SCHEME OF ARRANGEMENT IN THE NATURE OF AMALGAMATION

(BY WAY OF MERGER BY ABSORPTION)

OF

GOPI SYNTHETICS PRIVATE LIMITED

AND

AARNAV SYNTHETICS PRIVATE LIMITED

AND

AARNAV TEXTILE MILLS PRIVATE LIMITED

AND

SYMBOLIC FINANCE AND INVESTMENT PRIVATE LIMITED

AND

ANKUSH MOTOR AND GENERAL FINANCE COMPANY PRIVATE LIMITED

WITH

AARNAV FASHIONS LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder)

PREAMBLE

This Scheme of Amalgamation (the "Scheme" as more particularly defined hereinafter) is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. The Scheme provides for amalgamation of Gopi Synthetics Private Limited (**"Transferor Company No. 1"**), Aarnav Synthetics Private Limited (**"Transferor Company No. 2"**), Aarnav Textile Mills Private Limited (**"Transferor Company No. 3"**), Symbolic Finance and Investment Private Limited (**"Transferor Company No. 4"**) and Ankush Motor and General Finance Company Private Limited (**"Transferor Company No. 5"**) (collectively referred as **"Transferor Companies"**) with Aarnav Fashions Limited (**"Transferee Company"**) and their respective

AARNAV FASHIONS LIMITED AHMEDABAD

shareholders and creditors. This Scheme also provides for various other matters consequential to or otherwise integrally connected herewith.

(A) DESCRIPTION OF COMPANIES

(1) Gopi Synthetics Private Limited (CIN: U17119GJ1981PTC004187) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company under the name of *'Gopi Fabric Mills Private Limited'* on 16th March, 1981 and thereafter, the name of the Company was changed to *'Gopi Synthetics Limited'* and subsequently it has been changed to present name with effect from 17th March, 2003 and is having its Registered Office situated at Survey No. 302, Isanpur Gopi Compound, Narol-Vatva Road, Narol, Ahmedabad – 382 405 in the State of Gujarat (hereinafter referred to as **"GSPL" or "Transferor Company No. 1"** for the sake of brevity).

It is a flagship company of the group and is engaged in processing of fabrics like shirting, ladies and kids wear. It undertakes various processing activities such as mercerizing, calendaring, desizing, bleaching, dyeing, printing, finishing, etc. on the textile grey cloth.

(2) Aarnav Synthetics Private Limited (CIN: U17110GJ1973PTC002397) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company under the name of *'Ajanta Mills Gujarat Private Limited'* on 4th October, 1973 and thereafter, the name of the Company was changed to *'Omkar Textile Mills Private Limited'* and thereafter it was changed to *'Omkar Textile Mills Limited'* and again it was changed to *'Omkar Textile Mills Private Limited'* and subsequently it has been changed to present name with effect from 4th

AARNAV FASHIONS LIMITED AHMEDABAD

February, 2015 and is having its Registered Office situated at Survey No. 6/1 & 6/2, Gopi Compound, Near Narol Village, Narol, Ahmedabad – 382 405 in the State of Gujarat (hereinafter referred to as **"ASPL" or "Transferor Company No. 2"** for the sake of brevity).

The Company is engaged in the business of Manufacturing and Trading of Textiles. It also deals in the variety of textile cloths like Cloth, Dyed Cloths, Printed Cloths, etc.

(3) Aarnav Textile Mills Private Limited (CIN: U17110GJ1983PTC006036) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company under the name of *'Alok Synthetics Private Limited'* on 19th March, 1983 and thereafter, the name of the Company was changed to Arnav Textile Mills Private Limited and subsequently it has been changed to present name with effect from 28th March, 2012 is having its Registered Office situated at Survey No. 305, Isanpur Gopi Compound, Narol-Vatva Road, Narol, Ahmedabad – 382 405 in the State of Gujarat (hereinafter referred to as **"ATMPL" or "Transferor Company No. 3"** for the sake of brevity).

The Company is engaged in the business of Trading of Textiles. It also engaged in variety of textile cloths like Cloth, Dyed Cloths, Printed Cloths, etc.

(4) Symbolic Finance and Investment Private Limited (CIN: U74110GJ1996PTC107790) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company on 27th August, 1996 in New Delhi. Subsequently, vide

ARNAV FASHIONS LIMITED AHMEDABAD

certificate dated 24th April, 2019 its Registered Office was shifted to the State of Gujarat. The Company is having its present Registered Office at 1, Mezzanine Floor, New Cloth Market, Outside Raipur Gate, Raipur, Ahmedabad – 380 002 in the State of Gujarat (hereinafter referred to as **"SFIPL" or "Transferor Company No. 4"** for the sake of brevity).

The Company is engaged in the business of Trading of Textiles. It is also engaged in variety of textile cloths like Cloth, Dyed Cloths, Printed Cloths, etc. It is a subsidiary company of Ankush Motor And General Finance Company Private Limited, the Transferor Company No. 5.

(5) Ankush Motor And General Finance Company Private Limited (CIN:U74110GJ1987PTC119132) was originally incorporated under the provisions of the Companies Act, 1956 as a private limited company on 23rd February, 1987 in the State of Uttar Pradesh at Kanpur. Subsequently, vide certificate dated 28th December, 2020 its Registered Office was shifted to the State of Gujarat. The Company is having its present Registered Office at 1, New Cloth Market, Mezzanine Floor, Outside Raipur Gate, Raipur, Ahmedabad – 380 002 in the State of Gujarat (hereinafter referred to as **"AMGFCPL" or "Transferor Company No. 5"** for the sake of brevity).

The Company is engaged in the business of Trading of Textiles. It is also engaged in variety of textile cloths like Cloth, Dyed Cloths, Printed Cloths, etc. It is a holding company of Symbolic Finance and Investment Private Limited, the Transferor Company No. 4.

AARNAV FASHIONS LIMITED AHMEDABAD

The Transferor Company No. 1, Transferor Company No. 2, Transferor Company No. 3, Transferor Company No. 4 and Transferor Company No. 5 are hereinafter collectively referred as **"Transferor Companies"** and individually as **"Transferor Company"**.

(6) Aarnav Fashions Limited (CIN: L17100GJ1983PLC028990) was originally incorporated under the provisions of the Companies Act, 1956 as a public limited company under the name of *'Kamal Chand Jain & Company Limited'* on 26th February, 1983 in the State of Assam and Meghalaya at Shillong. Subsequently, vide certificate dated 07th March, 1996 its Registered Office was shifted to the State of Gujarat. Thereafter vide certificate dated 4th July, 1996 the name of the Company was changed to *'Kayel Securities Limited'*, and subsequently, it has been changed to present name with effect from 26th July, 2019. The Company is having its present Registered Office at 1, New Cloth Market, Outside Raipur Gate, Raipur, Ahmedabad – 380 002 in the state of Gujarat (hereinafter referred to as **"AFL" or "Transferee Company"** for the sake of brevity).

The Equity Shares of the Transferee Company are listed on BSE Limited (**"BSE"**). The Company is engaged in the business of trading of various kinds of Textiles.

(B) **<u>DESCRIPTION OF SCHEME</u>**

This Scheme (as defined hereunder), presented under Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 (including any statutory modification, re-enactments or amendments thereof for the time being in force) and rules framed

AARNAV FASHIONS LIMITED AHMEDABAD

thereunder and in compliance with the provisions of the Income Tax Act, 1961, provides, *inter alia,* for:-

(i) the amalgamation of the Transferor Companies into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Companies without winding up and consequent issuance of the New Shares (as defined hereunder) of the Transferee Company in accordance with the Share Exchange Ratio (as defined hereunder) to the respective members of the Transferor Companies in respect of the share of each Transferor Company held by them, in accordance with this Scheme (**the "Amalgamation"**); and

(ii) various other matters incidental, consequential or otherwise integrally connected therewith, including increase in the share capital of the Transferee Company.

(C) <u>OBJECTIVE AND RATIONALE FOR THE SCHEME</u>

The Amalgamation pursuant to this Scheme is proposed by the Board of Directors of the Transferor Companies and the Transferee Company with following objectives and rationale:

(i) Consolidation of Business Operations into a listed entity

The Transferor Companies and the Transferee Company are engaged in the similar business operations (i.e., Textile) and accordingly, the amalgamation of the Transferor Companies with Aarnav Fashions Limited, the Transferee Company, a listed company will enable significant consolidation of the business operations of all the companies into a single entity which will create a stronger listed company with larger capital and assets base resulting in availability of larger resources, improved credit

AARNAV FASHIONS LIMITED AHMEDABAD

rating, enhanced visibility and availability of finances on favourable terms;

(ii) Rationalization of Group Corporate Structure

The Transferor Companies and the Transferee Company are part of the same group and are having common promoters and accordingly, the amalgamation of the Transferor Companies into the Transferee Company pursuant to this Scheme would result in streamlining the group corporate structure. The amalgamation will further enable to reduce the number of entities within the group that require to be administered and also help realize operational synergies which would also result in simplification of structure and operations.

Further, the amalgamation of the Transferor Companies with the Transferee Company would, *inter alia*, provide the following benefits:

a. Stronger base and infrastructure for future growth, benefits of scale, translating into increased business opportunities and reduced expenses;

b. Simplification of management structure, elimination of duplication and multiplicity of compliance requirements, rationalization of administrative expenses, better administration and cost reduction (including reduction in administrative and other common costs);

c. Improved capital allocation, optimum utilization of resources and operational efficiency resulting into greater integration and greater financial strength and flexibility for the Transferee Company;

AARNAV FASHIONS LIMITED AHMEDABAD

d. Improved organizational capability and leadership, arising from combination of human capital who collectively have diverse skills, talent and vast experience to compete successfully;

e. Elimination of inter-company holdings and layering of investments and business operations; and

f. Enhanced value for all stakeholders including shareholders, lenders, customers and employees.

The amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

In view of the above, the Board of Directors of the Transferor Companies (defined hereinafter) and the Transferee Company (defined hereinafter) have considered and formulated this Scheme of Amalgamation of the Transferor Companies with the Transferee Company which will be beneficial to all the stakeholders of all the Companies.

(D) TREATMENT OF THE SCHEME FOR THE PURPOSE OF THE INCOME-TAX ACT, 1961

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act, 1961. If any of the term(s) or provision(s) of this Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and this Scheme shall stand modified to the extent determined necessary to comply with the

MARNAV FASHIONS LIMITED AHMEDABAD

provisions of Section 2(1B) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

(E) PARTS OF THE SCHEME

This Scheme is divided into the following Parts:

PART I deals with the Definitions and Share Capital;

PART II deals with the Amalgamation and other related matters;

PART III deals with issue of new equity shares by the Transferee Company to respective members of the Transferor Companies and changes in the share capital of the Transferee Companies;

PART IV deals with the accounting treatment of this Scheme;

PART V deals with the General Terms and Conditions that will be applicable to the entire Scheme.

PART I
DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme unless repugnant to the meaning or context thereof,

(i) Capitalised Terms defined by inclusion in quotation and/or parenthesis have the meaning so ascribed.

(ii) Subject to (iii), all the terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, shall have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification(s) or re-enactment(s) thereof from time to time.

(iii) The following expressions shall have the following meaning:

AARNAV FASHIONS LIMITED AHMEDABAD

1.1 **"Act" or "the Act"** shall mean the Companies Act, 2013 and rules and regulations made thereunder and will include any modification or re-enactment or amendment thereof for the time being in force. References in the Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 2013;

1.2 **"Accounting Standards"** shall mean the Accounting Standards as notified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, issued by the Ministry of Corporate Affairs and the other accounting principles generally accepted in India.

1.3 **"Amalgamation"** shall have the meaning ascribed to it in Clause B(i);

1.4 **"Applicable Law"** shall mean applicable law, statute, ordinance, rule, regulation, guideline or policy having the force of law, of any Governmental Authority;

1.5 **"Appointed Date"** shall mean the opening business hours of 1st October, 2020 or such other date as may be agreed by the Board of the Transferor and Transferee Companies and approved by the NCLT or as directed or imposed by the NCLT;

1.6 **"Board of Directors" or "Board" or "Management"** shall mean the respective Board of Directors of the Transferor Companies and/or Transferee Company or any Committee of Directors constituted or appointed and authorized to take any decision for the implementation of this Scheme on behalf of such Board of Directors;

AARNAV FASHIONS LIMITED AHMEDABAD

1.7 **"BSE" or "Stock Exchange"** shall mean BSE Limited;

1.8 **"DVR Equity Shares"** shall mean equity shares with differential rights as to dividend, voting or otherwise issued in accordance with the Act and Rules framed thereunder;

1.9 **"Effective Date"** shall mean the last of the dates on which all the approvals or events specified under Clause 18 [Conditionality of Scheme] of the Scheme are obtained or have occurred or the requirement of which have been waived. References in this Scheme to "date of coming into effect of the Scheme" or "Upon this Scheme becoming effective" shall mean the Effective Date;

1.10 **"Employee Benefit Funds"** shall mean existing benefits including provident fund, gratuity fund and superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created for employees;

1.11 **"Encumbrance" or "Encumber"** shall mean any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any other right to acquire or option, any right of first refusal or any right of pre-emption, or any agreement or arrangement to create any of the same;

1.12 **"Governmental Authority"** shall mean: (a) any national, federal, provincial, state, city, municipal, county or local government, governmental authority or political subdivision thereof; (b) any agency or instrumentality of any of the authorities referred to in clause (a); (c) any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules,

ARNAV FASHIONS LIMITED AHMEDABAD

regulations, standards, requirements, procedures or orders of such authority, body or other organization have the force of law; or (d) any court or tribunal having jurisdiction and including, without limitation or prejudice to the generality of the foregoing, SEBI, the NCLT and any Tax authority;

1.13 **"IT Act"** shall mean the Income Tax Act, 1961 or any statutory modifications or re-enactments or amendments thereof for the time being in force;

1.14 **"New Equity Shares"** or **"New Shares"** has the meaning ascribed to such term in Clause 13.2.

1.15 **"Record Date"** shall mean such date fixed by the respective Board of Directors of the Transferor Companies and Transferee Company for the purpose of determining the members of the Transferor Companies to whom the New Equity Shares of the Transferee Company shall be allotted pursuant to this Scheme;

1.16 **"Registrar of Companies" or "ROC"** shall mean the Registrar of Companies, Gujarat at Ahmedabad having jurisdiction over the Transferor Companies and the Transferee Company;

1.17 **"Scheme" or "the Scheme" or "this Scheme"** shall mean this Scheme of Amalgamation in its present form as submitted to the NCLT or this Scheme with such modification(s), if any made, as per Clause 19 [Modification/Amendment to the Scheme] of the Scheme;

1.18 **"SEBI"** shall mean Securities and Exchange Board of India;

1.19 **"SEBI Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure

AARNAV FASHIONS LIMITED AHMEDABAD

Requirements) Regulation, 2015, and shall include any statutory modifications or re-enactments or amendments thereof in force, or any act, regulations, rules, guidelines etc., that may replace such regulations, from time to time;

1.20 **"SEBI (SAST) Regulations"** shall mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;

1.21 **"SEBI Scheme Circular" or "SEBI Circular"** shall mean circular dated March 10, 2017, bearing reference number CFD/DIL3/CJR/2017/21 issued by SEBI, as amended, modified or replaced from time to time;

1.22 **"Share Exchange Ratio"** shall have meaning ascribed to it in Clause 13.3;

1.23 **"Tax" or "Taxes"** means any and all taxes (direct or indirect), surcharges, fees, levies, duties, tariffs, imposts and other charges of any kind in each case in the nature of a tax, imposed by any Governmental Authority (whether payable directly or by withholding), including taxes based upon or measured by income, windfall or other profits, gross receipts, property, sales, severance, branch profits, customs duties, excise, CENVAT, withholding tax, self-assessment tax, advance tax, service tax, goods and services tax, stamp duty, transfer tax, value-added tax, minimum alternate tax, banking cash transaction tax, securities transaction tax, taxes withheld or paid in a foreign country, customs duty and registration fees (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto);

AARNAV FASHIONS LIMITED AHMEDABAD

1.24 **"Transferee Company" or "AFL"** shall have meaning ascribed to it in Clause (A)(6);

1.25 **"Transferor Company No. 1" or "GSPL"** shall have meaning ascribed to it in Clause (A)(1);

1.26 **"Transferor Company No. 2" or "ASPL"** shall have meaning ascribed to it in Clause (A)(2);

1.27 **"Transferor Company No. 3" or "ATMPL"** shall have meaning ascribed to it in Clause (A)(3);

1.28 **"Transferor Company No. 4" or "SFIPL"** shall have meaning ascribed to it in Clause (A)(4);

1.29 **"Transferor Company No. 5" or "AMGFCPL"** shall have meaning ascribed to it in Clause (A)(5);

1.30 **"Transferor Company Employees"** shall mean all the employees of the Transferor Companies in service as on the Effective Date;

1.31 **"Tribunal" or "NCLT"** shall mean Hon'ble National Company Law Tribunal, Ahmedabad Bench constituted under Section 408 of the Act; in the State of Gujarat and the expression shall include, all the powers of the tribunal under Chapter XVII of the Act and the provisions of the Act as applicable to the Scheme shall be construed accordingly;

1.32 **"Undertaking" or "Undertakings"** shall mean and include the entire business and the whole of the Undertaking of all the Transferor Companies as a going concern, including all the businesses, undertakings, properties, investments, liabilities of whatsoever nature, kind and wheresoever situated of the

ARNAV FASHIONS LIMITED AHMEDABAD

Transferor Companies, together with all their assets and liabilities and shall mean and include (without limitation):

(a) All the assets (including intangible assets) and properties of all the Transferor Companies including without limitation, offices, plant and machineries, equipment, capital work in progress, installations, appliances, tools, accessories, freehold land, leasehold land and any other title, interests or right in such immovable assets, buildings and structures, furniture, fixtures, office equipment, computers, goodwill and other intangible assets and all stocks on the Appointed Date;

(b) All the debts, liabilities, duties and obligations of all the Transferor Companies as on the Appointed Date both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or not asserted, matured or not matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due to or become due, whenever or however arising pertaining to the Transferor Companies;

(c) Without prejudice to the generality of sub-clause (a) and (b) above, the Undertaking of the Transferor Companies shall include–

(i) All movable and immovable properties, assets, including leasehold rights, tenancy rights, industrial and all other licenses, registrations, permits, authorizations, trademarks, copyrights, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communications facilities and equipment, rights and benefits of

AARNAV FASHIONS LIMITED AHMEDABAD

all agreements, pending applications and all other interest, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals of all the Transferor Companies.

(ii) All current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchange and debit notes of all the Transferor Companies.

(iii) All agreements, contracts, arrangements, understandings, engagements, deeds and instruments, registrations including but not limited to lease/license agreements, tenancy rights, equipment purchase agreement and other agreements with the customers, purchase and other agreements/contracts with the supplier/manufacturer of goods/service provider and all rights, title, interest, claims and benefits there under of all the Transferor Companies.

(iv) All application monies, advance monies, earnest monies and security deposits paid or deemed to have been paid and payments against other entitlements of all the Transferor Companies.

(v) It is clarified that all debts, loans and liabilities, duties and obligations of all the Transferor Companies as on the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the date of the Appointed Date shall be debts, loans and liabilities, duties and obligations of the Transferee Companies including any encumbrances on the assets of the Transferor Company(ies) or any income earned from those assets.

(vi) All intellectual property rights (including applications for registrations of the same and the right to use such intellectual

AARNAV FASHIONS LIMITED AHMEDABAD

property rights), trade and service names and marks, patents, copyrights, brand names, trademarks other intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, software licenses (whether proprietary or otherwise), data and all other records and documents whether in physical or electronic form relating to the business activities and operations of all the Transferor Companies.

(vii) All staff, workmen and employees of all the Transferor Companies engaged in or in relation to the business of the respective Transferor Companies at respective offices and all provisions and benefits made in relation to such employees including Employee Benefit Funds but not limited to provident funds, registrations and reserves.

(viii) All books, records, files, papers, engineering and process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form of all the Transferor Companies.

(ix) All investments held by respective Transferor Companies whether listed/unlisted company shares, fixed deposit receipts, units of mutual funds and rights, privileges and obligations attaching to such investments, if any.

(x) All taxes including (but not limited to) Minimum Alternate Tax ("MAT") paid under Section 115JAA/ 115JB of the Income-tax Act, if any, duties, cess of whatsoever nature refundable/receivable to the Transferor Companies from any

MARNAV FASHIONS LIMITED AHMEDABAD

statutory/governmental authority. Also, including but not limited to the benefit(s) under Income-tax Act, 1961 (including tax relief under the Income-tax Act, 1961 such as credit for advance tax, TDS, etc.), Goods and Service Tax (GST), Service Tax (including benefit of any unutilized GST/CENVAT/Service Tax Credits, etc.) permits, approvals, concessions, reliefs, rights to use and avail of assets.

(xi) All rights and obligations of the Transferor Companies shall include but not be limited to the following –

- TUFS (i.e. RTUFS/RRTUFS/MTUFS/ATUFS) scheme of Central /State Government with respect to Capital/Interest Subsidy;
- the Scheme for Assistance for Environment Protection Measures which is administered by The General Manager, District Industries Center, Ahmedabad under the Government of Gujarat;
- refund of IGST paid on the Exports under the Scheme "Export with Duty Payment" made by the Transferor Companies;
- refund of Incentive or Duty Draw Back or any Import Authorisation under FOCUS/MEIS License, which is administered by Director General of Foreign Trade, Ahmedabad, on the Exports made by the Transferor Companies;
- rights or obligation attached to the EPCG Licenses and the Import Export Code (IEC) issued by the office of Additional Director General of Foreign Trade, Ministry of Commerce & Industry, Ahmedabad;
- Input Tax Credit (ITC) under the Credit Ledger of IGST, CGST & SGST and the cash ledger balance under the Cash Ledger of IGST, CGST & SGST;
- Bank Loans/Credit Facilities (Fund Based/Non Fund Based) granted and also the Guarantees given to any bankers or any

AARNAV FASHIONS LIMITED AHMEDABAD

third parties (like Gujarat Pollution Control Board, Torrent Power Limited, Office of the Textile Commissioner, Office of the Director General of Foreign Trade, etc);

- Any permission or license, in whatsoever name, with any Government or Semi Government or Local Authority or any Private Body Corporate or Association;

In this scheme, unless the context otherwise requires:

- words denoting singular shall include plural and vice-versa;
- headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- references to the word "include" or "including" shall be construed without limitation;
- a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- unless otherwise defined, the reference to the word "days" shall mean calendar days;
- reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 19 [Modification/Amendment to the Scheme] of the scheme shall be effective from the Appointed Date but shall be operative from the Effective date.

SHARE CAPITAL

VARNAV FASHIONS LIMITED AHMEDABAD

3.1 The share capital structure of the Transferee Company viz. AFL as on 31st March, 2020 and as on the Appointed Date is as under:

Particulars	Amount (Rs)
Authorised Capital 1,51,00,000 Equity Shares of Rs.10/- each	15,10,00,000
TOTAL	**15,10,00,000**
Issued, Subscribed and Paid up Capital 1,50,05,000 Equity Shares of Rs.10/- each fully paid up	15,00,50,000
TOTAL	**15,00,50,000**

Subsequent to the Appointed Date and till the date of this Scheme being approved by the Board of Directors of AFL, there has been no change in its authorised, issued, subscribed and paid-up share capital.

The Equity Shares of the Transferee Company are listed on BSE.

3.2 The share capital structure of the Transferor Company No. 1 viz. GSPL as on 31st March, 2020 and as on the Appointed Date is as under:

Particulars	Amount (Rs)
Authorised Capital 4,00,00,000 Equity Shares of Rs.10/- each	40,00,00,000
1,50,000 Special Equity Shares of Rs. 10/- each	15,00,000
TOTAL	**40,15,00,000**
Issued, Subscribed and Paid up Capital 3,70,00,000 Equity Shares of Rs. 10/- each fully paid up	37,00,00,000
1,50,000 Type B - DVR Equity shares of Rs. 10/- each fully paid up.	15,00,000
TOTAL	**37,15,00,000**

AARNAV FASHIONS LIMITED AHMEDABAD

The holders of Type B – DVR Equity Shares possess superior rights as to voting and 1 DVR Equity Share carries 1000 voting rights.

Subsequent to the Appointed Date and till the date of this Scheme being approved by the Board of Directors of GSPL, there has been no change in its authorised, issued, subscribed and paid-up share capital.

3.3 The share capital structure of the Transferor Company No. 2 viz. ASPL as on 31st March, 2020 and as on the Appointed Date is as under:

Particulars	Amount (Rs)
Authorised Capital 30,00,000 Equity Shares of Rs.10/- each	3,00,00,000
TOTAL	**3,00,00,000**
Issued, Subscribed and Paid up Capital 17,57,690 Equity Shares of Rs. 10/- each fully paid up	1,75,76,900
TOTAL	**1,75,76,900**

Subsequent to the Appointed Date and till the date of this Scheme being approved by the Board of Directors of ASPL, there has been no change in its authorised, issued, subscribed and paid-up share capital.

3.4 The share capital structure of the Transferor Company No. 3 viz. ATMPL as on 31st March, 2020 and as on the Appointed Date is as under:

Particulars	Amount (Rs)
Authorised Capital 89,75,000 Equity Shares of Rs.10/- each	8,97,50,000
1,00,000 Special Equity Shares of Rs. 10/- each	10,00,000
TOTAL	**9,07,50,000**

ARNAV FASHIONS LIMITED AHMEDABAD

Issued, Subscribed and Paid up Capital 68,00,000 Equity Shares of Rs. 10/- each fully paid up	6,80,00,000
1,00,000 Type B - DVR Equity Shares of Rs. 10/- each fully paid up.	10,00,000
TOTAL	**6,90,00,000**

The Holders of Type B – DVR Equity Shares possess superior rights as to voting and 1 DVR Equity Share carries 200 voting rights.

Subsequent to the Appointed Date and till the date of this Scheme being approved by the Board of Directors of ATMPL, there has been no change in its authorised, issued, subscribed and paid-up share capital.

3.5 The share capital structure of the Transferor Company No. 4 viz. SFIPL as on 31st March, 2020 and as on the Appointed Date is as under:

Particulars	Amount (Rs.)
Authorised Capital 20,00,000 Equity Shares of Rs.10/- each	2,00,00,000
TOTAL	**2,00,00,000**
Issued, Subscribed and Paid up Capital 20,00,000 Equity Shares of Rs. 10/- each fully paid up	2,00,00,000
TOTAL	**2,00,00,000**

Subsequent to the Appointed Date and till the date of this Scheme being approved by the Board of Directors of SFIPL, there has been no change in its authorised, issued, subscribed and paid-up share capital.

3.6 The share capital structure of the Transferor Company No. 5 viz. AMGFCPL as on 31st March, 2020 and as on the Appointed Date is as under:

AARNAV FASHIONS LIMITED AHMEDABAD

Particulars	Amount (Rs)
Authorised Capital 1,50,000 Equity Shares of Rs.10/- each	15,00,000
TOTAL	**15,00,000**
Issued, Subscribed and Paid up Capital 1,49,000 Equity Shares of Rs. 10/- each fully paid up	14,90,000
TOTAL	**14,90,000**

Subsequent to the Appointed Date and till the date of this Scheme being approved by the Board of Directors of AMGFCPL, there has been no change in its authorised, issued, subscribed and paid-up share capital.

PART II

AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE COMPANY AND OTHER RELATED MATTERS

4. TRANSFER AND VESTING OF THE UNDERTAKING OF THE TRANSFEROR COMPANIES

4.1 Upon this Scheme becoming effective and with effect from the Appointed Date (viz. 1st October, 2020) and subject to provisions of this Scheme, all the Transferor Companies shall, by virtue of order the NCLT sanctioning this Scheme, stand amalgamated with the Transferee Company pursuant to the provisions of Sections 230 to 232 of the Act, and other applicable provisions, if any, thereof, without further act, instrument, deed, matter or thing but subject to the changes affecting the same as on the Effective Date, and the entire businesses and Undertakings of all Transferor Companies, as going concerns, including without limitation all the debts, liabilities, obligations, including those arising on account of taxation laws and other allied laws, of all the Transferor Companies of every description and also including,

AARNAV FASHIONS LIMITED AHMEDABAD

without limitation, all properties including movable and immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, authorized capital, fixed assets, capital work-in-progress, current assets and debtors, investments, rights, claims and powers, authorities, allotments, approvals and consents, reserves, provisions, permits, ownerships rights, lease, tenancy rights, occupancy rights, incentives, claims, rehabilitation schemes, funds, quota rights, import quotas, licenses, registrations, contracts, engagements, arrangements, brands, logos, patents, trade names, trademarks, copy rights, all other intellectual property rights, other intangibles of all the Transferor Companies whether registered or unregistered or any variation thereof as a part of its name or in a style of business otherwise, other industrial rights and licenses in respect thereof, lease, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, websites, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements, other assets, special status, advantages and benefits, including MAT Credit entitlement under relevant provisions of the Income-tax Act, 1961, Service tax credit, GST credits, Custom duty credits, VAT credit, CENVAT credit, duty drawback, export incentives and all other benefits (including but not limited to as set out in Schedule – I) that have accrued or which may accrue to the Transferor Companies on and from the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the Undertaking and all the rights, titles, interests, benefits,

AARNAV FASHIONS LIMITED AHMEDABAD

facilities and advantages of whatsoever nature and wherever situated belonging to or in the possession of or granted in favour of or enjoyed by all the Transferor Companies as on the Appointed Date and prior to the Effective Date shall, pursuant to the provision of Section 232(3)of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, so as to become the properties, assets, rights, businesses and undertaking(s) of the Transferee Company pursuant to and in accordance with the provisions of this Scheme.

4.2 Without prejudice to the generality of Clause 4.1 above, with effect from the Appointed Date and subject to the provisions of this Scheme:

4.2.1 In respect of the assets of all the Transferor Companies, including cash and bank balances, as are movable in nature or are otherwise capable of transfer by physical delivery, by paying over or by endorsement and delivery or otherwise, the same shall be so delivered and transferred by the Transferor Companies to the Transferee Company, without requiring any further deed, instrument, matter or thing for the same, and shall become the property of the Transferee Company as an integral part of the assets of the Transferee Company. Such delivery and transfer shall be made on a date to be mutually agreed upon between the respective Board of the Transferor Companies and the Transferee Company.

4.2.2 In respect of immovable assets owned by the respective Transferor Companies, whether leasehold or freehold, shall stand legally

AARNAV FASHIONS LIMITED AHMEDABAD

transferred to and vested in the Transferee Company with effect from the Appointed Date under and pursuant to order of the NCLT sanctioning this Scheme, without requiring the execution or registration of any other deed or document or instrument of conveyance, and the order of the Tribunal shall for all purposes be treated as the instrument conveying such properties and assets to the Transferee Company.

4.2.3 In respect of the movable assets, other than those specified in Sub-clause 4.2.1 above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits, etc. the following *modus operandi* shall be followed:

The Transferor Company/ies shall give notices in such form as they may deem fit and proper to each party, debtors or depositee as the case may be, that pursuant to the orders of Tribunal, or such other competent authority as the case may be, having sanctioned the Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of the Transferee Company as the persons entitled thereto to the end and intent that the right of respective Transferor Companies to recover or realise the same stands extinguished. The Transferee Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to orders of the Tribunal or such other competent authority as the case may be, having sanctioned the Scheme, the said person, debtor or depositee shall pay the debt, loan or advance or make good the same or hold the same to its account and that the right of the

AARNAV FASHIONS LIMITED AHMEDABAD

Transferee Company to recover or realise the same is in substitution of the right of the respective Transferor Companies.

4.2.4 All debts, liabilities and obligations of all the Transferor Companies as on the Appointed Date, including without limitation, borrowings, bills payable, interest accrued and all other duties, liabilities, undertakings and obligations of respective Transferor Companies whether provided for or not in the books of account of that particular Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the Appointed Date shall be the debts, liabilities and obligations of the Transferee Company including any encumbrance on the assets of the respective Transferor Companies or on any income earned from those assets. Further, 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 and obligations have arisen, in order to give effect to the provisions of this Clause.

4.2.5 All cheques and other negotiable instruments and payment orders received in the name of the Transferor Company/ies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of the Transferee Company shall honour cheques issued by the Transferor Company/ies for payment on or after the Appointed Date and presented after the Effective Date.

4.3 Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in

ARNAV FASHIONS LIMITED AHMEDABAD

whatever form), if any, due or which may at any time in future become due between any of the Transferor Companies and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any such inter-company loans, advances and other obligations with effect from the Appointed Date.

4.4 All existing securities, mortgages, charges, liens or other encumbrances, if any, as on the Appointed Date and created by respective Transferor Companies, after the Appointed Date but prior to the Effective Date, over the properties and other assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, liens or other encumbrances secure or relate to liabilities of any of the Transferor Company/ies, 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 are transferred to the Transferee Company and such securities, mortgages, charges, liens or other encumbrances shall not relate or attach to any of the other assets of the Transferee Company.

4.5 Further, where any document in case of any encumbrance, charge and/or right is created by any of the Transferor Company/ies, is transferred to or replaced by the Transferee Company, no duty (including stamp duty), levy and/or cess of any nature will be payable by the Transferee Company at the time of

AARNAV FASHIONS LIMITED AHMEDABAD

replacement and/or modification of the encumbrance, charge and/or right with any Governmental Authority (including Registrar of Companies) or any other person as the case may be, and the duty and other levies already paid by the respective Transferor Companies shall be deemed to have been paid by the Transferee Company.

4.6 The existing encumbrances over the properties and other assets 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 Transferor Company/ies transferred to and vested in the Transferee Company by virtue of this Scheme.

4.7 It is expressly provided that, save as herein provided, no other term or condition of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

4.8 Upon this Scheme becoming effective and with effect from the Appointed Date:

4.8.1 Where any of the debt, liability or obligation of all the Transferor Companies as on the Appointed Date has been discharged by Transferee Company after the Appointed Date but prior to the Effective Date, such discharge by respective Transferor Companies shall be deemed to have been for and on account of the Transferee Company;

AARNAV FASHIONS LIMITED AHMEDABAD

4.8.2 all debts, liabilities or obligations incurred or undertaken by respective Transferor Companies in relation to or in connection with its Undertaking(s) or businesses after the Appointed Date but prior to the Effective Date, shall be deemed to have been incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act, deed, instrument, matter or thing be and stand transferred to the Transferee Company and shall become the debts, liabilities and obligations of the Transferee Company which it shall meet, discharge and satisfy; and

4.8.3 all the assets accrued to and/or acquired by respective Transferor Companies in relation to or in connection with its businesses or Undertakings after the Appointed Date but prior to the Effective Date, shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall also without any further act, instrument, deed, matter or thing be and stand transferred to the Transferee Company to that extent and shall become the assets of the Transferee Company.

4.9 With effect from the Appointed Date, all the statutory licenses, registrations, incentives, tax credits, tax refunds, rights, claims, leases, tenancy rights, liberties, permissions, approvals or consents to carry on the operations of respective Transferor Companies (including but not limited to as set out in Schedule – I), and all rights and benefits that have accrued or which may accrue to any of the Transferor Companies, whether before or after the Appointed Date shall, by virtue of order of the Tribunal sanctioning the Scheme, stand vested in or transferred to the

AARNAV FASHIONS LIMITED AHMEDABAD

Transferee Company, pursuant to the Scheme, without any further act or deed and shall remain valid, effective and enforceable on the same terms and conditions and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the undertaking of all the Transferor Companies pursuant to this Scheme.

4.10 Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including and without limitation income tax, minimum alternate tax, tax deducted at source, GST, service tax, excise duty, central sales tax, applicable state value added tax etc.) (including but not limited to as set out in Schedule – I) to which respective 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.

4.11 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes.

5. VALIDITY OF EXISTING RESOLUTIONS, REGISTRATIONS, ETC.

The resolutions, if any, of respective Transferor Companies, which are valid and subsisting on the Effective Date, shall be continued to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable provisions, then the said limits

ARNAV FASHIONS LIMITED AHMEDABAD

shall be added and shall constitute the aggregate of the said limits in the Transferee Company.

6. TREATMENT OF TAXES/TAX CREDITS

6.1 Upon the coming into effect of this Scheme, any tax liabilities under the Income-tax Act, 1961, the Customs Act, 1962, the Central Excise Act, 1944, the Value Added Tax Act, the Centrals Sales Tax Act, 1956, the Service Tax, Goods and Service Tax Laws, Stamp Act, registration fees or other applicable laws/regulations (hereinafter referred to as "tax laws") dealing with taxes/duties/levies allocable or related to the business of respective 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.

6.2 All taxes (including income tax and tax deducted at source, wealth tax, sales tax, excise duty, customs duty, service tax, GST, VAT, etc.) paid or payable by respective Transferor Companies in respect of the operations and/or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, insofar as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, GST, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by respective Transferor Companies in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

AARNAV FASHIONS LIMITED AHMEDABAD

6.3 Further the Minimum Alternate Tax, if any, paid by respective Transferor Companies under relevant provisions of the Income-tax Act, 1961, shall be deemed to have been paid by the Transferee Company, and the Minimum Alternate Tax Credit, if any, of respective Transferor Companies as on or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set-off against the tax liabilities of the Transferee Company. Any refunds under the tax laws due to respective Transferor Companies consequent to the assessments made on respective Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

6.4 All taxes of any nature, duties, cesses or any other like payments or deductions made by respective Transferor Companies or any of its agents to any statutory authorities such as income tax, CENVAT credit, excise duty, GST, VAT, service tax or any tax deduction/collection at source, tax credits under tax laws, relating to the period after the Appointed Date shall be deemed to have been on account of or paid by the Transferee Company, and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the Effective Date and upon relevant proof and documents being provided to the said authorities.

6.5 The Transferee Company is expressly permitted to revise its tax returns including tax deducted at source (TDS) certificates/returns and to claim refunds, advance tax credits, GST credits, excise and service tax credits, set off, etc., (including

MANAV FASHIONS LIMITED AHMEDABAD

but not limited to as set out in Schedule – I) on the basis of accounts of respective Transferor Companies as vested with the Transferee Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

7. LEGAL PROCEEDINGS

7.1 All legal proceedings, including arbitration proceedings, of whatsoever nature by or against the Transferor Companies pending and/or arising on or after the Appointed Date and relating to the Transferor Companies shall not abate or be discontinued or be in any way be prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against that particular Transferor Company, if this Scheme had not been made.

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

7.3 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Clause 7.1 above transferred in its name

AARNAV FASHIONS LIMITED AHMEDABAD

respectively and to have the same continued, prosecuted and enforced by or against Transferee Company to the same extent as would or might have been continued and enforced by or against the Transferor Companies, to the exclusion of the Transferor Companies.

7.4 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the business of the Transferor Companies.

8. CONTRACTS, LICENSES, BONDS, DEEDS, APPROVALS, EXEMPTIONS AND OTHER INSTRUMENTS

8.1 Subject to the other provisions of the Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, approvals, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments whether pertaining to the immovable properties or otherwise of whatsoever nature to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible (including but not limited to as set out in Schedule – I) and are subsisting or operative immediately on or before the Effective Date, shall continue in full force and effect against or in favour of the Transferee Company, as the case may be, of the Transferee Company and may be enforced as fully and effectively, as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or beneficial owner or oblige thereto or thereunder. The Transferee Company shall enter into and/or issue and/or execute deeds, in writings or confirmation or enter into any tripartite agreement, confirmations or novations to which the Transferor Companies will, if necessary, also be a party

AARNAV FASHIONS LIMITED AHMEDABAD

in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies 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.

8.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, registrations, certificates, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company, as if the same were originally given by, issued to or executed in favour of Transferee Company and Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall make applications and do all such acts or things which may be necessary to obtain relevant approvals from the concerned Governmental Authorities as may be necessary in this behalf.

8.3 The Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement to which the Transferor Companies is a party in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of this Scheme, be deemed

AARNAV FASHIONS LIMITED AHMEDABAD

to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Companies.

8.4 It is further clarified that with respect to approvals, permissions, licenses, registrations, consents that may require amendment for the purpose of giving effect to this Scheme and to ensure that there is no change in the entitlements otherwise available to the Transferor Companies in the absence of this Scheme, the Transferee Company shall be permitted to use the name and approvals, permissions, licenses, registrations, consents of the Transferor Companies till such approvals, permissions, licenses, registrations, consents are so amended and updated, so as to enable the Transferee Company to continue to avail the entitlements otherwise available to the Transferor Companies.

8.5 The inter-se contracts between the Transferor Companies and the Transferee Company if any shall stand adjusted and vest in the Transferee Company upon the scheme being effective. Transactions, if any, between the Transferor Companies and the Transferee Company after the Appointed Date and until the Effective Date will be squared off in the books of account of the Transferee Company upon the Scheme becoming effective.

9. STAFF, WORKMEN AND EMPLOYEES

9.1 Upon the Scheme becoming effective, all staff, workmen and employees of the Transferor Companies, who are in service on the date immediately preceding the Effective Date shall become staff, workmen and employees of the Transferee Company, without any break or interruption in their services, on same terms and

ARNAV FASHIONS LIMITED AHMEDABAD

conditions on which they are engaged as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, gratuity and other terminal benefits, the uninterrupted past services of such Transferor Companies' employees shall also be taken into account and paid (as and when payable) by the Transferee Company.

9.2 The accounts/funds of staff, workmen and employees, past or present, relating to pension and/or superannuation, provident fund, gratuity fund or any other special fund or trusts created or existing for the benefit of staff, workmen and employees of the Transferor Companies shall be identified, determined and transferred to the respective Trusts/Funds of the Transferee Company and such employees shall be deemed to have become members of such Trusts/Funds of the Transferee Company.

9.3 In so far as the Employee Benefit Funds created by the Transferor Companies or in respect of which the Transferor Companies makes contributions, for the Transferor Companies' employees, all amounts standing to the credit of the Transferor Companies' employees in such Employee Benefit Funds and investments made by such Employee Benefit Funds shall be transferred to such Employee Benefit Funds nominated by the Transferee Company and/or such new Employee Benefit Funds to be established and caused to be recognized by appropriate Governmental Authorities, by the Transferee Company.

9.4 Pending the transfer as aforesaid, the Employee Benefit Fund dues of the Transferor Companies' employees would be continued to be deposited in the existing Employee Benefit Funds of the Transferor Companies. It is clarified that upon transfer of the

AARNAV FASHIONS LIMITED AHMEDABAD

aforesaid funds to the funds of the Transferee Company, the existing trusts created for such funds by the Transferor Companies shall stand dissolved.

9.5 Notwithstanding the aforesaid, the Board of the Transferee Company, if it deems fit and subject to Applicable Law, shall be entitled to:

(a) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Companies; or

(b) merge the pre-existing funds of the Transferor Companies with other similar funds of the Transferee Company.

10. CONDUCT OF BUSINESSES TILL THE EFFECTIVE DATE

10.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Companies:

10.1.1 shall carry on and be deemed to be carrying on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits/reserves accruing to the Transferor Companies or losses arising or incurred by it shall, for all purposes, be treated as the profits/reserves or losses of the Transferee Company as the case may be;

10.1.2 hereby undertakes to carry on its business until the Effective Date with reasonable diligence and shall not, without prior written consent of the Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose of, any of the assets of the Transferor Companies or any part thereof except in the ordinary course of its business;

NARNAV FASHIONS LIMITED AHMEDABAD

10.1.3 shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;

10.1.4 shall not, without the prior written consent of the Transferee Company, undertake any new business;

10.1.5 The restrictions in Sub-clauses in 10.1.2, 10.1.3 and 10.1.4 above shall be applicable from the date of acceptance of present scheme by the Board of the Transferor Companies and the Transferee Company respectively and not from the Appointed Date.

10.2 All profits and cash accruing to or losses arising or incurred [including the effect of all taxes (for instance income tax, customs duty, GST, etc.) if any thereon], by the Transferor Companies, respectively, shall for all purposes, be treated as the profits and cash, taxes or losses of the Transferee Company.

10.3 Any of the rights, powers, authorities or privileges exercised by Transferor Companies shall be deemed have been exercised by the Transferor Companies for and on behalf of, and in trust for as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Companies shall be deemed to have been undertaken for and on behalf of and as an agent for Transferee Company.

10.4 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law, contract or are otherwise considered necessary, for such consents, approvals, licenses, registrations

MARNAV FASHIONS LIMITED AHMEDABAD

and sanctions (including but not limited to as set out in Schedule – I) which the Transferee Company may require to effectually carry on the business of the Transferor Companies.

10.5 With effect from the Effective Date, the Transferee Company shall commence and carry on and shall be authorized to carry on the business carried on by the Transferor Companies in addition to the business of the Transferee Company.

11. DIVIDEND, PROFITS, BONUS/RIGHT SHARES BY THE TRANSFEROR COMPANIES

Except with the express consent of the Board of Directors of the Transferee Company during the pendency of the present Scheme and up to the Effective Date, the Transferor Companies shall not:

i) declare any dividend for period commencing from the Appointed Date up to and including the Effective Date.

ii) issue or allot any right shares or bonus shares out of its authorized or unissued Share capital for the time being.

iii) utilize the profits, if any, for declaring or paying of any dividend to its shareholders and shall also not utilize, adjust or claim adjustment of profits/reserves, as the case may be earned/ incurred or suffered after the Appointed Date.

12. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations pertaining/relating to the Transferor Companies under Clause 4 [Transfer and Vesting of the Undertaking of the Transferor Companies] above, pursuant to this Scheme, and the continuance

AARNAV FASHIONS LIMITED AHMEDABAD

of the proceedings by or against the Transferee Company, under Clause 7 [Legal Proceedings] above shall not affect any transactions or proceedings already completed by the Transferor Companies, on and after the Appointed Date to the end and intent that Transferee Company accepts all acts, deeds and things done and executed by and/ or on behalf of the Transferor Companies, as acts, deeds and things done and executed by and on behalf of Transferee Company.

PART – III

ISSUE OF NEW EQUITY SHARES BY THE TRANSFEREE COMPANY TO THE SHAREHOLDERS OF TRANSFEROR COMPANIES AND CHANGES IN THE SHARE CAPITAL OF THE TRANSFEREE COMPANY

13. CONSIDERATION

13.1 Subject to provisions of Clause 13.14 of this Scheme and upon this Scheme coming into effect, in consideration of the transfer and vesting of the Undertaking of the Transferor Companies in the Transferee Company in terms of this Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application, act or deed, issue and allot, in the following proportion, its Equity Shares of Rs. 10/- (Rupee Ten only) each at a price of Rs. 51.31/- (Rupees Fifty One and Paise Thirty One Only) per Equity Share (including share premium of Rs. 41.31/- per Equity Share) credited as fully paid-up in the share capital of the Transferee Company to the members of respective Transferor Companies whose names appear in the respective Register of Members of the Transferor Companies on the Record Date or to such of their respective heirs, executors,

AARNAV FASHIONS LIMITED AHMEDABAD

administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferee Company and approved by them to be placed on its register of names:

(a) *"56 (Fifty Six) Equity Shares of Rs. 10/- (Rupees Ten only) each, credited as fully paid-up in AFL viz. the Transferee Company for every 100 (Hundred) Equity Shares of the face value of Rs.10/- (Rupees Ten only) and for every 100 (Hundred) Type B-DVR Equity Shares of the face value of Rs.10/- (Rupees Ten only) held by the shareholders in GSPL viz. the Transferor Company No. 1."*

(b) *"58 (Fifty Eight) Equity Shares of Rs. 10/- (Rupees Ten only) each, credited as fully paid-up in AFL viz. the Transferee Company for every 100 (Hundred) Equity Shares of the face value of Rs.10/- (Rupees Ten only) held by the shareholders in ASPL viz. the Transferor Company No. 2."*

(c) *"136 (One Hundred and Thirty Six) Equity Shares of Rs. 10/- (Rupee Ten only) each, credited as fully paid-up in AFL viz. the Transferee Company for every 100 (Hundred) Equity Shares of the face value of Rs.10/- (Rupees Ten only) and for every 100 (Hundred) Type B - DVR Equity Shares of the face value of Rs.10/- (Rupees Ten only) held by the shareholders in ATMPL viz. the Transferor Company No. 3."*

(d) *"363 (Three Hundred and Sixty Three) Equity Shares of Rs. 10/- (Rupee Ten only) each, credited as fully paid-up in AFL viz. the Transferee Company for every 100 (Hundred) Equity Shares of the face value of Rs.10/- (Rupees Ten only) held by the shareholders in SFIPL viz. the Transferor Company No. 4."*

AARNAV FASHIONS LIMITED AHMEDABAD

(e) *"3,834 (Three Thousand Eight Hundred and Thirty Four) Equity Shares of Rs. 10/- (Rupee Ten only) each, credited as fully paid-up in AFL viz. the Transferee Company for every 100 (Hundred) Equity Shares of the face value of Rs.10/- (Rupees Ten only) held by the shareholders of AMGFCPL viz. the Transferor Company No. 5."*

Provided that no Equity Shares shall be issued by the Transferee Company for any cross holding amongst the Transferor Companies and the same shall automatically stand cancelled/extinguished.

13.2 The Equity Shares to be issued pursuant to this Scheme by the Transferee Company are hereinafter referred to as the **'New Equity Shares'** or **'New Shares'.**

13.3 The ratio in which the New Equity Shares of the Transferee Company are to be issued and allotted to the shareholders of the respective Transferor Companies is hereinafter referred to as the **'Share Exchange Ratio'**.

13.4 The Share Exchange Ratio stated in clause 13.1 of the Scheme has been determined by the Board of Directors of the Transferor Companies and the Transferee Company based on their independent judgement after taking into consideration the valuation report of the registered valuer dated 23rd January, 2021 and the fairness opinion dated 23rd January, 2021 provided by the merchant banker.

13.5 The issue of New Equity Shares shall be made in compliance with the provisions of the minimum public shareholding prescribed under the Securities Contracts (Regulation) Act, 1956 and the

AARNAV FASHIONS LIMITED AHMEDABAD

Securities Contracts (Regulation) Rules, 1957 made thereunder (hereinafter collectively referred to as the **"SCRA"**). The New Equity Shares to be issued to the shareholders of the Transferor Companies will be such, that the minimum public shareholding of 25% (Twenty-Five Per cent) or any other specified percentage, as may be permissible under SCRA, is maintained post allotment of the New Equity Shares.

13.6 The New Equity Shares of the Transferee Company to be allotted and issued to the shareholders of the respective Transferor Companies as provided in this Clause shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari-passu* in all respects with the Equity Shares of the Transferee Company after the Effective Date including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.

13.7 The New Equity Shares shall be issued and allotted by the Transferee Company in physical form or demat form, as applicable, to the respective shareholders of the Transferor Companies in accordance with the Act and other applicable laws and the Transferee Company shall take necessary steps, for issuance of New Equity Shares, as may be required.

13.8 In case any member or members' shareholding in the Transferor Companies is such that on the basis of the aforesaid Share Exchange Ratio, the member is entitled to a fraction of New Equity Share which equals to or exceeds one-half share, such member shall, in lieu of such fraction, be entitled to receive allotment of one New Equity Share of the Transferee Company.

AARNAV FASHIONS LIMITED AHMEDABAD

On the other hand, if the shareholding of any member in the Transferor Companies is such that on the basis of the aforesaid Share Exchange Ratio, the member is entitled to a fraction of New Equity Share which is less than one-half share, then such fraction shall be ignored and such member shall not be entitled to receive any New Equity Share of the Transferee Company in lieu of such fraction.

13.9 The issue and allotment of New Equity Shares by the Transferee Company to the Transferor Company as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Sections 42 and 62(1)(c) of the Act and any other applicable provisions of the Act were duly complied with. The resolution/consent of the shareholders approving the Scheme shall be treated as due compliance of the procedure laid down in Sections 42 and 62(1)(c) and any other applicable provisions of the Act. Upon issuance and allotment of the New Equity Shares by the Transferee Company to the members of the Transferor Companies as provided in the Scheme, the existing Equity Shares held by the members of the Transferor Companies shall automatically stand cancelled/extinguished.

13.10 Upon the issue and allotment of New Equity Shares to the shareholders of the Transferor Companies, whose names appear on the respective Register of Members of the Transferor Companies on the Record Date, the share certificates in relation to the shares held by them in such Transferor Companies shall be deemed to have been cancelled. In case of issue of New Equity Shares in physical form, all certificates for the New Equity Shares

AARNAV FASHIONS LIMITED AHMEDABAD

shall be sent by the Transferee Company to the shareholders of the Transferor Companies at their respective registered addresses as appearing in the said Register (or in the case of joint holders to the address of such joint holder whose name stands first in such Register in respect of such joint holding) and the Transferee Company shall not be responsible for any loss in transmission.

13.11 Upon this Scheme becoming effective, the New Equity Shares to be issued and allotted by the Transferee Company, shall be listed and admitted for trading on BSE subject to approval of BSE. The Transferee Company shall make all requisite applications and shall otherwise comply with the provisions of applicable laws, including the provisions of the SEBI Listing Regulations and the SEBI Scheme Circular. The Transferee Company shall enter into such arrangement and issue such confirmation and/or undertakings as may be necessary in accordance with the applicable laws or regulations, for the above purpose. All the statutory and Government authorities shall give necessary approvals and permissions forthwith in this regard. The New Equity Shares allotted pursuant to this Scheme shall remain frozen in the depository system till the date of receipt of listing/trading approval from BSE.

13.12 Upon the issue and allotment of the New Equity Shares, the members of the Transferor Companies shall be classified as the Promoter, Promoter Group or public, as the case may be, of the Transferee Company in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

AARNAV FASHIONS LIMITED AHMEDABAD

13.13 The Transferee Company shall take necessary steps to increase or alter, if and to the extent required, its Authorized Share Capital suitably to enable it to issue and allot the New Equity Shares pursuant to this Scheme. It shall also, if and to the extent required, apply for and obtain the requisite approvals including that of BSE, SEBI and other appropriate authorities concerned for issue and allotment of the New Equity Shares to the respective members of the Transferor Companies.

13.14 In the event that the Transferor Companies and/or the Transferee Company restructure its share capital by way of share split/consolidation/ issue of bonus shares during the pendency of this Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account effect of such corporate actions.

13.15 For avoidance of doubt, it is clarified that upon the issue and allotment of the New Equity Shares in accordance with this Scheme, the increase in shareholding of Promoters of the Transferee Company beyond the threshold specified under the SEBI (SAST) Regulations shall be exempt from open offer requirement in terms of Regulation 10(i)(d) of the SEBI (SAST) Regulations.

14. CONSOLIDATION OF SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY

14.1 **CAPITAL CLAUSE:**

(i) Upon coming into effect of the Scheme, the Authorised Share Capital of all the Transferor Companies aggregating to Rs.54,37,50,000/- (Rupees Fifty Four Crores Thirty Seven Lakhs

AARNAV FASHIONS LIMITED AHMEDABAD

and Fifty Thousands Only) as mentioned in Clauses 3.2 to 3.6 above, or such amount as may be on the Effective Date, shall be consolidated and merged into the Authorised Share Capital of the Transferee Company, as on the Effective Date, without any further act or deed and without any liability for further payment of any additional stamp duty or the registration fees in respect of such increase as the stamp duty and fees have already been paid by the Transferor Companies on such authorized capital.

(ii) It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum Association of the Transferee Company (relating to the authorised share capital) as may be required under Sections 13, 61 and other provisions of the Act, and Clause V of the Memorandum of Association of the Transferee Company shall stand altered and be read as :

"The authorized share capital of the Company is Rs.69,47,50,000/- (Rupees Sixty Nine Crores Forty Seven Lakhs and Fifty Thousand only) divided into 6,94,75,000 Equity Shares of Rs. 10/- (Rupees Ten only) each."

(iii) Clause V of the Memorandum of Association of the Transferee Company relating to the Authorized Share Capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and 230 to 232 of the Act and other applicable provisions of the Act, as the case may be and be amended accordingly.

AARNAV FASHIONS LIMITED AHMEDABAD

(iv) Upon coming into effect of this Scheme, the Transferee Company shall file necessary forms/application for the revised Authorized Share Capital with the Registrar of Companies, Gujarat in accordance with law.

14.2 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendment in the Memorandum of Association of the Transferee Company, viz. Change in the Capital Clause as mentioned in Clause 14.1 above 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 Sections 13, 61 & 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, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, shall be payable by the Transferee Company. The order passed by the Tribunal granting the sanction to the Scheme shall be binding upon all the authorities for making such amendments effective.

PART – IV

ACCOUNTING TREATMENT

15. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the Amalgamation in its books as under:

AARNAV FASHIONS LIMITED AHMEDABAD

15.1 The Amalgamation of the Transferor Companies with the Transferee Company shall be accounted for in accordance with the Acquisition method prescribed under the Indian Accounting Standard (Ind AS) – 103 - "Business Combination" and other applicable Indian Accounting Standard(s) issued under Section 133 of the Act read with the Companies (India Account Standards) Rules, 2015, as amended from time to time. For this purpose, the Appointed Date shall be treated as the Acquisition Date as referred in Ind AS - 103.

15.2 All the assets, including but not limited to fixed assets, intangibles and any other assets, recorded in the books or otherwise, of all the Transferor Companies and transferred to and vested in the Transferee Company pursuant to the Scheme, subject to Clause 15.4 of this Scheme, shall be recorded by the Transferee Company at their acquisition-date fair values, as may be determined by the Board of Directors of the Transferee Company.

15.3 All liabilities of the Transferor Companies transferred to and vested in the Transferee Company, subject to Clause 15.4 of this Scheme, whether recorded in the books or not, shall be recorded by the Transferee Company at their acquisition-date fair values, as may be determined by the Board of Directors of the Transferee Company.

15.4 The amount of inter-company balances, amounts or investments, if any, between the Transferor Companies and the Transferee Company, appearing in the books of accounts of the Transferee Company and respective Transferor Companies, if any, shall

ARNAV FASHIONS LIMITED AHMEDABAD

stand cancelled without any further act or deed upon the Scheme coming into effect and with effect from the Appointed Date.

15.5 The face value of the New Equity Shares of the Transferee Company issued to the members of Transferee Companies in terms of Clause 13 hereinabove shall be credited to the Equity Share Capital account and the amount of share premium of the New Equity Shares shall be credited to the securities premium account in the books of the Transferee Company.

15.6 Costs, expenses and duties incurred in connection with the Scheme and to put it into operation/implementation of the Scheme shall be dealt by the Transferee Company, as per Relevant Accounting Standards & provisions of the Income Tax Act.

15.7 The net difference between the acquisition date fair value of net assets of the Transferor Companies acquired by the Transferee Company and the consideration transferred by the Transferee Company shall be recongnised as Goodwill or gain on bargain purchase/capital reserves, as the case may be, in the books of the Transferee Company.

15.8 To the extent there are inter corporate loans or balances between the Transferor Companies inter-se and/or the Transferee Company, the obligation in respect thereof shall come to an end.

15.9 To comply with the relevant laws, the Income Tax Act, 1961 and applicable Accounting Standards, the Transferee Company (by its Board of Directors) may alter or modify the provisions of the Clauses 15.1 to 15.8, as they may deem fit and consider necessary, to settle any question arising out of the Scheme.

ARNAV FASHIONS LIMITED AHMEDABAD

PART – V

GENERAL TERMS & CONDITIONS

16. DISSOLUTION OF THE TRANSFEROR COMPANIES

16.1 Upon this Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up without any further act by the parties.

16.2 On and with effect from the Effective Date, the name of all the Transferor Companies shall be struck off from the records of the relevant Registrar of Companies by filing relevant forms, if any.

17. APPLICATION TO THE TRIBUNAL

17.1 The Transferor Companies and the Transferee Company for the purpose of amalgamation shall, with all reasonable dispatch, make necessary application/s to the NCLT Bench at Ahmedabad where the registered office of the Transferor and Transferee Companies are situated, for seeking order for convening and/or seeking exemption to convene meeting(s) of shareholders/ creditors of the Transferor and Transferee Companies and for seeking sanction of this Scheme under Sections 230 – 232 of the Act, for an order thereof, for carrying this Scheme into effect and for dissolution of the Transferor Companies without winding up.

17.2 On the Scheme being approved by the requisite majorities of the members and/or creditors of the Transferor and Transferee Companies whether at a meeting or by consents, as prescribed under the law and/or as directed by the NCLT or such other appropriate authority, the Transferor and Transferee Companies shall, with all reasonable dispatch, apply to the NCLT for

NARNAV FASHIONS LIMITED AHMEDABAD

sanctioning of this Scheme under Sections 230 to 232 of the Act, and for such other order or orders, as the said NCLT may deem fit for carrying this Scheme into effect.

17.3 The Transferee Company shall be entitled, pending the sanction of this Scheme, to apply to any Governmental Authority, if required under any law for such Governmental approvals which the Transferee Company may require to own the Undertaking of the Transferor Companies and to carry on the business of the Transferor Companies.

18. CONDITIONALITY OF THE SCHEME

This Scheme is conditional upon and subject to:

18.1 the Scheme receiving no-objection letter/comment letter/approval of the Stock Exchange and the SEBI in accordance with Regulation 37 the SEBI Listing Regulations and the SEBI Scheme Circular;

18.2 the Scheme being agreed to and approved by the requisite majorities of the members and creditors of the Transferor and Transferee Companies as may be directed by the Tribunal or any other competent authority as may be applicable;

18.3 the Scheme being approved by the public shareholders of the Transferee Company through e-voting in accordance with the provisions of the SEBI Scheme Circulars. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it. The term 'public' shall carry the same meaning as defined under Rule 2 of the Securities Contracts (Regulations) Rules, 1957;

VARNAV FASHIONS LIMITED AHMEDABAD

18.4 the sanction of this Scheme by the Tribunal under Sections 230 to 232 of the Act, and to the necessary Order under Section 232 of the Act on behalf of the Transferor and Transferee Companies being obtained;

18.5 the requisite sanctions or approvals including but not limited to in-principle approvals, sanctions of Central Government or any government authority or any other agency or department or authorities concerned, if so required being obtained and granted in respect of any of the matters in respect of which such sanction or approval is required under any law;

18.6 certified copies of the orders of the Tribunal sanctioning the Scheme, being filed with the Registrar of Companies, Gujarat by the Transferor and Transferee Companies;

18.7 this Scheme, although to come into legal operation from the Appointed Date, shall not become effective until the date on which the last of the aforesaid approvals, sanctions and filings as mentioned in this Clause has been obtained, passed or filed.

19. MODIFICATION/AMENDMENT TO THE SCHEME

19.1 Subject to approval of Tribunal, the Board of Directors of respective Companies, may consent, on behalf of all persons concerned, to any modifications or amendments of the Scheme or to any conditions or limitations that the Tribunal may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (viz. the Board of Directors) and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the

AARNAV FASHIONS LIMITED AHMEDABAD

Scheme into effect. For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Transferor and Transferee Companies be and are hereby authorised to give such directions and to take all such steps as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties whether by reason of any direction or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of this Scheme and/or any matters concerning or connected therewith. In case, post approval of the Scheme by the Tribunal, if there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of the Transferor and Transferee Companies will have complete power to take the most sensible interpretation so as to render the Scheme operational.

19.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of the Transferor and Transferee Companies may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

19.3 In the event, any of the conditions that may be imposed by the Tribunal while sanctioning the Scheme, which the Board of Directors of the Transferor and Transferee Companies may find unacceptable for any reason, then the Transferor and Transferee Companies are at liberty to withdraw from the Scheme.

AARNAV FASHIONS LIMITED AHMEDABAD

20. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or the Scheme not being sanctioned by the Tribunal or such other competent authority and/or the order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect, and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Transferor and Transferee Companies or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case the party shall bear its own cost unless otherwise mutually agreed.

21. COSTS, CHARGES & EXPENSES

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

22. NO CAUSE OF ACTION

No third party claiming to have acted or changed its position in anticipation of the Scheme taking effect, shall get any cause of action against the Transferor Companies or the Transferee Company or their directors or officers, if this Scheme does not

AARNAV FASHIONS LIMITED AHMEDABAD

take effect or is withdrawn, cancelled, revoked, amended or modified for any reason whatsoever.

23. MISCELLANEOUS

If any part of this Scheme hereof is invalid, ruled illegal by the Tribunal or unenforceable under present or future laws, then it is the intention of the parties to the Scheme that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties to the Scheme shall attempt to bring about a modification in the Scheme, as will best preserve for such parties the benefits and obligations of the Scheme, including but not limited to such part.

****

AARNAV FASHIONS LIMITED AHMEDABAD

SCHEDULE – I

LIST OF PERMITS / LICENSES / APPROVALS / CONSENTS / APPROVALS / REGISTRATIONS / CERTIFICATES

Sr. No.	Subject	Issuing Authority	Permit/license No.	Current Status / Remarks
1.	GPCB Consent permission	Gujarat Pollution Control Board	Consent to Establish (CTE) Order vide No. GPCB/ABD/NL/ CCA-36(4)/ID-11460/423300 Dtd 16.09.2017 CCA order No. AWH-101575 dated 14.05.2019	Validity upto 14.05.2019 Valid Upto 31.03.2023
2.	Factory License	Directorate Industrial Safety & Health, Ahmedabad Region, Gujarat State	Registration No. 2924/17303/1984 & License No. 15790	Renewed upto 31.12.2021 vide certificate dated 08.11.2016
3.	Fire No Objection Certificate (FIRE NOC)	Chief Fire Officer, Ahmedabad Municipal Corporation, Fire & Emergency Service	Factory Fire NOC dated 10.09.2021	Validity upto 30.09.2021
4.	Health Licenses	Ahmedabad Municipal Corporation	License No. 11/ 2019-2020	Active- in force
5.	One Star Export House Certification	Director General of Foreign Trade, Ministry of Commerce & Industry, Ahmedabad	Certificate No. A-9542 dated 07.05.2018	(valid from 16.04.2018 to 15.04.2023)
6.	VAT/SGST Concession / Incentive eligible under "Eligibility Certificate for VAT Concession"	Industries Commissionerate, Block No. 1 & 2, Udyog Bhavan, Sector-11, Gandhinagar	Eligibility Certi. No. IC/Salt-Text/1535424/ 1537313	ELIGIBILITY CERTIFICATE dated 18.05.2019 having validity period from 30.09.2017 to 29.09.2025
7.	Interest Subsidy eligible under "Sanction of Interest Subsidy under Gujarat Textile Policy – 2012"	Industries Commissionerate, Block No. 1, 3rd Floor, Udyog Bhavan, Sector-11, Gandhinagar	Sanction Order No. IC/Salt-Text/1535424	SANCTION ORDER dated 14.05.2019 for five years from 28.09.2017
8.	Electricity Duty Exemption granted under	Office of the Collector of Elecitricity	Exemption Order No. F/EX/AIU/Ahme	Exemption Order No. F/EX/AIU/

AARNAV FASHIONS LIMITED AHMEDABAD

	"Certificate of Eligibility for Exemption from Payment of Electricity Duty for an Additional unit of the Industrial Undertaking (FORM-G)"	Duty, 7th Floor, Block No. 18, Udyog Bhavan, Sector-11, Gandhinagar - 382010	dabad/2020/08/ 1499 dated 29.10.2020	Ahmedabad /2020/08/1 499 dated 29.10.2020 having effective date from 17.08.2020 to 22.06.2025
9.	GMDC Registration for Lignite Supply	Gujarat Mineral Development Corporation Ltd	Registration No. 1318/TX/271/84 -85 DATED 25.04.1984	Active- in force
10.	Professional Tax Registration	Ahmedabad Municipal Corporation	PE/C-013220846	Active- in force
11.	Professional Tax Registration	Ahmedabad Municipal Corporation	PRC/ 013220036	Active- in force
12.	Membership of Gujarat Chamber of Commerce & Industry	Gujarat Chamber of Commerce & Industry	Membership No. 29506	Active- in force
13.	SIA License	Secretariat for Industrial Assistance, Ministry of Commerce & Industry, New Delhi	No. 1485/SIA/IMO/2 001	Active- in force
14.	Membership of The Ahmedabad Textile Processors' Association (ATPA)	The Ahmedabad Textile Processors' Association (ATPA)		Active- in force
15.	Membership of Narol Textile Infrastructure & Enviro Management (NTIEM)	Narol Textile Infrastructur e & Enviro Management (NTIEM)	Membership No. 35 & Certificate No. P0208 Dated 11.09.2013	Active- in force
16.	Insurance Policy	United India Insurance Co. Ltd, Ahmedabad	IAR policy, Standard Fire Policy (Floater Basis), Marine Open Cover,	Active- in force
17.	Insurance Policy	Tata AIG General Insurance Co. Ltd	Group Medical Insurance Policy	Active- in force
18.	Insurance Policy	Cholamandal am MS GIC Ltd.	Group Personal Accident Policy	Active- in force
19.	Insurance Policy	Various Insurance Companies	Vehicle Insurance Policy	Active- in force
20.	Insurance Policy	SBI Life Insurance Co. Ltd & PNB Metlife India Insurance Co. Ltd.	Key Man Insurance Policy	Active- in force
21.	Boiler License	Deputy Director of	Boiler Regn. No. GT-9250	Active- in force

ARNAV FASHIONS LIMITED AHMEDABAD

		Boilers, Ahmedabad		
22	GAS connection & Deposits held	Adani Gas Limited	Cust ID No. 1000365760	Active- in force
23	Electricity Connection & Deposits Held	Torrent Power Limited	Customer Service No. 8000364	Active- in force
24	ESIC Registration	Employees' State Insurance Corporation	Company (Employer) Code No. 37000142180000199	Active- in force
25	EPFO Registration	Employees' Provident Fund Organisation	Establishment ID No. GJVAT0015109000	Active- in force

AARNAV FASHIONS LIMITED AHMEDABAD