

**SCHEME OF ARRANGEMENT
AMONGST
ARVIND BRANDS & RETAIL LIMITED
AND
ARVIND GARMENTS PARK PRIVATE LIMITED
AND
DHOLKA TEXTILE PARK PRIVATE LIMITED
WITH
ARVIND LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 231 TO 233 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013**

For ARVIND LIMITED


Company Secretary

PREAMBLE

A. Description of Companies:

1. Arvind Brands and Retail Limited, is an unlisted limited company incorporated under the Companies Act, 1956 with CIN number U52609GJ2007PLC051974. Arvind Limited holds the entire share capital either directly or indirectly, of this Company and hence it is Wholly Owned Subsidiary of Arvind Limited. The company is engaged in the business of making Investments in Subsidiary Companies of Arvind Group.
2. Arvind Garments Park Private Limited is a private limited company incorporated under the Companies Act, 1956 with CIN NOU17120GJ2013PTC073597. The Company is Wholly Owned subsidiary of Arvind Limited. Main business of the Company is to develop Garments Park by acquiring land and creating other infrastructure developments for the park.
3. Dholka Textile Park Private Limited is a private limited company incorporated under the Companies Act 1956, with CIN NOU17120GJ2013PTC073596. The Company is Wholly Owned subsidiary of Arvind Limited. Main business of the Company is to develop Garments Park by acquiring land and creating other infrastructure developments for the park.
4. Arvind Limited, is the flagship company of the Lalbhai Group, incorporated under the provisions of Indian Companies Act 1913 having CIN no L17119GJ1931PLC000093. It is 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 Undertaking)

The three Transferor Companies are directly or indirectly the Wholly Owned Subsidiaries of Arvind Limited. Hence the proposed Scheme involves amalgamation of three Wholly Owned Subsidiaries into the Holding Company. The management of these companies have proposed Realignment of the group structure by amalgamating Arvind Brands & Retail Limited, Arvind Garments Park Private Limited and Dholka Textile Private Limited with Arvind Limited and thereby consolidating the commercial activities of all these companies.

B. RATIONALE

Rationale of this Scheme of Arrangement is set out herein as under:

- Consolidation of group's business and operations;
- Streamlining of current organization structure;
- Reduction in managerial overlaps due to operation of multiple entities and more focused leadership;
- Benefit of economies of scales, reduction in multiplicity of legal and regulatory compliances, reduction in overheads including administrative, managerial and other expenditure;
- Rationalization, standardization and simplification of business processes leading to increase in operational feasibility in future, reduction of multi-company inefficiencies and optimal utilization of resources.

In view of the aforesaid advantages, the Board of Directors of the respective Companies have considered and proposed the Scheme of Amalgamation under the provisions of Section 230 to Section 233 and other applicable provisions of the Companies Act, 2013.

1. DEFINITIONS

- 1.1 **"Act" or "the Act"** means the Companies Act, 2013 and Rules and Regulations made thereunder as may be applicable, including any statutory modification, re-enactments or amendments thereof.
- 1.2 **"Appointed Date"** means 1st April 2016, or such other date as the National Company Law Tribunal may direct / fix.
- 1.3 **"Transferor Company- 1"**, means Arvind Brands & Retail Limited or (ABRL), a company incorporated under the Companies Act, 1956 and

having its registered office at Arvind Premises, Naroda Road, Ahmedabad 380025 in the state of Gujarat.

- 1.4 **“Transferor Company - 2”**, means “Arvind Garments Park Private Limited or (AGPL), a company incorporated under the Companies Act, 1956 and having its registered office at Arvind Premises, Naroda Road, Ahmedabad 380025 in the state of Gujarat.
- 1.5 **“Transferor Company - 3”** means “Dholka Textile Park Private Limited or (DTPL) a company incorporated under the Companies Act, 1956 and having its registered office at Arvind Premises, Naroda Road Ahmedabad 380025 in the state of Gujarat.
- 1.6 **“Transferee Company”** means Arvind Limited or (AL), a company incorporated under the Companies Act, 1913 and having its registered office at Arvind Premises, Naroda Road, Ahmedabad 380025 in the state of Gujarat.
- 1.7 **“Tribunal ”**means the National Company Law Tribunal, Bench at Ahmedabad.
- 1.8 **“Effective Date”** means the date on which the certified copies of the Orders of National Company Law Tribunal, Ahmedabad Bench under Sections 231 to 233 and other applicable provisions of the Companies Act, 2013 sanctioning the Scheme are filed with the Registrar of Companies, Gujarat at Ahmedabad.
- 1.9 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of amalgamation in its present form as submitted to the National Company Law Tribunal or this Scheme with such modification(s).
- 1.10 **“Undertakings of Transferor Companies”** shall mean :
- (a) All the assets and properties of all the Transferor Companies as on the Appointed Date (hereinafter referred to as "the said assets") and
 - (b) All the debts, liabilities, duties and obligations (including the secured or unsecured, if any), of all the Transferor Companies as on the Appointed Date (hereinafter referred to as "the said liabilities") and
 - (c) Without prejudice to the generality of above, Undertakings shall include rights over land, buildings, the movable properties covering plant and



machinery, 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, 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, recoverables 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 IT Act 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 favor of or enjoyed by all the Transferor Companies.

- (d) all permanent employees of all the Transferor Companies as on the Effective Date.
- (e) all records, files, papers, engineering and process information, computer programs, computer softwares, manuals, data catalogues, quotations, sales and advertising materials, list of present and former

customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act 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 share Capital of ABRL as at 31st March 2016 is as under.

Authorised Share Capital	Amount in Rs.
11,25,00,000 Equity Shares of Rs.2/ each	22,50,00,000
Issued , Subscribed and Paid-up Capital	Amount in Rs.
8,38,20,890 Equity Shares of Rs.2/ each fully paid up	16,76,41,780

Subsequent to March 31, 2016, the issued, subscribed and paid up capital of the Company has been increased by 4,40,500 Equity Shares issued on allotment of shares to the shareholders of Asman Investments Limited in pursuance to the Scheme of Arrangement Sanctioned by the Gujarat High Court vide its order dated 16th June 2016 and 5,93,596 Equity Shares issued to the Holders of ESOPs of the Company. Hence, the Issued Subscribed and Paid up Equity Share Capital of the company as on 31st December 2016 stands as under:

Issued, Subscribed and Paid-up Capital	Amount in Rs.
8,48,54,986 Equity Shares of Rs.2/ each fully paid	16,97,09,972

The entire share capital of the Transferor Company-1 is held either directly by Arvind Limited or through its wholly owned subsidiary.

2.2. The share Capital of AGPL as at 31st March 2016 is as under:

Authorised Share Capital	Amount in Rs.
50,00,000 Equity Shares of Rs.10/ each	5,00,00,000
Issued , Subscribed and Paid-up Capital	Amount in Rs.
10,000 Equity Shares of Rs.10/ each fully paid up	1,00,000

Subsequent to March 31, 2016, there has been no change in the share capital of the Transferor Company-2. The entire share Capital of the Company is held by Arvind Limited and hence it is a Wholly Owned Subsidiary of Arvind Limited, the Transferee Company.

2.3. The share Capital of DTPL as at 31st March 2016 is as under:

Authorised Share Capital	Amount in Rs.
50,00,000 Equity Shares of Rs.10/ each	5,00,00,000
Issued, Subscribed and Paid-up Capital	Amount in Rs.
10,000 Equity Shares of Rs.10/ each fully paid up	1,00,000

Subsequent to March 31, 2016, there has been no change in the share capital of the Transferor Company-3. The entire Share Capital of the Company is held by Arvind Limited and hence it is a Wholly Owned Subsidiary of Arvind Limited, the Transferee Company.

2.4. The share Capital of AL as at 31st March 2016 is as under:

Authorised Share Capital	Amount in Rs.
56,50,00,000 Equity Shares of Rs.10/ each	565,00,00,000
1,00,00,000 Preference Shares of Rs 100/ each	100,00,00,000
	665,00,00,000
Issued Capital	Amount in Rs.
25,82,43,969 Equity Shares of Rs.10/ each fully paid up	258,24,39,690
	258,24,39,690
Subscribed and Paid Up	
25,82,43,069 Equity Shares of Rs 10/ each fully paid up	258,24,30,690
	258,24,30,690
Forfeited Shares	
900 equity Shares of Rs 10/each Rs 5 Paid up	9,000

Subsequent to 31st March 2016 Arvind Limited has allotted 1,16,000 Equity Shares of Rs 10 each to the Employees under the ESOP Scheme of the Company. Hence Issued ,Subscribed and Paid Up has gone up by Rs. 11,60,000/- and stands at Rs 258,35,90,690/-as on 31st December, 2016.

3 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendment(s) made under clause 17 of this Scheme duly approved or imposed or directed by the National Company Law Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date. Therefore for all regulatory and tax purposes, the Amalgamation would be effective from the Appointed Date of the Scheme. Notwithstanding the above, the accounting treatment to be adopted to give effect to the provisions of the Scheme would be in consonance with Indian Accounting Standards, 103 (IND AS 103) and the mere adoption of such accounting treatment will not in any manner affect the vesting of the Amalgamation from the Appointed Date.

4. TRANSFER OF UNDERTAKINGS OF THE TRANSFEROR COMPANIES

- 4.1 With effect from the Appointed Date, the Undertakings of the Transferor Companies, shall, under the provisions of Sections 231 to 233 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, so as to become the business, assets and properties of the Transferee Company as part of and consequent upon the Arrangement.
- 4.2 In respect of such of the assets of the Transferor Companies as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and / or delivery, the same may be so transferred by the Transferor Companies, and shall, upon such transfer, become the property, estate, assets, investments, rights, title, interest and authorities of the Transferee Company by way of physical delivery or novation.
- 4.3 With effect from the Appointed Date, all the, debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Companies shall, without any further act or deed be and stand transferred to AL so as to become as from the Appointed Date, the, debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities,



contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.

- 4.4 With effect from the Appointed Date, any statutory licenses, permissions or approvals or consents held by the Transferor Companies 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 favor of the Transferee Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, 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, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Transferor Companies, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.
- 4.5 Upon the coming into effect of the Scheme, the Transferee Company shall be liable to perform all obligations in respect of liability (including contingent liabilities) from the Appointed Date, which have been incurred by the Transferor Companies for and on behalf of the Transferee Company in terms of the Scheme and the Transferor Companies shall not have any obligation in respect of such liabilities and the Transferee Company shall indemnify the Transferor Companies in relation to any claim at any time in respect of such liabilities.
- 4.6 The transfer and vesting as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof of the Transferor Companies and it shall not be necessary to obtain the consent of the third party or other persons in order to give effect to the provisions of this Clause.
- 5. CONSOLIDATION OF AUTHORISED CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF AVADH**
- 5.1 **Capital Clause:** Upon Scheme being effective, the Authorized Share Capital of the three Transferor Companies viz. ABRL, AGPL and DTPL

aggregating to Rs. 32,50,00,000/ or as on the effective date, as the case may be, shall be consolidated with the Authorized Share Capital of the Transferee Company and the same shall automatically stand increased, without any further act or deed and without any further payment of stamp duty or registration fees and accordingly the Memorandum of Association and Articles of Association of AL shall be altered. Further, the denomination of all the Equity shares shall be made uniform at Rs. 10/- each.

- 5.2 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendments in the Memorandum and Articles of Association of the Transferee Company viz. Change in the Capital Clause shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Section 13, 14, 61 and 64 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

6. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 6.1 The Transferor Companies shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all its properties and assets for and on account of and in trust of AL. The Transferor Companies hereby undertake to hold the said assets with utmost prudence until the effective date.
- 6.2 With effect from the Appointed Date, all the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising to or incurred by the Transferor Companies shall for the purpose and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of AL.
- 6.3 The Transferor Companies shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of AL alienate, charge, mortgage, encumber or otherwise deal with or dispose any asset except in respect of activities in the ordinary course of business.



6.4 The Transferor Companies shall not vary the terms and conditions of service of the employees or conclude settlements with union or employees, except in the ordinary course or consistent with past practice or pursuant to any pre-existing obligation without prior written consent of Board of AL.

7. DISSOLUTION OF THE TRANSFEROR COMPANIES

On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound-up.

8. EMPLOYEES

8.1 On the Scheme becoming effective, all staff and employees of the Transferor Companies as on the Effective Date shall be deemed to have become staff and employees of the Transferee Company without any break or interruption in their services, on same terms and conditions of their employment with the respective Transferor Companies. AL further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past service with the Transferor Companies, as the case may be, shall also be taken into account. The Transferee Company undertakes to continue to abide by the terms of agreement/settlement entered into by the Transferor Companies with employees union / employee or association as the case may be.

8.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Transferor Companies or 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 Companies in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

9. LEGAL PROCEEDINGS

9.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against AL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies , as if this Scheme had not been made.

9.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Companies , AL shall be made party thereto and any payment and expenses made thereto shall be the liability of AL.

10. CONTRACTS, DEEDS, ETC.

10.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of intent, undertaking, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to which any of the Transferor Companies is a party and is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of AL and may be enforced by or against AL as fully and effectually as if, instead of the Transferor Companies, AL had been a party thereto.

10.2 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Companies will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

11. TAX CREDITS

11.1 This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified in Section 2(1B) and other relevant provisions of the Income Tax Act,1961. If any terms or provisions of the

Scheme are found or interpreted to be inconsistent with the provisions of the said section and other related provisions at a later date including that resulting from a retrospective amendment of law or for any other reason whatsoever till the time the Scheme becomes effective, the provisions of the said section and other related provisions of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified, unless the Board of Directors decide otherwise, to the extent required to comply with Section 2(1B) and other relevant provisions of the Income Tax Act, 1961.

- 11.2 All taxes and duties including cess and surcharge if any (including but not limited to income tax, tax deducted at source, sales tax, excise duty, customs duty, service tax, value added tax, goods and services tax, professional tax, entry tax, local body tax etc.) paid or discharged by the Transferor Companies in respect of the operations and/or the profits of the business of the Transferor Companies before the Appointed Date whether by way of direct payment, deduction at source, advance tax or otherwise howsoever shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 11.3 All the profits or income, taxes (including advance tax, tax deducted at source and minimum alternate tax credit) or any costs, charges, expenditure accruing or arising to the Transferor Companies or expenditure or losses arising or incurred or suffered by the Transferor Companies shall for all purposes be treated and deemed to be accrued from the Appointed Date as the profits or income, taxes (including tax losses, minimum alternate tax credit), costs, charges, expenditure or losses of the Transferee Company, as the case may be.
- 11.4 Upon the Scheme becoming effective, the Transferor Companies and the Transferee Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, goods and services tax act, service tax laws, excise duty laws and all other applicable tax laws, and to claim refunds and or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of the Scheme.

- 11.5 All tax assessment proceedings and appeals of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date shall be continued and/or enforced until the Effective Date by the Transferor Companies. As and from the Effective Date, the tax proceedings shall be continued and enforced by/or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by/or against the Transferor Companies. Further, the afore mentioned proceedings shall not abate or be discontinued nor be in anyway prejudicially affected by reason of the amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.
- 11.6 Any tax liabilities under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax laws, goods and services tax act, applicable state value added tax laws or other Applicable Laws dealing with taxes, duties or levies of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company.
- 11.7 Any refund, under the Income Tax Act, 1961, service tax laws, excise duty laws, central sales tax laws, goods and services tax act, applicable state value added tax laws or other Applicable Laws dealing with taxes, duties or levies due to the Transferor Companies consequent to the assessment made on the Transferor Companies (including any refund for which no credit is taken in the accounts of the Transferor Companies) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company upon this Scheme becoming effective.
- 11.8 The tax and duty payments including cess and surcharge if any (including without limitation income tax, service tax, excise duty, central sales tax, goods and services tax act, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Transferor Companies after the Appointed Date, shall be deemed to be paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Companies/the Transferee Company on transactions with the Transferee Company/Transferor Companies, if



any (from Appointed Date / Effective Date) shall be deemed to be advance tax paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly.

11.9 Upon the Scheme coming into effect, any obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies shall be made or deemed to have been made and duly complied with by the Transferee Company.

11.10 All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of account of the Transferor Companies and all intangible assets (including but not limited to goodwill) arising or recorded in the process of the amalgamation, if any, in books of account of the Transferee Company shall, for all purposes, be regarded as an intangible asset in terms of Explanation 3(b) to Section 32(1) of the Income Tax Act, 1961 and the Transferee Company shall be eligible for depreciation there under at the prescribed rates.

11.11 Without prejudice to the generality of the foregoing, all benefits, incentives, losses (including but not limited to book losses, tax losses), book unabsorbed depreciation, tax unabsorbed depreciation, credits (including, without limitation income tax, minimum alternate tax, tax deducted at source, wealth tax, service tax, excise duty, central sales tax, applicable state value added tax, goods and services tax act, customs duty drawback etc.) to which any of the Transferor Companies is entitled to in terms of Applicable Laws, shall be available to and vest in the Transferee Company, upon this Scheme coming into effect.

11.12 Upon coming into effect of this Scheme, all tax compliances under any tax laws by the Transferor Companies on or after the Appointed Date shall be deemed to be made by the Transferee Company.

12. CONSIDERATION

12.1 All the three Transferor Companies are directly or indirectly the wholly owned subsidiaries of the Transferee Company and hence the entire share capital of these companies is held directly or indirectly by the said Transferee company. Upon the Scheme becoming finally effective, the entire share capital of the Transferor companies shall get automatically cancelled/ extinguished. The Transferee Company shall not be required

to issue and allot any shares as the Transferee Company and its nominee are themselves the only shareholders of the Transferor Companies.

12.2 Upon the Scheme being effective, the investments in the shares of the Transferor Companies appearing in the books of account of the Transferee Company or respective subsidiary companies of the Transferee Company shall, without any further act, deed or instrument, stand cancelled.

13. ACCOUNTING TREATMENT IN THE BOOKS OF AL, THE TRANSFEEE COMPANY

- 13.1 The Transferee Company shall account for the merger in accordance with Pooling of Interest method as laid down by Appendix C of Ind AS 103 (Business Combinations of Entities under common Control) notified under the Provisions of the Companies Act 2013 read with relevant rules framed thereunder and other applicable accounting standards prescribed under the Act.
- 13.2 The assets and liabilities of the Transferor Companies transferred to and vested in the Transferee Company shall be recorded at their respective carrying amount and in the same form as appearing in the books of accounts of Transferor Companies.
- 13.3 The balance of the retained earnings in the books of account of the Transferor Companies shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.
- 13.4 The identity of the reserves standing in the books of account of the Transferor Companies shall be preserved and shall appear in the financial statements of the Transferee Company in the same form in and at the same values at which they appeared in the financial statements of the Transferor Companies. As a result of preserving the identity, reserves which prior to this Scheme becoming effective were for distribution as dividend would also be available for distribution as dividend after the Scheme becoming effective.
- 13.5 As stated in Clause 12 above, no new shares will be issued or allotted by the Transferee Company pursuant to this Scheme and the investments in the Equity shares of the Transferor Companies

appearing, inter alia, in the books of the Transferee Company shall stand cancelled. The difference between the amount of Investment in the Equity Shares of the Transferor Companies appearing in the books of account of the Transferee Company and the amount represented by Issued, Subscribed, Paid Up Capital and Securities Premium standing credited in the books of Account of Transferor Companies shall, subject to provisions contained in applicable accounting Standards prescribed under the Act, be treated in accordance with applicable accounting treatment as prescribed in IND AS 103 and/or the above difference may be adjusted against Retained Earnings if permitted in accordance with applicable IND AS in the books of the Transferee Company .

13.6 In case there is any difference in the accounting policies adopted by the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

13.7 If there are any loans, advances or other obligations (including but not limited to any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) that are due between the Transferor Companies and the Transferee Company or between any of the Transferor Companies inter-se, if any, shall, ipso facto, stand discharged and come to end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.

13.8 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities of the Concluded Transactions during continuance of the proceedings by or against any of the Transferor Companies shall not affect any transaction or proceedings

already concluded by the respective Transferor Companies to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by any of the Transferor Companies in respect thereto as done and executed on behalf of the Transferee Company, as the case may be.

15. APPLICATIONS TO TRIBUNAL

The Transferor Companies and the Transferee Company shall, as may be required, take out all necessary proceedings under Sections 230 to 233 and other applicable provisions of the Act before the National Company Law Tribunal, Bench at Ahmedabad for sanction of this Scheme and all matters ancillary or incidental thereto.

16. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Companies and the Transferee Company shall with approval of their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to/make and/or consent, from time to time, on behalf of all the persons concerned, to any modifications/amendments or additions / deletions to the Scheme or to any conditions or limitations that the Tribunal and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board) to resolve all doubts and difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the National Company Law Tribunal or any other authorities under law may deem fit to approve of, to direct and or impose. The companies shall by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

17. CONDITIONALITY OF THE SCHEME

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



- a. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company as may be directed by the National Company Law Tribunal.
- b. The sanction of the National Company Law Tribunal under Sections 230 to 233 of the said Act and to the necessary Order under Section 232 of the said Act being obtained.
- c. Certified or authenticated copy of the Order of the National Company Law Tribunal sanctioning the Scheme being filed with the Registrar of Companies, Gujarat at Ahmedabad, by the Transferor Companies and the Transferee Company, as may be applicable.

18. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) shall be borne by the Transferee Company. It shall also include all expenses incurred in connection with and implementing this Scheme and matters incidental thereto.

