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**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD**

CA(CAA) No. 26/NCLT/AHM/2018

Coram: **Hon'ble Mr. HARIHAR PRAKASH CHATURVEDI, MEMBER JUDICIAL**
Hon'ble Ms. MANORAMA KUMARI, MEMBER JUDICIAL

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD
BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 16.03.2018**

Name of the Company: Arvind Ltd.
Arvind Fashions Ltd.
Anveshan Heavy Engineering Ltd.
The Anup Engineering Ltd.


Section of the Companies Act: Section 230-232 of the Companies Act, 2013


<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	SWATI SOPARKAR	ADVOCATE	APPLICANTS	Swati Soparkar
2.				

ORDER

Learned Advocate Mrs. Swati Soparkar present for the Applicants.

The order is pronounced in the open Court. Vide separate sheets.


**MANORAMA KUMARI
MEMBER JUDICIAL**


**HARIHAR PRAKASH CHATURVEDI
MEMBER JUDICIAL**

Dated this the 16th day of March, 2018.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH**

CA(CAA) No.26/NCLT/AHM/2018

In the matter of :-

1. Arvind Limited
(CIN: L17119GJ1931PLC000093)
A company incorporated under the Provisions of Indian Companies Act, 1913 and having its registered office at Naroda Road, Ahmedabad-380025, In the State of Gujarat. ... Applicant Demerged Company

2. Arvind Fashions Limited
(CIN: U52399GJ2016PLC85595)
A company incorporated under the Provisions of Companies Act, 2013 and having its registered office at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad-380025, In the State of Gujarat. ... Applicant Resulting Company-1

3. Anveshan Heavy Engineering Limited
(CIN: U29306GJ2017PLC99085)
A company incorporated under the Provisions of Companies Act, 2013 and having its registered office at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad-380025, In the State of Gujarat. ... Applicant Resulting Company-2/
Transferee Company

4. The Anup Engineering Limited
(CIN: U99999GJ1962PLC001170)
A company incorporated under the Provisions of Companies Act, 1956 and having its registered office Behind 66 KV Electric Sub-Station, Odhav Road, Ahmedabad-382415, In the State of Gujarat. ... Applicant Transferor Company

Order delivered on 16th March, 2018

Coram: Harihar Prakash Chaturvedi, Member (J)

And

Ms. Manorama Kumari, Member (J)

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Appearance:

Mrs. Swati Soparkar, Advocate for the Applicant Companies

ORDER

[Per se: Ms. Manorama Kumari, Member(J)]

1. This joint Application is filed by four Applicant Companies under Sections 230 to 232, 66 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Companies (Compromise, Arrangement and Amalgamation) Rules, 2016 (hereinafter referred to as 'the Rules'). The Composite Scheme of Arrangement involves De-merger and Transfer of two separate undertakings of Arvind Limited to two different Resulting Companies viz. Arvind Fashions Limited and Anveshan Heavy Engineering Limited and amalgamation of The Anup Engineering Limited with Anveshan Heavy Engineering Limited.

2. The registered offices of all the companies are situated in Ahmedabad in the state of Gujarat, and hence all of them are under the jurisdiction of this Bench of National Company Law Tribunal. All the companies are empowered by their respective Memorandum of Associations to enter into Scheme of Arrangements. Copies of Memorandums of Association of all the companies are placed on record. Similarly Audited Financial Statements of three companies as on 31st March 2017 and Provisional unaudited financial statements of Arvind Limited, Arvind Fashions Limited and Anveshan Heavy Engineering Limited as on 30th September 2017 are placed on record. In case of the De-merged Company, Divisional Balance Sheet giving details of assets and liabilities of both the undertakings proposed to be de-merged as well as that of the remaining undertaking has been placed on record. In case of the Transferor Company, the

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Audited Balance Sheet as on 31st December 2017 is placed on record.

3. Arvind Limited, the Applicant-Demerged Company, is a listed public limited company and its shares are listed at BSE Limited and National Stock Exchange of India Limited. The said Applicant Company had submitted the Scheme to the aforesaid stock exchanges for the requisite approval. Both the stock exchanges have vide their respective Observation letters dated 28th February 2018 approved the proposed Composite Scheme of Arrangement. The same are placed on record as Annexure- K at pages 136 to 139.

4. (i) It has been submitted that Arvind Limited, the Applicant-Demerged Company is a listed public limited company. It is a flagship company of the Lalbhai Group, having business spanning across entire value chain of textiles. Arvind Limited was originally incorporated for manufacturing and marketing of textile products. However, it has grown and diversified in several distinct business activities through different undertakings, including (i) Textiles business comprising of manufacturing of yarn, denim, shirting and knit fabrics, garments, and technical textiles; (ii) Branded Apparel Undertaking consisting of branded apparel, accessories and customised clothing business; and (iii) Engineering Undertaking consisting of manufacturing of critical process engineering equipment. The size of operations of the company is very wide based with turn over of around Rs. 6,000 crores and net profit of around Rs. 270 crores during financial year ended on 31st March 2017. It is a dividend paying company.

(ii) Arvind Fashions Limited, Applicant Resulting Company-1 is an unlisted public limited company and is currently engaged in developing, marketing and promoting organized wholesale business. The net revenue from operations of the Company were to the tune of Rs. 292.69 crores during financial year ended on

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31st March, 2017. It is a subsidiary of Arvind Limited, the Applicant-Demerged Company.

(iii) Anveshan Heavy Engineering Limited, Applicant Resulting Company-2 is a company recently incorporated with an objective to engage, inter alia, in the business of owning, operating, investing, and promoting business in the fields of engineering, including but not limited to manufacturing, fabricating, altering, marketing, buying, selling, and otherwise deal in all kinds of centrifuges, water softening plants, pumps, dryers and other plants and apparatus and such other ventures. However, it is proposed to commence business upon the Scheme being effective.

(iv) The Anup Engineering Limited, the Transferor Company is a delisted public limited company and is engaged in the business of manufacturing, fabricating, altering, marketing, buying, selling, dealing in all kinds of centrifuges, water softening plants, pumps, dryers and other plants and apparatus. The turnover of the company was around Rs. 179 crores during the financial year ended on 31st March 2017.

5. Rationale of this Composite Scheme of Arrangement has been set out in the application as under:

All the companies belong to the same group of Management viz. Lalbhai Group. The Demerged Company is a listed public limited company. Over the course of time, the Demerged Company has grown into a diversified conglomerate with interests in various businesses spanning the entire value chain of textiles consisting of manufacturing of yarn, denim, shirting and knit fabric, garments, technical textiles, branded apparel business and the engineering business carried on either directly or through its subsidiaries and joint ventures with other entities. The textiles business, branded apparel business and the engineering business all have different industry specific risks,



business cycles and operate *inter alia* under different market dynamics, and thus can attract different types of investors as well as management teams and follow different and independent strategies, even as they all have a significant potential for growth and profitability.

Given its diversified business portfolio, it has become imperative for the Demerged Company to reorient and reorganize itself in a manner that allows it to impart greater focus, management alignment and growth for each of its business lines. The Demerged Company is also desirous of enhancing its operational efficiency, flexibility in attracting capital and management talent through aligned ESOP schemes through such a restructuring.

The Scheme proposes to reorganise and segregate the interest of the Demerged Company in its various businesses and thus proposes demerger of the Branded Apparel Undertaking from the Demerged Company to Resulting Company 1 and the Engineering Undertaking from the Demerged Company to the Resulting Company 2. Further, the Scheme proposes the merger of Transferor Company with the Resulting Company 2 to rationalise and streamline the group structure.

The Demerged Company will continue to conduct the Remaining Business.

The proposed restructuring pursuant to this Scheme is expected, *inter alia*, to result in following benefits:

- (i) segregation and unbundling of the Branded Apparel business and the Engineering businesses of the Demerged Company into the Resulting Company 1 and Resulting Company 2;
- (ii) unlocking of value for the shareholders of the Demerged Company;



- (iii) emergence of the Demerged Company as a predominantly textile focused company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;
- (iv) creation of listed Branded Apparel company and Engineering company with ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;
- (v) enhancing attractiveness of the entities for management teams by enabling ESOPs in each entity with direct correlation of the rewards to their efforts;
- (vi) allowing the management of each of the Resulting Companies to pursue independent growth strategies in different regional and overseas markets;
- (vii) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in their businesses;
- (viii) Achieve cost optimization and specialisation for sustained growth; and
- (ix) enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial, and technical resources, personnel capabilities, skills, expertise and technologies by merging the engineering businesses into Resulting Company 2.

The proposed restructuring is in the interest of the shareholders, creditors, employees and other stakeholders in each of the companies.

6. The Joint Valuation Report for the proposed Exchange Ratio of Shares to be issued by two Applicant Resulting Companies and the Transferee Company for the said proposals of De-merger and Amalgamation was obtained from M/s. Walker Chandiook & Co. LLP (a network firm of Grant Thornton), Independent Chartered Accountant on 8th November 2017. The Fairness Opinion for the same was obtained from M/s. Vivro Financial Services Private Limited, Category I Merchant Banker on 8th November 2017. Copies of the said reports are placed on record vide an Additional Affidavit dated 9th March 2018, respectively as Annexure- V and W at pages 231 to 240 and 241 to 258. The proposed Scheme of Arrangement was placed before the Audit Committee meeting of Applicant Demerged Company held on 8th November 2017 for consideration and on receipt of the recommendation of the Audit Committee; the same was placed before the respective Board of Directors of respective companies on 8th November 2017. The Board of Directors of all the Applicant Companies passed a resolution by which it was resolved that the Scheme of Arrangement placed before the Board be submitted to the National Company Law Tribunal for its sanction. Copies of these resolutions are annexed to the Application as **Annexure I and J at page 120 to 135.**

7. The following are the reliefs prayed by the Applicant Company;

(A) THAT separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Arvind Limited, the Applicant Demerged Company be directed to be convened;

(B) THAT separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Arvind Fashions Limited, the Applicant Resulting Company-1 be directed to be convened to obtain the approval to the Scheme;

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(C) That meeting of the Equity Shareholders of Anveshan Heavy Engineering Limited, the Applicant Resulting Company-2/ Transferee Company be dispensed with;

(D) That there being no Secured Creditors and/or Unsecured Creditors of Anveshan Heavy Engineering Limited, the Applicant Resulting Company-2/ Transferee Company, such meetings are not necessary.

(E) THAT separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of The Anup Engineering Limited, the Applicant Transferor Company be directed to be convened to obtain the approval to the Scheme;

8. Heard the submissions made in this regard by Mrs. Swati Soparkar, learned advocate for the Applicant Companies.

(i) It has been submitted that Arvind Limited, the Applicant Demerged Company, being a listed public limited company, has large number of shareholders. The company has placed on record the details of the shareholding pattern. The company has 1,83,819 shareholders as on 17th November 2017. It has 12 Secured creditors and 3484 Unsecured Creditors (including debenture holders) as on 31st December 2017 as certified by the Chartered Accountant. Annexure-O at pages 201 to 212 provides the said details for the Applicant Demerged Company. Attention of the Tribunal was drawn to paragraph 39 of the Application. It has been submitted that the Demerged Company has more than 1,000 unsecured Creditors having the value of debt less than Rs. 25,000/-. This amounts to almost 29% in number and 0.18% in value of the total number of unsecured creditors of the Company as on 31st December 2017, as per the statement placed on record at Annexure-U at page 228. Therefore, it has been submitted that the company be granted exemption from serving individual notice for the meeting to such small unsecured creditors. It has

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been clarified that such unsecured creditors shall be entitled to attend the meeting pursuant to the public notice and shall be entitled to vote at the said meeting.

(ii) It has been submitted that Arvind Fashions Limited, the Applicant Resulting Company-1, being an unlisted public limited company, has 10 shareholders. It has only 1 Secured creditor and 387 Unsecured Creditors as on 31st December 2017 as certified by the Chartered Accountant. Annexure-P at pages 213 and 214 provides the said details of the Applicant Resulting Company-1.

(iii) It has been submitted that Anveshan Heavy Engineering Limited, Applicant Resulting Company-2, being an unlisted public limited company has only 7 shareholders. All these shareholders are individuals and members of the same family. All of them have approved the proposed Scheme in form of the consent letters on affidavit and all of them are placed on record as Annexure-Q at page 215 to 221. The said fact has been substantiated by a certificate from a Chartered Accountant placed on record as Annexure-R at page 222 and 223. The company has no secured or unsecured creditors as on 31st December 2017 as certified by the Chartered Accountant. Annexure-S at pages 224 and 225 provides the said details of the Applicant Resulting Company-2. It has been further submitted that in view of the written consent letters on affidavit from 7 Equity Shareholders, the meeting will be an empty formality and it is prayed that the meeting of the shareholders be dispensed with. Since there are no secured and unsecured creditors of the company, their meeting is not necessary.

(iv) It has been submitted that The Anup Engineering Limited, the Applicant Transferor Company, being a de-listed public limited company has 945 Equity shareholders. It has 3 Secured creditors and 310 Unsecured Creditors as on 31st December

Answer



2017 as certified by the Chartered Accountant. Annexure-T at pages 226 and 227 provides the said details of the Applicant Transferor Company.

9. It is stated in the Application that there are no proceedings or investigations pending against any of the Applicant Companies under sections 210-217, 219, 220, 223 to 227 of the Companies Act, 2013 and/or under sections 235 to 251 of the Companies Act, 1956. There are no winding up petitions pending against any of the Applicant Companies. Three Applicant Companies, viz. De-merged Company and two Resulting Companies have filed the Certificates of respective Statutory Auditors confirming the compliance with the Accounting Standards vide Annexure-M-1 to M-3 at page 195-199. Details of Interests of Directors and Key Managerial Personnel in all the companies have been disclosed vide Annexure- N at page 200.

10. Having perused the entire material on record, this Tribunal passes the following order;

- (i) Meeting of the Equity Shareholders of Anveshan Heavy Engineering Limited, Applicant Resulting Company-2, for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Composite Scheme of Arrangement is dispensed with.
- (ii) Meetings of the Secured and Unsecured Creditors of Anveshan Heavy Engineering Limited, the Applicant Resulting Company-2 are not necessary.
- (iii) A meeting of the Equity Shareholders of Arvind Fashions Limited, Applicant Resulting Company-1 shall be convened and held at J. B. Auditorium, Ahmedabad Management Association Complex, ATIRA Road, Ahmedabad 380 015, in the state of Gujarat, as the registered office of the Applicant





Company is situated in Ahmedabad, on Saturday, the 12th day of May 2018, at 9.30 a.m., for the purpose of considering and, if thought fit, approving the proposed Composite Scheme of Arrangement, with or without modifications;

- (iv) A meeting of the Equity Shareholders (including public shareholders) of Arvind Limited, the Applicant De-merged Company shall be convened and held at J. B. Auditorium, Ahmedabad Management Association Complex, ATIRA Road, Ahmedabad 380 015, in the state of Gujarat, as the registered office of the Applicant Company is situated in Ahmedabad, on Saturday, the 12th day of May 2018, at 10.00 a.m., for the purpose of considering and, if thought fit, approving the proposed Composite Scheme of Arrangement, with or without modifications;
- (v) A meeting of the Equity Shareholders of The Anup Engineering Limited, the Applicant Transferor Company shall be convened and held at J. B. Auditorium, Ahmedabad Management Association Complex, ATIRA Road, Ahmedabad 380 015, in the state of Gujarat, as the registered office of the Applicant Company is situated in Ahmedabad, on Saturday, the 12th day of May 2018, at 11.00 a.m., for the purpose of considering and, if thought fit, approving the proposed Composite Scheme of Arrangement, with or without modifications;
- (vi) A meeting of the Unsecured Creditors (including Unsecured Non-Convertible debenture holders) of Arvind Limited, the Applicant De-merged Company shall be convened and held at J. B. Auditorium, Ahmedabad Management Association Complex, ATIRA Road, Ahmedabad 380 015, in the state of Gujarat, as the registered office of the Applicant Company is situate in Ahmedabad, on Saturday, 12th day of May 2018,

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at 12.00 noon, for the purpose of considering and, if thought fit, approving the proposed Composite Scheme of Arrangement, with or without modifications;

- (vii) A meeting of the Unsecured Creditors of The Anup Engineering Limited, the Applicant Transferor Company shall be convened and held at J. B. Auditorium, Ahmedabad Management Association Complex, ATIRA Road, Ahmedabad 380 015, in the state of Gujarat, as the registered office of the Applicant Company is situate in Ahmedabad, on Saturday, 12th day of May 2018, at 1.00 p.m., for the purpose of considering and, if thought fit, approving the proposed Composite Scheme of Arrangement, with or without modifications;
- (viii) A meeting of the Unsecured Creditors of Arvind Fashions Limited, the Applicant Resulting Company-1 shall be convened and held at 2nd Floor, Dupark Trinity, 17, M. G. Road, Bangalore, in the state of Karnataka as the business operations of the said Applicant Company are based at Bangalore; on Friday, 11th day of May 2018, at 10.00 a.m., for the purpose of considering and, if thought fit, approving the proposed Composite Scheme of Arrangement, with or without modifications;
- (ix) Three Separate meetings of the Secured Creditors of Arvind Limited, The Anup Engineering Limited and Arvind Fashions Limited shall be convened and held at Arvind Limited Premises, Naroda Road, Ahmedabad 380 025 in the state of Gujarat; on Friday, 11th day of May 2018, respectively at 3.00 p.m., 3.30 p.m. and 4.00 p.m.; for the purpose of considering and, if thought fit, approving the proposed Composite Scheme of Arrangement, with or without modifications;

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- (x) The Applicant Demerged Company being a listed public limited company, is governed by the SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in view of Sections 230 (4) of the Act as well as Rule 6 (3) (xi) of the Companies (Management and Administration) Rules, 2014, Disclosure Requirements Regulations, 2015; it is required to provide facility for Postal Ballot and remote e-voting to the Public shareholders. In view of the same, the Applicant Company is directed to carry out voting through (i) Postal Ballot (ii) remote e-voting, (iii) electronic voting system at the venue of the meeting and (iv) Ballot or Polling Paper at the venue of the meeting for the meeting of Equity Shareholders of the Applicant Demerged Company to be held on 12th May 2018. In case of meetings of Secured and Unsecured Creditors of the Applicant Demerged Company, voting shall be carried out through ballot/polling paper at the venue of the meeting.
- (xi) In case of the other meetings of Equity Shareholders of the Resulting Company-1 and the Transferor Company, (being unlisted public limited companies, having number of shareholders less than 1000), the voting shall be carried out through ballot/polling paper at the venue of the meetings. Similarly, for the meetings of the secured and unsecured creditors of these companies, the voting shall be carried out through ballot/polling paper at the venue of the meetings. The Equity shareholders and/or Unsecured creditors may make a formal request for the copy of the Scheme and other relevant documents at least 48 hours prior to the respective meetings. The companies shall be obliged to provide the same free of cost.
- (xii) At least one month before the date of the meetings, a notice in Form No. CAA 2 convening the said meetings indicating the day, the date, the place and the time as aforesaid



containing instructions with regard to Postal Ballot and remote e-voting (in case of Equity Shareholders including public shareholders of the Demerged Company), together with a copy of the Scheme of Arrangement, copy of the Explanatory Statement required to be sent under Section 102 of the Act, read with Sections 230 and 232 of the Act and Rule 6 of the Companies (CAA) Rules, 2016 and the prescribed Form of Proxy shall be sent to each of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Demerged Company, the Resulting Company-1 and the Transferor Company; at their respective or last known addresses either by Registered Post/Speed Post or by Courier or by e-mail. The aforesaid notice and other documents shall also be placed on the website of the Applicant Company and the same shall be sent to SEBI. The notices shall be sent to all the Equity Shareholders of the Applicant Demerged Company with reference to the list of the members provided by the depository as on **31st March 2018**. In case of the Equity Shareholders of the other two companies and Secured and Unsecured Creditors of all the companies, the notices shall be sent reference to the list of the persons appearing on record of the Applicant Companies as on **31stDecember2017**.

(xiii) In case of the unsecured creditors of the Applicant Demerged Company, dispensation is hereby granted for service of notice to small creditors having the value of their individual debt less than Rs. 25,000/- as on 31st December 2017. However, it is clarified that such small Creditors shall be entitled to attend the meeting and vote at the said meeting pursuant to public notice in the newspapers.

(xiv) At least one month before the date of meetings, an advertisement about convening the said meetings, indicating

the day, the date, the place and the time as aforesaid, shall be published once in English Daily 'Indian Express' Ahmedabad Edition and Gujarati translation thereof in Gujarati daily 'Gujarat Samachar' Ahmedabad edition. In case of the meeting of Unsecured Creditors of Arvind Fashions Limited, the Applicant Resulting Company, the publication shall be additionally made in English Daily, 'Indian Express' Bangluru Edition and Kannad daily 'Kannad Prabha' Bangluru edition. The publication shall also indicate that the statement required to be furnished pursuant to Section 102 of the Act, read with Sections 230 and 232 of the Act and the prescribed proxy can be obtained free of charge at the Registered Office of the respective Applicant Companies or at the office of the Advocate, i.e. Mrs. Swati Saurabh Soparkar, 301, Shivalik-10, Opp. SBI Zonal Office, S. M. Road, Ambavadi, Ahmedabad 380 015 in accordance with second proviso to sub-section (3) of Section 230 and Rule 7 of the Companies (CAA) Rules, 2016.

(xv) Shri Arpit K. Patel, an Independent Practising Chartered Accountant and failing him Shri Jayesh K. Shah, the Executive Director of the Applicant Demerged Company, and failing him Shri Punit S. Lalbhai, the Executive Director of the Applicant Demerged Company, shall be the Chairman of the said meetings for Equity Shareholders and Unsecured Creditors of Demerged Company to be held on 12th May 2018 and that of Secured Creditors to be held on 11th May, 2018 and in respect of any adjournment or adjournments thereof.

(xvi) Shri Raju M. Mulani, an Independent Practising Chartered Accountant and failing him Shri Prakash B. Makwana, Company Secretary of Arvind Smart Spaces Limited and failing him Shri S Kannan, Chief Financial Officer of the Resulting Company-1 shall be the Chairman of the said

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meetings for Equity Shareholders, Secured and Unsecured Creditors of resulting company 1, to be held respectively on 12th May 2018 and 11th May 2018 and in respect of any adjournment or adjournments thereof.

(xvii) Shri Raju M. Mulani, an Independent Practising Chartered Accountant and failing him Shri Prakash B. Makwana, Company Secretary of Arvind Smart Spaces Limited and failing him Shri Punit S. Lalbhai, the Director of the Transferor Company, shall be the Chairman of the said meetings for Equity Shareholders and Unsecured Creditors of Transferor Company, to be held on 12th May 2018 and that of Secured Creditors to be held on 11th May, 2018 and in respect of any adjournment or adjournments thereof.

(xviii) Shri Hitesh Buch, proprietor of Hitesh Buch & Associates having Registration No. CP No 8195, the practicing Company secretaries be appointed as the scrutiniser for the said meetings including conducting the Postal Ballot and remote e-voting for the public shareholders of Arvind Limited, the Applicant Demerged Company.

(xix) The respective Chairman appointed for the aforesaid meetings shall issue advertisements and send out notices of the said meetings referred to above. The chairman is free to avail the services of the Applicant Companies or any agency for carrying out the aforesaid directions. The Chairman of the meetings shall have all powers under the Articles of Association of the Applicant Companies and also under Rules, including for deciding any procedural questions, that may arise at the meetings or adjournment(s) thereof proposed at the said meetings, amendment(s) to the aforesaid Scheme or resolution, if any, proposed at the aforesaid meetings by any person(s); and to ascertain the decision of the meeting of Equity Shareholders of the



Demerged Company by (i) Postal Ballot (ii) remote e-voting (iii) electronic voting system at the venue of the meeting and by polling paper/ballot of the Equity Shareholders and for all other meetings on a poll i.e. by polling paper/ballot.

(xx) The quorum for the meetings of Equity Shareholders and Unsecured Creditors of the Applicant Demerged Company shall be 30 (Thirty) persons present in person and for Secured Creditors shall be 3 (Three) persons present in person.

(xxi) The quorum for the meeting of Equity Shareholders of the Applicant Resulting Company-1 shall be 3 (Three) persons present in person and for the meeting of Unsecured Creditors shall be 15 (Fifteen) persons present in person and for Secured Creditors shall be 2 (Two) persons present in person.

(xxii) The quorum for the meetings of Equity Shareholders and Unsecured Creditors of the Applicant Transferor Company shall be 10 (Ten) persons present in person and for Secured Creditors shall be 1 (One) person present in person.

(xxiii) Voting by proxy/authorized representative is permitted provided that the proxy in the prescribed form/authorization duly signed by the person entitled to attend and vote at the aforesaid meetings, is filed with the Applicant Companies at its registered office at Naroda Road, Ahmedabad – 380025 in the State of Gujarat not later than 48 hours before the said meetings.

(xxiv) The number and value of the vote of each Equity Shareholders or the value of debt of the Secured and Unsecured Creditors of the Companies, as the case may be, shall be in accordance with the register or records of the Applicant Companies for Equity Shareholders and as per the entries in the books of accounts of the companies for the





Secured and Unsecured Creditors; and where the entries in the records are disputed, the respective Chairman of the meetings shall determine the value for the purposes of the meetings.

(xxv) The respective Chairman shall file an affidavit not less than 7(seven) days before the date fixed for the holding of the meetings and to report to this Tribunal that the directions regarding issuance of notices and advertisement of the meetings have been duly complied with as per Rule 12 of the Companies (CAA) Rules, 2016.

(xxvi) It is further ordered that the Chairman shall report to this Tribunal on the result of the said meetings in Form No CAA 4, verified by his affidavit, as per Rule 14 of the Companies (CAA) Rules, 2016 within 30 (Thirty) days of the conclusion of the last of the meetings.

11. In compliance of sub-section (5) of Section 230 of the Act and Rule 8 of the Companies (CAA) Rules, the Applicant Companies shall send a Notice of meeting in Form No. CAA 3 with a copy of the Scheme of Arrangement, the Explanatory Statement and the disclosures mentioned under Rule 6 to (1) Central Government through the Regional Director, North Western Region, (2) the Registrar of Companies, Gujarat; and (3) the Income Tax Authorities, (4) Reserve Bank of India; (5) BSE Limited, (6) National Stock Exchange of India Limited, (7) Securities and Exchange Board of India and (8) Official Liquidator only for the Transferor Company; stating that representations, if any, to be made by them shall be made within a period of 30 (Thirty) days from the date of receipt of such notice, failing which it will be deemed that they have no objection to make on the proposed Scheme of Arrangement. The said notices shall be sent forthwith after the notice for the meetings are sent to the Equity Shareholders, Secured and unsecured creditors of the Company, either by Registered Post or by Speed Post or by Courier or by

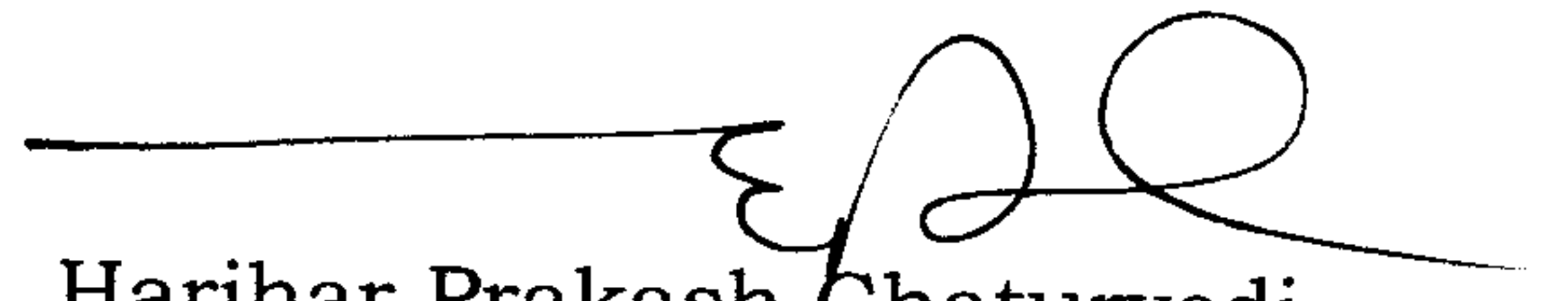
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Hand Delivery at the offices of the authorities as required by sub-rule (2) of Rule 8 of the Companies (CAA) Rules,2016. The aforesaid authorities, who desire to make any representation under sub-section (5) of Section 230 shall send the same to this Tribunal with a copy of the same to be supplied to the Applicant Company.

12. This Company Application is disposed of accordingly.



Ms. Manorama Kumari
Member (J)



Harihar Prakash Chaturvedi
Member (J)

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