registered Office of the company is situated at Arvind Premises, Naroda Road, Ahmedabad – 380025 in the state of Gujarat.

5.2.3. The Share Capital of the Transferee Company as per the Audited Balance Sheet as on March 31, 2014 is as under:

| Authorised Share Capital | Rs. in Crores |
|---|---|
| 1,50,00,000 Equity Shares of Rs.10/-each | 15.00 |
| **Total** | 15.00 |
| **Issued, Subscribed & Paid-up Share Capital** | |
| 1,00,50,000 Equity Shares of Rs. 10/- each | 10.05 |
| **Total** | 10.05 |

Subsequent to the aforesaid date, both Authorised Share Capital as well as the Issued, Subscribed and Paid up share capital of the Company has undergone several changes viz. sub-division of Equity shares from 1 (One) share of Rs. 10/- each to 10 shares of Re. 1/- each, Increase of Authorised Capital etc. Hence the Capital structure as on date stands as under:

| Authorised Share Capital | Rs. in Crores |
|---|---|
| 27,00,00,000 Equity Shares of Re.1/-each | 27.00 |
| **Total** | **27.00** |
| | |
| **Issued, Subscribed & Paid-up Share Capital** | |
| 10,05,00,000 Equity Shares of Re. 1/- each | 10.05 |
| **Total** | **10.05** |

The De-merged/ Transferor Company presently holds 100% of the Issued, Subscribed and Paid Up Equity Capital of the Transferee Company and hence the Transferee Company is the Wholly Owned Subsidiary of the Transferor Company.

5.2.4. Arvind Infrastructure Limited, the Transferee Company is carrying on the business of Real Estate Development, Construction and Infrastructure activities. During the last financial year ended on 31st March, 2014, the revenue from operations of the Transferee Company was Rs. 4360 lacs and the net profit after tax was Rs. 928 lacs. Thus, it is a profit making company.

**6. BACKGROUND TO THE COMPOSITE SCHEME OF ARRANGEMENT**

Arvind Limited, a flagship company of the Lalbhai Group, is engaged in the business spanning across entire value chain of textiles. The shares of the company are listed on Bombay Stock Exchange Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited. It was originally incorporated for manufacturing and marketing of textile products. However, it has grown and diversified in several distinct business activities through different undertakings, broadly in four categories namely:

(1) Textile Business Division related to activities of Denim Manufacturing, Yarn Manufacturing, Apparels, Marketing through EBO stores etc.

(2) Engineering Business Division related to activities of water, waste water and solid waste management and turnkey projects ("Other Manufacturing Management Business").

(3) Investment Business Undertaking related to Textile Business and Investments in Joint Ventures related to Textile Business and Investment in Engineering Business division (Textile and Engineering Infrastructure Undertaking) and

(4) Real Estate Undertaking– Infrastructure and Construction business that includes investments in shares and other securities of Real Estate division and Land, other movable and immoveable properties, inventories, receivables, Loans and advances and liabilities of the Real Estate division **(" Real Estate Undertaking").**

The above business activities are either carried out by Transferor Company directly and / or through Transferor Company's subsidiaries.

**7. RATIONALE FOR THE COMPOSITE SCHEME OF ARRANGEMENT**

It has been realised by the Board of Directors of the De-merged/ Transferor Company that the Company has several commercial activities distinct and diverse from each other. In order to ensure sustainable long term growth, profitability, market share and continuous customer service, it requires focussed management attention, different set of skill and resources to meet competitive, regulatory environment and to mitigate risk. With this objective in mind, it is proposed to transfer and vest the Real Estate Undertaking in the Resulting/Transferee Company. It is envisaged that the said proposal shall be in the larger interest of the shareholders, creditors and employees of the Transferor Company and help to achieve effective future growth of the Transferee Company. It is further envisaged to bring specific benefits as follows:

- the demerger will enable Transferor Company to focus and enhance its residue core business operations by streamlining operations and cutting costs, ensure better and more efficient management control.
- the demerger will enable investors to separately hold investments which best suit their investment strategies and risk profiles.
- as the activities of De-merged Undertaking and that of the Transferee Company are interrelated in nature, de-

merger shall help to reorganise the De-merged Undertaking by consolidation and integration of its operations with the activities of the Transferee Company as a part of group restructuring.

- the Transferee Company would have a larger net worth base, and greater borrowing capacity, which would provide it a competitive edge over others, especially in view of the increasing competition.
- With the aforesaid objectives, it is proposed to demerge the Real Estate Undertaking of the Transferor Company to the Transferee Company.

**8. SALIENT FEATURES OF THE SCHEME**

*" **PART –I***

*1. DEFINITIONS*

*(b) "The Appointed Date" means 1st April 2015 or such other date as may be approved by the High Court of Gujarat at Ahmedabad.*

*(f) "Real Estate Undertaking or Demerged Undertaking" shall mean Real Estate Undertaking of the Transferor Company and shall include :*

*a) All the assets and properties as on the Appointed Date (hereinafter referred to as "the said assets") pertaining to the Real Estate Undertaking;*

*b) All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Real Estate Undertaking;*

*c) Without prejudice to the generality of above, the Real Estate Undertaking shall include rights over land, buildings, the movable properties covering plant and machinery if any, equipment, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, bank balance, bills of exchange, letter of intents, loans and advances, investments but other than those forming part of Remaining Undertaking, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilized deposits or credits, benefits of any unutilized MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Real Estate Undertaking.*

*Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Real Estate Undertaking or whether it arises out of the activities or operations of Real Estate Undertaking shall be decided by mutual agreement between the Board of Directors of Transferor Company and Transferee Company.*

*(g) "Effective Date" means the last of the dates on which the sanctions / approvals or orders as specified in Clause No. 19 of this Scheme has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Gujarat and other Governmental Authorities.*

*(i) "Remaining Undertaking" means all the businesses and activities of the Transferor Company other than the De-merged Undertaking.*

*(j) "Scheme" means this Composite Scheme of Arrangement in the nature of De-merger and Restructure of Share Capital in its present form including any modifications or amendments thereto, approved or imposed or directed by the Hon'ble High Court of Gujarat at Ahmedabad or any other Governmental Authority and High Court and with all the Schedules appended thereto.*

*3. DEMERGER, TRANSFER AND VESTING OF DE-MERGED UNDERTAKING:*

*(a) On and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws and in relation to the mode of transfer and vesting, the De-merged Undertaking of the Transferor Company shall without any further act, instrument or deed, be and the same shall stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, authorizations, titles and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable, that of the Transferee Company.*

*(b) With effect from the Appointed Date and subject to the provisions of this Scheme, all the Liabilities (including the contingent liabilities) of the said De-merged Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.*

*(c) With effect from the Appointed Date and subject to the provisions of this Scheme, all the Assets (both the tangible and the intangible assets) of the said De-merged Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the assets of the Transferee Company.*

*(d) With effect from the Appointed date, all taxes paid, taxes refund due or receivable, carried forward losses, depreciation, capital losses, pending balances of amortizations etc. including application for rectification, appeals filed with tax authorities of the De-merged Undertaking of the Transferor Company shall also, pursuant to Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become as from the Appointed Date the direct taxes paid, direct taxes refund due or receivable, (whether as per Books or as per Income Tax) of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, in order to give effect to the provision of this Sub-Clause.*

*(e) All the employees of the De-merged Undertaking shall, without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and the Applicable Laws, become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any person, in order to give effect to the provisions of this Clause.*

*(f) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the De-merged Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.*

*(g) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, powers of attorney given by, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under the applicable laws, municipal/local permissions, etc. issued to or executed in favour of the Transferor Company shall stand transferred to the extent it relates to and pertains to the De-merged Undertaking, to the Transferee Company in which the De-merged Undertaking shall vest by way of the demerger hereunder, as if the same were originally*

*given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to and obtain relevant approvals, etc. from the concerned authorities and / or parties as may be necessary in this behalf and the Transferor Company shall cooperate and provide the required support wherever required.*

*(h) It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the De-merged Undertaking, which the Transferor Company owns or to which the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets etc. in trust for the benefit of the Transferee Company to which the De-merged Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected and till such time the Transferee Company shall be entitled to utilise, operate, avail the same for the De-merged Undertaking's activities without any consideration.*

*(i) Where any of the debts, liabilities (including contingent liabilities), loans raised and used, liabilities and obligations incurred, duties and obligations of De-merged Undertaking of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by De-merged Undertaking of the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.*

*(j) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of De-merged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the De-merged Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.*

*(k) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to and specific to the De-merged Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the said Act.*

*(l) The demerger and the transfer and vesting of the assets comprised in the De-merged Undertaking to and in the Resulting Company under this clause shall be subject to the mortgages and charges, if any.*

*(m) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the High Court of Gujarat, Ahmedabad, having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.*

*(n) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the relevant regulatory authority and Governmental Authorities to give formal effect to the above provisions, if required.*

*(o) Upon the coming into effect of this Scheme, the Transferor Company alone shall be liable to perform all obligations in respect of the liabilities as on the Appointed Date, which have not been transferred to Transferee Company in terms of the Scheme and the Transferor Company alone shall have all obligations in respect of such liabilities and the Transferor Company shall indemnify the Transferee Company in relation to any claim, at any time, against the Transferee Company in respect of the liabilities which have been retained by the Transferor Company.*

*(p) Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities (including contingent liabilities) from the Appointed Date, which have been incurred by the Transferor Company for and on behalf of the Transferee Company and in relation to the De-merged Undertaking in terms of the Scheme and the Transferor Company shall not have any obligation in respect of such liabilities and the*

*Transferee Company shall indemnify the Transferor Company in relation to any claim, at any time, against the Transferor Company in respect of such liabilities.*

*(q) It is expressly provided that no other term or condition of the liabilities not transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.*

*(r) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the clause 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions with effect from the Appointed Date or such other date as is specified herein above, as the case may be.*

*5. LEGAL PROCEEDINGS:*

*(a) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Transferor Company, pertaining to the De-merged Undertaking of the Transferor Company, arising after the Appointed Date but before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.*

*(b) The Transferee Company will undertake to have all legal, judicial or other proceedings initiated and / or to be initiated after the Effective Date by or against the De-merged Undertaking of the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferor Company and the Transferee Company shall make relevant applications in that behalf and the Transferor Company and the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.*

*(c) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the De-merged Undertaking of the Transferor Company pending on or pertaining to the period prior to the Appointed Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.*

*8. CONSIDERATION BY THE TRANSFEREE COMPANY:*

*8.1 Upon this Scheme becoming effective, Resulting/ Transferee Company shall without any further application or deed, issue and allot Shares at par, credited as fully paid-up, to the extent indicated below to the shareholders of Transferor Company, holding shares in Transferor Company and whose name appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following proportion:*

*1 (One) fully paid up Equity Share of Re. 10/- each of Resulting Company shall be issued and allotted for every 10 (Ten) fully paid up Equity Shares of Rs. 10/- each held in Transferor Company.*

*The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari passu in all respects with the then existing equity shares of the Resulting Company.*

*8.2 No fractional certificate(s) shall be issued by the Resulting Company in respect of any fractions which the members of the Demerged Company may be entitled to on issue and allotment of the new equity shares as aforesaid by the Company. The Board of Directors of the Resulting Company shall instead, consolidate all such fractional entitlements and allot new equity shares in lieu thereof to a Director or an officer of the Resulting Company or such other person(s) as the Board of Directors of the Resulting Company shall appoint in this regard who shall hold the new equity shares in trust on behalf of the members entitled to such fractional entitlements with express understanding that such director or officer or person(s) shall sell the same in market at such time(s) (not later than 6 months upon coming into effect of this Scheme) at such price(s) and to such person(s) as it/ he/ they may deem fit and pay to the Resulting Company the net sale proceeds thereof. Thereupon the Resulting Company shall distribute the net sale proceeds, after deduction of applicable taxes/ duties/ levies, if any, to the members entitled in proportion to their respective fractional entitlements. In case the number of such shares to be allotted to the Director/officer by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in the Resulting Company to such Director/officer.*

*8.3 Shares to be issued by Resulting Company pursuant to Clause 8.1 in respect of any equity shares held by shareholder of Transferor Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by Resulting Company.*

*8.4 In so far as the issue of equity shares pursuant to Clause 8.1 is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity shares in Transferor*

*Company in dematerialized form, in to the account with the Depository Participant in which the equity shares of Transferor Company are held or such other account with the Depository Participant as is intimated by the equity shareholders to Resulting Company before the Record Date. All those equity shareholders of Transferor Company who hold equity shares of Transferor Company in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Resulting Company before the Record Date. In the event that Resulting Company has received notice from any equity shareholder of Transferor Company that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue equity shares of Resulting Company, in accordance with the Transferor Company Share Entitlement Ratio, as the case may be, in physical form to such equity Shareholder.*

*8.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the board of directors or any committee thereof of Transferor Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in Transferor Company and in relation to the shares issued by Resulting Company after the effectiveness of this Scheme. The board of directors of Transferor Company and Resulting Company shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account of difficulties faced in the transaction period.*

*8.6 The Resulting/Transferee Company shall endeavour to ensure that the equity shares issued by it in terms of Clause 8.1 of this Scheme, subject to applicable regulations and subject to requisite compliances be listed and admitted to trading on the National Stock Exchange and Bombay Stock Exchange, where the equity shares of Transferor Company are listed and are admitted to trading. The shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the National Stock Exchange and Bombay Stock Exchange.*

*8.7 Approval of this Scheme by the shareholders of Resulting Company shall be deemed to be the due compliance of the provisions of Section 81(1A) of the Companies Act, 1956 or Section 62 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Resulting Company to the equity shareholders of Transferor Company, as provided in this Scheme.*

*8.8 Upon Scheme being effective and upon the issuance and allotment of the equity shares by the Transferee Company in accordance with the Clause 8.1, the existing issued and paid up equity share capital of the Transferee Company, comprising of 10,05,00,000 equity shares of Re. 1/- each, aggregating to Rs.10,05,00,000/- as held by the de-merged company and its nominees shall be cancelled. The share certificates held by Transferor Company and its nominees representing the equity shares in the Transferee Company shall be deemed to be cancelled and non-est and not tradable from and after such cancellation. This will result in reduction of share capital (as provided in detail in clause 14 herein below).*

*8.9 The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of new equity shares by the Resulting Company to the equity shareholders of the Transferor Company. The Resulting Company shall comply with the relevant and applicable rules and regulations including provisions of FEMA to enable it to issue shares pursuant to this Scheme.*

*9. ACCOUNTING TREATMENT*

*(A) Accounting treatment in the books of the De-merged/Transferor Company:*

*9.1 Upon scheme being effective, the respective book values of the assets and liabilities of the de-merged undertaking shall be adjusted in the books of accounts of the de-merged company in compliance with the applicable Accounting Standards.*

*9.2 Upon the scheme being effective, the difference between the book value of assets and liabilities of the De-merged Undertaking, transferred pursuant to the Scheme shall be adjusted in the books of Transferor Company against its Securities Premium Account as provided in detail in clause 14 hereinbelow.*

*9.3 Upon the scheme being effective and upon cancellation of shares held by the De-merged Company in the Resulting/ Transferee Company, such amount of investment by the Transferor Company in the cancelled share capital of Transferee Company shall be written off as provided in clause 14 hereinbelow.*

*(B) Accounting treatment in the Books of the Resulting/Transferee Company:*

*9.4 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the assets and liabilities transferred to and vested in them pursuant to this Scheme, at the book values of the respective assets and liabilities as recorded in the books of account of the Transferor Company as on the Appointed Date. The same shall be in compliance with the applicable Accounting Standards. The Transferee Company may also decide to record the assets and liabilities transferred to and vested in them at fair value if advised by the Auditors and if it is in compliance with applicable Accounting Standards.*

*9.5 The Transferee Company shall credit its Share Capital Account with the aggregate face value of the equity shares issued to the shareholders of Transferor Company pursuant to Clause 8.1 of this Scheme.*

*9.6 Upon Scheme being effective and upon the issue and allotment of the new shares of the Transferee Company to the shareholders of the De-merged Company, the existing shares of the Transferee Company as held by the De-merged Company and its nominees shall stand cancelled simultaneously (as provided vide clause 14 herein below).*

*9.7 The amount of difference in the net value of assets transferred pursuant to the Scheme and the amount of consideration as issued pursuant to clause 8.1 of the Scheme, netted by existing share capital cancelled in terms of clause 9.6 hereinabove of the scheme, shall be adjusted against Securities Premium account.*

*13. REMAINING UNDERTAKING:*
*The Remaining Undertaking of the De-merged/ Transferor Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.*

*14. RESTRUCTURE OF SHARE CAPITAL*

*A. RESTRUCTURE OF SHARE CAPITAL OF THE DE-MERGED /TRANSFEROR COMPANY*

*14.1 Upon the scheme being effective, the amount of difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted against the Securities Premium Account, as envisaged vide clause 9.2 hereinabove.*

*14.2 Upon the scheme being effective and upon the issue of shares by the Transferee Company to the shareholders of the De-merged/Transferor Company and upon cancellation of the shares of the Transferee Company as held by the De-merged Company, the amount of such investment in the books of the de-merged company shall be written off against the Securities Premium Account, as envisaged vide clause 9.3 hereinabove.*

*14.3 The above referred adjustment against the Securities Premium Account of the De-merged Company shall not exceed Rs.100.05 Crores save and except an adjustment as may be required to be made due to any increase or decrease in the net assets value of Demerged Undertaking to be transferred on Appointed Date. This restructure amounts to reduction of capital under Section 78 read with Sections 100 to 103 of the Act. However, the same is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the De-merged/Transferor Company to the proposed Scheme shall be deemed to be their approval under the provisions of Section 78 and 100 and all other applicable provisions of the Act and the Transferor Company shall not be required to undertake any separate procedure for the same. The order of the Honourable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. In view of the same, the Transferor Company shall not be required to separately comply with Section 100 or any other provisions of Act.*

*14.4 Further, since the above restructure involving the utilization of Securities Premium Account of the company is only deemed reduction under Section 78 read with Section 100 of the Act and there is no actual Reduction of Issued, Subscribed and Paid up Share Capital of the company, the Transferor Company shall not be required to add the suffix "and reduced' to its name.*

*B. RESTRUCTURE OF SHARE CAPITAL OF THE RESULTING /TRANSFEREE COMPANY*

*14.5 Upon Scheme being effective, the Authorised Share Capital of the Transferee Company shall be restructured by consolidation of 10 shares of Re. 1/- each into 1 (one) share of Rs. 10/- each. Hence the same shall stand as Rs. 27,00,00,000/- consisting of 2,70,00,000 shares of Rs. 10/- each. Clause V of the Memorandum of Association shall be accordingly amended.*

*14.6 Upon Scheme being effective and upon the issue and allotment of the new shares of the Transferee Company to the shareholders of the De-merged Company, the existing shares of the Transferee Company as held by the De-merged Company and its nominees shall stand cancelled simultaneously, as envisaged vide clause 9.6 hereinabove. This will result in reduction of the issued, subscribed and paid up capital of the Transferee Company to the extent of Rs. 10,05,00,000/-.*

*14.7 However, considering the issue of new shares to the shareholders of the De-merged company as envisaged under clause 8.1 hereinabove, there will not be any net reduction of the share capital.*

*14.8 The aforesaid restructure of capital viz. Consolidation of Equity Shares of Re.1/- to that of Rs. 10/- each, cancellation of the shares held by the De-merged Company and upon issue and allotment of new shares resultant increase of share capital etc. is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme shall be deemed to be their approval under the provisions of Section 16, 100 and all other applicable provisions of the Companies Act, 1956 or the applicable provisions of the Companies Act, 2013 and the Transferee Company shall not be required to undertake any separate procedure for the same. Since there is no net reduction of the share capital, the Transferee Company shall not be required to separately comply with Section 100 or any other provisions of Act. Further, since there is no actual Reduction of Issued, Subscribed and Paid up Share Capital of the company, the Transferee Company shall not be required to add the suffix "and reduced' to its name.*

*14.9 The above referred adjustment as in Clause 9.7 against the Securities Premium Account of the Transferee Company amounts to reduction of capital under Section 78 read with Sections 100 to 103 of the Act. However, the same is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme shall be deemed to be their approval under the provisions of Section 78 and 100 and all other applicable provisions of the Act and the Transferee Company shall not be required to undertake any separate procedure for the same. The order of the Honourable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. In view of the same, the Transferee Company shall not be required to separately comply with Section 100 or any other provisions of Act."*

**The features set out above being only the salient features of the Scheme, the members are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.**

9. Vide clause 14 of the scheme, Restructure of share capital of both the companies is envisaged. Arvind Limited proposes to restructure its Share Capital in order to make its Balance Sheet realistic upon the de-merger and transfer of the Real Estate Undertaking. It has proposed the restructure in form of utilization of its Securities Premium Account, for adjusting the value of the net assets of the De-merged undertaking. Further, upon cancellation of the shares of the Transferee Company as held by the De-merged Company, the amount of such investment in the books of the de-merged company shall be written off against the Securities Premium Account. Though there is no actual reduction in Issued and Paid up Equity Share Capital of the company, the said proposal shall be covered under the provisions of Sec. 78 read with Sec. 100 to 103 of the Companies Act, 1956. However, this being consequential in nature is proposed as an integral part of the proposed scheme of arrangement. It is hereby clarified that the Issued, Subscribed and Paid up Capital of Arvind Limited shall not undergo any change due to the proposed restructure.

10. Similarly, Arvind Infrastructure Limited proposes to restructure its share capital in several ways viz. Consolidation of Equity Shares of Re.1/- to that of Rs. 10/- each, Cancellation of the shares held by the De-merged Company and upon issue and allotment of new shares resultant increase of share capital, proposed adjustment of net amounts against its Securities Premium Account etc. The entire restructure of capital is consequential in nature and is proposed to be effected as an integral part of the Scheme.

11. The equity shareholding pattern of Arvind Limited shall be as under:
(Based on the shareholding pattern as on 31st October 2014)

| Particulars | Pre Scheme | | Post Scheme | |
|---|---|---|---|---|
| | No. of shares held | % | No. of shares held | % |
| Promoters (including persons acting in concert) | 112217931 | 43.45 | 112217931 | 43.45 |
| Banks/Financial Institutions, Insurance Companies | 16680937 | 6.46 | 16680937 | 6.46 |
| Mutual Funds and UTI | 21984382 | 8.51 | 21984382 | 8.51 |
| Non-Resident Indians / Overseas Corporate Bodies, Foreign Financial Institutions, Foreign Institutional Investors and Foreign Companies | 60585117 | 23.46 | 60585117 | 23.46 |
| Private Corporate Bodies | 10575503 | 4.10 | 10575503 | 4.10 |
| Indian Public | 36199199 | 14.02 | 36199199 | 14.02 |
| **Total** | **258243069** | **100** | **258243069** | **100** |

12. The details of Directors of respective companies are as under:

(a) Arvind Limited

| Sr. No. | Name of Director | Designation | Age | Educational Qualifications |
|---|---|---|---|---|
| 1 | Mr. Sanjay S. Lalbhai | Chairman & Managing Director | 58 | B. Sc., MMS |
| 2 | Mr. Punit S. Lalbhai | Executive Director | 32 | MBA |
| 3 | Mr. Kulin S. Lalbhai | Executive Director | 29 | MBA |
| 4 | Mr. Jayesh K. Shah | Director and Chief Finance Officer | 54 | B Com, FCA |
| 5 | Mr. Samir Mehta | Independent Director | 52 | Post Graduate in Business Management |
| 6 | Ms. Renuka Ramnath | Independent Director | 48 | MMS, B Tech |
| 7 | Mr. Prabhakar Dalal | Nominee of Exim Bank Ltd | 61 | M Com, LLB, CAIIB, PGDEFRM |
| 8 | Mr. Vallabh Bhanshali | Independent Director | 63 | B Com, LLB, CA |
| 9 | Mr. Dileep C. Choksi | Independent Director | 65 | B Com, LLB, ICWA, FCA |
| 10 | Dr. Bakul Dholakia | Independent Director | 67 | MA, Phd |

(b) Arvind Infrastructure Limited

| Sr. No. | Name of Director | Designation | Age | Educational Qualifications |
|---|---|---|---|---|
| 1 | Mr. Kulin S. Lalbhai | Director | 29 | MBA |
| 2 | Mr. Jagdish G. Dalal | Director | 52 | FCA |
| 3 | Mr. Hiren Rao | Director | 62 | FCA |

13. The Directors of Arvind Limited and Arvind Infrastructure Limited, may be deemed to be concerned and/ or interested in the scheme only to the extent of their shareholding in the Companies, or to the extent the said directors are common directors in the Companies, or to the extent the said directors are partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the Companies. The details of their shareholding in the companies forming a part of the Scheme are as under. Their interest in these companies shall not be treated in any way differently than the other shareholders of the companies. None of the Directors have given any loans to any of these companies. The details of shareholding of Directors in the companies forming a part of the Scheme :

| **Sr. No.** | **Directors of Arvind Limited** | **No. of Shares held in Arvind** | **No. of Shares held in Arvind Infrastructure Limited** |
|---|---|---|---|
| 1 | Mr. Sanjay S. Lalbhai | 2000152 | - |
| 2 | Mr. Punit S. Lalbhai | 3714 | - |
| 3 | Mr. Kulin S. Lalbhai | - | - |
| 4 | Mr. Jayesh K. Shah | 912000 | - |
| 5 | Mr. Samir Mehta | - | - |
| 6 | Dr. Bakul Dholakia | 15000 | - |
| 7 | Ms.Renuka Ramnath | - | - |
| 8 | Mr. Dileep C. Choksi | - | - |
| 9 | Mr. Vallabh Bhanshali | - | - |
| 10 | Mr. Prabhakar Dalal | - | - |
| | **Directors of Arvind Infrastructure Limited** | | |
| 1 | Mr. Kulin S Lalbhai | - | - |
| 2 | Mr. Jagdish Dalal | 56000 | - |
| 3 | Mr. Hiren Rao | 100 | - |

14. The abridged financial statements of both the Companies for last three years are annexed herewith as **Annexure A.**

15. The rights and interest of the members and the creditors of De-merged Company will not be prejudicially affected by the Scheme.

16. The financial position of De-merged Company will not be adversely affected by the Scheme. The financial position of the company will continue to remain strong and it will be able to meet and pay its debts as and when they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the De-merged Company shall not be prejudicially affected by the Scheme of Arrangement as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

17. The Scheme of Arrangement was placed before the audit committee of Arvind Limited at its meeting held on July 30, 2014. The audit committee of the Company took into account the recommendations on the share exchange ratio by PAM & Associates, Chartered Accountants acting as independent chartered accountants and the fairness opinion provided by Axis Capital Limited. The audit committee concluded that the Scheme of Arrangement would be to the benefit of the Company and also its shareholders and recommended the Scheme of Arrangement to the Board of Directors of the Company by its report dated July 30, 2014.

18. No investigation proceedings have been initiated or pending in relation to the De-merged Company under Sections 235 to 250A of the Companies Act, 1956.

19. On the Composite Scheme of Arrangement between Arvind Limited and Arvind Infrastructure Limited being approved by their respective shareholders and creditors as per the requirements of Section 391 of the Act, Arvind Limited, and Arvind Infrastructure Limited will seek the sanction of the Honourable High Court of Gujarat at Ahmedabad.

20. **Exemption from Postal Ballot Procedure:** Approval of the shareholders was not sought by postal ballot and e-voting (as required under Clause 15.6 (a) of the SEBI Circular) since the proposed Scheme of Arrangement is not covered under any of the cases listed under the aforesaid Clause 15.6 (a). As per Clause 15.6 (b), the necessary undertaking/approval/certification has been obtained.

21. Inspection of the following documents may be had at the Registered Office of Arvind Limited up to one day prior to the date of the meeting between 11.00 am and 4.00 pm on all working days (except Saturdays and Sundays):

    21.1. Certified copy of the Order dated 12th November, 2014 of the High Court of Gujarat passed in Company application No266 of 2014, directing the convening of the meetings of the Equity Shareholders and Secured Creditors and dispensing with the meeting of Unsecured Creditors of Arvind Limited.

    21.2. Certified copy of the order dated 12th November, 2014 of the High Court passed in Company Application No. 267of 2014, dispensing with the meetings of Equity Shareholders of Arvind Infrastructure Limited.

    21.3. Memorandum and Articles of Association of Arvind Limited and Arvind Infrastructure Limited.

    21.4. Latest Audited accounts of Arvind Limited and Arvind Infrastructure Limited as at 31st March, 2014.

    21.5. Letter under Clause 24(f) of Listing Agreement dated October 28, 2014 of BSE, that of NSE dated October 27, 2014 and that of ASE dated November 10, 2014 approving the Scheme.

    21.6. Copy of the Valuation Report and Exchange Ratio Certificate provided by P A M & Associates, Chartered Accountants dated 29th July, 2014.

    21.7. Copy of the Fairness Report provided by AXIS Capital Limited dated 30th July, 2014.

    21.8. Copy of the Undertaking and the Auditor's certificate dated 21st August, 2014 submitted to SEBI confirming non application of clause 5.16 (a) of the SEBI circulars (CIR/CFD/DIL/5/2013 dated February 4, 2013 and CIR/CFD/DIL/8/ 2013 dated May 21, 2013).

    21.9. Complaints Report dated 17th September, 2014 submitted by the Company to the Stock Exchanges.

    21.10. Copies of the resolutions passed by the respective Board of Directors of the Arvind Limited and Arvind Infrastructure Limited approving the Scheme of Arrangement.

**This statement may be treated as an Explanatory Statement under section 393 of the Companies Act, 1956. A copy of the Scheme and Explanatory Statement may be obtained from the Registered Office of Arvind Limited at Naroda Road, Ahmedabad – 380025.**

**ANNEXURE-A : SUMMARISED BALANCE SHEET**

**A - Abridged Financial Statements of Arvind Limited for the 3 years.**

A-1 Abridged Balance Sheets:

| Years/Period ended on | 31-03-2014 | 31-03-2013 | 31-03-2012 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | **Rs (in Crores)** | |
| 1. SHAREHOLDERS FUNDS : | | | |
| a. Capital | 258.17 | 258.04 | 258.04 |
| b. Reserve & Surplus | 2377.98 | 2041.47 | 1762.15 |
| 2. LOAN FUNDS : | | | |
| a. Secured Loans | 2322.12 | 2061.43 | 1715.01 |
| b. Unsecured Loans | 94.61 | 57.69 | 55.26 |
| Deferred Tax Liability | 60.02 | 12.82 | 12.82 |
| **TOTAL** | **5112.90** | **4431.45** | **3803.28** |
| **APPLICATION OF FUNDS :** | | | |
| **1.Fixed Assets** | | | |
| **Gross Block** | 4084.09 | 3806.43 | 3557.55 |
| Less : Depreciation | 1587.89 | 1466.77 | 1288.49 |
| Net Block | 2496.20 | 2339.66 | 2269.06 |
| Capital Work in Progress | 72.32 | 200.32 | 179.10 |
| **2. INVESTMENTS :** | **700.33** | **492.86** | **337.11** |
| **3.Current Assets, Loans & Advances :** | | | |
| Inventories | 942.61 | 877.96 | 728.42 |
| Land held for Sale | 75.57 | 99.43 | 102.21 |
| Sundry Debtors | 518.93 | 442.42 | 405.55 |
| Cash and Bank Balances | 123.82 | 150.60 | 39.37 |
| Other Current Assets | 250.06 | 194.30 | 160.19 |
| Loans & Advances | 853.67 | 486.17 | 403.96 |
| | **2764.66** | **2250.88** | **1839.70** |
| **Less : Current Liabilities and Provisions** | | | |
| Liabilities | 826.01 | 753.33 | 677.61 |
| Provisions | 94.60 | 98.94 | 144.08 |
| | **920.61** | **852.27** | **821.69** |
| **NET CURRENT ASSETS :** | **1844.05** | **1398.61** | **1018.01** |
| **Miscellaneous Expenditure** | | | |
| **TOTAL** | **5112.90** | **4331.45** | **3803.28** |

B-1 Abridged Profit and Loss Accounts:

| Years/Period ended on | 31-03-2014 | 31-03-2013 | 31-03-2012 |
|---|---|---|---|
| **Income** | | **Rs (in Crores)** | |
| Sales and Operating Income | 4775.48 | 3780.29 | 3494.12 |
| Other Income | 84.44 | 93.46 | 387.61 |
| **Total** | **4859.92** | **3873.75** | **3881.73** |
| **Expenses** | | | |
| Raw Materials Consumed | 2096.50 | 1641.22 | 1568.76 |
| Purchase of Finished Goods | 77.92 | 84.44 | 37.40 |
| Employee Emoluments | 508.84 | 442.22 | 360.51 |
| Others | 1380.42 | 1191.73 | 1021.93 |
| Interest & Finance Cost (Net) | 296.44 | 268.44 | 270.25 |
| Depreciation/Impairment | 157.51 | 150.49 | 130.51 |
| (Increase) in Stocks | (66.30) | (166.01) | 4.28 |
| | **4451.33** | **3612.53** | **3393.64** |
| **Profit before Tax for the year** | **408.59** | **261.22** | **488.09** |
| Less : Current Tax | 47.20 | | 53.86 |
| Less : Fringe Benefit Tax | | | |
| **Profit for the year** | **361.39** | **261.22** | **434.23** |
| Add Prior Period items | | | |
| **Balance as per last year's Balance sheet** | **991.07** | **799.67** | **450.12** |
| Less: Adjustment on Amalgamation | | | 54.69 |
| Less : Proposed dividend on Equity Shares | 60.67 | 42.58 | 25.80 |
| Less : Dividend distribution tax on proposed dividend on equity shares | 10.31 | 7.24 | 4.19 |
| Tax on Interim Dividend | | | |
| Transfer to General Reserve | 36.15 | 20.00 | |
| Transfer from Debenture Redemption Reserve | | | |
| **Balance carried to Balance Sheet** | **1245.33** | **991.07** | **799.67** |

**A. Abridged Audited Financial Statements of Arvind Infrastructure Limited for the 3 years.**

**A-2 Abridged Balance Sheets:**

| Years/Period ended on | 31-03-2014 | 31-03-2013 | 31-03-2012 |
|---|---|---|---|
| **SOURCES OF FUNDS** | | **Rs (in Lacs)** | |
| 1. SHAREHOLDERS FUNDS : | | | |
| a. Capital | 1,005.00 | 105.00 | 5.00 |
| b. Reserve & Surplus | 10,531.50 | 1,503.03 | 278.99 |
| 2. LOAN FUNDS : | | | |
| a. Secured Loans | 0.00 | 0.00 | 0.00 |
| b. Unsecured Loans | 57.53 | 114.00 | 3,307.40 |
| c. Deferred Tax | 3.32 | 4.47 | 7.55 |
| **TOTAL** | **1,1597.35** | **1,726.50** | **3,598.94** |
| **APPLICATION OF FUNDS :** | | | |
| **1.Fixed Assets** | | | |
| Gross Block | 204.27 | 182.62 | 98.03 |
| Less : Depreciation | 70.78 | 43.10 | 18.73 |
| Net Block | 133.79 | 139.52 | 79.30 |
| Capital Work in Progress | 0.87 | 0.00 | 0.00 |
| **2. INVESTMENTS :** | 9,037.94 | 2,601.09 | 1,946.35 |
| **3.Current Assets, Loans & Advances :** | | | |
| Inventories | 4,166.21 | 5,195.57 | 962.94 |
| Sundry Debtors | 25.47 | 269.31 | 18.62 |
| Cash and Bank Balances | 122.15 | 210.47 | 56.71 |
| Other Current Assets | 412.31 | 290.97 | 0.17 |
| Loans & Advances | 9,943.68 | 7,873.53 | 1,123.52 |
| | **14669.82** | **13839.85** | **2161.96** |
| **Less : Current Liabilities and Provisions** | | | |
| Liabilities | 12,113.55 | 14,814.22 | 580.07 |
| Provisions | 131.52 | 39.74 | 8.60 |
| | **12245.07** | **14853.96** | **588.67** |
| **NET CURRENT ASSETS :** | **2,424.75** | **(1,014.11)** | **1,573.29** |
| | | | |
| Misc. Expenditure | 0.00 | 0.00 | 0.00 |
| Profit & Loss Account | 0.00 | 0.00 | 0.00 |
| **TOTAL** | **11,597.35** | **1,726.50** | **3,598.94** |

B-2 Abridged Profit and Loss Accounts:

| Years/Period ended on | 31-03-2014 | 31-03-2013 | 31-03-2012 |
|---|---|---|---|
| **Income** | | **Rs (in Lacs)** | |
| Sales and Services | 4,360.42 | 2597.29 | 697.02 |
| Other Income | 4.77 | 18.38 | 9.18 |
| **Total** | **4,365.19** | **2,615.67** | **706.20** |
| **Expenses** | | | |
| Cost of Materials | 0.00 | 0.00 | 0.00 |
| Purchase of Finished Goods | 0.00 | 0.00 | 0.00 |
| Operating and Other Exps. | 1,075.24 | 5254.24 | 676.05 |
| Employee Emoluments | 518.11 | 380.47 | 105.49 |
| Interest | 422.21 | 926.70 | 320.68 |
| Depreciation | 27.67 | 24.38 | 17.12 |
| (Increase) / Decrease in Stocks | 1,154.62 | (4,291.07) | (685.98) |
| **Profit/(Loss) before Tax for the year** | **1,167.34** | **320.95** | **272.84** |
| Less : Current Tax | 240.02 | 0.00 | 0.00 |
| Less : Deferred Tax | (1.15) | (3.08) | 2.40 |
| **Profit/(Loss) for the year** | 928.47 | 324.03 | 270.44 |
| Balance as per last year's Balance sheet | 603.03 | 278.99 | 8.55 |
| Add : Adjustment of Exchange Rate Difference | 0.00 | 0.00 | 0.00 |
| Balance carried to Balance Sheet | 1,531.50 | 603.02 | 278.99 |

**Annexure- I**

# COMPOSITE SCHEME OF ARRANGEMENT IN THE NATURE OF DE-MERGER AND TRANSFER OF DE-MERGED UNDERTAKING AND CONSEQUENTIAL RESTRUCTURE OF SHARE CAPITAL BETWEEN ARVIND LIMITED AND ARVIND INFRASTRUCTURE LIMITED AND THEIR RESPECTIVE MEMBERS AND CREDITORS UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 78 AND 100 TO 103 OF THE COMPANIES ACT, 1956

This Scheme of Arrangement provides for the demerger of the De-merged Undertaking viz. Real Estate Undertaking (as defined hereinafter) of Arvind Limited, Public Limited Company incorporated under The Indian Companies Act, 1913 as a going concern into Arvind Infrastructure Limited, incorporated under the Companies Act, 1956 , a Wholly Owned Subsidiary Company of Arvind Limited, as well as the Restructure of Share Capital of both the companies pursuant to the provisions of Sections 391 to 394 read with Sections 78 and 100 to 103 and other relevant provisions of the Companies Act, 1956.

**PREAMBLE**

**A. Description of Companies:**

**1. "The Demerged Company or Transferor Company":-**

Arvind Limited, is a flagship company of the Lalbhai Group, engaged in the business spanning across entire value chain of textiles. The shares of the company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. It was originally incorporated for manufacturing and marketing of textile products. However, it has grown and diversified in several distinct business activities through different undertakings, broadly in four categories namely:

(1) Textile Business Division related to activities of Denim Manufacturing, Yarn Manufacturing, Apparels, Marketing through EBO stores etc.

(2) Engineering Business Division related to activities of water, waste water and solid waste management and turnkey projects ("Other Manufacturing Management Business").

(3) Investment Business Undertaking related to Textile Business and Investments in Joint Ventures related to Textile Business and Investment in Engineering Business division (Textile and Engineering Infrastructure Undertaking) and

(4) Real Estate Undertaking– Infrastructure and Construction business that includes investments in shares and other securities of Real Estate division and , Land, other movable and immoveable properties, inventories, receivables, Loans and advances and liabilities of the Real Estate division **(" Real Estate Undertaking").**

The above business activities are either carried out by Transferor Company directly and / or through Transferor Company's subsidiaries.

**2. "The Resulting Company or Transferee Company" :-**

Arvind Infrastructure Limited is an unlisted company incorporated under the Companies Act, 1956. It is currently a wholly owned subsidiary of the Transferor Company and is carrying on the business of Real Estate Development,Construction and Infrastructure activities .

**B. Rationale for the Scheme of Arrangement:**

It has been realised by the Board of Directors of the De-merged/ Transferor Company that the Company has several commercial activities distinct and diverse from each other. In order to ensure sustainable long term growth, profitability, market share and continuous customer service it requires focussed management attention, different set of skill and resources to meet competitive, regulatory environment and to mitigate risk. . With this objective in mind, it is proposed to transfer and vest the Real Estate Undertaking in the Resulting/Transferee Company. It is envisaged that the said proposal shall be in the larger interest of the shareholders, creditors and employees of the Transferor Company and help to achieve effective future growth of the Transferee Company. It is further envisaged to bring specific benefits as follows:

- the demerger will enable Transferor Company to focus and enhance its residue core business operations by streamlining operations and cutting costs; ensure better and more efficient management control.

- the demerger will enable investors to separately hold investments which best suit their investment strategies and risk profiles; and
- As the activities of De-merged Undertaking and that of the Transferee Company are interrelated in nature, de-merger shall help to reorganise the De-merged Undertaking by consolidation and integration of its' operations with the activities of the Transferee Company as a part of group restructuring.
- The Transferee Company would have a larger net worth base, and greater borrowing capacity, which would provide it a competitive edge over others, especially in view of the increasing competition.
  With the aforesaid objectives, it is proposed to demerge the Real Estate Undertaking of the Transferor Company to the Transferee Company.

**C. Operation of the Scheme:**

(a) Real Estate Undertaking of the de-merged company is proposed to be demerged, pursuant to the applicable provisions of the Companies Act, 1956, and/or any other applicable laws and be transferred to the Transferee Company for achieving the above mentioned objectives.

(b) The Transferor Company will continue its interests in the Remaining Undertaking as is presently being carried out but with greater focus, to the growth opportunities, and the regulatory requirements, risks, etc. specific to its business.

(c) The Transferee Company shall issue and allot shares to all the shareholders of the De-merged Company as consideration for the transfer of the said undertaking in proportion to their shareholding in Transferor Company so as to result in the mirror image of the existing shareholding pattern. As a consequence, the Transferee Company shall cease to be a Wholly Owned Subsidiary of the Transferor Company.

(d) Various other matters consequential or otherwise integrally connected herewith, including the reorganization of the capital in form of the utilization of Securities Premium Account of the Transferor Company and cancellation of the existing share capital of the Transferee Company shall form integral part of the scheme.

(e) The demerger of the Real Estate Undertaking in accordance with this Scheme shall take effect from the Appointed Date and shall be in accordance with Section 2(19AA) of the Income Tax Act, 1961.

(f) The scheme shall be in compliance with the applicable SEBI guidelines including particularly the recent circulars being CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular CIR/CFD/DIL/8/2013 dated May 21, 2013; and other applicable provisions of RBI guidelines as well as FEMA regulations.

**D. PARTS OF THE SCHEME**

The Scheme is divided into the following parts:

1. PART A which deals with definitions & share capital.
2. PART B which deals with demerger of Real Estate Undertaking of the Transferor Company to the Transferee Company.
3. PART C which deals with Restructure of Share Capital in form of Utilisation of Securities Premium Account of the Transferor Company and Restructure of Share Capital in form of Utilisation of Securities Premium Account and the cancellation of existing share capital of the Transferee Company.
4. PART D which deals with General terms and conditions.

**PART- A**

**1. DEFINITIONS:**

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the meaning given hereunder: -

(a) **"Act"** means the Companies Act, 1956 as may be applicable, including any statutory modifications, re-enactments or amendments thereof and shall include the relevant and corresponding sections under Companies Act, 2013, as and when the same are made applicable before the effective date of the Scheme.

(b) **"Appointed Date"** means 1st April 2015 or such other date as may be approved by the High Court of Gujarat at Ahmedabad.

(c) **"Applicable Laws"** means any statute, notification, bye-laws, rules, regulations, guidelines, Common law, policy code, directives, ordinance, schemes, notices, orders or instructions, laws enacted or issued or sanctioned by any appropriate authority in India including any modifications or re-enactment thereof for the time being in force.

(d) **"Court"** or **"High Court"**, means Hon'ble High Court of Gujarat at Ahmedabad, as applicable, and shall include the National Company Law Tribunal, if applicable in case of Transferee Company.

(e) **"De-merged Company" or"Transferor Company"** means Arvind Limited incorporated under the Indian

Companies Act, 1913 and having its Registered Office at Naroda Road, Ahmedabad, 380025 in the state of Gujarat.

(f) **"Real Estate Undertaking or Demerged Undertaking "** shall mean Real Estate Undertaking of the Transferor Company and shall include;

a) All the assets and properties as on the Appointed Date (hereinafter referred to as "the said assets") pertaining to the Real Estate Undertaking;

b) All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Real Estate Undertaking;

c) Without prejudice to the generality of above, the Real Estate Undertaking shall include rights over land, buildings, the movable properties covering plant and machinery if any, equipment, furniture, fixtures, vehicles, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, bank balance, bills of exchange, letter of intents, loans and advances, investments but other than those forming part of Remaining Undertaking, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilized deposits or credits, benefits of any unutilized MODVAT/CENVAT/Service tax credits, etc.) and wheresoever situate, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Real Estate Undertaking.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Real Estate Undertaking or whether it arises out of the activities or operations of Real Estate Undertaking shall be decided by mutual agreement between the Board of Directors of Transferor Company and Transferee Company.

(g) **"Effective Date"** means the last of the dates on which the sanctions / approvals or orders as specified in Clause No. 19 of this Scheme has been obtained and / or filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Gujarat and other Governmental Authorities.

(h) **"Governmental Authority"** means any applicable Central, State or local Government, statutory, regulatory, departmental or public body or authority of relevant jurisdiction, legislative body or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, Regional Directors, Foreign Investment Promotion Board, Reserve Bank of India, or arbitration or arbitral body having jurisdiction, Courts and other government and India in each case.

(i) **"Remaining Undertaking"** means all the businesses and activities of the Transferor Company other than the De-merged Undertaking.

(j) **"Scheme"** means this Composite Scheme of Arrangement in the nature of De-merger and Restructure of Share Capital in its present form including any modifications or amendments thereto, approved or imposed or directed by the Hon'ble High Court of Gujarat at Ahmedabad or any other Governmental Authority and High Court and with all the Schedules appended thereto.

(k) **"Resulting Company" or "Transferee Company"** means Arvind Infrastructure Limited, a company incorporated under the Companies Act, 1956, having its registered office at Naroda Road, Ahmedabad – 380025 in the state of Gujarat.

(l) **"Record Date"** means the date that Board of Directors of the Transferor and the Transferee Company shall determine which shall be later than the Effective Date, for issue and allotment of shares by the Transferee Company to the members of the Transferor Company.

(m) **"Stock Options Scheme"** means the Arvind Stock Option plan of the Demerged Company which was approved by Shareholders of the Demerged Company vide a Special resolution dated 23.10.2007.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or

meaning thereof, have the same meaning ascribed to them under the Companies Act, 1956, 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.

**2. SHARE CAPITAL**

**A.** The Share Capital of the Transferor Company as per the audited Balance Sheet as on March 31, 2014 is as under:

| **Authorised** | | **Amount Rs. In crores** |
|---|---|---|
| 56,50,00,000 | Equity Shares of Rs.10/- each | 565.00 |
| 1,00,00,000 | 10% Preference Shares of Rs. 100/- each | 100.00 |
| | Total | **665.00** |
| **Issued Subscribed & Paid Up** | | |
| 25,81,77,289 | Equity Shares of Rs.10/- each fully paid up | 258.17 |
| | **Total** | 258.17 |

Subsequent to the aforesaid date, Transferor Company has issued and allotted 33,340 equity shares of Rs.10/- each and hence Issued and Subscribed Capital has increased to 25,82,09,729 equity shares of Rs.10/- each.

**B.** The Share Capital of the Transferee Company as per the Audited Balance Sheet as on March 31, 2014 is as under:

| **Authorised Share Capital:** | **Amount Rs. in Crores** |
|---|---|
| 1,50,00,000 Shares of Rs.10/-each | 15.00 |
| **Total** | 15.00 |

| **Issued, Subscribed & Paid-up Share Capital:** | **Amount Rs. in Crores** |
|---|---|
| 1,00,50,000 Equity Shares of Rs. 10/- each | 10.05 |
| **Total** | 10.05 |

Subsequent to the aforesaid date, both Authorised Share Capital as well as the Issued, Subscribed and Paid up share capital of the Company has undergone several changes viz. sub-division of Equity shares from 1 (One) share of Rs. 10/- to 10 shares of Re. 1/- each, Increase of Authorised Capital etc. Hence the Capital structure as on date stands as under:

| **Authorised Share Capital:** | **Amount Rs. in Crores** |
|---|---|
| 27,00,00,000 Equity Shares of Re.1/-each | 27.00 |
| Total | 27.00 |

| **Issued, Subscribed & Paid-up Share Capital:** | **Amount Rs. in Crores** |
|---|---|
| 10,05,00,000 Equity Shares of Re. 1/- each | 10.05 |
| Total | 10.05 |

The Transferor Company presently holds 100% of the Issued, Subscribed and Paid Up Equity capital of the Transferee Company, and hence the Transferee Company is the Wholly Owned Subsidiary of the Transferor Company

**PART-B**

**3. DEMERGER, TRANSFER AND VESTING OF DE-MERGED UNDERTAKING:**

(a) On and with effect from the Appointed Date and subject to the provisions of this Scheme and pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws and in relation to the mode of transfer and vesting, the De-merged Undertaking of the Transferor Company shall without any further act, instrument or deed, be and the same shall stand transferred to and / or vested in or be deemed to have been and stand transferred to or vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, rights, authorizations, titles and interests and authorities including accretions and appurtenances thereto such as dividends, or other benefits receivable, that of the Transferee Company.

(b) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Liabilities (including the contingent liabilities) of the said De-merged Undertaking of the Transferor Company shall stand transferred

or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the debts, liabilities (including contingent liabilities), duties and obligations of the Transferee Company and further that it shall not be necessary to obtain consent of any third party or other person who is a party to the contract or arrangements by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause.

(c) With effect from the Appointed Date, and subject to the provisions of this Scheme, all the Assets (both the tangible and the intangible assets) of the said De-merged Undertaking of the Transferor Company shall stand transferred or deemed to have been transferred without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws so as to become as and from the Appointed Date, the assets of the Transferee Company.

(d) With effect from the Appointed date, all taxes paid, taxes refund due or receivable, carried forward losses, depreciation, capital losses, pending balances of amortizations etc. including application for rectification, appeals filed with tax authorities of the De-merged Undertaking of the Transferor Company shall also, pursuant to Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become as from the Appointed Date the direct taxes paid, direct taxes refund due or receivable, (whether as per Books or as per Income Tax) of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person, in order to give effect to the provision of this Sub-Clause.

(e) All the employees of the De-merged Undertaking shall, without any further act, instrument or deed of the Transferee Company, pursuant to the provisions of Section 394 of the Companies Act, 1956 and other applicable provisions of the Act and the Applicable Laws, become as and from the Appointed Date, the employees of the Transferee Company and further that it shall not be necessary to obtain consent of any person, in order to give effect to the provisions of this Clause.

(f) Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the De-merged Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

(g) For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licences, approvals, certificates, clearances, authorities, leases, tenancy, assignments, allotments, powers of attorney given by, claims, powers, authorities, allotments, approvals, consents, contracts, enactments, arrangements, rights, titles, interests, benefits, advantages, lease-hold rights and tenancies, and other intangible rights, hire purchase contracts and assets, lending contracts, employment contracts, distribution contracts, clearing and forwarding agency contracts, benefit of any security arrangements, reversions, permits, quotas, entitlements, registrations, licences (industrial or otherwise), registrations under the applicable laws, municipal/local permissions, etc. issued to or executed in favour of the Transferor Company shall stand transferred to the extent it relates to and pertains to the De-merged Undertaking, to the Transferee Company in which the De-merged Undertaking shall vest by way of the demerger hereunder, as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications to and obtain relevant approvals, etc. from the concerned authorities and / or parties as may be necessary in this behalf and the Transferor Company shall cooperate and provide the required support wherever required.

(h) It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the De-merged Undertaking, which the Transferor Company owns or to which the Transferor Company is a party and which cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such assets etc. in trust for the benefit of the Transferee Company to which the De-merged Undertaking is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected and till such time the Transferee Company shall be entitled to utilise, operate, avail the same for the De-merged Undertaking's activities without any consideration.

(i) Where any of the debts, liabilities (including contingent liabilities), loans raised and used, liabilities and obligations incurred, duties and obligations of De-merged Undertaking of the Transferor Company as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by De-merged Undertaking of the

Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

(j) All loans raised and used and all liabilities and obligations incurred by the Transferor Company for the operations of De-merged Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Transferee Company in which the De-merged Undertaking shall vest in terms of this Scheme and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

(k) Without prejudice to clause (a) above, it is expressly provided that in respect of such assets belonging to and specific to the De-merged Undertaking of the Transferor Company as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company in pursuance of the provisions of Section 394 and other applicable provisions of the said Act.

(l) The demerger and the transfer and vesting of the assets comprised in the De-merged Undertaking to and in the Resulting Company under this clause shall be subject to the mortgages and charges, if any.

(m) The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the High Court of Gujarat, Ahmedabad, having sanctioned the Scheme, the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the Transferee Company to recover or realise the same is in substitution of the right of the Transferor Company.

(n) Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, the Transferor Company and the Transferee Company shall execute such instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and / or modification(s) of charge, with the relevant regulatory authority and Governmental Authorities to give formal effect to the above provisions, if required.

(o) Upon the coming into effect of this Scheme, the Transferor Company alone shall be liable to perform all obligations in respect of the liabilities as on the Appointed Date, which have not been transferred to Transferee Company in terms of the Scheme, and the Transferor Company alone shall have all obligations in respect of such liabilities, and the Transferor Company shall indemnify the Transferee Company in relation to any claim, at any time, against the Transferee Company in respect of the liabilities which have been retained by the Transferor Company.

(p) Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities (including contingent liabilities) from the Appointed Date, which have been incurred by the Transferor Company for and on behalf of the Transferee Company and in relation to the De-merged Undertaking in terms of the Scheme, and the Transferor Company shall not have any obligation in respect of such liabilities and the Transferee Company shall indemnify the Transferor Company in relation to any claim, at any time, against the Transferor Company in respect of such liabilities.

(q) It is expressly provided that no other term or condition of the liabilities not transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication.

(r) Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of the clause 3 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall stand modified and / or superseded by the foregoing provisions with effect from the Appointed Date or such other date as is specified herein above, as the case may be.

**4. CONTRACTS, DEEDS AND OTHER INSTRUMENTS:**

Subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature in relation to the De-merged Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company as the case may be and may be enforced as fully and effectively as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into a tripartite arrangement, confirmation or novation to which the Transferor Company will, if necessary, also be a party in order to give formal effect to this clause, if so required or become necessary.

**5. LEGAL PROCEEDINGS:**

(a) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the Transferor Company, pertaining to the De-merged Undertaking of the Transferor Company, arising after the Appointed Date but before the Effective Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.

(b) The Transferee Company will undertake to have all legal, judicial or other proceedings initiated and /or to be initiated after the Effective Date by or against the De-merged Undertaking of the Transferor Company referred to in sub-clause (a) above transferred to its name and to have the same continued, prosecuted and enforced by or against the Transferee Company. The Transferor Company and the Transferee Company shall make relevant applications in that behalf and the Transferor Company and the Transferee Company shall co-operate with each other in respect of any such legal and other proceedings.

(c) Upon coming into effect of this Scheme, all suits, claims, actions and/or proceedings by or against the De-merged Undertaking of the Transferor Company pending on or pertaining to the period prior to the Appointed Date shall be continued and be enforced by or against the Transferee Company as effectually as if the same had been pending and / or arising by or against the Transferee Company.

**6. OPERATIVE DATE OF THE SCHEME:**

This Scheme though effective from the Appointed Date shall be operative from the Effective Date.

**7. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY AND TRANSFEREE COMPANY TILL EFFECTIVE DATE:**

With effect from the Appointed Date, and upto the Effective Date:

(a) The Transferor Company shall carry on and shall be deemed to have carried on all the business and activities of the De-merged Undertaking as hitherto and shall be deemed to have held and stood possessed of the undertaking on account of, and for the benefit of and in trust for the Transferee Company.

(b) All the profits or income accruing or arising to the De-merged Undertaking of the Transferor Company or expenditure or losses arising or incurred (including the effect of taxes, if any, thereon) by the De-merged Undertaking of the Transferor Company shall, for all purposes be treated and be deemed to be accrued as the profits or income or incurred as the expenditure or losses or taxes of the Transferee Company, as the case may be.

(c) The Transferor Company shall carry on its business and activities of the De-merged Undertaking with reasonable diligence and business prudence.

(d) The Transferor Company shall not vary the terms and conditions and employment of permanent employees of the De-merged Undertaking except in the ordinary course of business or with prior written approval of the Transferee Company.

(e) The Transferor Company shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management of the De-merged Undertaking except in the ordinary course of business.

(f) The Transferor Company and the Transferee Company shall co-operate with each other for smooth transfer of the De-merged Undertaking from the Transferor Company to the Transferee Company and any director of the Transferor Company and any director of the Transferee Company shall be empowered to give effect to the scheme in all aspects as may be necessary or expedient including settling any question or difficulties arising in relation to the Scheme in such manner as they deem fit to attain the objectives of this Scheme and their decision in this regard shall be final and binding.

It is hereby agreed and clarified that whenever under this Scheme, the approval of the Transferor Company is required to be obtained, it shall be the approval of any one of the directors of the Transferor Company and whenever under this Scheme, the approval of the Transferee Company is required to be obtained, it shall be the approval of any one of the directors of the Transferee Company.

**8. CONSIDERATION BY THE TRANSFEREE COMPANY:**

8.1 Upon this Scheme becoming effective, Resulting/ Transferee Company shall without any further application or deed, issue and allot Shares at par, credited as fully paid-up, to the extent indicated below to the shareholders of Transferor Company, holding shares in Transferor Company and whose name appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following proportion:

**1 (One) fully paid up Equity Share of Re. 10/- each of Resulting Company shall be issued and allotted for every 10 (Ten) fully paid up Equity Shares of Rs. 10/- each held in Transferor Company.**

The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank pari passu in all respects with the then existing equity shares of the Resulting Company.

8.2 No fractional certificate(s) shall be issued by the Resulting Company in respect of any fractions which the members of the Demerged Company may be entitled to on issue and allotment of the new equity shares as aforesaid by the Company. The Board of Directors of the Resulting Company shall instead, consolidate all such fractional entitlements and allot new equity shares in lieu thereof to a Director or an officer of the Resulting Company or such other person(s) as the Board of Directors of the Resulting Company shall appoint in this regard who shall hold the new equity shares in trust on behalf of the members entitled to such fractional entitlements with express understanding that such director or officer or person(s) shall sell the same in market at such time(s) (not later than 6 months upon coming into effect of this Scheme) at such price(s) and to such person(s) as it/ he/ they may deem fit, and pay to the Resulting Company the net sale proceeds thereof. Thereupon the Resulting Company shall distribute the net sale proceeds, after deduction of applicable taxes/ duties/ levies, if any, to the members entitled in proportion to their respective fractional entitlements. In case the number of such shares to be allotted to the Director/officer by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in the Resulting Company to such Director/officer.

8.3 Shares to be issued by Resulting Company pursuant to Clause 8.1 in respect of any equity shares held by shareholder of Transferor Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by Resulting Company.

8.4 In so far as the issue of equity shares pursuant to Clause 8.1 is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity shares in Transferor Company in dematerialized form, in to the account with the Depository Participant in which the equity shares of Transferor Company are held or such other account with the Depository Participant as is intimated by the equity shareholders to Resulting Company before the Record Date. All those equity shareholders of Transferor Company who hold equity shares of Transferor Company in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Resulting Company before the Record Date. In the event that Resulting Company has received notice from any equity shareholder of Transferor Company that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue equity shares of Resulting Company, in accordance with the Transferor Company Share Entitlement Ratio, as the case may be, in physical form to such equity Shareholder.

8.5 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of Transferor Company, the board of directors or any committee thereof of Transferor Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in Transferor Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in Transferor Company and in relation to the shares issued by Resulting Company after the effectiveness of this Scheme. The board of directors of Transferor Company and Resulting Company shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in Resulting Company on account of difficulties faced in the transaction period.

8.6 The Resulting/Transferee Company shall endeavor to ensure that the equity shares issued by it in terms of Clause 8.1 of this Scheme, subject to applicable regulations, and subject to requisite compliances be listed and admitted to trading on the National Stock Exchange and Bombay Stock Exchange, where the equity shares of Transferor Company are listed and are admitted to trading. The shares allotted by the Transferee Company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the National Stock Exchange and Bombay Stock Exchange.

8.7 Approval of this Scheme by the shareholders of Resulting Company shall be deemed to be the due compliance of the provisions of Section 81(1A) of the Companies Act, 1956 or Section 62 of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by Resulting Company to the equity shareholders of Transferor Company, as provided in this Scheme.

8.8 Upon Scheme being effective and upon the issuance and allotment of the equity shares by the Transferee Company in accordance with the Clause 8.1, the existing issued and paid up equity share capital of the Transferee Company, comprising of 10,05,00,000 equity shares of Re. 1/- each, aggregating to Rs.10,05,00,000/ , as held by the de-merged company and its nominees shall be cancelled. The share certificates held by Transferor Company and its nominees representing the equity shares in the Transferee Company shall be deemed to be cancelled and non-est and not tradable from and after such cancellation. This will result in reduction of

share capital (as provided in detail in clause 14 herein below).

8.9 The Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of new equity shares by the Resulting Company to the equity shareholders of the Transferor Company. The Resulting Company shall comply with the relevant and applicable rules and regulations including provisions of FEMA to enable it to issue shares pursuant to this Scheme.

**9. ACCOUNTING TREATMENT**

**(A) Accounting treatment in the books of the De-merged/Transferor Company:**

9.1 Upon scheme being effective, the respective book values of the assets and liabilities of the de-merged undertaking shall be adjusted in the books of accounts of the de-merged company in compliance with the applicable Accounting standards.

9.2 Upon the scheme being effective, the difference between the book value of assets and liabilities of the De-merged Undertaking, transferred pursuant to the Scheme shall be adjusted in the books of Transferor Company against its Securities Premium Account as provided in detail in clause 14 hereinbelow.

9.3 Upon the scheme being effective and upon cancellation of shares held by the De-merged Company in the Resulting/ Transferee Company, such amount of investment by the Transferor Company in the cancelled share capital of Transferee Company shall be written off as provided in clause 14 hereinbelow.

**(B) Accounting treatment in the Books of the Resulting/Transferee Company:**

9.4 Upon coming into effect of this Scheme and upon the arrangement becoming operative, the Transferee Company shall record the assets and liabilities transferred to and vested in them pursuant to this Scheme, at the book values of the respective assets and liabilities as recorded in the books of account of the Transferor Company as on the Appointed Date. The same shall be in compliance with the applicable Accounting standards. The Transferee Company may also decide to record the assets and liabilities transferred to and vested in them at fair value if advised by the Auditors and if it is in compliance with applicable accounting standards.

9.5 The Transferee Company shall credit its Share Capital Account with the aggregate face value of the equity shares issued to the shareholders of Transferor Company pursuant to Clause 8.1 of this Scheme.

9.6 Upon Scheme being effective, and upon the issue and allotment of the new shares of the Transferee Company to the shareholders of the De-merged Company, the existing shares of the Transferee Company as held by the De-merged Company and its nominees shall stand cancelled simultaneously (as provided vide clause 14 herein below).

9.7 The amount of difference in the net value of assets transferred pursuant to the Scheme and the amount of consideration as issued pursuant to clause 8.1 of the Scheme, netted by existing share capital cancelled in terms of clause 9.6 hereinabove of the scheme, shall be adjusted against Securities Premium account.

**10. EMPLOYEES:**

10.1 On the Scheme taking effect as aforesaid, all employees of the Transferor Company, engaged in or in relation to the Real Estate Undertaking shall be engaged by the Transferee Company, without any interruption of service and on such terms and conditions, as are no less favourable than those on which they are currently engaged by Transferor Company.

10.2 With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of such employees of Transferor Company, the Transferee Company shall, upon this Scheme becoming effective and with effect from the Appointed Date, stand substituted for Transferor Company for all purposes whatsoever, including with regard to the obligation to make contributions to the said funds and schemes, in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by Transferor Company for such employees of the Real Estate Undertaking shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company. Pending such transfer, the contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by Transferor Company.

10.3 The Transferee Company agrees that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the permanent employees engaged in or in relation to the Real Estate Undertaking, the past services of such employees with Transferor Company shall also be taken into account and agrees and undertakes to pay the same as and when payable.

**11. SAVING OF CONCLUDED TRANSACTIONS:-**

The transfer of the De-merged Undertaking above and the continuance of proceedings by or against the Transferor Company pertaining to De-merged Undertaking or the Transferee Company above shall not affect any transaction or proceedings already concluded in Transferor Company, in relation to the De-merged Undertaking on or after the Appointed Date till the Effective Date, if any, to the end and intent that the Transferee Company accept and adopt all acts, deeds and things done and executed by Transferor Company, in relation to the De-merged Undertaking in respect thereto as done and executed on their behalf.

**12. TAX CREDIT/DUTIES/CESS ETC.**

If the Transferor Company is entitled to any benefits under Incentive Schemes and Policies relating to the De-merged Undertaking, it is declared that the benefits under all such Incentive Schemes and Policies shall be transferred to and vested in the Transferee Company.

Upon this Scheme being effective, both the Transferor Company and the Transferee Company, if required, are expressly permitted to revise and file their respective income tax returns and other statutory returns, including tax deducted / collected at source returns, service tax returns, excise tax returns, sales tax / VAT returns, as may be applicable and has expressly reserved the right to make such provision in its returns and to claim refunds or credits etc. if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.

**13. REMAINING UNDERTAKING:**

The Remaining Undertaking of the De-merged/ Transferor Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.

**PART - C**

**14. RESTRUCTURE OF SHARE CAPITAL**

**A. RESTRUCTURE OF SHARE CAPITAL OF THE DE-MERGED /TRANSFEROR COMPANY**

14.1 Upon the scheme being effective, the amount of difference in the book value of assets and the book value of liabilities transferred pursuant to the Scheme shall be adjusted against the Securities Premium Account, as envisaged vide clause 9.2 hereinabove.

14.2 Upon the scheme being effective, and upon the issue of shares by the Transferee Company to the shareholders of the De-merged/Transferor Company, and upon cancellation of the shares of the Transferee Company as held by the De-merged Company, the amount of such investment in the books of the de-merged company shall be written off against the Securities Premium Account, as envisaged vide clause 9.3 hereinabove.

14.3 The above referred adjustment against the Securities Premium Account of the De-merged Company shall not exceed Rs.100.05 Crores save and except an adjustment as may be required to be made due to any increase or decrease in the net assets value of Demerged Undertaking to be transferred on Appointed Date. This restructure amounts to reduction of capital under Section 78 read with Sections 100 to 103 of the Act. However, the same is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the De-merged/Transferor Company to the proposed Scheme shall be deemed to be their approval under the provisions of Section 78 and 100 and all other applicable provisions of the Act and the Transferor Company shall not be required to undertake any separate procedure for the same. The order of the Honorable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. In view of the same, the Transferor Company shall not be required to separately comply with Section 100 or any other provisions of Act.

14.4 Further, since the above restructure involving the utilization of Securities Premium Account of the company is only deemed reduction under Section 78 read with Section 100 of the Act and there is no actual Reduction of Issued, Subscribed and Paid up Share Capital of the company, the Transferor Company shall not be required to add the suffix “and reduced' to its name.

**B. RESTRUCTURE OF SHARE CAPITAL OF THE RESULTING /TRANSFEREE COMPANY**

14.5 Upon Scheme being effective, the Authorised Share Capital of the Transferee Company shall be restructured by consolidation of 10 shares of Re. 1/- each into 1 (one) share of Rs. 10/- each. Hence the same shall stand as Rs.27,00,00,000/- consisting of 2,70,00,000 shares of Rs. 10/- each. Clause V of the Memorandum of Association shall be accordingly amended.

14.6 Upon Scheme being effective, and upon the issue and allotment of the new shares of the Transferee Company to the shareholders of the De-merged Company, the existing shares of the Transferee Company as held by the De-merged Company and its nominees shall stand cancelled simultaneously, as envisaged vide clause 9.6

hereinabove. This will result in reduction of the issued, subscribed and paid up capital of the Transferee Company to the extent of Rs. 10,05,00,000/-.

14.7 However, considering the issue of new shares to the shareholders of the De-merged company as envisaged under clause 8.1 hereinabove, there will not be any net reduction of the share capital.

14.8 The aforesaid restructure of capital viz. Consolidation of Equity Shares of Re.1/- to that of Rs. 10/- each; Cancellation of the shares held by the De-merged Company and upon issue and allotment of new shares resultant increase of share capital etc. is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme shall be deemed to be their approval under the provisions of Section 16, 100 and all other applicable provisions of the Companies Act, 1956 or the applicable provisions of the Companies Act, 2013 and the Transferee Company shall not be required to undertake any separate procedure for the same. Since there is no net reduction of the share capital, the Transferee Company shall not be required to separately comply with Section 100 or any other provisions of Act. Further, since there is no actual Reduction of Issued, Subscribed and Paid up Share Capital of the company, the Transferee Company shall not be required to add the suffix “and reduced' to its name.

14.9 The above referred adjustment as in Clause 9.7 against the Securities Premium Account of the Transferee Company amounts to reduction of capital under Section 78 read with Sections 100 to 103 of the Act. However, the same is consequential in nature and is proposed to be effected as an integral part of the Scheme. The approval of the members of the Transferee Company to the proposed Scheme shall be deemed to be their approval under the provisions of Section 78 and 100 and all other applicable provisions of the Act and the Transferee Company shall not be required to undertake any separate procedure for the same. The order of the Honorable High Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act. In view of the same, the Transferee Company shall not be required to separately comply with Section 100 or any other provisions of Act.

**PART-D**

**GENERAL TERMS AND CONDITIONS**

**15. APPLICATIONS TO THE HIGH COURT:**

The Transferor Company and the Transferee Company shall make all applications/petitions under Sections 391 to 394 read with sections 78 and 100 to 103 of the Companies Act, 1956 and other applicable provisions of the Act and Applicable Laws to the High Court of Gujarat and the Governmental Authority, as applicable, for sanctioning of this Scheme for carrying this Scheme into effect and obtain all approvals as may be required under law.

**16. ESOPs BY THE TRANSFEREE COMPANY:**

The Transferee Company has given certain ESOPs to eligible persons and will continue to be a ESOPs even after the Company is listed under the Scheme subject to compliance with SEBI guidelines if applicable.

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

The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may in their full and absolute discretion 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 Hon'ble High Court of Gujarat at Ahmedabad or any authorities under the Law may deem fit to approve of or impose and / or to resolve any doubt or difficulties (including ascertainment of assets and liabilities of De-merged Undertaking) 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, any of the Directors of the Transferor Company and any of the Directors of the Transferee 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.

Further any of the Directors of the Transferor Company and any of the Directors of the Transferee Company shall be entitled to modify any of the terms of this Scheme in future to settle any of the difficulties or to implement the provisions of this Scheme smoothly and hassle free manner, if such need arises and for all purposes the Effective Date for such subsequent modified scheme shall be the same as specified in this Scheme.

**18. SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the

mutual agreement of the Transferor Company and the Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

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

This Scheme is specifically conditional upon and subject to:

(a) The Scheme being approved by the requisite majority of the respective members and such class of persons of the Demerged Company in compliance with guidelines issued by Securities and Exchange Board of India and in particular vide Circular CIR/CFD/DIL/5/2013 dated February 4, 2013 and Circular CIR/CFD/DIL/8/2013 dated May 21, 2013;

(b) The Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of Demerged Company and Resulting Company as may be directed by the High Court;

(c) The sanctions of the Hon'ble High Court of Gujarat at Ahmedabad being obtained under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 or any other Governmental Authorities if so required on behalf of the Transferor Company and the Transferee Company.

(d) The certified copies of the High Court orders referred to in this Scheme being filed with the Registrar of Companies, Ahmedabad, Gujarat, as applicable.

(e) The requisite consent, approval or permission of the Government Authority or any other statutory authority, which by law may be necessary for the implementation of this scheme.

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

This Scheme although to come into operation from the Appointed Date shall not come into effect until the last date viz.:

(a) 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

(b) The date on which all necessary certified copies of the order under sections 391 and 394 of the Companies Act, 1956 are duly filed with the Registrar of Companies, Ahmedabad, Gujarat and such date shall be referred to as Effective Date for the purpose of the Scheme. All other compliances relating to filing and stamp duty etc., if applicable shall be done on or after the Effective Date subject to Clause 21. However the Effective Date shall not be affected by any of the modifications that might be required to be made as provided under clause 17 and the Effective Date for such modified scheme shall be the same as mentioned in the above paragraphs.

It is the intention and understanding of the parties hereto that the economic effect of the Scheme shall take effect from the Appointed Date despite the Scheme becoming effective from Effective Date under the relevant laws.

**21. EFFECT OF NON-RECEIPT OF APPROVAL/SANCTION:**

In the event of any of the said sanctions and/or approvals referred to in the preceding Clause No. 19 above not being obtained and/or the Scheme not being sanctioned by the Hon'ble High Court or any other Governmental Authorities and/or the Order(s) not being passed or sanctions not being granted as aforesaid, the Board of the Directors of the Transferor Company and the Transferee company are hereby empowered and authorised, this Scheme shall stand revoked, cancelled and be of no effect save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, obligation 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 this Scheme and or otherwise arise as per Law.

**22. EXPENSES CONNECTED WITH THE SCHEME:**

All costs, charges and expenses, including any taxes and duties of the Transferor Company and the Transferee Company respectively in relation to or in connection with or incidental to this Scheme and of carrying out and completing the terms of this Scheme shall be borne and paid by the Transferor Company.

**Annexure- II**

BSE Limited Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 F: +91 22 2272 1003 www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

BSE EXPERIENCE THE NEW

Ref: DCS/AMAL/CS/24(f)/195/2014-15

October 28, 2014

The Company Secretary
**Arvind Ltd**
Naroda Road,
Ahmedabad- 380 025,
Gujarat.

Dear Sir/Madam,

**Sub: Observation letter regarding the Scheme of Arrangement involving demerger of Real Estate Undertaking of Arvind Ltd into Arvind Infrastructure Ltd.**

We refer to your draft Scheme of Arrangement involving demerger under Sections 391 to 394 of the Companies Act, 1956 of Real Estate Undertaking of Arvind Limited (AL) (Transferor Company / Demerged Company) into Arvind Infrastructures Limited (AIL) (Transferee Company / Resulting Company) and their respective shareholders and creditors & Consequential Restructuring of Share Capital & Utilization of Securities Premium Account.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated October 22, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***Company to ensure that the revised Scheme submitted by the company, Arvind Limited to BSE, vide letter dated October 7, 2014 is displayed from the receipt of this letter on the website of the company along with various documents submitted pursuant to the Circulars.***
- ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

However, the listing of equity shares of Arvind Infrastructures Limited (AIL) on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No .CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, AIL shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of AIL is at the discretion of the Exchange. In addition to the above, the listing of AIL pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

...2/-

1. To submit the Information Memorandum containing all the information about AIL and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.

2. To publish an advertisement in the newspapers containing all the information about AIL in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about AIL to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provisions shall be incorporated in the scheme:

   i) The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   ii) "There shall be no change in the shareholding pattern in AIL between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

a. Copy of the High Court approved Scheme;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
d. Status of compliance with the Observation Letter/s of the stock exchanges;
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of this Circular.

Yours faithfully,

Nitin Pujari
Manager

Bhuvana Sriram
Dy. Manager

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

NIFTY 50 Stock of the nation

Ref: NSE/LIST/1137

October 27, 2014

The Company Secretary
Arvind Limited
Naroda Road,
Ahmedabad - 380025

**Kind Attn.: Mr. R. V. Bhimani**

Dear Sir,

**Sub.: Observation letter for Composite Scheme of Arrangement between Arvind Limited and Arvind Infrastructure Limited and their respective members and creditors**

This has reference to draft Composite Scheme of Arrangement in the nature of De-merger and transfer of de-merged undertaking and consequential restructure of share capital between Arvind Limited and Arvind Infrastructure Limited and their respective members and creditors under sections 391 to 394 read with sections 78 and 100 to 103 of the Companies Act, 1956 to NSE vide your letter dated August 23, 2014.

Based on our letter reference no NSE/LIST/252852-5 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated October 22, 2014, has given following comments on the draft scheme of arrangement:

"a) The Company to ensure that revised scheme submitted by the Company, Arvind Limited vide letter dated October 7, 2014 is displayed from the date of receipt of this letter on the websites of the listed company along with various documents submitted pursuant to the Circulars.

b) The Company shall duly comply with various provisions of the Circulars."

Accordingly, we do hereby convey our 'no-objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with the Hon'ble High Court.

However, the listing of equity shares of Arvind Infrastructure Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Arvind Infrastructure Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Arvind Infrastructure Limited is at the discretion of the Exchange.



Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400051, India. • Tel: +91 22 26598235/36, 26598346 • Fax: +91 22 26598237/38
E-mail : cmlist@nse.co.in • Web site: www.nseindia.com

The listing of Arvind Infrastructure Limited Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Arvind Infrastructure Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.

2. To publish an advertisement in the newspapers containing all the information about Arvind Infrastructure Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Arvind Infrastructure Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:
   a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
   b) "There shall be no change in the shareholding pattern or control in Arvind Infrastructure Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from October 27, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

a. Copy of Scheme as approved by the High Court;
b. Result of voting by shareholders for approving the Scheme;
c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
d. Status of compliance with the Observation Letter/s of the stock exchanges
e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

This Document is Digitally Signed

Signer: Patel Kamlesh
Date: Mon, Oct 27, 2014 17:05:30 IST
Location: NSE

**Annexure- IV**

# Ahmedabad Stock Exchange Limited

**Regd. Office :** Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad- 380 015.
**Tel.** : 079-26307971 to 74 **Fax** : 079-26308877 **E-mail** : info@aselindia.org **Web Site** : www.aselindia.org

10th November, 2014.
Ref.No: 3017

To,
**Arvind Limited**
Naroda Road,
Ahmedabad-380 025.

Dear Sir,

**Sub.: Observation letter regarding the Scheme of Arrangement involving demerger of Real Estate undertaking of Arvind Ltd into Arvind Infrastructure Ltd u/s 391 to 394 of the Companies Act, 1956.**

This refers to the draft scheme of arrangement submitted by your company, along with the enclosures, as well letter dtd.28.10.14 of BSE-DSE (Designated Stock Exchange) issued pursuant to SEBI letter dtd.22.10.14.

Accordingly, ASEL hereby conveys its "No Objection" to the proposed scheme, with limited reference to those matters having on listing delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable your company to file the same with the respective Hon'ble High Court(s)..

You are advised to kindly, arrange to list the securities of transferee Company(s), subject to SEBI's relaxation granted under Rule (19) (2) (b) of the Securities Contract (Reg.) Rules 1957 along with approval granted by the DSE and file all the documents together, which are filed with DSE, in compliance to listing agreement and other applicable Rules, Regulations and Acts.

Further, you are advised to kindly, comply with the requirements and provisions as enumerated by BSE-DSE in its letter dtd.28.10.14, including post approval compliance by the respective Hon'ble High Courts()s) and Complaints Report etc.

ASEL reserves its right to withdraw this "No Objection", at any stage if, the information submitted to ASEL is found to be incomplete/incorrect/misleading/ false or for any contravention of Rules, Bye-Laws and Regulations of ASEL, Listing Agreement, Guidelines/Regulations issued by any Statutory Authorities, at any point of time.

For, Ahmedabad Stock Exchange Ltd

Authorized Signatory

**Annexure- V**

**ARVIND LIMITED**

**Complaints Report pertaining to the Scheme of Arrangement between Arvind Limited and Arvind Infrastructure Limited as on 17.09. 2014.**

**Part - A**

| Sr. No. | Particulars | Number |
|---|---|---|
| 1 | Number Of complaints received directly | NIL |
| 2 | Number of complaints forwarded by stock Exchange | NIL |
| 3 | Total Number of complaints/comments received (1+2) | NIL |
| 4 | Number of complaints received | NIL |
| 5 | Number of complaints pending | NIL |

**Part – B**

| Sr no. | Name of Complainants | Date of Complaint | Status (Resolved) | Remarks |
|---|---|---|---|---|
| 1 | NOT APPLICABLE | | | |
| 2 | | | | |
| 3 | | | | |

For, Arvind Limited,

Company Secretary

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CONFIDENTIAL

30th July 2014

The Board of Directors,
Arvind Limited,
Naroda Road,
Ahmedabad 380 025

Dear Members of the Board:

## I. Engagement Background

We understand that the Board of Directors of Arvind Ltd. is considering the demerger of "Real Estate Business" undertaking of Arvind Ltd. ("Demerged Company" / "Arvind") into Arvind Infrastructure Ltd. ("Resulting Company" / "Arvind Infra") through a Scheme of Arrangement under section 391-394 of the Companies Act, 1956.

The scheme envisages demerger of the "Real Estate Business" undertaking ("Demerged Undertaking") of Arvind into Arvind Infra as per terms and conditions more fully set forth in the Scheme of Arrangement to be placed before the Board for their approval.

In consideration of the demerger of the "Real Estate Business" undertaking of Demerged Company into the Resulting Company pursuant to the Scheme of Arrangement, for every 10 (Ten) equity shares of the face value of Rs. 10/- each held by the shareholders of Demerged Company, the Resulting Company shall issue and allot 1 (One) equity share of the face value of Rs. 10/- each fully paid up (hereinafter referred to as the **"Share Entitlement Ratio"**).

In connection with the aforesaid, you requested our Fairness Opinion ("Opinion") as of the date hereof, as to the fairness of the Share Entitlement Ratio to the Equity Shareholders of the Demerged Company.

### Scheme of Arrangement

This Scheme of Arrangement provides for:

(i) Under this scheme, the Real Estate Business undertaking (including investments in shares and other securities of Real Estate division and granting of loans etc. to



**Axis Capital Limited (Erstwhile "Axis Securities and Sales Limited")**

SEBI Merchant Banker Regn No.:MB/INM000012029 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.
CIN No. U51900MH2005PLC157853
Regd. Office: Axis House, 8th Floor, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025 &
Corp. Office: Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025.
Tel.: (022) 4325 1199, Fax No. (022) 4325 3000, Website: www.axiscapital.co.in

Arvind Infrastructure Ltd.), which Arvind is engaged in, either directly or through its subsidiary and joint ventures will be transferred to Arvind Infrastructure Ltd ("Arvind Infra")

(ii) Arvind Infra is a 100% subsidiary of Arvind

(iii) On the record date, all shareholders of the Demerged Company will be entitled to receive shares in the Resulting Company

(iv) The Resulting Company will issue shares in the ratio of 10:1 of share capital of the Demerged Company

(v) Arvind will retain all the undertakings, businesses and activities which are not exclusively related to or utilized by the Infrastructure undertaking for the Infrastructure Business

II. Basis of Opinion

In the Rationale of the scheme, it has been provided that, as part of an overall re-organization plan and in order to achieve greater efficiencies in operations and with the intent of providing focus and greater attention to Real Estate Business of the Demerged Company, it is considered necessary, desirable and expedient to transfer the Demerged Undertaking to the Resulting Company. The transfer therefore will enable focused management orientation to the businesses of the Demerged Undertaking. The demerger is also expected to improve the competitiveness of the businesses in their respective markets.

A brief history of each of the aforesaid companies is as under -

(a) Arvind Limited, a listed public limited company incorporated under The Indian Companies Act, 1956, having its registered office at Naroda Road, Ahmedabad - 380 025 (the **"Demerged Company"**), is a flagship company of the Lalbhai Group, engaged in the business spanning across entire value chain of textiles. It was originally incorporated for manufacturing and marketing of textile products. However, it has grown and diversified in several distinct business activities such as establishing and operating exclusive brand outlets, manufacturing management business, infrastructure development business through its subsidiary and joint ventures ("Infrastructure Business") etc.

(b) Arvind Infrastructure Limited, is an unlisted company incorporated under the Companies Act, 1956, having its registered office at Naroda Road, Ahmedabad -380 025 (the **"Resulting Company"**), engaged in the business of real estate development, construction and infrastructure activities. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

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The key features of the Scheme provided to and relied upon by us for framing a fairness opinion on transfer of Demerged Undertaking of Arvind into Arvind Infra are as under:

- Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) of the Demerged Company shall stand transferred to and be vested in or deemed to have been transferred to or vested in, as a going concern, into the Resulting Company

- As consideration for the transfer, equity shares in the Resulting Company shall be issued to the equity shareholders of the Demerged Company

- All the Shareholders of the Demerged Company shall become shareholders of the Resulting Company on the record date

- Every equity shareholder of the Demerged Company shall receive 1 (One) equity share of Rupees Ten each of the Resulting Company for every 10 (Ten) equity shares he holds in the Demerged Company as on the Record date for the implementation of the Scheme

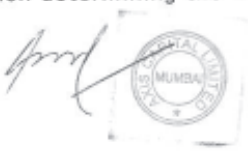
- The shares held by the Demerged Company in the Resulting Company shall be cancelled and reduced in terms of Section 100 of the Companies Act, 1956. Hence, on implementation of the Scheme, the shareholding in the Resulting Company shall mirror that of the Demerged Company

- Share entitlement ratio is based on a valuation report submitted by P A M Associates

- The equity shares of Resulting Company will be listed and admitted to trading on all stock exchanges where the shares of Demerged Company are listed. The Resulting 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 such Stock Exchanges. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares also for the purpose of trading.

We have taken the foregoing facts (together with the other facts and assumptions set forth in section III of this Opinion) into account when determining the meaning of "fairness" for purposes of this Opinion.





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III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Resulting Company and the Demerged Company including the valuation report prepared by P A M Associates and a Draft of the Scheme of Arrangement.

We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We did not review any financial forecasts relating to the Demerged Company and/ or its subsidiaries and the Resulting Company. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged Company and / or its subsidiaries or the Resulting Company and / or its subsidiaries. In particular, we do not express any opinion as to the value of any asset of the Demerged Company and / or its subsidiaries or the Resulting Company and / or its subsidiaries, whether at current prices or in the future. We also believe that the same bears very limited relevance, given that the scheme creates a mirror shareholding pattern as explained earlier.

We do not express any opinion as to the price at which shares of the Demerged Company and/or the Resulting Company may trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Demerged Company and / or its subsidiaries, Resulting Company and / or its subsidiaries and their respective Shareholders.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Demerged Company and / or its subsidiaries, Resulting Company and / or its subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals. In addition, we express no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the Scheme, or class of such persons, relative to the Entitlement Ratio or otherwise.

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the transfer and

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vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

We have in the past provided, and may currently or in the future provide, investment banking services to the Demerged and the Resulting Company and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which services we have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Ltd. may actively trade securities of the Demerged and/or the Resulting Company and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the Demerged Company and/or Resulting Company in connection with its consideration of the Scheme and for none other. Neither Axis Capital Ltd., nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

## IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Share Entitlement Ratio is fair to the Equity shareholders.

Very truly yours,
For Axis Capital Ltd.

Authorized Signatory

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD**
**ORIGINAL JURISDICTION**
**COMPANY APPLICATION NO.266 OF 2014**

In the matter of Sections 391 to 394 read with Sec. 78, 100 to 103 of the Companies Act,1956;

And

In the matter of
**Arvind Limited.**
A Company incorporated under the Indian Companies Act, 1913 and having its Registered Office at Naroda Road, Ahmedabad-380025, in the state of Gujarat.

And

In the matter of Composite Scheme of Arrangement in the nature of Demerger and transfer of Real Estate Undertaking of Arvind Limited to Arvind Infrastructure Limited and Restructuring of Share Capital.

Arvind Limited.
A Company incorporated under the Indian Companies Act, 1913 and having its Registered Office at Naroda Road, Ahmedabad-380025, in the state of Gujarat.....Applicant De-merged/Transferor Company

**FORM OF PROXY**

I/We, the undersigned, the Equity Shareholder/sof ArvindLimited, do hereby appoint Mr./Ms. ..... of ..... and failing him/her Mr./Ms. ..... of..... as my/our Proxy to act for me/us at the Court convened meeting of the Equity Shareholders of the Applicant Company to be held on Wednesday, the 7th day of January 2015 at 9.30 a.m., at the Thakorbhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad 380 006 in the state of Gujarat, for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement in the nature of de-merger and transfer of Real Estate Undertaking of Arvind Limited to Arvind Infrastructure Limited and consequential Restructure of Share Capital;(the "Scheme of Arrangement"), and at such meeting and any adjournment/adjournments thereof, to vote, for me/us and in my/our name ..... (here, "if for" insert "for" and "if against" insert "against") the said Scheme either with or without modification(s) as my/our proxy may approve (stike out what is not necessary).

Affix Re1 Revenue Stamp

Dated this ..... day of .....201-

Signature_____

Name : _____

Address: _____

**NOTE :**
1. The Form of Proxy must be deposited at the Registered Office of the Company at Naroda Road, Ahmedabad 380 025,not less than forty eight hours before the time of holding the aforesaid meeting.
2. If you are a body corporate, as the shareholder, a copy of the Resolution of the Board of Directors or the governing body authorizing such person to act as its representative/proxy at the meeting and certified to be a true copy by a Director, the manager, the secretary or any other authorised officer of such body corporate be lodged with the company at its Registered Office not later than 48 hours before the meeting.
3. A proxy need not be a shareholder of Arvind Limited.
4. All alterations made in the Form of Proxy should be initialled.

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Arvind

**ARVIND LIMITED**

Regd. Office : Naroda Road, Ahmedabad-380 025

## ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint Shareholders may obtain additional Attendance Slip at the venue of the meeting.

| | | | |
|---|---|---|---|
| DPID* | | Folio No. | |
| Client ID* | | No of Share(s) held. | |

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER / PROXY HOLDER

I hereby record my presence at the Meeting of Equity Shareholders of the Company convened pursuant to the Order dated 12th November, 2014 of the Hon'ble High Court of Gujarat on Wednesday, the 7th day of January, 2015 at 09:30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad - 380 006.

SIGNATURE OF THE EQUITY SHAREHOLDER OR PROXY :

Notes :
1. *Applicable for investors holding shares in dematerialized form.
2. Shareholders who come to attend the meeting are required to bring with them copy of the Scheme of Arrangement.

**BOOK-POST**

**If undelivered please return to :**
Regd. Office :
**Arvind Limited**
Naroda Road,
Ahmedabad-380 025