



Registered Office: Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra

Website: www.raymond.in

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF RAYMOND LIMITED

Day : Thursday

Date : December 6, 2012

Time : 11.00 a.m.

Venue : Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra

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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 731 OF 2012**

In the matter of the Companies Act, 1956

AND

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

AND

In the matter of Scheme of Arrangement

BETWEEN

Raymond Woollen Outerwear Limited

AND

Raymond Limited

AND

their Respective Shareholders

RAYMOND LIMITED, a Company incorporated under the provisions)
of the Indian Companies Act, VII of 1913 having its registered)
office at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612,)
Maharashtra.) Applicant Company

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF RAYMOND LIMITED, THE APPLICANT COMPANY

To,
The Equity Shareholders of **RAYMOND LIMITED** ('the Applicant Company')

TAKE NOTICE that by an Order made on the 19th day of October, 2012, in the above Company Summons for Directions, the High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of the Applicant Company be convened and held at the registered office of the Applicant Company at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra on the 6th day of December, 2012 at 11.00 a.m. for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Raymond Woollen Outerwear Limited and Raymond Limited and their Respective Shareholders.

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of the Equity Shareholders of the Applicant Company will be held at the registered office of the Applicant Company at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra on the 6th day of December, 2012 at 11.00 a.m. at which place and time 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 a proxy in the prescribed form, duly signed by you, is deposited at the registered office of the Applicant Company at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra not later than 48 hours before the scheduled time of the meeting.

The Hon'ble High Court has appointed Mr. H Sunder, Whole-time Director of the Applicant Company and failing him Mr. P. K. Bhandari, Director of the Applicant Company and failing him Mr. I. D. Agarwal, Director of the Applicant Company to be the Chairman of the said Meeting.

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

Place: Mumbai
Dated this 26th day of October, 2012

H. Sunder
Chairman appointed for the Meeting

Registered office:
Plot No. 156/H. No. 2,
Village Zadgaon,
Ratnagiri – 415612,
Maharashtra.

Notes:

1. All alterations made in the Form of Proxy should be initialled.
2. Only registered Equity Shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 187 of the Companies Act, 1956) at the Equity Shareholders' meeting. The representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting authorising such representative to attend and vote at the Equity Shareholders' meeting.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 731 OF 2012**

In the matter of the Companies Act, 1956
AND
In the matter of Sections 391 to 394 read with Sections 100 to 103
of the Companies Act, 1956
AND
In the matter of Scheme of Arrangement
BETWEEN
Raymond Woollen Outerwear Limited
AND
Raymond Limited
AND
their Respective Shareholders

RAYMOND LIMITED, a Company incorporated under the provisions of the Indian Companies Act, VII of 1913 having its registered office at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra.

EXPLANATORY STATEMENT UNDER SECTION 393 (1)(a) OF THE COMPANIES ACT, 1956 TO THE SCHEME OF ARRANGEMENT

1. Pursuant to an Order made on the 19th day of October, 2012, passed by the Hon'ble High Court of Judicature at Bombay, in the Company Summons for Direction referred to above, a meeting of the Equity Shareholders of Raymond Limited, is being convened at the registered office of the Applicant Company at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra on the 6th day of December, 2012 at 11.00 a.m. for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Raymond Woollen Outerwear Limited and Raymond Limited and their respective shareholders ('the Scheme' or 'this Scheme').

2. A copy of the Scheme, setting out in detail, the terms and conditions on which the Scheme is proposed is enclosed. The proposed Scheme of Arrangement envisages demerger of Jalgaon Unit of Raymond Woollen Outerwear Limited into Raymond Limited.

3. In this statement, Raymond Limited is hereinafter referred to as 'Raymond' or 'the Applicant Company'. The other definitions contained in the Scheme shall apply to this Explanatory Statement also.

The background of both the companies involved in the Scheme of Arrangement is as under:

4. Raymond Limited

4.1. The Applicant Company was incorporated on 10th day of September 1925 as 'The Raymond Woollen Mills Limited' under the Indian Companies Act, VII of 1913 and in consequence thereof certificate of incorporation was issued by the Registrar of Companies. The name of the Applicant Company was changed to its present name and fresh certificate of incorporation consequence upon change of name was issued by the Registrar of Companies on 31st day of March 1995.

4.2. The registered office of Raymond is situated at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra.

4.3. The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on 31st day of March, 2012 is as under:

Particulars	Amount in Rs.
Share Capital	
Authorised Share Capital	
10,00,00,000 Equity Shares of Rs. 10 each	100,00,00,000
TOTAL	100,00,00,000
Issued, Subscribed and Paid-up Share Capital	
6,13,80,853 Equity Shares of Rs. 10 each	61,38,08,530
TOTAL	61,38,08,530

Subsequent to the Balance Sheet date i.e. 31st March, 2012, there has been no change in the paid-up share capital of Raymond.

4.4. The main objects of the Applicant Company are fully set out in the Memorandum and Articles of Association. Some of the main objects are as under:

"To carry on all or any of the businesses following, namely wool merchants, wool combers, worsted spinners, woollen spinners, worsted stuff manufacturers, cotton spinners and doublers, flax, hemp and jute spinners, linen manufacturers, flax, hemp, and jute merchants, bleachers and dyers and makers of vitriol, bleaching and dyeing materials, and to purchase, comb, prepare, spin, dye, and deal in flax, hemp, jute, wool, cotton, silk and other fibrous substances, and to weave, or otherwise manufacture, buy and sell and deal in linen cloth and other goods, and fabrics whether textile, felted, netted or looped, and to supply power."

"To acquire the Woollen Mills situate at Thana and known as the Wadia Woollen Mills."

"To carry on the business of chemists and druggists, dry salters, tallow merchants, soap and candle makers, oil and colour merchants, importers and manufacturers of and dealers in dyes, paints, chemicals and explosives, pharmaceuticals, medicinal, chemicals, industrial and other preparations and articles, compounds, cements, oils, paints, pigments and varnishes, drug, dyeware, paints, colour grinders, makers of and dealers in proprietary articles of all kinds and of electrical, chemical, photographic, surgical and scientific apparatus and materials."

4.5. Raymond Limited is a public limited company having its Equity Shares listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

4.6. Raymond is among the largest integrated manufacturers of worsted suiting fabrics in the world. Raymond through its subsidiaries is also a largest player in fabrics, designer wear, denim, cosmetics & toiletries, engineering files & tools and auto components, prophylactics and air charter services in national and international markets.

5. Raymond Woollen Outerwear Limited

5.1. Raymond Woollen Outerwear Limited ('RWOL'), the Transferor Company was incorporated on 20th day of June 2005 as Raymond Fedora Private Limited and in consequence thereof Certificate of incorporation was issued by the Registrar of Companies, Maharashtra, Mumbai. The name of the Transferor Company was changed to Raymond Woollen Outerwear Private Limited and fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies on 12th day of September 2008. The name of the Transferor Company was again changed to Raymond Woollen Outerwear Limited and fresh certificate of incorporation consequent upon change of name on conversion to Public Limited Company was issued on 15th day of September 2008. The name of the Transferor Company was again changed to its present name and fresh certificate of incorporation consequent upon change of name was issued on 20th day of July 2009.

5.2. The registered office of RWOL is situated at New Hind House, N.M. Marg, Ballard Estate, Mumbai 400001, Maharashtra.

5.3. The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2012 is as under:

Particulars	Amount in Rs.
Share Capital	
Authorised Share Capital	
2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000
4,00,00,000 8% Redeemable Preference Shares of Rs 10 each	40,00,00,000
Total	60,00,00,000
Issued Share Capital	
2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000
4,00,00,000 8% Redeemable Preference Shares of Rs 10 each	40,00,00,000
Total	60,00,00,000
Subscribed and Paid-up Share Capital	
97,00,000 Equity Shares of Rs.10 each	9,70,00,000
96,80,000 Equity Shares of Rs. 10 each, Rs. 7.50 paid up and forfeited (Amount originally paid-up)	7,26,00,000
4,00,00,000 8% Redeemable Preference Shares of Rs 10 each	40,00,00,000
Total	56,96,00,000

The Applicant Company holds 96,55,000 Equity Shares of Rs.10 each fully paid up and 4,00,00,000 8% Redeemable Preference Shares of Rs.10 each fully paid up in the Transferor Company. Subsequent to 31st day March, 2012, there has been no change in the share capital structure of the Transferor Company.

5.4. The main objects of the Transferor Company are fully set out in the Memorandum and Articles of Association. They are as under:

"To carry on in India the business of manufacturing, processing, washing, dyeing, ginning, pressing, spinning, weaving, crimping, texturising, carding, bleaching, combing, calendaring, sizing, combing, mercerizing, reeling, embroidering, blending, sorting, gameting, stretching, cutting, improving, buying, selling, importing, exporting, transporting, storing, fabricating, developing, marketing, or supplying and to act as brokers, traders, agents, C&F agents, distributors, representatives or otherwise to deal in all kind of fabrics and textiles, rugs, furnishing fabrics, tapestries, carpets, blankets, shawls and other similar items prepared or manufactured from polyester, rayon silk, artificial silk, acrylic, polynosic, polypropylene, linen, cotton, wool, jute, flax, hemp, viscose, cashmilon, filaments, monofilaments, multifilaments and any other synthetic, artificial and natural yarns and fibres or any combination thereof."

"To carry on the business in India and abroad, as manufacturers, producers, processors, importers, exporters, agents, brokers, wholesalers, showroom owners, retailers, distributors, traders, buyers, sellers, jobworkers, stockists, and to market, promote, organise, design, develop, sort and grade or otherwise to deal in all kinds of garments and wearing apparels of all shapes, sizes, varieties, specifications, descriptions, applications for men, women and children including sports wear, active wear, daily wear, fashion wear, party wear, other wearing apparel made from cotton, synthetics, silk, velvet, jute, wool, hosiery cloth or in any combination thereof, rugs, furnishing fabrics, tapestries, carpets, blankets, shawls and other similar items and to participate in local, national, and international trade fairs, sales exhibitions, seminars, fashion shows or any other sales promotion schemes."

5.5. RWOL is presently engaged in the business of manufacturing of suiting fabrics, blankets and shawls.

6. Rationale and Benefits

Raymond is now proposing a Scheme of Arrangement for acquisition of Jalgaon Unit of the Transferor Company through a Scheme of Arrangement under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956.

Circumstances justifying the aforesaid Scheme of Arrangement are *inter alia* as follows:

- a) the manufacturing unit of the Transferee Company is adjacent to that of one of the Transferor Company's manufacturing unit and the operations are easily scalable;
 - b) The proposed Scheme of Arrangement will help leverage the synergies and have optimal utilisation of resources viz; manufacturing, manpower, managerial pool, etc.;
 - c) Cost reduction in terms of economies of scale, sourcing benefits, vendor rationalization, more focused operational efforts, rationalization, standardization and simplification of business processes and productivity improvements;
 - d) This arrangement will enable the Transferor Company to restructure its capital, to address the limited shawls and blanket markets in India and overseas;
 - e) The skilled manpower of the Transferor Company will be optimally utilized on implementation of the scheme.
7. Accordingly, the Board of Directors of both the companies at their respective Board meetings held on 25th April 2012 and a duly authorised Committee of Directors meeting held on 15th June 2012 of the Applicant Company and Board meeting held on 15th June 2012 of the Transferor Company passed resolutions by which it was resolved that the Scheme of Arrangement placed before the Board be submitted to the High Court of Judicature at Bombay for demerger of Jalgaon Unit of RWOL on a going concern basis to Raymond under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956.
8. The share swap ratio is approved by the duly authorised Committee of Directors meeting of the Applicant Company held on 15th June 2012 after obtaining valuation report from M/s. Lodha & Co. Chartered Accountants, an independent valuer. The Valuation Report of M/s. Lodha & Co. recommended the following share exchange ratio:
- "1 (One) fully paid Equity Share of Rs. 10 (Rupees Ten) each of the Transferee Company shall be issued and allotted for every 28,561 Equity Shares of Rs. 10 (Rupees Ten) each held in the Transferor Company."**
9. The Applicant Company has also obtained a report from M/s. Imperial Corporate Finance & Services Private Limited, a Category I Merchant Banker on the fairness of the Valuation Report issued by M/s. Lodha & Co.
- M/s. Imperial Corporate Finance & Services Private Limited has issued an opinion that the share exchange ratio recommended in the Valuation Report of M/s. Lodha & Co. is fair from a financial point of view.
10. The salient features of the Scheme are as under:
- (a) The Scheme envisages the demerger of the Jalgaon Unit of the Transferor Company into the Transferee Company pursuant to Sections 391 to 394 read with Sections 100 to 103 and other relevant provisions of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.
 - (b) Appointed Date for the Scheme will be 1st day of April, 2012 or such other date as may be fixed or approved by the High Court of Judicature at Bombay.
 - (c) Upon the coming into effect of this Scheme and with effect from the Appointed Date the whole of the undertaking, assets, properties and liabilities of the Demerged Undertaking (as defined under Clause 1.3 of the Scheme) shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act or deed shall stand transferred to and vested in and / or be deemed to be transferred to and vested in the Applicant Company so as to vest in the Applicant Company all rights, title and interest pertaining to the Demerged Undertaking.
 - (d) Upon the coming into effect of the Scheme and in pursuance of the demerger of the Demerged Undertaking in the Applicant Company, the

Applicant Company shall, without any further application or deed, issue and allot shares, credited as fully paid up, to the extent indicated below, to the members of the Transferor Company whose name appears in the Register of Members of the Transferor Company as on the Record Date (other than the Applicant Company in respect of shares held in the Transferor Company) or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:

"1 (One) fully paid Equity Share of Rs. 10 (Rupees Ten) each of the Transferee Company shall be issued and allotted for every 28,561 Equity Shares of Rs. 10 (Rupees Ten) each held in the Transferor Company."

- (e) In case any member's shareholding in the Transferor Company is such that on the basis of the aforesaid exchange ratio of shares, the member is entitled to a fraction of share which exceeds one-half share, such member shall, in lieu of such fraction, be entitled to receive allotment of one equity share of the Applicant Company. On the other hand, if the shareholding of any member in the Transferor Company is such that on the basis of the aforesaid exchange ratio of shares, the member is entitled to a fraction of share which is less than or equal to one-half share, then such fraction shall be ignored and such member shall not be entitled to receive any share of the Applicant Company in lieu of such fraction.
- (f) The Equity Shares to be issued to the members of the Transferor Company as above shall be subject to the Memorandum and Articles of Association of the Applicant Company and shall rank pari passu with the existing Equity Shares of the Applicant Company in all respects including dividends.
- (g) Raymond shall apply to all the Stock Exchanges where its Equity Shares are currently listed, for listing of its Equity Shares, which will be allotted in pursuance of this Scheme.
- (h) Raymond will account for the acquisition of Demerged Undertaking of the Transferor Company in its books in accordance with the clause 7.1 of the Scheme.
- (i) Upon the coming into effect of this Scheme, all employees of the Transferor Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Effective Date shall become the permanent employees of the Applicant Company, and, subject to the provisions of this Scheme, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking.
- (j) All costs, charges, taxes including duties, stamp duty, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Applicant Company.
- (k) This Scheme is and shall be conditional upon and subject to:
 - I. The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
 - II. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members of the Transferor Company and the Transferee Company as may be directed by the High Court or any other competent authority, as may be applicable.
 - III. The Scheme being sanctioned by the High Court or any other authority under Sections 391 to 394 of the Companies Act, 1956
 - IV. Certified/Authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai and Pune by both the companies.

N.B.: The features set out above being only the salient features of the Scheme of Arrangement; the members are requested to read the entire text of the Scheme of Arrangement annexed hereto to get fully acquainted with the provisions thereof.

11. The pre and post demerger shareholding pattern of Raymond Limited based on shareholding as on September 30, 2012 is as under:

Sr. No.	Category of shareholder	Total number of shares (Pre-demerger)	Percentage	Total number of shares (Post-demerger)	Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)
(A)	Promoter and Promoter Group				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	2749407	4.48	2749407	4.48
(b)	Central Government/State Government(s)	Nil	Nil	Nil	Nil
(c)	Bodies Corporate	21832363	35.57	21832363	35.57
(d)	Financial Institutions/Banks	Nil	Nil	Nil	Nil
(e)	Any Other (Total)	Nil	Nil	Nil	Nil
	Sub-Total (A)(1)	24581770	40.05	24581770	40.05
(2)	Foreign				
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil	Nil
(d)	Qualified Foreign Investor	Nil	Nil	Nil	Nil
(e)	Any Other (Total)	Nil	Nil	Nil	Nil
	Sub-Total (A)(2)	Nil	Nil	Nil	Nil
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	24581770	40.05	24581770	40.05
(B)	Public shareholding				
(1)	Institutions				
(a)	Mutual Funds/UTI	8229198	13.41	8229198	13.41
(b)	Financial Institutions/Banks	9391	0.02	9391	0.02
(c)	Central Government/State Government(s)	Nil	Nil	Nil	Nil
(d)	Venture Capital Funds	Nil	Nil	Nil	Nil
(e)	Insurance Companies	7046659	11.48	7046659	11.48

Sr. No.	Category of shareholder	Total number of shares (Pre-demerger)	Percentage	Total number of shares (Post-demerger)	Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)
(f)	Foreign Institutional Investors	5867552	9.56	5867552	9.56
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	Nil
(h)	Qualified Foreign Investor	Nil	Nil	Nil	Nil
(i)	Any Other (Total)	Nil	Nil	Nil	Nil
	Sub-Total (B)(1)	21152800	34.46	21152800	34.46
(2)	Non-institutions				
(a)	Bodies Corporate	2186409	3.56	2186409	3.56
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To Rs. 1 Lakh.	11360861	18.51	11360862	18.51
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess of Rs. 1 Lakh	1257303	2.05	1257303	2.05
(c)	Qualified Foreign Investor	Nil	Nil	Nil	Nil
(d)	Any Other (specify) Trusts	648	Nil	648	Nil
	Sub-Total (B)(2)	14805221	24.12	14805222	24.12
	Total Public Shareholding (B)= (B)(1)+(B)(2)	35958021	58.58	35958022	58.58
	TOTAL (A)+(B)	60539791	98.63	60539792	98.63
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
C1	Promoter and Promoter Group	Nil	Nil	Nil	Nil
C2	Public	841062	1.37	841062	1.37
	Sub-Total (C)	841062	1.37	841062	1.37
	GRAND TOTAL (A)+(B)+(C)	61380853	100.00	61380854	100.00

12. The Directors and Managers of Raymond and RWOL may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective Companies, or to the extent said directors are common directors in the Companies, or to the extent said directors are the 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 or to the extent they may be allotted shares in the Applicant Company as a result of the Scheme.

13. The extent of equity shareholding of the Directors of both the companies in Raymond and RWOL either singly or jointly or as nominee as on September 30, 2012 is as under:

Directors of Raymond	Designation	Holding in Raymond	Holding in RWOL
Shri Gautam Hari Singhania	Chairman and Managing Director	5529	Nil
Dr. Vijaypat Singhania	Chairman Emeritus	104097	Nil
Shri I.D. Agarwal	Director	Nil	Nil
Shri Nabankur Gupta	Director	Nil	Nil
Shri P.K. Bhandari	Director	3	Nil
Shri Shailesh V. Haribhakti	Director	Nil	Nil
Shri Pradeep Guha	Director	Nil	Nil
Shri Akshay Chaudasama	Director	Nil	Nil
Shri Boman Irani	Director	Nil	Nil
Shri H. Sunder	Whole-time Director	93	35000

Directors of RWOL	Designation	Holding in RWOL	Holding in Raymond
Shri G.M. Jain	Director	1000	100
Shri Ram Bhatnagar	Director	Nil	Nil
Shri A.S. Nagraj	Director	Nil	Nil

14. The Directors of Raymond and RWOL have not given any loans to the companies in which they are directors.
15. The financial position of the Applicant Company will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Scheme as the Applicant Company, post arrangement will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the Applicant Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
16. Raymond has obtained the 'No Objection Certificate' to the Scheme of Arrangement in terms of Clause 24(f) of the Listing Agreement of Bombay Stock Exchange Limited and National Stock Exchange of India Limited vide their letters dated September 17, 2012 and September 5, 2012 respectively.
17. No investigation proceedings have been initiated or are pending under Section 235 to Section 251 of the Companies Act, 1956 against Raymond. Further, no winding up proceedings are pending against Raymond or RWOL.
18. The rights and interests of the members of Raymond will not be prejudicially affected by the Scheme.
19. A copy of the Scheme and Explanatory Statement thereto may be obtained from the registered office of the Applicant Company at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri - 415612, Maharashtra and/or at the office of the Advocates M/s. Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai 400071. A copy of the latest Annual Report of the Applicant Company for the Financial Year 2011-12 may also be obtained from the registered office and website of the Applicant Company (www.raymond.in).
20. Inspection of the following documents may be made by the Equity Shareholders of the Applicant Company at the registered office up to one day prior to the date of the meeting between 11 a.m. and 1 p.m. on all working days (except Saturdays, Sundays and public holidays):
- Memorandum and Articles of Association of Raymond and RWOL;
 - Audited financial statements of Raymond and RWOL for last 3 financial years ended March 31, 2010, March 31, 2011 and March 31, 2012;
 - Copy of the Order dated 19th day of October, 2012 of the High Court of Judicature at Bombay passed in Company Summons for Direction No. 731 of 2012 directing the convening of the meeting of the Equity Shareholders of the Applicant Company;
 - Scheme of Arrangement;
 - Valuation report of M/s. Lodha & Co., Chartered Accountants on share exchange ratio;
 - Fairness opinion issued by M/s. Imperial Corporate Finance & Services Private Limited; and
 - Copy of no objection letters to the Scheme received from Bombay Stock Exchange Limited and National Stock Exchange of India Limited dated September 17, 2012 and September 5, 2012 respectively.
- This statement may be treated as an Explanatory Statement under Section 173 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the registered office of the Applicant Company and/or at the office of the Advocates M/s. Hemant Sethi & Co., 1602 Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai 400071.
- Place: Mumbai
Dated this 26th day of October, 2012
- H. Sunder**
Chairman appointed for the Meeting
- Registered Office:**
Plot No. 156/H. No. 2,
Village Zadgaon,
Ratnagiri - 415612
Maharashtra

**SCHEME OF ARRANGEMENT
BETWEEN
RAYMOND WOOLLEN OUTERWEAR LIMITED ("TRANSFEROR COMPANY")
AND
RAYMOND LIMITED ("TRANSFeree COMPANY")
AND
THEIR RESPECTIVE SHAREHOLDERS**

Under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956

(A) PREAMBLE

This Composite Scheme of Arrangement is presented under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 for demerger of the Jalgaon Unit (as defined hereinafter) of Raymond Woollen Outerwear Limited ("RWOL" or "the Transferor Company") into Raymond Limited ("Raymond" or "the Transferee Company"), pursuant to the relevant provisions of the Companies Act, 1956. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) Parts of the Scheme:

This Scheme of Arrangement is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with the transfer and vesting of Jalgaon Unit of the Transferor Company;
- (iii) **PART III** which deals with general terms and conditions applicable to this Scheme of Arrangement.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme of Arrangement (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **"Act" or "The Act"** means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force;
- 1.2 **"Appointed Date"** For the purpose of this Scheme and for Income Tax Act, 1961, the "Appointed Date" means April 1, 2012 or such other date as may be approved by the High Court;
- 1.3 **"Court" or "High Court"** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when applicable;
- 1.4 **"Demerged Undertaking"** means the business of the Jalgaon Unit of the Transferor Company on a going concern basis and shall without limitation include the following:
 - (i) All the assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present, future or contingent), including freehold and leasehold properties, the manufacturing facility at Additional Jalgaon Industrial Area, Jalgaon, Maharashtra together with all the buildings and structures standing thereon, offices as set out in the **Schedule 1**, all investments, vehicles and the current assets including sundry debtors, receivables, cash, bank balances, loans and advances, actionable claims, bills, credit notes and all inventories, office equipment, furniture and fixture, stores, computers and machinery spare parts, book debts, receivables appertaining or relating to the Jalgaon Unit of the Transferor Company;
 - (ii) All permits, authorizations, licences, consents, registrations, approvals, municipal permissions, industrial/establishment licences, insurance policies, bids, tenders, letters of intent, connections for water, electricity and drainage, sanctions, product registrations, quota rights, entitlements, allotments, interests, deposits, benefits of all agreements, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent) investments, earnest money, deposits, agreements, contracts (including forward contracts), arrangements, understandings, bonds, engagements, deeds and instruments including franchise agreements, hire purchase agreements, lease agreements and tenancy rights as permissible, equipment purchase agreements, agreements with suppliers, agreements with clients/purchasers, reserves, provisions, funds, advances and all properties, in possession or reversion, present or contingent, contracts, rights, title, interest, benefits and advantages of whatsoever nature and all other interests belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by or arising to the Jalgaon Unit of the Transferor Company;
 - (iii) all intellectual property rights, including service marks, designs, colour schemes, logo, copyright, design registrations, trademarks, domain names, records, files, papers, engineering and process information, computer programmes, manuals, data, catalogues, patents, technical know-how, quotations, sales and advertising materials, lists of present and former customers pertaining to the said Jalgaon Unit.

(the aforementioned sub-clauses (i) to (iii) hereinafter collectively referred to as the **"Assets"**);

- (iv) All secured and unsecured debts, liabilities contingent or otherwise and all other undertakings and guarantees given, obligations of whatsoever kind of the Jalgaon Unit of the Transferor Company (hereinafter referred to as **"Liabilities"**).

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Jalgaon Unit of the Transferor Company include:

- (a) The liabilities, which arise out of the activities or operations of the Jalgaon Unit of the Transferor Company;
- (b) Specific loans and borrowings raised, incurred and / or utilized solely for the activities or operation of the Jalgaon Unit of the Transferor Company; and
- (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relating to the remaining business of the Transferor Company, being the amounts of general or multipurpose borrowings of the Transferor Company shall be allocated to the Jalgaon Unit of the Transferor Company in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of the Transferor Company immediately before giving effect to this Scheme.
- (v) All employees of the Transferor Company employed in and / or relating to the Jalgaon Unit of the Transferor Company as on the Effective Date; and
- (vi) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Jalgaon Unit of the Transferor Company or whether it arises out of the activities or operations of the Jalgaon Unit of the Transferor Company shall be decided by mutual agreement between the Board of Directors of the Transferor Company and the Transferee Company.

- 1.5 **"Effective Date" or "coming into effect of this Scheme"** means the last of the dates on which the certified copy of the order of the High Court of Judicature at Bombay sanctioning the Scheme of Arrangement is filed by the Transferor Company and the Transferee Company with the Registrar of Companies, Mumbai, Maharashtra and Pune, Maharashtra;

- 1.6 **"Jalgaon Unit"** means and includes the manufacturing facility of the Transferor Company at Plot No. E-1B and E-11B in the Additional Jalgaon Industrial Area, Meharun, Jalgaon District, Maharashtra, 425003 and carrying on its business as a going concern;

- 1.7 **"Panipat Unit"** means and includes the Undertaking of the Transferor Company at the premises of Rudraksh International Private Limited having its address at Village Pansina, Kulan Tehsil, Bapoli, G.T.Road, Panipat, Haryana 132103, carrying on the manufacturing business of grey blankets and shawls;

- 1.8 **"Raymond" or "the Transferee Company"** means Raymond Limited, a public limited company incorporated under the provisions of the Indian Companies Act, VII of 1913 and having its registered office at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri - 415612 in the State of Maharashtra, listed with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE);

- 1.9 **"Record Date"** means the date, after the Effective Date to be fixed by the Board of Directors of the Transferor Company for the purpose of reckoning names of the equity shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company, upon coming into effect of this Scheme;

- 1.10 **"Remaining Business of the Transferor Company" or "Remaining Undertaking"** means the Panipat Unit and all the undertakings, businesses, activities and operations of the Transferor Company other than the Jalgaon Unit;

- 1.11 **"RWOL" or "the Transferor Company"** means Raymond Woollen Outerwear Limited, a company incorporated under the Companies Act, 1956 having its registered office at New Hind House, N.M. Marg, Ballard Estate, Mumbai 400001 in the State of Maharashtra; and

- 1.12 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form as submitted to the Honorable High Court of Judicature at Bombay or this Scheme with such modification(s), if any made, as per Clause 16 of the Scheme.

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 Act, the Securities Contract (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1 The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on March 31, 2012 is as under:

Particulars	Amount in Rs.
Share Capital	
Authorised Share Capital	
2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000
4,00,00,000 8% Redeemable Preference Shares of Rs 10/- each	40,00,00,000
Total	60,00,00,000
Issued Share Capital	
2,00,00,000 Equity Shares of Rs.10 each	20,00,00,000
4,00,00,000 8% Redeemable Preference Shares of Rs 10/- each	40,00,00,000
Total	60,00,00,000
Subscribed and Paid-up Share Capital	
97,00,000 Equity Shares of Rs.10 each	9,70,00,000
96,80,000 Equity Shares of Rs. 10 each, Rs. 7.50 paid up and forfeited (Amount originally paid-up)	7,26,00,000
4,00,00,000 8% Redeemable Preference Shares of Rs 10/- each	40,00,00,000
Total	56,96,00,000

The Transferee Company holds 96,55,000 equity shares of Rs.10 each fully paid up and 4,00,00,000 preference shares of Rs.10 each fully paid up in the Transferor Company.

Subsequent to March 31, 2012, there has been no change in the share capital structure of the Transferor Company.

- 2.2 The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2012 is as under:

Particulars	Amount in Rs.
Share Capital	
Authorised Share Capital	
10,00,00,000 Equity Shares of Rs. 10 each	100,00,00,000
TOTAL	100,00,00,000
Issued, Subscribed and Paid-up Share Capital	
6,13,80,853 Equity shares of Rs. 10 each	61,38,08,530
TOTAL	61,38,08,530

Subsequent to March 31, 2012, there has been no change in the share capital structure of the Transferee Company.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date, but shall be operative from the Effective Date.

PART II

TRANSFER AND VESTING OF DEMERGED UNDERTAKING OF THE TRANSFEROR COMPANY

4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

- 4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date the whole of the undertaking, assets (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, present future or contingent) and properties (including rights, claims, title, interest and authorities including accretions and appurtenances thereto such as dividends, or other benefits received, including benefits accruing from investments comprised in the Demerged Undertaking) and liabilities (including all debts, secured and unsecured, present and future liabilities, loans raised, current liabilities, duties and obligations of any nature and description including contingent liabilities) of the Demerged Undertaking shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act or deed shall stand transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company so as to vest in the Transferee Company all rights, title and interest pertaining to the Demerged Undertaking.
- 4.2 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company relating to the Demerged Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed

Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company.

- 4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents relating to and/or held by the Transferor Company required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. The benefit of all statutory and regulatory permissions, registrations or other licenses, and consents shall vest in and become available to the Transferee Company pursuant to the Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by the Transferor Company relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- 4.4 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Demerged Undertaking transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Demerged Undertaking, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company.
- 4.5 Any existing encumbrances over the Assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Demerged Undertaking transferred to and vested in the Transferee Company by virtue of this Scheme.
- 4.6 Without prejudice to the provisions of the foregoing clauses, upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall execute all instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification of charges with the Registrar of Companies, Mumbai, Maharashtra and Pune, Maharashtra to give effect to the above provisions, if required.
- 4.7 Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the liabilities, which have been transferred to it and the Transferor Company shall not have any obligations in respect of such liabilities, and the Transferee Company shall indemnify the Transferor Company in relation to any claim arising at any time, against the Transferor Company in respect of the liabilities which have been transferred to the Transferee Company.
- 4.8 Subject to the necessary consents being obtained in accordance with the terms of this Scheme, the provisions of this Clause 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.
- 4.9 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.
- #### 5. ISSUE OF SHARES BY TRANSFEE COMPANY
- 5.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Demerged Undertaking in the Transferee Company, the Transferee Company shall, without any further application or deed, issue and allot shares, credited as fully paid up, to the extent indicated below, to the members of the Transferor Company whose name appears in the Register of Members of the Transferor Company as on the Record Date (other than the Transferee Company in respect of shares held in the Transferor Company) or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following manner:
- "1 (One) fully paid Equity Share of Rs. 10 (Rupees Ten) each of the Transferee Company shall be issued and allotted for every **28,561** Equity Shares of Rs. 10 (Rupees Ten) each held in the Transferor Company.
- 5.2 In case any member's shareholding in the Transferor Company is such that on the basis of the aforesaid exchange ratio of shares, the member is entitled to a fraction of share which exceeds one-half share, such member shall, in lieu of such fraction, be entitled to receive allotment of one equity share of the Transferee Company. On the other hand, if the shareholding of any member in the Transferor Company is such that on the basis of the aforesaid exchange

ratio of shares, the member is entitled to a fraction of share which is less than or equal to one-half share, then such fraction shall be ignored and such member shall not be entitled to receive any share of the Transferee Company in lieu of such fraction. 5.3 The Equity Shares to be issued to the members of the Transferor Company as above shall be subject to the Memorandum and Articles of Association of the Transferee Company and shall rank <i>pari passu</i> with the existing equity shares of the Transferee Company in all respects including dividends. 5.4 The Equity Shares shall be issued in dematerialised form by the Transferee Company, unless otherwise notified in writing by the shareholders of the Transferor Company to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a Committee thereof. In the event that such notice has not been received by the Transferee Company in respect of any of the members of the Transferor Company, the Equity Shares shall be issued to such members in dematerialised form provided that the members shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Transferee Company has received notice from any member 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 the Transferee Company, then the Transferee Company shall issue equity shares in physical form to such member or members. 5.5 The Board of Directors of the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government/ Regulatory authorities for the issue and allotment of Equity Shares to the members of the Transferor Company pursuant to clause 5.1 of the Scheme. 5.6 The Equity Shares to be issued to the members of the Transferor Company pursuant to clause 5.1 of this Scheme will be listed and/or admitted to trade on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Transferee Company are listed and/or admitted to trade. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges. On such formalities being fulfilled, the said Stock Exchanges shall list and/or admit such Equity Shares also for the purpose of trading. 5.7 In the event of there being any pending share transfer, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors or any Committee thereof of the Transferor Company shall be empowered even subsequent to the Effective Date, to effectuate such transfer as if such changes in the registered holder were operative from the Effective Date, in order to remove any difficulties arising to the transfer of shares after the Scheme becomes effective. 5.8 The equity shares to be issued by the Transferee Company to the members of the Transferor Company pursuant to clause 5.1 of this Scheme, in respect of any shares in the Transferor Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by the Transferee Company. 5.9 The cost of acquisition of the shares of the Transferee Company in the hands of the shareholders of the Transferor Company shall be the amount which bears to the cost of acquisition of shares held by the shareholders in the Transferor Company in the same proportion as the net book value of the assets transferred in the demerger to the Transferee Company bears to the net worth of the Transferor Company immediately before the demerger. The period for which the shares in Transferor Company were held by the shareholders shall be included in determining the period for which the shares in the Transferee Company have been held by the shareholders. 5.10 Approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Transferee Company to the shareholders of the Transferor Company, as provided in this Scheme. 5.11 The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 16, 31 and other applicable provisions of the Act and any other consents and approvals required in this regard. 6. REORGANISATION OF SHARE CAPITAL OF THE TRANSFEROR COMPANY 6.1 The subscribed and paid up equity share capital of the Transferor Company consisting of Rs. 9,70,00,000 divided into 97,00,000 equity shares of Rs. 10/- fully paid each as mentioned in clause 2.1 above shall, upon the Scheme coming into effect stand reduced to Rs. 1,94,00,000 divided into 19,40,000 equity shares of Rs. 10/- fully paid each by cancellation of 77,60,000 equity shares aggregating to Rs. 7,76,00,000 paid up equity share capital of the Transferor Company. Consequent to such reduction, the 77,60,000 equity shares aggregating to Rs. 7,76,00,000 held by the equity shareholders shall stand cancelled as on the effective date.	6.2 The preference share capital consisting of Rs. 40,00,00,000 divided into 4,00,00,000 8% Redeemable Preference Shares of Rs. 10/- fully paid each as mentioned in clause 2.1 above shall, upon the Scheme coming into effect, stand cancelled. 6.3 The reduction of Share Capital shall be effected as an integral part of the Scheme and the Order of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act confirming the reduction. The proposed reduction does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital. The Company shall make the consequential amendments in the Capital Clause of the Memorandum of Association of the Company as may be necessary. The Company shall not be required to add "and reduced" as a suffix to the name. 6.4 The Transferor Company shall obtain the necessary approval from its shareholders as required, in terms of this Scheme only, under and pursuant to provisions of Sections 391 to 394 of the Act. The Transferor Company shall not, nor shall be obliged to call for a separate meeting of its shareholders /creditors for obtaining their approval sanctioning the reduction of paid up share capital. 6.5 It is hereby further clarified that the reduction of the paid up equity share capital shall not affect the authorised share capital of the Transferor Company and unissued authorised share capital shall be available to the Transferor Company for issue and allotment. 7. ACCOUNTING TREATMENT 7.1 IN THE BOOKS OF THE TRANSFEE COMPANY 7.1.1 The Transferee Company, after adjusting the cost of investment made by it in the equity shares of the Transferor Company, the provision there against to reflect the net assets transferred of the Demerged Undertaking shall record the assets and liabilities, pertaining to the Demerged Undertaking, at the respective book values as on the Appointed Date. 7.1.2 The Transferee Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it pursuant to clause 5.1 of this Scheme. 7.1.3 Loans and advances and other dues outstanding between the Transferee Company and the Demerged Undertaking of the Transferor Company will stand cancelled and there shall be no further obligation / outstanding in that behalf. 7.1.4 The 40,00,000 8% Redeemable preference shares of Rs. 10/- each held by the Transferee Company in the Transferor Company would stand cancelled. 7.1.5 The difference between the net assets of the Demerged Undertaking acquired and recorded by the Transferee Company after making adjustments in terms of clause 7.1.1, clause 7.1.3 and clause 7.1.4 above, over the amount credited as share capital in terms of clause 7.1.2 shall be adjusted against the General Reserve Account. 7.1.6 All costs and expenses incurred as per Clause 19 below as well as other costs incidental with the finalization of this Scheme and to put it into operation, including but not limited to expenses in connection with stamp duty, registration charges and any other expenses or charges attributable to the implementation of the above Scheme, shall be charged to Profit and Loss account. 7.1.7 If considered appropriate for the purpose of application of uniform accounting methods and policies between the Transferor Company and the Transferee Company, the Transferee Company may make suitable adjustments to record the assets and liabilities of the demerged undertaking in its books and debit or credit, as the case may be, the difference to Profit and Loss Account. 7.2 IN THE BOOKS OF THE TRANSFEROR COMPANY 7.2.1 Upon the Scheme becoming effective, the Transferor Company shall reduce the book value of assets and liabilities pertaining to the Demerged Undertaking. 7.2.2 The surplus arising on reorganisation of share capital pursuant to clause 6.1 and 6.2 of this Scheme and the balance of Rs. 72,60,00,000 in the Share Forfeiture Account shall be credited to Business Reorganisation Reserve Account of the Transferor Company. 7.2.3 The difference, being the excess of the book value of assets transferred over the book value of liabilities transferred and the debit balance in the Profit & Loss Account of the Transferor Company, to the extent possible, shall be adjusted against Business Reorganisation Reserve Account. The credit balance thereafter, if any, in the Business Reorganisation Reserve Account shall be transferred to Capital Reserve account.
	PART III GENERAL TERMS AND CONDITIONS 8. TRANSACTIONS UP TO THE EFFECTIVE DATE 8.1 With effect from the Appointed Date and up to and including the Effective Date: (a) the Transferor Company shall carry on and be deemed to have carried on the business and activities in relation to the Demerged Undertaking and shall stand possessed of their properties and assets relating to the Demerged Undertaking for and in trust for the Transferee Company;

(b) all profits and income accruing or arising to the Transferor Company from the Demerged Undertaking, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Demerged Undertaking shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, exclusively of the Transferee Company; (c) any of the rights, powers, authorities, privileges attached, related or pertaining to the Demerged Undertaking exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Demerged Undertaking that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken / discharged for and on behalf of and as an agent for the Transferee Company; (d) the Transferor Company shall not without the prior written consent of the Board of Directors of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the Demerged Undertaking or any part thereof except in the ordinary course of its business; (e) the Transferor Company shall not vary the terms and conditions of service of its permanent employees relating to the Demerged Undertaking except in the ordinary course of its business; and (f) the Transferee Company shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which the Transferee Company may require to carry on the business of Demerged Undertaking. 8.2 With effect from the date of approval to the Scheme by Board of Directors of both the companies until the Effective Date, the Transferor Company shall carry on the business and activities of Demerged Undertaking with reasonable diligence and business prudence.	shall be continued and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. 11.2 After the Appointed Date, if any proceedings are taken against the Transferor Company in respect of the matters referred to in the sub-clause 11.1 above, they shall defend the same at the cost of the Transferee Company, and the Transferee Company shall reimburse and indemnify the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof. 11.3 The Transferee Company also undertakes to reimburse and indemnify the Transferor Company against invocation of bank guarantee, if any, relating to the Demerged Undertaking after the Appointed Date. 11.4 The Transferor Company and the Transferee Company shall, to the extent possible, co-operate with each other in respect of any such contest, defence, litigation or settlement arising in respect of the Demerged Undertaking on or after the Appointed Date.
9. DECLARATION OF DIVIDEND, BONUS ETC. 9.1 The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period after the Appointed Date and prior to the Effective Date. 9.2 Until the coming into effect of this Scheme, the holders of equity shares of the Transferor Company and the Transferee Company shall, save as expressly provided otherwise in this Scheme continue to enjoy their existing respective rights under their respective Articles of Associations. 9.3 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Company and/or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Company and the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Company and the Transferee Company, respectively.	12. CONTRACTS, DEEDS, ETC. 12.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all agreements, contracts, arrangements, understandings, bonds, guarantees, engagements, deeds and instruments of whatsoever nature relating to the Demerged Undertaking and to which the Transferor Company is a party or to the benefit of which the Transferor Company is eligible and subsisting or having effect on the Effective Date, shall continue to be in full force and effect against or in favour of the Transferee Company and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, such Transferee Company had been a party or beneficiary or obligee thereto or thereunder. 12.2 Without prejudice to the transfer and vesting of the Demerged Undertaking to and in the Transferee Company, the Transferee Company may, at any time after this Scheme becomes effective, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favor of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments relating to the Demerged Undertaking. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme. 12.3 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal permissions, insurance policies, registrations, connections for water, electricity and drainage, sanctions, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Transferee Company as if the same were originally given or issued to or executed in favor of the Transferee Company, and the rights and benefits under the same shall be available to the Transferee Company.
10. EMPLOYEES 10.1 Upon the coming into effect of this Scheme, all employees of the Transferor Company engaged in or in relation to the Demerged Undertaking and who are in such employment as on the Effective Date shall become the permanent employees of the Transferee Company, and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the transfer of the Demerged Undertaking. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided by Board of Directors of the Transferor Company. 10.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the employees of the Demerged Undertaking shall be deemed to have been created by the Transferee Company in place of the Transferor Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. It is clarified that the services of the employees of the Demerged Undertaking will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.	12.4 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Demerged 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 asset or any contracts deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the Transferee Company, in so far as it is permissible so to do till such time as the transfer is effected. 12.5 On and from the Appointed Date, VAT credits, credit for tax deducted at source or any other tax credit certificate relating to the Demerged Undertaking received in the name of the Transferor Company, shall be deemed to have been received by the Transferee Company and which alone shall be entitled to claim credit for such tax deducted or paid. 13. REMAINING UNDERTAKING 13.1 The Remaining Undertaking 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. 13.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Undertaking) shall be continued and enforced by or against the Transferor Company after the Effective Date.
11. LEGAL PROCEEDINGS 11.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising before the Effective Date and relating to the Demerged Undertaking, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but	13.3 If proceedings are taken against the Transferor Company/ Transferee Company in respect of the matters referred to in Clause 13.1 above, the Transferor Company and Transferee Company shall defend the same in accordance with

the advice of the Transferor Company and at the cost and risk of the Transferor Company, and the Transferor Company shall reimburse and indemnify the Transferee Company against all liabilities and obligations incurred by the Transferee Company in respect thereof. In respect of such defense, the Transferor Company shall extend full and timely cooperation, including providing requisite information, personnel and the like, so as to enable the Transferee Company to defend the same.

13.4 With effect from the Appointed Date and upto and including the Effective Date:

- (a) The Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;
- (b) all profits accruing to the Transferor Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company; and
- (c) All assets and properties acquired by the Transferor Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.

14. SAVING OF CONCLUDED TRANSACTIONS

- 14.1 The transfer and vesting of the Demerged Undertaking as above and the continuance of proceedings by or against the Transferor Company in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

15. APPLICATION TO HIGH COURT

- 15.1 The Transferor Company and the Transferee Company shall as may be required make applications and/or petitions under Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Act to the High Court or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

16. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 16.1 On behalf of the Transferor Company and the Transferee Company, the Board of Directors of respective companies, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme, or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors) including withdrawal of the Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. It is clarified that no modification or amendment to the Scheme will be carried out or effected by the Board without approaching the High Court.

17. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 17.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 17.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members of the Transferor Company and the Transferee Company as may be directed by the High Court or any other competent authority, as may be applicable.
- 17.3 The Scheme being sanctioned by the High Court or any other authority under Sections 391 to 394 of the Act.
- 17.4 Certified /Authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai and Pune by both the companies.

18. EFFECT OF NON-RECEIPT OF APPROVALS

- 18.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 17 not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority and/ or for any other reason, the Scheme cannot be implemented and / or the order or orders not being passed as aforesaid before November 30, 2013 or such other date as may be agreed by the respective Board of Directors of the Transferor Company and the Transferee Company may determine, the Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

19. COSTS, CHARGES & EXPENSES

- 19.1 All costs, charges, taxes including duties, stamp duty, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

20. SURVIVAL

- 20.1 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/ or provisions of this Scheme.

Schedule 1

Description of the manufacturing facility at Additional Jalgaon Industrial Area, Jalgaon, Maharashtra

1. All that piece and parcel of land known as Plot No. E-1B in the Additional Jalgaon Industrial Area within the village limits of Meharun and Taluka and Registration Sub-district Jalgaon District and Registration District Jalgaon containing by admeasurements 27,100 square meters or thereabouts and bounded as follows:
 - On or towards the north by: MIDC Road,
 - On or towards the south by: Plot No. E-11,
 - On or towards the east by: Ajanta Road,
 - On or towards the west by: Plot No. E-2.
2. All that piece and parcel of land known as Plot No. E-11B in the Additional Jalgaon Industrial Area within the village limits of Meharun and Taluka and Registration Sub-district Jalgaon, District and Registration District Jalgaon containing by admeasurements 25,675 square meters or thereabouts and bounded as follows:
 - On or towards the north by: Plot No. E-1,
 - On or towards the south by: MIDC Road,
 - On or towards the east by: Ajanta Road,
 - On or towards the west by: Plot No. E-10.

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 731 OF 2012**

In the matter of Companies Act, 1956
AND
In the matter of Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956
AND
In the matter of Scheme of Arrangement
BETWEEN
Raymond Woollen Outerwear Limited
AND
Raymond Limited
AND
their Respective Shareholders

RAYMOND LIMITED, a Company incorporated under the provisions of the Indian Companies Act, VII of 1913 having its registered office at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra.)
Applicant Company

FORM OF PROXY

I/We the undersigned, being Equity Shareholder(s) of **Raymond Limited** the above named Applicant Company, hereby appoint _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders to be held at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra on the 6th day of December, 2012 at 11.00 a.m. for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Raymond Woollen Outerwear Limited and Raymond Limited and their respective shareholders, and at such meeting, and at any adjournment / adjournments thereof, to vote, for me/us and in my/our name(s) _____ (here if 'for' insert 'for', if 'against' insert 'against' and in the latter, strike out the words "either with or without modification" after the word "Arrangement") the said arrangement embodied in the Scheme either with or without modifications as my/our proxy may approve.

Dated this ____ day of _____, 2012

Affix
Re 1/-
revenue
stamp

Signature across the stamp

Name: _____

Address: _____

Signature of Shareholders

Sole holder/First holder : _____ Second holder : _____ Third holder _____

Folio No. _____

DP ID/Client ID No. _____

No. of shares _____

Notes:

1. The Proxy must be deposited at the Registered Office of the Applicant Company at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra not later than 48 hours before the time for holding the meeting.
2. The proxy need not be a member of the Applicant Company.
3. All alterations made in the form of Proxy should be initialled.
4. In case of multiple proxies, the proxy later in time shall be accepted.

Raymond
LIMITED

Registered Office: Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I/We hereby record my/our presence at the Court Convened Meeting of the Equity Shareholders of Raymond Limited, the Applicant Company, convened pursuant to the Order dated 19th day of October, 2012 of the High Court of Judicature at Bombay, at the registered office of the Applicant Company at Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415612, Maharashtra on the 6th day of December, 2012 at 11.00 a.m. to consider the Scheme of Arrangement between Raymond Woollen Outerwear Limited and Raymond Limited and their respective shareholders.

Name of Equity Shareholder : _____

(IN BLOCK LETTERS)

Folio No. : _____

DP ID/Client ID No.* : _____

No. of Shares : _____

Name of the Proxy **(IN BLOCK LETTERS)** : _____

*Applicable only in case of investors holding shares in Electronic Form.

Signature of Member/Proxy: _____
(as registered with the Company)

NOTE: Shareholders attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

