

Date: 19/02/2021

To,

The Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 NSE Symbol: RUPA	The Department of Corporate Services BSE Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 533552
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Respected Ma'am/ Sir,

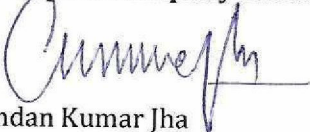
Sub: Notice of the Hon'ble National Company Law Tribunal ('NCLT'), Kolkata Bench convened meeting of the Unsecured Creditors of Rupa & Company Limited

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby inform that Hon'ble National Company Law Tribunal ('NCLT'), Kolkata Bench, vide its Order dated 3rd February, 2021 has directed for convening the Meeting of Unsecured Creditors of Rupa & Company Limited, to be held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") on Friday, 26th March, 2021 at 2:30 p.m. (IST) to consider and approve the Scheme of Arrangement proposed to be made between **Oban Fashions Private Limited** ("Demerged Company"), Wholly-owned Subsidiary of the Company, and **Rupa & Company Limited** ("Resulting Company").

We enclose herewith the Notice convening the abovementioned Meeting alongwith other documents for your information and record.

Thanking you.

Yours faithfully,
For **Rupa & Company Limited**



Kundan Kumar Jha
Company Secretary & Compliance Officer
ACS 17612





Rupa & Company Limited

Registered Office: Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700 071

Phone: +91-33-4057 3100; **Fax:** +91-33-2288 1362

E-mail: connect@rupa.co.in; **Website:** www.rupa.co.in

CIN: L17299WB1985PLC038517

NOTICE OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF RUPA & COMPANY LIMITED

MEETING:

Day	Friday
Date	26th March, 2021
Time	2:30 P.M.
Mode	In view of the Covid-19 pandemic and related social distancing norms and as per the directions of the Hon'ble National Company Law Tribunal, Kolkata Bench, the Tribunal Convened Meeting shall be conducted through Video Conferencing/ Other Audio Visual Means ("VC/OAVM")
Remote E-Voting/ E-Voting during the Tribunal Convened Meeting	<p><u>Remote E-Voting</u> Commencing on: Tuesday, the 23rd March, 2021 at 9:00 a.m. Ending on: Thursday, the 25th March, 2021 at 5:00 p.m.</p> <p><u>E-Voting during the Tribunal Convened Meeting</u> E-voting facility shall also be available to the Unsecured Creditors of the Company during the Tribunal Convened Meeting</p>

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FORM NO. CAA.2

[Pursuant to Section 230(3) and Rule 6 and 7]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
KOLKATA BENCH AT KOLKATA**

C.A. (C.A.A.) No 7(KB)/ 2021

IN THE MATTER OF the Companies Act, 2013.

And

IN THE MATTER OF Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

And

In the Matter of: -

The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

And

In the matter of:

OBAN FASHIONS PRIVATE LIMITED, having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai-400053, Maharashtra.

... Demerged Company

And

In the matter of:

RUPA & COMPANY LIMITED, having its Registered Office at 1, Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata-700071, West Bengal.

... Resulting Company

And

RUPA & COMPANY LIMITED

... APPLICANT

Notice of the Tribunal Convened Meeting of Unsecured Creditors of Rupa and Company Limited

Notice is hereby given that by an Order dated 3rd February, 2021, the Hon'ble Kolkata Bench of the National Company Law Tribunal has directed meeting ("Tribunal Convened Meeting") of the Unsecured Creditors of Applicant Company abovenamed to be held for the purpose of considering, and if thought fit, approving with or without modification, the arrangement proposed to be made between the Applicant Company and the Demerged Company and their respective shareholders to pass the following resolutions:

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder (including any statutory modification or re-enactment thereof), as may be applicable and subject to the enabling provisions in the Memorandum and Articles of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal ("**NCLT**"), and subject to such other approval, permission and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while

granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between Oban Fashions Private Limited and Rupa & Company Limited (“**Scheme**”) placed before this Tribunal Convened Meeting and initialled by the Chairperson of the Tribunal Convened Meeting for the purpose of identification, be and is hereby approved;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”

In pursuance of the said Order and as directed therein, Notice is hereby given that a meeting of Unsecured Creditors of the Applicant Company will be held through Video Conferencing/ Other Audio Visual Means (“VC/OAVM”) on Friday, 26th March, 2021 at 2:30 P.M. following the operating procedures (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated 8th April, 2020 read with General Circular No. 17/2020 dated 13th April, 2020 and General Circular No.39/2020 dated 31st December, 2020 issued by the Ministry of Corporate Affairs, Government of India. Further, for the purpose of technical compliance of the provisions of the Companies Act, 2013 we are assuming the place of Tribunal Convened Meeting as the place where the Company is domiciled, i.e., the Registered Office of the Company.

In compliance with the provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Rupa & Company Limited has provided the facility of voting by remote E-Voting (commencing from Tuesday, the 23rd March, 2021 at 9:00 a.m. and ending on Thursday, the 25th March, 2021 at 5:00 p.m.) as well as voting through E-Voting facility at the Tribunal Convened Meeting, so as to enable the Unsecured Creditors, to consider and approve the Scheme. Accordingly, voting by Unsecured Creditors of Rupa & Company Limited shall be carried out through (a) E-Voting during the Tribunal Convened Meeting to be held on Friday, 26th March, 2021, and (b) Remote E-Voting. The Unsecured Creditors opting to cast their votes by remote E-Voting or E-Voting during the Tribunal Convened Meeting through VC/OAVC are requested to read the instructions in the notes below carefully.

A copy of the Scheme, the Explanatory Statement under Section 230, Section 232 and Section 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with enclosures as indicated in the index, are enclosed herewith. A copy of this notice and accompanying documents will be placed on the website of the Company, viz. www.rupa.co.in and also on the website of National Securities Depository Limited (NSDL) at www.evoting.nsdl.com. The Applicant Company shall furnish a copy of the Scheme within two working days of any requisition of the Scheme being made by any Unsecured Creditor, to the Applicant Company by email at investors@rupa.co.in. A recorded transcript of the meeting shall also be made available on the website of the Company.

The NCLT has appointed Mr. Soumitra Lahiri, CA, as Chairperson of the aforesaid Tribunal Convened Meeting. Further, the NCLT has also appointed Mr. Arnab Dutta, Independent Legal Professional, as the Scrutinizer for the Tribunal Convened Meeting. The above-mentioned Scheme of Arrangement, if approved in the Tribunal Convened Meeting, will be subject to the subsequent approval of the NCLT.

At least one independent director and the auditor (or his authorized representative who is qualified to be an auditor) shall also attend the Meeting through VC/OAVM.

Upon completion of the scrutiny of the remote E-Voting and E-Voting during the meeting, the Scrutinizer will submit his report.

The Scheme of Arrangement, if approved by the Tribunal Convened Meeting, will be subject to subsequent approval of the Hon’ble National Company Law Tribunal.

Dated this 18th February, 2021

Soumitra Lahiri
(Chairperson appointed for the aforesaid Tribunal Convened Meeting)

Notes:

1. In view of the ongoing Covid-19 pandemic, social distancing norms to be followed and pursuant to the Order dated 3rd February, 2021, in Company Scheme Application No. 7 (KB) of 2021 passed by the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), the meeting of the Unsecured Creditors of Rupa & Company Limited ("Tribunal Convened Meeting") is being convened on Friday, 26th March, 2021 at 2:30 P.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the Unsecured Creditors at a common venue, as per applicable procedure (with requisite modifications as may be required) mentioned in the General Circular No. 14/2020 dated 8th April, 2020 read with General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 39/2020 dated 31st December, 2020 issued by the Ministry of Corporate Affairs (the "MCA circulars"), for the purpose of considering, and if thought fit, approving, with or without modification(s), Scheme of Arrangement between Oban Fashions Private Limited ("Demerged Company") and Rupa & Company Limited ("Resulting Company") and their respective shareholders and creditors on a going concern basis, under the provisions of Sections 230 to 232 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and rules framed thereunder ("Scheme").
2. Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Tribunal Convened Meeting, is annexed hereto.
3. **In terms of the MCA Circulars, since the physical attendance of Unsecured Creditors has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Unsecured Creditors under Section 105 of the Act will not be available for the Tribunal Convened Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

However, pursuant to Section 112 and Section 113 of the Act, Authorized Representatives of the Unsecured Creditors may be appointed for the purpose of voting through remote E-Voting, for participation in the Tribunal Convened Meeting through VC/OAVM facility and E-Voting during the Tribunal Convened Meeting, provided an authority letter/ power of attorney by the board of directors or a certified copy of the resolution passed by its board of directors or other governing body authorizing such representative to attend and vote at the meeting on its behalf along with the attested specimen signature of the duly authorized signatories who are authorized to vote is emailed to the Scrutinizer at advadutta@gmail.com with a copy marked to investors@rupa.co.in and evoting@nsdl.co.in.

4. Only such Unsecured Creditors of the Applicant Company may attend and/or e-vote (either in the Tribunal Convened Meeting through VC/OAVM or through remote E-Voting), whose names appear in the Chartered Accountant's certificate certifying the list of Unsecured Creditors of the Applicant Company as on 30th September, 2020, as has been filed with the Kolkata bench of the NCLT. A person/ entity who is not a Unsecured Creditor on such date should treat the notice for information purposes only and shall not be entitled to avail the facility of voting at the venue of the Meeting.
5. The Unsecured Creditors can join the Tribunal Convened Meeting in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned hereinbelow. The facility of participation at the Tribunal Convened Meeting through VC/ OAVM will be made available for 1,000 Unsecured Creditors on 'first come first serve' basis.
6. The attendance of the Unsecured Creditors attending the Tribunal Convened Meeting through VC/ OAVM will be counted for the purpose of reckoning the quorum. In terms of the directions contained in the Order dated 3rd February, 2021, the quorum for the Meeting shall be in terms of Section 103 of the Companies Act, 2013.
7. In line with the aforesaid MCA Circulars and in terms of the directions contained in the Order dated 3rd February, 2021, the Notice of the Tribunal Convened Meeting *inter-alia*, indicating the process and manner of voting through electronic means along with relevant documents are being sent only through electronic mode to those Unsecured Creditors whose email addresses are registered with the Company. Unsecured Creditors may note that this Notice along with the relevant documents will be available on the website of the Company at www.rupa.co.in and on the website of NSDL at www.evoting.nsdl.com. Further, requisite disclosure shall also be made to the BSE and NSE for disclosure on their website, at www.bseindia.com and www.nseindia.com, respectively.
8. In compliance with the aforesaid Circulars, the Company shall publish a public notice by way of an advertisement in Business Standard and in Aajkal, both having a wide circulation in Kolkata, where the registered office of the Company is situated and having electronic editions, *inter alia*, advising the

Unsecured Creditors whose email id's are not registered with the Company, to register their email id's with the Company.

9. **Instructions for Unsecured Creditors for Remote E-Voting are as under:**

- a. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the Company is pleased to provide to its Unsecured Creditors facility to exercise their right to vote on resolutions proposed to be passed in the Tribunal Convened Meeting by electronic means.
- b. National Securities Depositories Limited ('NSDL') will be providing facility for remote E-Voting, participation in the Tribunal Convened Meeting through VC/ OAVM and E-Voting during the Tribunal Convened Meeting.
- c. **The voting by Unsecured Creditors through remote E-Voting shall commence on 23rd March, 2021 (9:00 am IST) and end on 25th March, 2021 (5:00 pm IST). During this period, Unsecured Creditors may cast their vote electronically.** The remote E-Voting module shall be disabled by NSDL upon expiry of the aforesaid period. Those Unsecured Creditors, who will be present in the Tribunal Convened Meeting through VC/OAVM facility and have not cast their vote on the resolution through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system during the Tribunal Convened Meeting. Unsecured Creditors who cast their votes through remote E-Voting may attend the Tribunal Convened Meeting but shall not be entitled to cast their vote during the Tribunal Convened Meeting. Once the vote on a resolution is cast by the Unsecured Creditor, the Unsecured Creditor shall not be allowed to change it subsequently.
- d. The details of the process and manner for remote E-Voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- IV. Your User ID details is being sent in the email along with this Notice.
- V. Your password details is being sent in the email along with this Notice.
- VI. If you are unable to retrieve or have not received the "Initial password" you can send a request at evoting@nsdl.co.in or at investors@rupa.co.in, mentioning your name, PAN and your registered address.
- VII. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- VIII. Now, you will have to click on "Login" button.
- IX. After you click on the "Login" button, Home page of E-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL E-Voting system?

- I. After successful login at Step 1, you will be able to see the Home page of E-Voting. Click on E-Voting. Then, click on Active Voting Cycles.
 - II. After click on Active Voting Cycles, you will be able to see the Company "EVEN" in which you are an Unsecured Creditor, who's voting cycle is in active status.
 - III. Select "EVEN" of the Company (**EVEN: 115762**).
 - IV. Now you are ready for E-Voting as the Voting page opens.
 - V. Cast your vote by selecting appropriate options, i.e., assent or dissent, and click on "Submit" and "Confirm" when prompted.
 - VI. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- e. In case of any query/grievance with respect to remote E-Voting, Unsecured Creditors may refer to the Frequently Asked Questions (FAQs) for Shareholders and remote E-Voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website or contact Mr. Amit Vishal, Senior Manager/ Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022-24994360/ 022-24994545 or toll free no. 11800 1020 990 / 1800 22 44 30 or at Email ID: evoting@nsdl.co.in. Unsecured Creditors may also write to the Company Secretary at the email address: investors@rupa.co.in.
10. **Process for those Unsecured Creditors whose email ids are not registered for procuring user id and password and registration of email ids for E-Voting on the resolutions set out in this Notice:**
- a. Those Unsecured Creditors, who have not registered their email address with the Company and who wish to participate in the Tribunal Convened Meeting or cast their vote through remote E-Voting or through the E-Voting system during the Tribunal Convened Meeting, may obtain the login ID and password by sending scanned copy of:
 - (i) a signed request letter mentioning your name and complete address,;
 - (ii) self-attested scanned copy of the PAN Card, and
 - (iii) a self-attested document supporting the address mentioned (i) above.
 to the email address, investors@rupa.co.in.
 - b. Alternatively, Unsecured Creditors may send an email request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in point (a) above.
11. **Instructions for Unsecured Creditors for participating in the Tribunal Convened Meeting through VC/OAVM are as under:**
- a. A person, whose name appears in the Chartered Accountant's certificate certifying the list of Unsecured Creditors of the Applicant Company as on 30th September, 2020, as has been filed with the Kolkata bench of the NCLT, only shall be entitled to avail the facility of remote E-Voting or for participation at the Meeting. A person who is not an Unsecured Creditor as on the aforementioned date and whose name does not appear in the aforementioned list, should treat the Notice for information purpose only.
 - b. Any person who is an Unsecured Creditor, whose name appears in the Chartered Accountant's certificate certifying the list of Unsecured Creditors of the Applicant Company as on 30th September, 2020, as has been filed with the Kolkata bench of the NCLT, will be assigned a User ID and Password

which will be communicated along with the Notice being sent through e-mail at the last known e-mail address as available with the Applicant Company. Please also see details under remote E-Voting instructions regarding User ID and Password.

- c. Unsecured Creditors will be required to use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Unsecured Creditors connecting from mobile devices or tablets or through laptops, etc. connecting *via* mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- e. Unsecured Creditors can submit questions in advance with regard to the resolutions to be placed at the Tribunal Convened Meeting, from their registered email address, mentioning their name, PAN and mobile number, to reach the Company's email address: investors@rupa.co.in at least 48 hours in advance before the start of the meeting, i.e., by 24th March, 2021 by 2:30 p.m. IST. Such questions by the Unsecured Creditors shall be taken up during the meeting and replied by the Company suitably.
- f. Unsecured Creditors, who would like to ask questions during the Tribunal Convened Meeting with regard to the resolutions to be placed at the Tribunal Convened Meeting, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, PAN and mobile number to reach the Company's email address: investors@rupa.co.in, at least 48 hours in advance before the start of the Tribunal Convened Meeting, i.e., by 24th March, 2021 by 2:30 p.m. IST. Those Unsecured Creditors who have registered themselves as a speaker shall be allowed to ask questions during the Tribunal Convened Meeting, depending upon the availability of time. The Company/ the Chairperson of the Tribunal Convened Meeting reserves the right to restrict the number of questions, time allotted and number of speakers for smooth conduct of the Tribunal Convened Meeting.
- g. Queries on the businesses covered in the Notice may be sent to the Company Secretary, in advance, so that the answers may be made readily available at the Tribunal Convened Meeting.

12. Instructions for Unsecured Creditors for E-Voting during the Tribunal Convened Meeting are as under:

- a. Unsecured Creditors may follow the same procedure for E-Voting during the Tribunal Convened Meeting as mentioned above for remote E-Voting.
- b. Only those Unsecured Creditors, who will be present in the Tribunal Convened Meeting through VC/OAVM Facility and have not cast their vote on the Resolutions through remote E-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system in the Tribunal Convened Meeting.
- c. The Unsecured Creditors who have cast their vote by remote E-Voting prior to the Tribunal Convened Meeting may also participate in the Tribunal Convened Meeting through VC/OAVM Facility but shall not be entitled to cast their vote again.
- d. The Helpline details of the person who may be contacted by the Unsecured Creditors needing assistance with the use of technology, before or during the Tribunal Convened Meeting shall be the same persons mentioned for remote E-Voting and reproduced hereunder:

Mr. Amit Vishal, Senior Manager, NSDL, at the designated email ID: evoting@nsdl.co.in, amitv@nsdl.co.in or at telephone number +91-22-2499 4360.

Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in, pallavid@nsdl.co.in or at telephone number +91-22-2499 4545.

- 13. The Tribunal has appointed Mr. Arnab Dutta as the Scrutinizer to scrutinize the voting process, both through remote E-Voting and E-Voting at the Tribunal Convened Meeting. The Scrutiniser will submit its report to the Chairperson of the Tribunal Convened Meeting after completion of the scrutiny of the votes

cast by the unsecured creditors of the Company, in a fair and transparent manner. The Scrutinizers decision on the validity of the vote(s) shall be final.

14. During the Tribunal Convened Meeting, the Chairperson of the Tribunal Convened Meeting shall, after response to the questions raised by the Unsecured Creditors in advance or as a speaker at the Tribunal Convened Meeting, formally propose to the Unsecured Creditors participating through VC/OAVM Facility to vote on the resolutions as set out in this Notice and announce the start of the casting of vote through the E-Voting system. After the Unsecured Creditors participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the E-Voting will be closed with the formal announcement of closure of the Tribunal Convened Meeting.
15. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.rupa.co.in and on the website of NSDL at www.evoting.nsdl.com after the declaration of Results by the Chairperson of the Meeting or a person authorized by him. The results shall also be communicated to the stock exchanges, where the shares of the Company are listed.
16. Pursuant to the MCA Circulars, in view of the prevailing situation, the Notice of the Tribunal Convened Meeting, *inter alia*, indicating the process and manner of voting through electronic means along with the relevant documents, are being sent only by email to the Unsecured Creditors. Therefore, those Unsecured Creditors, whose email address is not registered with the Company and who wish to receive the Notice of the Tribunal Convened Meeting and the relevant documents and all other communication sent by the Company, from time to time, can get their email address registered by sending a scan copy of a signed request letter mentioning your name, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document supporting the registered address of the Unsecured Creditor, by email to the Company's email address: investors@rupa.co.in.
17. Since the Tribunal Convened Meeting will be held through Video Conferencing or Other Audio Visual Means, route map of venue of the Tribunal Convened Meeting and admission slip is not attached to this Notice.

Dated this 18th February, 2021

Soumitra Lahiri
(Chairperson appointed for the aforesaid Tribunal Convened Meeting)

Before the National Company Law Tribunal,
Kolkata Bench at Kolkata
C.A. (C.A.A.) No 7(KB)/ 2021

In the matter of:
Companies Act, 2013

And

In the matter of:

OBAN FASHIONS PRIVATE LIMITED, having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai-400053, Maharashtra.

... Demerged Company

And

In the matter of:

RUPA & COMPANY LIMITED, having its Registered Office at 1, Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata-700071, West Bengal.

... Resulting Company

And

RUPA & COMPANY LIMITED

... APPLICANT

NOTICE OF MEETING OF UNSECURED CREDITORS of
Rupa & Company Limited

Fox & Mandal,
Advocates,
12, Old Post Office Street,
Kolkata.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
KOLKATA BENCH AT KOLKATA
C.A. (C.A.A.) No.7 (KB)/ 2021

IN THE MATTER OF the Companies Act, 2013.

And

IN THE MATTER OF Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

And

In the Matter of: -

The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

And

In the matter of:

OBAN FASHIONS PRIVATE LIMITED, having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai-400053, Maharashtra.

... Demerged Company

And

In the matter of:

RUPA & COMPANY LIMITED, having its Registered Office at 1, Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata- 700071, West Bengal.

... Resulting Company

And

RUPA & COMPANY LIMITED

... APPLICANT

EXPLANATORY STATEMENT UNDER SECTION 102 AND SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH RULE 6(3) OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.

1. Pursuant to the Order dated 3rd February, 2021, passed by the Hon'ble National Company Law Tribunal, Kolkata Bench (hereinafter referred to as "NCLT") in Company Application being C.A. (C.A.A.) No. 7 (KB)/2021 filed by the applicant (hereinafter referred to as the "Applicant Company" or "Resulting Company"), a meeting of the Unsecured Creditors of the Applicant Company, i.e., Rupa & Company Limited ("Tribunal Convened Meeting") is being convened on Friday, 26th March, 2021, at 2:30 P.M. (IST) through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the Unsecured Creditors at a common venue, as per applicable procedure (with requisite modifications as may be required) mentioned in the General Circular No. 14/2020 dated 8th April, 2020 read with General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 39/2020 dated 31st December, 2020, issued by the Ministry of Corporate Affairs (the "MCA Circulars"), for the purpose of considering the arrangement embodied in the Scheme of Arrangement between Oban Fashions Private Limited (hereinafter referred to as the "Demerged Company") and the Applicant

Company (hereinafter referred to as the “Scheme”). A copy of the Scheme setting out details of parties involved in the Scheme, appointed date, effective date and other details is enclosed herewith and forms a part of the Notice.

2. The NCLT has appointed Mr. Soumitra Lahiri, CA, as Chairperson of the aforesaid Tribunal Convened Meeting. Further, the Tribunal has also appointed Mr. Arnab Dutta, Independent Legal Professional, as the Scrutinizer for the Tribunal Convened Meeting. The above-mentioned Scheme of Arrangement, if approved in the Tribunal Convened Meeting, will be subject to the subsequent approval of the NCLT.
3. The draft Scheme of Arrangement was approved by the Board of Directors of the Demerged Company and the Resulting Company at their respective meetings, both held on 9th December, 2020.
4. List of the Companies/Parties involved in the Scheme of Arrangement:
 - a) Oban Fashions Private Limited (“Demerged Company”)
 - b) Rupa & Company Limited (“Resulting Company”)
5. Details of the Companies/Parties to the Scheme of Arrangement:

A. OBAN FASHIONS PRIVATE LIMITED

- a) Oban Fashions Private Limited, having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate, Off Andheri Link Road, Andheri (West), Mumbai, Maharashtra – 400053 and Corporate Identity Number (CIN) U18204MH2015PTC271385, a deemed public company, being a Wholly-owned Subsidiary of Rupa & Company Limited, was incorporated as a company limited by shares on 29th December, 2015 under the Companies Act, 2013 under the name and style of ‘Oban Fashions Private Limited. The Demerged Company is a ‘Company’ within the meaning of the Companies Act, 2013. PAN of the Demerged Company is AACC02626F. Email address of the Demerged Company is info@oban.co.in.
- b) The main objects of the Demerged Company are set out in the Memorandum of Association which are as under:

“1. To promote, develop, create market or platform for various international brands of garments, accessories and other consumer goods in India and manage or operate their Indian business, through licensing, franchise, joint venture, ownership or such other arrangement; to engage into the business of manufacture, purchase, selling, distribution, trading, wholesale and retail dealers, packaging, import and export of men’s, women’s and children clothing and wearing apparel of every kind, nature and description, to deal in online buying and selling of all types of garments whether in India or abroad.

2. To carry out the business of manufacture, importers and exporters, whole sale and retail dealers of and in hosiery goods of every kind, nature and description for men, women and children including vest, underwears, socks, stockings, sweaters, laces and so on and of all or anything which is used in hosiery goods.”
- c) The Company has not changed its name, registered office and objects during the last five years.
- d) As on date, the securities of the Company are not listed on any Recognised Stock Exchange.
- e) The authorised, issued, subscribed and paid-up share capital of the Company as on 9th December, 2020 is as set out below:

Authorised Capital of Rs. 59,50,00,000/- (Rupees Fifty-Nine Crores and Fifty Lakhs Only) divided into 1,00,00,000 Equity Shares of Rs. 10/- each and 49,50,000 Non-cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each. Its issued, subscribed and paid up capital is Rs. 59,41,00,000/- (Rupees Fifty-Nine Crores and Forty-One Lakhs Only) divided into 99,10,000 Equity Shares of Rs. 10/- each fully paid up and 49,50,000 Non-cumulative Compulsory Convertible Preference Shares of Rs. 100/- each fully paid up. Subsequent to the above date, there have been no changes in its share capital. The entire share capital of the Demerged Company is held by the Resulting Company.
- f) The details of the promoters and present directors of the Demerged Company along with their addresses are as follows:

i. Promoters

Sl. No.	Name of Promoters	Address
1	Rupa & Company Limited	Metro Tower, 8th Floor, 1 Ho Chi Minh Sarani, Kolkata – 700 071

ii. Directors

Name of Director	Address
Mr. Ramesh Agarwal (DIN: 00230702)	Highland Sapphire 13/2 Ballygaunge Park Road, Ballygunge, Kolkata 700 019
Mr. Mukesh Agarwal (DIN: 02415004)	3, Alipore Road, Kolkata 700 027
Mr. Vikash Agarwal (DIN: 00230728)	3, Alipore Road, Kolkata 700 027
Mr. Siddhant Agarwal (DIN: 06941695)	Highland Sapphire 13/2 Ballygaunge Park Road, Ballygunge, Kolkata 700 019

- g) The amount due to Unsecured Creditors as on 30th September, 2020 is Rs. 20,08,93,229/-.

B. RUPA & COMPANY LIMITED

- a) Rupa & Company Limited, is a 'company' within the meaning of the Companies Act, 2013, having its registered office at 1, Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata- 700 071, West Bengal and Corporate Identity Number (CIN) L17299WB1985PLC038517. It is a public company whose shares are presently listed on the BSE Limited and on the National Stock Exchange of India Limited. It was originally incorporated on 6th February, 1985 as a company limited by shares under the name Rupa & Company Private Limited under the provisions of the Companies Act, 1956. Consequently, the name was changed to Rupa & Company Limited and a fresh Certificate of Incorporation was issued on 10th April, 1995 consequent to change of name. PAN of the Resulting Company is AABCR2648M. Email address of the company is connect@rupa.co.in.
- b) The main objects of the Resulting Company are set out in the Memorandum of Association which are asunder:
- "1. To buy, import, process, manufacture, sell, export and generally deal in and also to act as agents, distributors and stockists of Hosiery and knitwears of every description and yarn made from cotton, staple fibre, rayons, nylon, Silk synthetic materials and to dye, bleach, process, finish any of the aforesaid products and to design, manufacture, maintain, repair, import, export, hire, buy and sell any plant, machinery and equipment used in the aforesaid business or any components thereof."*
- c) The Company has not changed its name, registered office and objects during the last five years.
- d) As on date, the securities of the Company are listed on the BSE and on the National Stock Exchange of India Limited.
- e) The authorised, issued, subscribed and paid-up share capital of the Company as on 9th December, 2020 is as under:
- The authorised share capital of Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 20,00,00,000 Equity Shares of Re. 1/- each. The issued share capital is Rs. 7,97,33,560/- (Rupees Seven Crores Ninety-Seven Lakhs Thirty-Three Thousand Five Hundred and Sixty only), divided into 7,97,33,560 Equity Shares of Re.1/- each. The subscribed and paid-up share capital Rs.7,95,24,560/- (Rupees Seven Crores Ninety-Five Lakhs Twenty-Four Thousand Five Hundred and Sixty Only), divided into 7,95,24,560 Equity Shares of Re.1/- each fully paid up.
- f) The details of the promoters (including promoter group) and present directors of the Company along with their addresses are as follows:

i. Promoters (including promoter group)

Sl. No.	Name of Promoters (including promoter group)	Address
1	Prahlad Rai Agarwala	12, Sunny Park, Kolkata- 700019
2	Ghanshyam Prasad Agarwala	3, Alipore Road, Kolkata- 700027
3	Kunj Bihari Agarwal	3, Alipore Road, Satyam Towers, 8th Floor, Flat- 8/A/4, Kolkata- 700027
4	Prahlad Rai Agarwala on behalf of M/s Binod Hosiery	12, Sunny Park, Flat No. 2 E, Ashram Apts., Kolkata- 700019
5	Ullas Sales Promotion LLP	31 Shibtolla Street, Kolkata- 700007
6	Vikash Agarwal	31, Shibtolla Street, Kolkata- 700007
7	Ravi Agarwal	1 Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata- 700071
8	Sidhant Credit Capital Ltd.	Metro Plaza, 8th Floor, 1 Ho Chi Minh Sarani, Kolkata- 700071
9	Rajnish Agarwal	1, Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata- 700071
10	Manish Agarwal	1 Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata- 700071
11	Suresh Agarwal	C/o Rupa & Company Limited, 1, Ho Chi Minh Sarani, Metro Tower, 8th Floor, Kolkata- 700071
12	Ramesh Agarwal	C/o. Rupa & Company Limited, Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata- 700071
13	Shanti Devi Agarwal	Metro Tower, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata- 700071
14	Mukesh Agarwal	Rupa & Company Limited, 1 Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata- 700071
15	K B & Sons (HUF)	3, Alipore Road, Kolkata- 700027
16	Pushpa Devi Agarwal	1, Ho Chi Minh Sarani, Metro Plaza, 8th Floor, Kolkata- 700071
17	Lalita Devi Agarwal	C/o Rupa & Company Limited, 71, Park Street, 3E, Park Plaza, Kolkata- 700016
18	Seema Agarwal	C/o Rupa & Company Limited, 71, Park Street, 3E, Park Plaza, Kolkata- 700016
19	Mukesh Kumar Agarwal HUF	71, Park Street, 3E Park Plaza, Kolkata, West Bengal, India, 700016
20	Sudha Agarwal	C/o. Rupa & Company Limited, Metro Tower, 8th Floor, 1 Ho Chi Minh Sarani, Kolkata- 700071
21	Seema Agarwal	C/o. Rupa & Company Limited, 1, Ho Chi Minh Sarani, Metro Towers, 8th Floor, Kolkata- 700071
22	Ghanshyam Prasad Manish Kumar (HUF)	C/o Rupa & Company Limited, 71, Park Street, 3E Park Plaza, Kolkata, West Bengal, India, 700016
23	Prahlad Rai Suresh Kumar (HUF)	71, Park Street, 3E Park Plaza, Kolkata, West Bengal, India, 700016
24	Sarita Patwari	C/o Nagreeka Exports Ltd, 18 R N Mukherjee Road, Kolkata- 700001
25	Suresh Kumar Agarwal HUF	71, Park Street, 3E, Park Plaza, Kolkata, West Bengal, India, 700016
26	Ravi Agarwal HUF	71, Park Street, 3E, Park Plaza, Kolkata, West Bengal, India, 700016
27	Shalini Agarwal	C/o Rupa & Company Limited, Metro Tower,

	8th Floor, 1, Ho Chi Minh Sarani, Kolkata-700071
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ii. Directors

Sl. No.	Name	Designation	Address
1	Mr. Prahlad Rai Agarwala (DIN: 00847452)	Chairman (Whole-time Director)	Highland Sapphire, 13/2, Ballygaunge Park Road, Ballygunge, Kolkata-700019
2	Mr. Ghanshyam Prasad Agarwala (DIN: 00224805)	Vice Chairman (Whole-time Director)	3, Alipore Road, Kolkata - 700 027
3	Mr. Kunj Bihari Agarwal (DIN: 00224857)	Managing Director	3, Alipore Road, Kolkata - 700 027
4	Mr. Ramesh Agarwal (DIN: 00230702)	Whole time Director-cum-Chief Financial Officer	Highland Sapphire, 13/2, Ballygaunge Park Road, Ballygunge, Kolkata-700019
5	Mr. Mukesh Agarwal (DIN: 02415004)	Whole time Director	3, Alipore Road, Kolkata - 700 027
6	Mr. Niraj Kabra (DIN: 08067989)	Executive Director	250, Dhananjay Bhattacharjee Sarani, Belur Howrah- 711227
7	Mr. Dharam Chand Jain (DIN: 00453341)	Independent Director	Avani Heights, Flat No-9A, 59A Chowringhee Road, Kolkata -700 020
8	Mr. Sushil Patwari (DIN: 00023980)	Independent Director	18A, Alipore Road, Kolkata - 700 027
9	Mr. Vinod Kumar Kothari (DIN: 00050850)	Independent Director	Sec-B P-42 Metropolitan Co-op Housing Society, Kolkata-700039
10	Mr. Dipak Kumar Banerjee (DIN: 00028123)	Independent Director	57A, Garcha Road, Kolkata - 700 019
11	Mr. Ashok Bhandari (DIN: 00012210)	Independent Director	Flat 7A, Block B, Raghu Estate, 8/4, Alipore Road, Adjacent to Woodland Hospital, Kolkata- 700027
12	Mrs. Alka Devi Bangur (DIN: 00012894)	Independent Director	7, Munshi Premchand Sarani (Formerly known as, St. George's Gate Road), Hastings, Kolkata - 700 022

g) The amount due to Unsecured Creditors as on 30th September, 2020 is Rs. 93,44,80,131/-.

6. Relationship subsisting between the companies who are parties to the Scheme of Arrangement - The Demerged Company is the Wholly-owned Subsidiary of the Resulting Company.
7. Details of the Board meeting at which the Scheme of Arrangement was approved by the Board of Directors of the Applicant Companies including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:

All the Directors of the Demerged Company had attended the Board meeting held on 9th December, 2020 and had unanimously approved the Scheme of Arrangement.

All the Directors present in the Board Meeting held on 9th December, 2020 of the Resulting Company had unanimously approved the Scheme of Arrangement. Out of 12 Directors in total, 4 Executive, i.e., Mr. Kunj Bihari Agarwal, Managing Director, Mr. Ramesh Agarwal, Whole-time Director-cum-CFO, Mr. Mukesh Agarwal, Whole-time Director, Mr. Niraj Kabra, Executive Director, and 5 Non-Executive, Independent, i.e., Mr. Vinod Kumar Kothari, Independent Director, Mr. Dipak Kumar Banerjee,

Independent Director, Mr. Ashok Bhandari, Independent Director, Mr. Sushil Patwari, Independent Director, Mrs. Alka Devi Bangur, Independent Director, were present and unanimously approved the Scheme of Arrangement.

8. Rationale and Benefits of the Scheme of Arrangement

- a) The Resulting Company is engaged in the manufacturing, marketing, selling and distribution of men's and women's innerwear, thermal wear and fashion wear products, across economy, mid-premium, premium and super-premium categories. Resulting Company operates through its manufacturing facilities in the state of West Bengal, Tamil Nadu, Karnataka and Uttar Pradesh.
- b) The Demerged Company is primarily engaged in manufacturing, marketing and selling of hosiery items. The Demerged Company is also an authorized licensee with rights for whole of India with respect to innerwear (briefs, trunks, knit thermals, etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) for premium brands French Connection UK ('FCUK') and Fruit of the Loom ('FOTL'). In one of its undertaking, Oban develops, manufactures, markets and sells innerwear and related products with the brand name "FCUK" in India as well as manufactures, distributes, advertises and sells innerwear, and outerwear products for men, boys, women, girls and toddler in India under their brand name and mark, "FOTL". The other undertaking of the Demerged Company is *inter alia* engaged in the trading of semi-finished hosiery items, etc. The Demerged Company is currently a Wholly-owned Subsidiary of the Resulting Company.
- c) The management of the companies have examined the relative business strengths and the potential commercial and other synergies of the consolidation and proposed to consolidate their Demerged Undertaking under a single entity. Accordingly, it is being proposed to transfer the Demerged Undertaking of the Demerged Company to the Resulting Company.
- d) The proposed demerger of the Demerged Undertaking would help in:
 - i. Utilizing the current market presence and customer base of the Resulting Company which will lead to the presence of the Demerged Undertaking across various market segments leading to higher growth/ top line for the Resulting Company;
 - ii. Would enable consolidation of similar premium businesses and carry on the same more efficiently and effectively;
 - iii. Under a liberalized, fast changing and highly competitive environment, the demerger shall strengthen the business of the Demerged Undertaking and of the Resulting Company, by pooling up resources for common purpose;
 - iv. Will rationalize the management structure, reduce overhead costs and ultimately lead to streamlining the operations structure of the Demerged Undertaking;
 - v. The demerger will enable the future business activities to be carried on more conveniently and advantageously with enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the Resulting Company;
 - vi. Synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale and elimination of duplication of administrative expenses;
 - vii. The transfer and vesting of the Demerged Undertaking to the Resulting Company will enable better focus and management of the Remaining Undertaking of the Demerged Company and to achieve higher topline for the Remaining Undertaking;
 - viii. The Remaining Undertaking has significantly lower working capital requirement as compared to the Demerged Undertaking. Hence, demerger of the Demerged Undertaking would help in managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses;
 - ix. Beneficial results for the Companies concerned, their shareholders, employees and all concerned.
- e) The Demerged Company and the Resulting Company believe that this Scheme is in the best interest of the relevant companies and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility.

In view of the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company have considered and proposed the transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company in order to benefit the stakeholders of the Demerged Company and the Resulting Company.

Accordingly, the Board of Directors of the companies have formulated this Scheme of Arrangement for demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules thereunder.

9. Salient features/ details/ *extract* of the Scheme of Arrangement

This Scheme of Arrangement is presented pursuant to provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, for demerger of Demerged Undertaking (more particularly defined in the Scheme) of the Demerged Company to the Resulting Company on a going-concern basis. This Scheme also provides for various other matters consequential or otherwise integrally connected with the above.

This Scheme also provides for various other matters consequential or otherwise integrally connected with the above.

10. Appointed Date and Effective date

- a) Appointed Date shall mean 1st April, 2021, or any other date as may be approved by the Appropriate Authority.
- b) Effective date means the later of the dates on which certified copies of the order of the relevant Benches of the NCLT, sanctioning the Scheme are filed with the jurisdictional Registrar of Companies by the Demerged Company and the Resulting Company.

11. Consideration

The entire issued, subscribed and paid-up share capital (equity share capital as well as the preference share capital) of the Demerged Company is held by the Resulting Company and its nominee(s). Upon the Scheme becoming effective, no new shares of the Resulting Company shall be allotted in lieu of the transfer of the Demerged Undertaking, to the shareholders of the Demerged Company, as the Resulting Company itself is the shareholder of the Demerged Company.

12. Accounting Treatment

12.1 Accounting treatment in the books of the Demerged Company

Upon the Scheme coming into effect and with effect from Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account as per the applicable accounting principles prescribed under the relevant Indian Accounting Standards (Ind AS). It would *inter alia* include the following:

- a) The Demerged Company shall in its books of accounts, reduce the respective carrying values of the assets and liabilities pertaining to the Demerged Undertaking being transferred to and vested in Resulting Company at values appearing in Books of Accounts of the Demerged Company as on the Appointed Date.
- b) The inter-company balances, loans and advances, pertaining to the Demerged Undertaking, outstanding between the Resulting Company and the Demerged Company will stand cancelled.
- c) The difference, i.e., the excess or shortfall, if any, of the aggregate of the net assets (i.e., difference between the carrying value of assets and liabilities related to Demerged Undertaking) standing in the books of accounts of the Demerged Company transferred to the Resulting Company on the Appointed Date, shall be adjusted/ recorded against Reserves & Surplus in the books of the Demerged Company.
- d) Since, the entire paid-up share capital of the Demerged Company is held by the Resulting Company, no new shares shall be issued by Resulting Company in lieu of the transfer of Demerged Undertaking, to the shareholders of the Demerged Company, as the Resulting Company itself is the shareholder of the Demerged Company.
- e) Upon the Scheme becoming effective as an integral part of the Scheme and in pursuant to Clause

15 of the Scheme:

- the face value as on the Appointed date of the preference share capital will be reduced by reducing the face value of the preference share from INR 100 per preference share to INR 1 fully paid up per preference share. The face value of such preference share capital as reduced shall be adjusted against Reserves & Surplus of the Demerged Company.
- the face value as on the Appointed date of the equity share capital will be reduced by reducing the face value of the equity share from INR 10 per equity share to INR 1 fully paid up per equity share. The face value of such equity share capital as reduced shall be adjusted against Reserves & Surplus of the Demerged Company.

12.2 Accounting treatment in the books of the Resulting Company

Upon the Scheme coming into effect and with effect from Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the demerger, the Resulting Company shall account for the Demerged Undertaking in its books of account, using pooling of interest method, in accordance with Appendix C 'Business Combinations of entities under common control' of IND AS 103 for Business Combination prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time. It would inter-alia include the following:

- a) The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking of the Demerged Company transferred to and vested in it pursuant to this Scheme at book values;
- b) The inter-company balances, loans and advances, pertaining to the Demerged Undertaking, outstanding between the Resulting Company and the Demerged Company will stand cancelled;
- c) Consequent to Clause 15 of the Scheme, the investments held by the Resulting Company in the Demerged Company shall get reduced in the proportion of capital reduced by the Demerged Company and therefore, the acquisition of Demerged Undertaking by the Resulting Company would not result in any monetary gains to the Resulting Company.
- d) The difference, being the excess or shortfall, if any, of book value of the assets over the liabilities pertaining to the Demerged Undertaking of the Demerged Company recorded by the Resulting Company and after adjusting for reduction, if any, in the value of investments of the Resulting Company in the Demerged Company, shall be adjusted in Reserves and Surplus, in the books of the Resulting Company.

12.3 In case of any differences in accounting policy followed by the Demerged Company in respect of Demerged Undertaking vis-à-vis the accounting policy followed by the Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Reserves and Surplus of the Resulting Company, to ensure that upon the coming into effect of this Scheme, the financial statements of the Resulting Company reflect the financial position on the basis of a consistent accounting policy.

The features/ details/ *extract* set out above being only the salient features/ details/ *extract* of the Scheme of Arrangement as are statutorily required to be included in this explanatory statement, the Unsecured Creditors are requested to read the entire text of the Scheme of Arrangement (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Arrangement.

13. Applicability of Valuation Report and Summary of Fairness opinion

Since the Demerged Company is a Wholly-owned Subsidiary of the Resulting Company, in accordance with the Clause 14 of the Scheme, upon the Scheme becoming effective, no new shares of the Resulting Company shall be allotted in lieu of the transfer of the Demerged Undertaking, to the shareholders of the Demerged Company, as the Resulting Company itself is the shareholder of the Demerged Company. A certificate dated 9th December, 2020 from a Registered Valuer, Mr. Vikas Goel, (Regn. No. IBBI/RV/01/2018/10339) confirming that no shares would be issued by Resulting Company is enclosed.

Also, a fairness opinion report dated 9th December, 2020 from a Merchant Banker, M/s Finshore Management Services Limited, a SEBI registered CAT-I Merchant Banker, Regn No. INM000012185, confirming the fairness of the report of the Registered Valuer is enclosed.

14. Effect of the Scheme of Arrangement

- a) Directors, Key Managerial Personnel and their Relatives
- b) Promoter and Non-Promoter Members
- c) Creditors
- d) Employees
- e) Depositors, Debenture Holders, Deposit Trustee or Debenture Trustee

All the staff, workmen, and other employees on the permanent rolls of the Demerged Company working for the Demerged Undertaking immediately before the transfer of the undertaking under the Scheme shall become the staff, workmen, and employees of the Resulting Company as per the details mentioned in the Scheme.

The Scheme in general will have beneficial results for the Companies, their shareholders, employees, and all other stakeholders.

The Scheme would not in any manner affect including material interest of the Key Managerial Personnel, Director, Promoters, Non-Promoter members, Creditors and Employees of the companies.

The Applicant Company does not have any depositors and deposit trustee.

15. No investigation proceedings have been instituted or are pending in relation to the applicant companies under the Companies Act, 2013 or Companies Act, 1956.

16. Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending:

In compliance with the requirement of Section 230(5) and Section 232 of Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Notice in the prescribed form together with requisite documents and seeking approvals, sanctions or no-objections to the Scheme shall be served on the concerned regulatory and government authorities, including the jurisdictional Registrar of Companies (Ministry of Corporate Affairs).

Further, the Resulting Company is listed on the BSE Limited and on the National Stock Exchange of India Limited. In accordance with the relaxation extended by Circular No. CFD/DIL3/CIR/2018/2 dated 3rd January, 2018 issued by the SEBI, amending Para 7 of its earlier Circular No. CFD/DIL3/CIR.2017/21 dated 10th March, 2017, the Resulting Company is not required to obtain a separate approval from the Securities and Exchange Board of India ('SEBI') in connection with the proposed demerger. Further, the Resulting Company has submitted disclosure as well as the Scheme of Arrangement with the stock exchange(s) (NSE and BSE), intimating them about the proposed demerger.

17. No winding up proceedings are pending against the Demerged Company and the Resulting Company as on date.

18. Hon'ble NCLT by its Order dated 3rd February, 2021, has directed meeting of Unsecured Creditors of the Resulting Company for the purpose of considering and if thought fit, approving the Scheme with or without any modification.

The registered office of the Demerged Company being situated in the State of Maharashtra within the jurisdiction of the Hon'ble Mumbai Bench of the National Company Law Tribunal, the Demerged Company has made similar application under Sections 230-232 of the Companies Act, 2013 before the Hon'ble Mumbai Bench of the National Company Law Tribunal for seeking dispensation in holding meeting of shareholders and for convening and holding the meeting of the secured creditors and unsecured creditors of the Demerged Company for the purpose of considering and if thought fit approving with or without modification the said Scheme of Arrangement.

19. The following documents will be open for inspection by the Unsecured Creditors at the Registered Office of the Resulting Company on all working days except Saturdays and Sundays between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Tribunal Convened Meeting and at the Tribunal Convened Meeting during the Meeting hours.

- a) Scheme of Arrangement;
- b) Copy of Valuation report dated 9th December, 2020 from a Registered Valuer, Mr. Vikas Goel (Regn. No. IBBI/RV/01/2018/10339);
- c) Copy of Fairness Opinion Report dated 9th December, 2020 from a Merchant Banker, M/s Finshore Management Services Limited, a SEBI registered CAT-I Merchant Banker, Regn No. INM000012185;
- d) Copy of the Auditors' certificate dated 23rd December, 2020 to the effect that the accounting treatment in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;
- e) Copy of the Order passed by the Hon'ble National Company Law Tribunal of Kolkata dated 3rd February, 2021, passed in Company Application No. CA(CAA) No. 7(KB)/2021;
- f) Copies of the Memorandum of Association and Articles of Association of the Resulting Company and the Demerged Company;
- g) Latest audited financial statements of the Resulting Company and the Demerged Company;
- h) Contracts or agreements material to the arrangement, if any;
- i) Director's report of the Resulting Company and the Demerged Company.

Dated this 18th February, 2021

Soumitra Lahiri
(Chairperson appointed for the aforesaid Tribunal Convened Meeting)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
KOLKATA BENCH**

C.A. No. (CAA) No. 07/KB/2021

In the matter of :

The Companies Act, 2013

And

In the matter of :

Section 230 read with Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

And

In the matter of:

Oban Fashions Private Limited, **CIN U18204MH2015PTC271385**, 102, VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai-400053, Maharashtra.

...Demerged Company

And

In the matter of:

Rupa & Co. Ltd., **CIN L17299WB1985PLC038517**, 1, Ho Chi Minh Sarani, Metro Plaza 8th Floor, Kolkata- 700071 West Bengal.

... Resulting Company

And

RUPA & CO. LTD.

... APPLICANT

Date of Hearing : 03/02/2021
Date of order : 03/02/2021

Coram:

Mr. Rajasekhar V.K., Member (Judicial)
Mr. Harish Chander Suri, Member(Technical)

Counsel Appeared through Video Conference:

1. Ms. Shruti Swaika, Advocate] For the Applicant
2. Ms. Iram Hassan, Advocate
3. Mr. Sanket Sarawgi, Advocate

ORDER

Per: Harish Chander Suri, Member (Technical)

1. The Court convened by video conference today.
2. This application has been filed by the Applicant Company namely, Rupa & Co. Ltd. for obtaining sanction of this Tribunal regarding Scheme of Arrangement of the above mentioned companies. Copy of the Scheme is annexed as Annexure G at pg. 309 of the application.
3. The instant application has been filed under Section 230 read with Section 232 of the Companies Act, 2013 for direction for calling of the separate meetings of the equity shareholders, unsecured and secured creditors of the Applicant Company. The Applicant Company is the Resulting Company. Oban Fashions Private Limited is the Demerged Company and its registered office is in Maharashtra and it is submitted that a separate application has been filed under Section 230-232 in Mumbai NCLT on behalf of the Demerged Company.

4. Applicant submitted that the Board of Directors of the both the Demerged Company and the Resulting Company have, at their respective Board Meetings by a resolution passed unanimously approved the said Scheme of Arrangement which are **Annexure H annexed to the petition at pg 343.**

5. The Resulting Company/Applicant Company is a public listed company and its shareholding pattern as on 30th September, 2020, filed with Stock Exchanges is annexed as **Annexure J** at pg. 353 of the application. CA certified shareholding pattern of the Applicant Company is also annexed as **Annexure K at pg. 371** of the petition.

6. Separate list of secured and unsecured creditors are also certified by the chartered accountants and are annexed as **Annexure L at pg. 377** of the petition.

7. The certificate under proviso to Section 230(7) certifying that the accounting treatment proposed in the Scheme of Arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and is annexed to the petition as **Annexure M at pg. 417.** The Demerged Company is the wholly owned subsidiary of the Resulting Company hence no shares will be issued by the Resulting Company which is evident from the valuation report annexed to the petition as **Annexure N at pg. 422.**

8. Learned Counsel submits that the the proposed demerger of the Demerged Undertaking would help in:

- (i) Utilizing the current market presence and customer base of the Resulting Company which will lead to the presence of the Demerged Undertaking across various market segments leading to higher

growth/ top line for the Resulting Company

- (ii) Would enable consolidation of similar premium businesses and carry on the same more efficiently and effectively
- (iii) Under a liberalized, fast changing and highly competitive environment, the demerger shall strengthen the business of the Demerged Undertaking and of the Resulting Company, by pooling up resources for common purpose;
- (iv) Will rationalize the management structure, reduce overhead costs and ultimately lead to streamlining the operations structure of the Demerged Undertaking
- (v) The demerger will enable the future business activities to be carried on more conveniently and advantageously with enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the Resulting Company
- (vi) Synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale and elimination of duplication of administrative expenses
- (vii) The transfer and vesting of the Demerged Undertaking to the Resulting Company will enable better focus and management of the Remaining Undertaking of the Demerged Company and to achieve higher topline for the Remaining Undertaking.
- (viii) The Remaining Undertaking has significantly lower working capital requirement as compared to the Demerged Undertaking. Hence,

demerger of the Demerged Undertaking would help in managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses.

- (ix) Beneficial results for the Companies concerned, their shareholders, employees and all concerned.

9. That the Demerged Company and the Resulting Company believe that this Scheme is in the best interest of the relevant companies and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility.

10. Learned Counsel for the Applicant Company submits that the proposed Scheme is not within the purview of the Competition Act, 2002, that there are no proceedings pending under Sections 210 to 227 of the Companies Act, 2013 against any of the Applicant Companies and that no investigation under the Companies Act, 2013 is pending against the Applicant Companies.

11. Learned Counsel for the Applicant Company submits that the aggregate assets of the Applicant Company are more than sufficient to meet all their liabilities and the Scheme of Arrangement will not adversely affect the rights of any of the Creditors of the Applicant Company in any manner whatsoever and due provisions have been made for payment of all the liabilities as and when the same fall due in usual course.

12. Learned Counsel for the Applicant Company submits that it is necessary that separate meetings of equity shareholders, unsecured and secured creditors of the Resulting Company be called to consider and if thought fit, approve the said Scheme, with or without modification.

13. Heard the Learned Counsel for the Applicant Company, perused the records, documents annexed to the Application and after hearing the

submissions made on behalf of the Applicant Company and pass the following orders:

- i. A meeting of the **equity shareholders** of Resulting Company shall be convened via video conferencing or other audio-visual mode and held at the registered office of the Resulting Company on **26th March, 2021 at 11.30 A.M.** for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement.
- ii. A meeting of the **unsecured creditors** of the Resulting Company shall be convened via video conferencing or other audio-visual mode and held at its registered office on **26th March, 2021 at 2.30 P.M.** for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement.
- iii. A meeting of the **secured creditors** of the Resulting Company shall be convened via video conferencing or other audio visual mode and held at its registered office on **26th March, 2021 at 3.30 P.M.** for the purpose of considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement.
- iv. The quorum of the aforesaid meeting shall be as prescribed under Section 103 of the Companies Act, 2013 and the relevant Rules thereunder.
- v. In the event no quorum is present within 30 minutes from the commencement of virtual meeting, then in such event the shareholders/ the creditors present shall constitute quorum.

- vi. That at least 30 (thirty) clear days before the date of the said meetings an advertisement convening the same and stating that copies of the said Scheme of Arrangement and the Statement containing necessary details required to be filed pursuant to Section 230 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 is being sent with notice, shall be published once each in the “AAjkal” Bengali newspaper and in “The Business Standard” English newspaper as per requirements of Section 230 of the Companies Act, 2013 in Form CAA 2 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016.
- vii. That in addition, at least 30 (thirty) clear days before the meeting to be held as aforesaid, a notice convening the said meetings at the place/ mode and time as aforesaid together with a copy of the said Scheme, the Statement disclosing necessary details required to be filed pursuant to Section 230 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 shall be sent by an e-mail to the shareholders, secured and unsecured creditors of the Applicant Company whose e-mail addresses are duly registered with the Applicant Company, addressed to each of the shareholder, secured and unsecured creditor, at their last known e-mail address as per the records of the Applicant Company. Shareholders, secured and unsecured creditors whose e-mail address are not available, shall be provided an opportunity by way of notice in the advertisement of notice mentioned in point 6 above

to register their e-mail address to receive the notice of the said respective meeting.

- viii. Notice as per requirement of Sub-Section 5 of Section 230 of the Companies Act, 2013 alongwith all the documents including a copy of the Scheme and the Statement disclosing necessary details on the Central Government through Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata, Registrar of Companies, Kolkata, Income Tax Authorities, Competition Commission of India and Stock Exchange(s) and such other sectoral regulators/authorities, if applicable within 14 days from the date of this order for filing their representation, if any, within 30 days from the date of notice. The notice shall specify that representation, if any should be filed before this Tribunal within 30 days of the date of receipt of the notice with a copy of such representation being sent simultaneously. If no such representation is received by the Tribunal within the said period, it shall be presumed that such authorities have no representation to make on the Scheme of Arrangement. Such notice shall be sent pursuant to Section 230(5) of the Companies Act, 2013 in Form No. CAA.3 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 with necessary variations incorporating the directions therein by e-mail or speed post or by personal messenger.
- ix. Presence of shareholders and secured and unsecured creditors are permitted to be recorded by the chairperson in the minutes of the

meeting instead of such attendance being recorded by way of attendance slip;

x. The chairperson appointed for the said meetings is directed to accept scanned copies of Board Resolutions/Authority Letters/ by way of electronic mail.

xi. **Mr. Soumitra Lahiri**, CA (Mob- 913323903644) email slahiri0207@gmail.com shall be the chairperson for the said meetings of the shareholders of and unsecured and secured creditors of Resulting Company to be held as aforesaid. The consolidated remuneration of Rs.60,000/- (Rupees Sixty Thousand only) for conducting the aforementioned meetings.

xii. **Mr. Arnab Dutta**, (Mob- 9830079563), email advadutta@gamil.com shall be the scrutiniser for the said meetings of the shareholders and unsecured and secured creditors of the Resulting Company to be held as aforesaid. The consolidated remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) for conducting the aforementioned meetings.

xiii. That the chairperson do report to this Tribunal the results of the said meeting within 4 (four) weeks from the date of the conclusion of the meeting and the report shall be in Form CAA 4 pursuant to Rule 13(2) and 14 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016, verified by his/her affidavit.

14. The application being C. A (C.A.A) No. 07/KB/ 2021 is disposed of accordingly.

15. The Registry is directed to send e-mail copy of the order forthwith to all the parties inclusive of the counsel.

16. Urgent certified copy of this order, if applied for, be supplied to parties upon compliance of all formalities.

(Harish Chander Suri)
Member(Technical)

(Rajasekhar V.K.)
Member(Judicial)

Signed on this the 3rd day of February, 2021

PJ

SCHEME OF ARRANGEMENT

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

AMONGST

RUPA & COMPANY LIMITED, 1 HO CHI MINH SARANI, METRO PLAZA 8TH FLOOR, KOLKATA, WEST BENGAL – 700071, INDIA (for short “Rupa” or “Resulting Company”)

AND

OBAN FASHIONS PRIVATE LIMITED, 102, VIP PLAZA, B-7, VEERA INDUSTRIAL ESTATE OFF ANDHERI LINK ROAD, ANDHERI (WEST), MUMBAI, MAHARASHTRA - 400053 INDIA (for short “Oban” or “Demerged Company”)

AND

THEIR RESPECTIVE SHAREHOLDERS

GENERAL

A. PREAMBLE

This Scheme of Arrangement is presented pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and also read with Section 2(19AA) and other relevant provisions of the Income-tax Act, 1961 as applicable for demerger of the Demerged Undertaking (more particularly defined hereinafter) of Oban Fashions Private Limited into Rupa & Company Limited on a going concern basis.

B. DESCRIPTION OF COMPANIES

(a) **OBAN FASHIONS PRIVATE LIMITED**, is a private limited company, incorporated in the year 2015 (CIN U18204MH2015PTC271385), a deemed public limited company by virtue of being a wholly-owned subsidiary of a public limited company (Rupa & Company Limited), under the provisions of the Companies Act, 2013 having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai, Maharashtra – 400053, India and is engaged in the hosiery business. Oban Fashions Private Limited has been referred to as ‘**Oban**’ or ‘**Demerged Company**’ hereinafter.

(b) **RUPA & COMPANY LIMITED**, is a public limited company whose shares are listed on Bombay Stock Exchange and on National Stock Exchange and was incorporated in the year 1985 (CIN L17299WB1985PLC038517) under the provisions of the Companies Act, 1956 having its registered office at 1, Ho Chi Minh Sarani, Metro Tower, 8th Floor, Kolkata West Bengal - 700071, India and is engaged in the hosiery business. Rupa & Company Limited has been referred to as ‘**Rupa**’ or ‘**Resulting Company**’ hereinafter.

C. OBJECTIVE OF THE SCHEME

This Scheme of Arrangement (herein after referred to as the “**Scheme**”) is presented pursuant to provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, for demerger of Demerged Undertaking (more particularly defined

hereinafter) of the Demerged Company to the Resulting Company on a going-concern basis. This Scheme also provides for various other matters consequential or otherwise integrally connected with the above.

D. RATIONALE FOR THE SCHEME

- (a) The Resulting Company is engaged in the manufacturing, marketing, selling and distribution of men's and women's innerwear, thermal wear and fashion wear products, across economy, mid-premium, premium and super-premium categories. Resulting Company operates through its manufacturing facilities in the state of West Bengal, Tamil Nadu, Karnataka and Uttar Pradesh.
- (b) The Demerged Company is primarily engaged in manufacturing, marketing and selling of hosiery items. The Demerged Company is also an authorized licensee with rights for whole of India with respect to innerwear (briefs, trunks, knit thermals, etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) for premium brands French Connection UK ('FCUK') and Fruit of the Loom ('FOTL'). In one of its undertaking, Oban develops, manufactures, markets and sells innerwear and related products with the brand name "FCUK" in India as well as manufactures, distributes, advertises and sells innerwear, and outerwear products for men, boys, women, girls and toddler in India under their brand name and mark, "FOTL". The other undertaking of the Demerged Company is inter alia engaged in the trading of semi-finished hosiery items, etc. The Demerged Company is currently a wholly owned subsidiary of the Resulting Company.
- (c) The management of the companies have examined the relative business strengths and the potential commercial and other synergies of the consolidation and proposed to consolidate their Demerged Undertaking under a single entity. Accordingly, it is being proposed to transfer the Demerged Undertaking of the Demerged Company to the Resulting Company.
- (d) The proposed demerger of the Demerged Undertaking would help in:
 - (i) Utilizing the current market presence and customer base of the Resulting

Company which will lead to the presence of the Demerged Undertaking across various market segments leading to higher growth/ top line for the Resulting Company

- (ii) Would enable consolidation of similar premium businesses and carry on the same more efficiently and effectively
- (iii) Under a liberalized, fast changing and highly competitive environment, the demerger shall strengthen the business of the Demerged Undertaking and of the Resulting Company, by pooling up resources for common purpose;
- (iv) Will rationalize the management structure, reduce overhead costs and ultimately lead to streamlining the operations structure of the Demerged Undertaking
- (v) The demerger will enable the future business activities to be carried on more conveniently and advantageously with enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the Resulting Company
- (vi) Synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale and elimination of duplication of administrative expenses
- (vii) The transfer and vesting of the Demerged Undertaking to the Resulting Company will enable better focus and management of the Remaining Undertaking of the Demerged Company and to achieve higher topline for the Remaining Undertaking.
- (viii) The Remaining Undertaking has significantly lower working capital requirement as compared to the Demerged Undertaking. Hence, demerger of the Demerged Undertaking would help in managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses.

- (ix) Beneficial results for the Companies concerned, their shareholders, employees and all concerned.
- (e) The Demerged Company and the Resulting Company believe that this Scheme is in the best interest of the relevant companies and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility.

In view of the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company have considered and proposed the transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company in order to benefit the stakeholders of the Demerged Company and the Resulting Company.

Accordingly, the Board of Directors of the companies have formulated this Scheme of Arrangement for demerger of the Demerged Undertaking of the Demerged Company to the Resulting Company, pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules thereunder.

E. PARTS OF THE SCHEME

This Scheme of Arrangement is divided into the following parts:

- PART I** Deals with definitions of the terms used in this Scheme of Arrangement and sets out the share capital of the Demerged Company and the Resulting Company.
- Part II** Deals with the transfer and vesting of the Demerged Undertaking from the Demerged Company as a going concern to the Resulting Company by way of demerger, Accounting Treatment, Consideration and other matters incidental thereto.
- Part III** Deals with general and other terms and conditions applicable to this Scheme of Arrangement and other matters consequential and integrally connected thereto.

PART I

DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereafter), unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013 and includes the sections of Companies Act, 1956 for the time being in force and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.2. **“Applicable Law”** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;
- 1.3. **“Appointed Date”** means 1st April 2021, or any other date as may be approved by the Appropriate Authority;
- 1.4. **“Appropriate Authority”** means any government, statutory, regulatory, departmental or public body or authority having jurisdiction over the Demerged Company and the Resulting Company including but not limited, to Securities and Exchange Board of India, Stock Exchanges, jurisdictional Registrar of Companies and jurisdictional National Company Law Tribunal (NCLT);
- 1.5. **“Board of Directors” or “Board”** shall mean the respective Boards of Directors of the Demerged Company or the Resulting Company as the case may be and shall include a duly constituted committee thereof;
- 1.6. **“Demerged Company” or “Oban”** means Oban Fashions Private Limited, a company, limited by shares, incorporated under the provisions of the Companies Act, 2013, under Corporate Identity No. U18204MH2015PTC271385 and having its registered office at 102,

VIP Plaza, B-7, Veera Industrial Estate Off Andheri Link Road, Andheri (West), Mumbai, Maharashtra – 400053, India.

1.7. **“Demerged Undertaking”** means the Premium Brands Business of the Demerged Company and includes related assets, liabilities, rights and powers, on a going concern basis, representing an undertaking in compliance with Sec. 2(19AA) of the Income Tax Act, as on the Appointed Date, which shall be transferred and vested with the Resulting Company upon Demerger by the Demerged Company in terms of this Scheme. Without prejudice and limitation to the generality of the above, the Demerged Undertaking means and includes,:

- (i) all assets, as are movable in nature pertaining to and in relation to the demerged business, whether present or future or contingent, tangible or intangible, in possession or reversion, including electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory and tools and plants, actionable claims, current assets, earnest monies and sundry debtors, financial assets, investment, outstanding loans and advances recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other Persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to service tax input credits, GST credits or set-offs, advance tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds.
- (ii) all permits, licenses (including but not limited to the licenses obtained from FCUK and FOTL), permissions, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to

the demerged business.

- (iii) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacture of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the demerged business.
- (iv) all applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses (including that of FCUK and FOTL), trade names, service marks, trademarks copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the demerged business.
- (v) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company pertaining to or in connection with the demerged business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the

Demerged Company and pertaining to the demerged business.

- (vi) all the credits for taxes such as income tax, sales tax, service tax, CENVAT, Good and Service Tax (GST) including but not limited to tax deduction at source, MAT credit, unabsorbed business loss and accumulated depreciation and advance tax in connection with the demerged business of the Demerged Company.
- (vii) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form pertaining to the demerged business; and
- (viii) all debts, liabilities, duties, taxes and obligations of the Demerged Company pertaining to the Premium Brands Business, namely:
 - (a) The debts of the Demerged Company which arises out of the activities or operations of the demerged business;
 - (b) Specific loans and borrowings raised, incurred and utilized for the activities or operations of or pertaining to the demerged business;
 - (c) General and multipurpose borrowings of the Demerged Company shall be appropriately allocated to the demerged business.
 - (d) all employees of the Demerged Company employed/engaged in the demerged business as on the Effective Date.
 - (e) all legal or other proceedings of whatsoever nature relating to the demerged business.

- (ix) In case of any question that may arise as to whether any particular asset (including common assets viz. cash/ bank balances) or liability and/or employees or any other matter pertains or does not pertain to the Demerged Undertaking of the Demerged Company, the same shall be decided mutually by the Board of Directors of the Demerged Company and Resulting Company and said decision shall be final.
- 1.8. **“Effective Date”** means the later of the dates on which certified copies of the order of the relevant Benches of the NCLT, sanctioning the Scheme are filed with the jurisdictional Registrar of Companies by the Demerged Company and the Resulting Company.
- References in this Scheme to “upon the Scheme becoming effective” or “coming into Effect of this Scheme” or “upon the Scheme coming into effect” or other like expressions shall mean the Effective Date.
- 1.9. **“Premium Brands Business”** means the whole of the undertaking and the entire business in connection with the innerwear (briefs, trunks, knit thermals, etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) operated under the license of FCUK and FOTL.
- 1.10. **“Resulting Company”** or **“Rupa”** means Rupa & Company Limited, a public limited company whose shares are listed on Bombay Stock Exchange and on National Stock Exchange and was incorporated under the Companies Act, 1956 and validly existing under the Companies Act, 2013 under Corporate Identity No. L17299WB1985PLC038517 and having its registered office at 1, Ho Chi Minh Sarani, Metro Tower, 8th Floor, Kolkata West Bengal - 700071, India.
- 1.11. **“Retained Undertaking”** or **“Remaining Undertaking”** means all the business assets and liabilities and activities of the Demerged Company, including the trading business of semi-finished hosiery items and similar product, other than the business assets and liabilities of Demerged Undertaking, which upon this Scheme becoming effective, be vested with the Resulting Company as provided in the Scheme. The same shall include all the undertakings, businesses and operations of the Demerged Company other than those comprised in the Demerged Undertaking of Demerged Company and would specifically include hosiery trading business of the Demerged Company. The Retained Undertaking

shall include the whole of the assets, properties, liabilities and entire business(es) pertaining to such undertaking on a going concern.

Any question that may arise with respect to a common asset such as cash and bank balances; etc. and/or with regard to any specific asset or liability as to whether and to what extent the same pertains or does not pertain to the 'Retained Undertaking' or whether it arises out of the activities or operations of the 'Retained Undertaking' shall be decided mutually between the Board of Directors of the Demerged Company and the Resulting Company.

- 1.12. **“Scheme of Arrangement”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form including any modification(s) or amendments thereon, approved or imposed or directed by the Hon’ble National Company Law Tribunal.
- 1.13. **“Tribunal”** or **“NCLT”** means the Hon'ble National Company Law Tribunal, at Kolkata or Mumbai, as applicable, and in force shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of above mentioned Tribunal under the Act for approving any Scheme of Arrangement of a Company under Section 230 to 232 and all the applicable provisions of the Companies Act 2013.
- 1.14. All terms not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract (Regulation) Act, 1956 the Depositories Act, 1996 and other applicable laws, rules, regulations and bye-laws, as may be applicable or any statutory amendment(s) or re-enactment thereof, from time to time.
2. In this Scheme, unless the context otherwise requires:
 - 2.1 words denoting singular shall include plural and vice versa;
 - 2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
 - 2.3 references to the word “include” or “including” shall be construed without limitation;

- 2.4 a reference to an article, clause, section or paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;
- 2.5 unless otherwise defined, the reference to the word “days” means calendar days;
- 2.6 references to dates and time shall be construed to be references to Indian dates and time;
- 2.7 reference to a document includes a reference to that document as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of that document;
- 2.8 references to a person include any individual, firm, body corporate (whether incorporated or not), government, state or agency of a state or any joint venture, association, partnership, works councillor employee representatives body (whether or not having separate legal personality);
- 2.9 references to any of the terms to taxes, duty, levy, cess in the Scheme shall be construed as reference to all of them whether jointly or severally;
- 2.10 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and
- 2.11 any reference to any statute or statutory provision shall include:
- (i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and
 - (ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

3. DATE WHEN THIS SCHEME COMES INTO OPERATION

The Scheme set out herein in its present form or with modification(s), approved or imposed or directed by the NCLT, although operative from the Appointed Date, shall become effective from the Effective Date.

4. COMPLIANCE WITH TAX LAWS

This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from amendment of law or for any other reason whatsoever, the provisions of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect other parts of the Scheme. The power to make such modifications/amendments as may become necessary shall vest with the Board of Directors of the Demerged Company/ Resulting Company, which can exercise the power at any time and shall be exercised in the best interest of the Demerger Company and Resulting Company.

5. INTERPRETATION

In this Scheme, unless the context otherwise requires:

- 5.1. references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- 5.2. the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
- 5.3. words in the singular shall include the plural and vice versa; and
- 5.4. all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any

statutory modification or re-enactment thereof from time to time.

6. SHARE CAPITAL OF THE COMPANIES

6.1. The share capital of Demerged Company as on 9th December 2020:

Authorised Share Capital

Authorized Share Capital of INR 59,50,00,000/- (Rupees Fifty-Nine Crores Fifty Lakhs Only) is divided into:

- (a) INR 10,00,00,000 (Rupees Ten Crore only) divided into 1,00,00,000 Equity Shares of INR 10 each; and
- (b) INR 49,50,00,000/- (Rupees Forty-nine crores and fifty lakhs), divided into 49,50,000 Non-Cumulative Compulsory Convertible Preference Shares (*referred to as 'preference shares' hereinafter*) of INR 100 each.

Paid-up share capital

The issued, subscribed and paid-up share capital of the Demerged Company is INR 59,41,00,000/- (Rupees Fifty-Nine Crores and Forty-one Lakhs Only) divided into:

- (a) INR 9,91,00,000/- (Rupees Nine Crores and Ninety-one Lakhs Only), divided into 99,10,000 equity shares of INR 10/- each fully paid up; and
- (b) INR 49,50,00,000/- (Rupees Forty-nine crores and fifty lakhs), divided into 49,50,000 non-cumulative compulsory convertible preference shares of INR 100 each fully paid up.

The entire issued, subscribed and paid-up share capital of the Demerged Company is presently held by the Resulting Company and accordingly the Demerged Company is a wholly-owned subsidiary of the Resulting Company.

6.2. The share capital of the Resulting Company as on 9th December 2020:

Authorised Share Capital

Authorized Equity Share Capital of INR 20,00,00,000/- (Rupees Twenty Crores Only) divided into 20,00,00,000 Equity Shares of INR 1/- each.

Paid-up Share Capital

The issued capital INR 7,97,33,560/- (Rupees Seven Crores Ninety-Seven Lakhs Thirty Three Thousand Five Hundred and Sixty Only), divided into 7,97,33,560 equity shares of INR 1/- each. The subscribed and paid-up share capital INR 7,95,24,560/- (Rupees Seven Crores Ninety-Five Lakhs Twenty-Four Three Thousand Five Hundred and Sixty Only), divided into 7,95,24,560 equity shares of INR 1/- each. fully paid up.

PART II

TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE DEMURGED COMPANY TO THE RESULTING COMPANY

7. TRANSFER AND VESTING OF DEMERGED UNDERTAKING

7.1. General

Upon this Scheme coming into effect and with effect from the Appointed Date, the Demerged Undertaking of the Demerged Company shall, pursuant to the sanction of this Scheme by the NCLT and pursuant to the provisions of Section 230 to 232 and other applicable provisions, if any, of the Act, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company, as a going concern without any further act, instrument, deed, matter or thing in the following manner.

7.2. Transfer of Assets

7.2.1. Without prejudice to the generality of Clause 7.1 above, upon coming into effect of this Scheme and with effect from the Appointed Date:

- (a) all assets and properties relating to the Demerged Undertaking of the Demerged Company of whatsoever nature and wheresoever situated, shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed be and stand transferred to and vested in the Resulting Company or be deemed to be transferred to and vested in the Resulting Company as a going concern so as to become, as and from the Appointed Date, the assets and properties of the Resulting Company;
- (b) in respect of such of the assets of the Demerged Undertaking of the Demerged Company including cash and bank balances relating to the day to day operations and specific to their respective working, as are movable in nature or are otherwise capable of transfer by manual delivery, payment or by endorsement and delivery, the same

may be so transferred by the Demerged Company, and shall become the property of the Resulting Company to the end and intent that the ownership and property therein passes to the Resulting Company;

- (c) in respect of the movables other than those dealt with in sub-clause (b) above including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be recovered, bank balances, investments, earnest money and deposits with any Government, quasi- government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company under the provisions of Section 230 to 232 of the Act without any notice or other intimation to the debtors.

7.2.2. Insofar as the assets comprised in the Demerged Undertaking of the Demerged Company are concerned, the security or charge over such assets relating to any loans, debentures or borrowing of the Demerged Company even not in connection with the Demerged Undertaking, shall without any further act or deed continue to be available as security in relation to such liabilities of the Demerged Company for which security or charge over such assets has been created.

7.2.3. In respect of movable assets, including outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, which forms part of the Demerged Undertaking of the Demerged Company, the Resulting Company shall give notice in such form as it may deem fit and proper to each party, debtor or depositor of the Demerged Company as the case may be, that pursuant to the order of the Court sanctioning the Scheme, on and from the Appointed Date, the said debts, loans (including working capital loans) and advances, etc. shall be paid or made good or be held on account of the Resulting Company as the person entitled thereto, and that rights to recover or realise the same shall vest in the Resulting Company alone in place and instead of the Demerged Company. Such notice shall be counter signed by the Demerged Company, if required by the Resulting Company.

7.2.4. Where the Demerged Company is entitled to various benefits under incentive schemes and

policies in relation to the Demerged Undertaking and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies shall be transferred to and vest in the Resulting Company and all benefits, entitlements and incentives of any nature whatsoever shall be claimed by the Resulting Company and these shall relate back to the Appointed Date as if the Resulting Company was originally entitled to all benefits under such incentive Scheme and/or policies, subject to continued compliance by the Resulting Company of all the terms and conditions subject to which the benefits under the incentive Schemes were made available to the Demerged Company.

- 7.2.5. Any question that may arise with respect to a common asset such as cash and bank balances, etc. and/or with regard to any other specific asset as to whether and to what extent the same pertains or does not pertain to the Demerged Undertaking of the Demerged Company or whether it arises out of the activities or operations of the Demerged Undertaking of the Demerged Company shall be decided mutually between the Board of Directors of the Demerged Company and the Resulting Company.

7.3. **Transfer of Liabilities**

- 7.3.1. The liabilities and obligations of the Demerged Company which arose out of the activities or operations of the Demerged Undertaking including in particular debts, convertible debt instruments, duties, or other claims relating to the activities or operations of the Demerged Undertaking shall be deemed to have been transferred to the Resulting Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall undertake to meet, discharge and satisfy the same.
- 7.3.2. For the purpose of the Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking include:
- (a) the liabilities which arise out of the activities or operations of the Demerged Undertaking; and
 - (b) Specific loans and borrowings, including convertible debt instruments, incurred and

utilised solely for the activities and operations of the Demerged Undertaking.

- 7.3.3. All loans raised and utilized and all liabilities, convertible debt instruments, duties and obligations incurred or undertaken by the Demerged Company in relation to Demerged Undertaking to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed be and stand transferred to or vested in or deemed to have been transferred to and vested in the Resulting Company and shall become the loans and liabilities, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same.
- 7.3.4. Any question that may arise with respect to a common liability and/or with regard to any other specific liability as to whether and to what extent the same pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutually between the Board of Directors of the Demerged Company and the Resulting Company.

7.4. **Taxes**

- 7.4.1. All taxes (including income tax, Goods and Services Tax, security transaction tax, stamp duty) paid or payable by Demerged Company in respect of the operations and/or the profits of the businesses of the Demerged Undertaking before the Appointed Date, shall be on account of the Resulting Company. This is notwithstanding that challans or tax payment certificates are in the name of the Demerged Company and not in the name of the Resulting Company.
- 7.4.2. Any tax liabilities under the Income tax Act, 1961, Service tax Act 1994, Goods & Services Tax Act or other applicable laws/regulations dealing with taxes/duties/levies allocable or related to the business of the Demerged Undertaking, 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 Resulting Company.
- 7.4.3. It is further provided that upon the Scheme coming into effect, all taxes payable by the Demerged Company and all or any refunds and claims, from the Appointed Date, relating

to the Demerged Undertaking of the Demerged Company shall, for all purposes, be treated as the tax liabilities or refunds and claims, as the case may be of the Resulting Company.

7.5. Inter-Se Transactions

7.5.1. Without prejudice to the provisions of Clause 7.1 to Clause 7.4 above, with effect from the Appointed Date, all inter-party transactions between the Demerged Company and the Resulting Company in respect of the Demerged Undertaking shall be considered as intra-party transactions for all purposes. For the removal of doubt, it is clarified that upon the Scheme coming into effect and with effect from the Appointed Date, to the extent there are inter-corporate loans, deposits, investments, obligation, balances or other outstanding as between the Demerged Company inter-se and/or the Resulting Company in respect of the Demerged Undertaking, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Resulting Company for the reduction of such assets or liabilities as the case may be.

7.5.2. All tax deducted and deposited by the Demerged Company and/or Resulting Company on inter-se transactions as mentioned in Clause 7.5.1 above shall be eligible as credit in the hands of the respective company.

8. CONTRACTS, DEEDS, LICENSES, ETC.

8.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, incentives, benefits, exemptions, entitlements, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking or to the benefit of which Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Undertaking of the Demerged Company, the Resulting Company respectively had been a party or beneficiary thereto or thereunder.

8.2. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that

vesting of the Demerged Undertaking of the Demerged Company occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, and at its own cost, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Undertaking of the Demerged Company is a party or any writings as may be necessary to be executed in order to novate or give formal effect to the above provisions. The Demerged Company will, if necessary, also be a party to the above as a confirming party with no obligation, financial or otherwise cast on or assumed upon it. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings and to carry out or perform all such formalities or compliances referred to above as may be deemed proper and necessary for effectuating the transfer and vesting of the Demerged Undertaking into the Resulting Company.

- 8.3. Upon the coming into effect of this Scheme and with effect from the Appointed Date, any statutory licences, permissions or approvals or consents held by the Company and required to carry on operations in or any business of the Demerged Undertaking of the Demerged Undertaking shall stand vested in or transferred to the Resulting Company, without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company. Statutory and regulatory permissions, factory licences, registrations, and consents including statutory licences, permissions or approvals or consents required to carry on the operations of the Demerged Undertaking shall vest in and become available to the Resulting Company pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held by the Demerged Undertaking and any other undertaking of the Demerged Company shall, as far as practicable and permitted, be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, so as to facilitate the continuation of operations of the Demerged Undertaking without any hindrance or let from the Appointed Date. However, if the relevant or concerned statutory authorities require separate licence, permission, no-

objection certificate, consent, approval, authority, registration or statutory right to be obtained by both the Demerged Company and the Resulting Company, such licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights shall vest in and become available to the Demerged Company pursuant to the Scheme and the Resulting Company shall have to obtain the same afresh, at its own cost.

9. LEGAL PROCEEDINGS

- 9.1. Upon the coming into effect of the Scheme, all legal or other proceedings by or against the Demerged Company in respect of its Demerged Undertaking whether pending on the Appointed Date or which may be instituted in future (whether before or after the Appointed Date) in respect of any matter relating to the Demerged Undertaking shall be continued and enforced by or against the Resulting Company after the Effective Date. If any proceedings are taken against the Demerged Company in respect of its Demerged Undertaking, it shall defend the same temporarily until the same are transferred as mentioned herein in accordance with the advice of the Resulting Company and at the cost of the Resulting Company. The Resulting Company agrees to have all legal or other proceedings initiated by or against the Demerged Company in respect of the Demerged Undertaking transferred to its own name at the earliest and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company shall undertake all actions as may be necessary to ensure that the legal proceedings by or against the Demerged Undertaking do not in any way affect or create a liability (monetary or otherwise) on the Demerged Company.

10. EMPLOYEES

- 10.1. Upon coming into effect of this Scheme:
- a) The permanent employees of the Demerged Company relating to the Demerged Undertaking who are in employment as on the Effective Date shall become the employees of the Resulting Company with effect from the Effective Date without

any break or interruption in service and on terms and conditions as to employment and remuneration not less favorable than those on which they are engaged or employed by the Demerged Company. It is clarified that the employees of the Demerged Company, who become employees of the Resulting Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any Schemes and benefits that may be applicable and available to any of the employees of the Resulting Company unless otherwise determined by the Resulting Company. The Resulting Company undertakes to continue to abide by any agreement/settlement, if any, entered into by the Demerged Company with any union/employee of the Demerged Company.

- b) The existing provident fund, gratuity fund, pension and/or superannuation fund or trusts or retirement funds or benefits created, if any, by the Demerged Company or any other special funds created or existing for the benefit of the concerned employees of Demerged Undertaking (collectively referred to as “Funds”) and the investment made out of such Funds shall, at an appropriate stage, be transferred to the Resulting Company to be held for the benefit of the concerned employees. The Funds shall, subject to the necessary approvals and permission and at the discretion of the Resulting Company, either be continued as separate funds of the Resulting Company for the benefit of the employees of the Demerged Company or be transferred to and merged with other similar funds of the Resulting Company. In the event that the Resulting Company does not have its own fund with respect to any such Funds, the Resulting Company may, subject to necessary approvals and permissions, continue to maintain the existing Funds separately and contribute therein, until such time as the Resulting Company creates its own funds into which the Funds and the investments and contributions pertaining to the employees of the Demerged Company shall be transferred to such funds of the Resulting Company.
- c) With effect from the date of filing of this Scheme with the NCLT and up to and including the Effective Date the Demerged Company shall not vary or modify the terms and conditions of employment of any of its employees related to Demerged Undertaking, except with the written consent of the Resulting Company.

- d) It is clarified that the services of all transferred staff, workmen and employees of the Demerged Company to the Resulting Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Demerged Company shall also be taken into account by the Resulting Company, who shall pay the same as and when payable.

11. CONDUCT OF BUSINESS OF DEMERGED UNDERTAKING OF DEMERGED COMPANY TILL EFFECTIVE DATE

11.1. Upon the Scheme becoming effective, with effect from the Appointed Date as applicable and up to the Effective Date:

- (a) Demerged Company shall be deemed to have carried on all its business activities pertaining to the Demerged Undertaking and shall be deemed to have held and stood possessed of all the said assets, rights, title, interests, authorities, contracts, investments and decisions, benefits relating to the Demerged Undertaking for and on account of and in trust for Resulting Company;
- (b) all profits and income accruing or arising to Demerged Company in relation to the Demerged Undertaking, and losses and expenditure arising or incurred by Demerged Company in relation to the Demerged Undertaking, for the period commencing from the Appointed Date as applicable, shall, for all purposes be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of Resulting Company and upon the Scheme becoming effective, financial results of Resulting Company & revised tax calculation thereon shall be computed after considering the financial results of Demerged Undertaking during the period between Appointed Date and Effective Date;
- (c) All assets acquired by Demerged Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking or pertaining to the

Demerged Undertaking shall be deemed to have been acquired in trust for and on behalf of the Resulting Company, and shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.

- (d) Where any of the Liabilities and obligations of Demerged Company, pertaining to Demerged Undertaking, as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all Liabilities and obligations incurred by Demerged Company for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company, and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the Liabilities and obligations of the Resulting Company, which shall be liable to meet, discharge and satisfy the same.
- (e) all intra-party transactions of Demerged Company, if any, pertaining to Demerged Undertaking and Remaining Business shall be considered as inter-party transactions. Tax, if any, on such inter-party transactions shall be payable without any interest and penalty subject to Applicable Law.
- (f) All taxes, where applicable, (including but not limited to tax deducted at source, banking cash transaction tax, tax collected at source, taxes withheld/paid in a foreign country, customs duty, goods and services tax, as applicable, cess, tax refunds) payable by or refundable to Demerged Company pertaining to the Demerged Undertaking including all or any tax refunds or tax liabilities or tax claims arising from pending tax proceedings, under Applicable Law, on or before the Effective Date, shall be treated as or deemed to be treated as the tax liability or tax refunds/ tax claims (whether or not recorded in the books of Demerged Company) as the case may be, of Resulting Company, and any unabsorbed tax losses and depreciation as would have been available to Demerged Company shall be available to Resulting Company

upon the Scheme becoming effective.

- (g) Any of the rights, powers, authorities and privileges attached or related or pertaining to the Demerged Undertaking and exercised by or available to Demerged Company, shall be deemed to have been exercised for and on behalf of and as an agent for Resulting Company. Further, any of the obligations, duties and commitments attached, relating or pertaining to the Demerged Undertaking that have been undertaken or discharged by Demerged Company shall be deemed to have been undertaken or discharged for and on behalf of and as an agent for Resulting Company.

Subject to the terms of the Scheme, the transfer and vesting of the Demerged Undertaking as per the provisions of the Scheme shall not affect any transactions or proceedings already concluded on or with effect from the Appointed Date as applicable till the Effective Date.

12. TRANSACTIONS UPTO THE EFFECTIVE DATE

12.1. With effect from the Appointed Date and up to and including the Effective Date:

- (a) Demerged Company shall not without the prior written consent of the Board of Directors of Resulting Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the Demerged Undertaking or any part thereof except in the ordinary course of its business.
- (b) Demerged Company shall not vary the terms and conditions of service of its permanent employees relating to the Demerged Undertaking except in the ordinary course of its business or as per past prevailing practices.
- (c) Resulting Company shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which Resulting Company may require to carry on the business of Demerged Undertaking. Further, Demerged Company shall extend all assistance to Resulting Company, if requested by Resulting

Company, in obtaining the said consents, approvals and sanctions.

- (d) With effect from Appointed Date until the Effective Date, Demerged Company shall preserve and carry on the business and activities of Demerged Undertaking with reasonable diligence and business prudence.

13. SAVING OF CONCLUDED TRANSACTIONS

- 13.1. Subject to the terms of this Scheme, the transfer and the vesting of the Demerged Undertaking under Clause 7 of this Scheme shall not affect any transactions or proceedings already concluded by the Demerged Company on or before the Appointed Date or after the Appointed Date (if modified by NCLT) till the Effective Date, to the end and intent that Resulting Company accepts and adopts all acts, deeds and things made, done and executed by the Demerged Company as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.

14. CONSIDERATION

- 14.1. The entire issued, subscribed and paid-up share capital (equity share capital as well as the preference share capital) of the Demerged Company is held by the Resulting Company and its nominee(s). Upon the Scheme becoming effective, no new shares of the Resulting Company shall be allotted in lieu of the transfer of the Demerged Undertaking, to the shareholders of the Demerged Company, as the Resulting Company itself is the shareholder of the Demerged Company.

15. SHARE CAPITAL REORGANIZATION OF THE DEMERGED COMPANY

- 15.1. Upon the Scheme becoming effective and as consequence to the demerger of the Demerged Undertaking as envisaged in the said the Scheme, the pre-demerger share capital of the Demerged Company shall stand reduced as per clause 15.2 of the Scheme, which shall be regarded as reduction of share capital of the Demerged Company, pursuant to section 66 of the Act as also any other applicable provisions of the Act.
- 15.2. The share capital of the Demerged Company shall be reduced as under:

- (a) The face value of each preference share of the Demerged Company shall be reduced by reducing the face value of each preference share of the Demerged Company, from INR 100 per share to INR 1 per share as on the Appointed Date; and
 - (b) The face value of each equity share of the Demerged Company shall be reduced by reducing the face value of each equity share, of the Demerged Company, from INR 10 per share to INR 1 per share as on the Appointed Date.
- 15.3. The reduction of the share capital of the Demerged Company shall be effected as an integral part of the Scheme itself, without having to follow the process under section 66 of the Act separately and the order of the NCLT sanctioning this Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction.
- 15.4. Notwithstanding the reduction in the equity share capital and preference share capital of the Demerged Company, the Demerged Company shall not be required to add "And Reduced" as suffix to its name.

16. ACCOUNTING TREATMENT

16.1. Accounting treatment in the books of the Demerged Company

Upon the Scheme coming into effect and with effect from Appointed Date, the Demerged Company shall account for the demerger of the Demerged Undertaking in its books of account as per the applicable accounting principles prescribed under the relevant Indian Accounting Standards (Ind AS). It would *inter alia* include the following:

- (a) The Demerged Company shall in its books of accounts, reduce the respective carrying values of the assets and liabilities pertaining to the Demerged Undertaking being transferred to and vested in Resulting Company at values appearing in Books of Accounts of the Demerged Company as on the Appointed Date.
- (b) The intercompany balances, loans and advances, pertaining to the Demerged Undertaking, outstanding between the Resulting Company and the Demerged Company will stand cancelled.

- (c) The difference i.e., the excess or shortfall, if any, of the aggregate of the net assets (i.e., difference between the carrying value of assets and liabilities related to Demerged Undertaking) standing in the books of accounts of the Demerged Company transferred to the Resulting Company on the Appointed Date, shall be adjusted/ recorded against Reserves & Surplus in the books of the Demerged Company.
- (d) Since, the entire paid-up share capital of the Demerged Company is held by the Resulting Company, no new shares shall be issued by Resulting Company in lieu of the transfer of Demerged Undertaking, to the shareholders of the Demerged Company, as the Resulting Company itself is the shareholder of the Demerged Company.
- (e) Upon the Scheme becoming effective as an integral part of the Scheme and in pursuant to clause 15 of the Scheme:
 - the face value as on the Appointed date of the preference share capital will be reduced by reducing the face value of the preference share from INR 100 per preference share to INR 1 fully paid up per preference share. The face value of such preference share capital as reduced shall be adjusted against Reserves & Surplus of the Demerged Company.
 - the face value as on the Appointed date of the equity share capital will be reduced by reducing the face value of the equity share from INR 10 per equity share to INR 1 fully paid up per equity share. The face value of such equity share capital as reduced shall be adjusted against Reserves & Surplus of the Demerged Company.

16.2. Accounting treatment in the books of the Resulting Company

Upon the Scheme coming into effect and with effect from Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the demerger, the Resulting Company shall account for the Demerged Undertaking in its books of account, using pooling of interest method, in accordance with Appendix C

‘Business Combinations of entities under common control’ of IND AS 103 for Business Combination prescribed under Section 133 of the Act, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time. It would *inter-alia* include the following:

- (a) The Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertaking of the Demerged Company transferred to and vested in it pursuant to this Scheme at book values;
- (b) The intercompany balances, loans and advances, pertaining to the Demerged Undertaking, outstanding between the Resulting Company and the Demerged Company will stand cancelled;
- (c) Consequent to clause 15 hereinabove, the investments held by the Resulting Company in the Demerged Company shall get reduced in the proportion of capital reduced by the Demerged Company and therefore, the acquisition of Demerged Undertaking by the Resulting Company would not result in any monetary gains to the Resulting Company.
- (d) The difference, being the excess or shortfall, if any, of book value of the assets over the liabilities pertaining to the Demerged Undertaking of the Demerged Company recorded by the Resulting Company and after adjusting for reduction, if any, in the value of investments of the Resulting Company in the Demerged Company, shall be adjusted in Reserves and Surplus, in the books of the Resulting Company.

16.3. In case of any differences in accounting policy followed by the Demerged Company in respect of Demerged Undertaking vis-à-vis the accounting policy followed by the Resulting Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Reserves and Surplus of the Resulting Company, to ensure that upon the coming into effect of this Scheme, the financial statements of the Resulting Company reflect the financial position on the basis of a consistent accounting policy.

17. REMAINING UNDERTAKING/ RETAINED UNDERTAKING OF THE

DEMERGED COMPANY

- 17.1. The Remaining Undertaking/ Retained Undertaking of the Demerged Company shall continue with the Demerged Company.
- 17.2. Retained Undertaking means all the undertakings, businesses and operations of the Demerged Company other than those comprised in the Demerged Undertaking of Demerged Company and shall include the whole of the assets, properties, liabilities and entire business(es) pertaining to such undertaking (other than Demerged Undertaking) on a going concern and specifically include the following (without limitation):
- (a) All the assets and properties (whether movable and immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Demerged Company other than the Demerged Undertaking of the Demerged Company, including, without being limited to all its lands, roads, buildings, plant and machinery, office equipment, accessories, vehicles, electrical installations, deposits, investments of all kinds, cash balances including with banks as may be determined, loans, advances, contingent rights or benefits, receivables, earnest moneys, advances or deposit, financial assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantee, reversions, powers, municipal permissions, authorities, allotments, approvals, consents, licences, registrations, contracts, engagements, arrangements, customer approvals, rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of, or enjoyed by all other undertakings of Demerged Company (excluding the Demerged Undertaking) including licenses, fixed and other assets of any nature whatsoever, import and export licences, quotas, permits, concessions, subsidies, approvals, authorisations, right to use and avail of telephones, telexes, facsimile connections, LAN installations, utilities, electricity, balances with bank, bank accounts, demat accounts, and other services, reserves, provisions, funds, and other services, reserves, provisions, funds, benefits of assets and properties and all agreements and all other interests held in trust, registrations, contracts, engagements,

arrangements of all kinds, privileges and all other rights including title, interests, including income tax, other benefits (including tax benefits), easements, arrangements of all kind, privileges, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested or granted in favour of or enjoyed by all other undertakings of Demerged Company (excluding the Demerged Undertaking) and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by all other undertakings of Demerged Company (excluding the Demerged Undertaking);

- (b) All debts, liabilities (including contingent liabilities and unrecognised liabilities), convertible debt instruments, interest, penalties, claims, levies, responsibilities, taxes, duties and obligations pertaining to by all other undertakings of Demerged Company (excluding the Demerged Undertaking) of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for the benefit of or enjoyed by the Demerged Company.
- (c) All encumbrances appearing in the books of Demerged Company of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for the benefit of or enjoyed by the Demerged Company.
- (d) All agreements, rights, contracts, entitlements, permits, licenses, approvals, authorities, consents, quota rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantee, reversions, powers and all other approvals of every kind, nature, description whatsoever relating to the business activities and operations of the in connection with all other undertakings of Demerged Company (excluding the Demerged Undertaking);
- (e) All records, files, papers, computer programmes, manuals, catalogues, sales material, list of clients, other client information and all other records and documents relating to the business activities and operations of the Demerged Company and relating to/ in connection with/ recognised or treated as part of all other undertakings of

Demerged Company (excluding the Demerged Undertaking)

- (f) All employees engaged in or relating to the business activities and operations of the Demerged Company and relating to/ in connection with/ recognised or treated as part of all other undertakings of Demerged Company (excluding the Demerged Undertaking) as on the Effective Date; and
 - (g) Any question that may arise with respect to a common asset such as cash and bank balances, etc. and/or with regard to any specific asset or liability as to whether and to what extent the same pertains or does not pertain to the 'Retained Undertaking' or whether it arises out of the activities or operations of the 'Retained Undertaking' shall be decided by mutually between the Board of Directors of the Demerged Company and the Resulting Company;
- 17.3. All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case, relating to the Remaining Undertaking of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company) in respect of the Remaining Undertaking, shall be continued and enforced by or against the Demerged Company after the Effective Date.
- 17.4. If any proceedings are made against the Resulting Company in respect of the outstanding matters referred to in Clause 17.3 above, the Resulting Company shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Resulting Company.
- 17.5. With effect from the Appointed Date:
- (a) The Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;

- (b) all profits accruing to the Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Undertaking shall, for all purposes, be treated as the profits or losses, as the case may be, of the Demerged Company.

PART III

GENERAL TERMS & CONDITIONS

18. APPLICATION / PETITIONS TO THE NCLT AND APPROVALS

- 18.1. The Demerged Company and Resulting Company shall make the requisite company applications/petitions under Section 230 to 233 of the Act, and other applicable provisions of the Act to the Hon'ble National Company Law Tribunal, as applicable, for seeking the sanctioning of this Scheme.
- 18.2. The Demerged Company and the Resulting Company shall file in the NCLT applications for convening/ seeking dispensation from holding of meetings of their respective shareholders and creditors in such manner as the NCLT may direct and to consider and if thought fit to approve, with or without modification, this Scheme
- 18.3. On this Scheme being agreed by the requisite majority of members and creditors of the Demerged Company and the Resulting Company, the Companies shall apply to the NCLT for sanctioning the Scheme of arrangement under Section 230 to 232 of the Act and for such other order, or orders, as the Courts may deem fit for carrying this Scheme into effect.
- 18.4. It is hereby clarified that filing of the Scheme to the NCLT and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defences that the companies have or may have under or pursuant to all applicable laws.
- 18.5. The Demerged Company and the Resulting Company shall also take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.
- 18.6. The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which the Resulting Company may require to own and operate the Demerged Undertaking to be transferred to it under this Scheme.

19. DIVIDENDS

- 19.1. For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Resulting Company from declaring and paying dividends, whether interim or final, to its members as on the record date to be fixed by Board for the purpose of any such dividend.
- 19.2. The Demerged Company shall not utilize the profits or income, if any, relating to the Demerged Undertaking for the purpose of declaring or paying any dividend to its members or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of Resulting Company.
- 19.3. It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Companies or Resulting Companies to deem or claim any dividends, which subject to the applicable provisions of the Act, shall be entirely at the discretion of the Board of Directors, of the respective Companies, as may be required.

20. AMENDMENT IN THE AUTHORISED SHARE CAPITAL OF THE DEMERGED COMPANY

- 20.1. Upon Part II of the Scheme becoming effective and as a consequent to the share reorganization as per Clause 15 of this Scheme, the authorised share capital of the Demerged Company shall be modified with regard to the reduction in face value of the Equity Shares from INR 10 per share to INR 1 per share and with regard to the reduction in face value of the Compulsorily Convertible Preference Shares from INR 100 per share to INR 1 per share in accordance with the Clause 15 of this Scheme. Clause V of the Memorandum of Association and relevant article(s) of the Article of Association of the Demerged Company, if any, shall stand modified/ altered to give effect to the reduction in face value of the Equity Shares and Compulsorily Convertible Preference Shares, without any further approval.
- 20.2. Accordingly, clause V of the Memorandum of Association of the Demerged Company shall, without any further act or deed, stand replaced with the following clause V:

“The Authorised Share Capital of the Company is Rs. 59,50,00,000 (Rupees Fifty-Nine Crores Fifty Lacs only), divided into 10,00,00,000 (Ten Crore) Equity Shares of Re. 1 (Rupee One only) each aggregating to Rs. 10,00,00,000 (Rupees Ten Crore only), and 49,50,00,000 (Forty-nine Crores Fifty Lacs) Preference Shares of Re. 1 (Rupee one only) each, aggregating to Rs. 49,50,00,000 (Rupees Forty-nine Crores Fifty Lacs only) with rights, privileges and conditions as may be provided by the Articles of Association of the Company. The Company shall have the power to increase or reduce or modify the Share Capital.”

- 20.3. It is clarified that the approval of the members of the Demerged Company to this Scheme shall be deemed to be their consent/ approval also to the consequential alteration of the Memorandum of Association pursuant to Clause 20.2 of this Scheme and the Demerged Company shall not be required to seek separate consent/ approval of its shareholders for such alteration of their Memorandum of Association pursuant to Clause 20.2 of this Scheme, as required under the relevant provisions of the Act.

21. MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 21.1. The Demerged Company and the Resulting Company represented by their respective Board of Directors, may make and/ or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors).

22. SCHEME CONDITIONAL ON APPROVAL/SANCTIONS

- 22.1. The Scheme is conditional upon and subject to:
- (i) the approval of an agreement to the Scheme by requisite majority of the respective classes of members and creditors of the Demerged Company and the Resulting Company as may be directed by the NCLT on application made for directions under Section 230-232 of the said Act;

- (ii) the sanction of the NCLT being obtained under Section 230 to 232 of the said Act in favour of the Demerged Company and the Resulting Company and to the necessary order or orders under Section 232 of the said Act, being obtained;
- (iii) Certified copies of the order of the NCLT sanctioning this Scheme being filed with the jurisdictional Registrar of Companies.

23. IN CASE OF WITHDRAWAL OF SCHEME

- 23.1. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the NCLT and/or the Order or Orders not being passed, as aforesaid, the Scheme of Arrangement shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.
- 23.2. Further, the Board of Directors of the Demerged Company and the Resulting Company shall be entitled to revoke, cancel and declare the Scheme of no effect if such Board are of view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn up orders with any authority could have adverse implication on all/any of the companies.
- 23.3. If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this 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 Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including, but not limited to, such part.
- 23.4. If any part of this Scheme is found to be unworkable for any reason whatsoever, in the sole discretion of the Demerged Company and the Resulting Company either by the Board of Directors or through the Committee appointed by them in this behalf, the same shall not,

subject to the decision of the Demerged Company and the Resulting Company affect the validity or implementation of the other parts and/or provisions of this Scheme.

- 23.5. In the event that any conditions imposed by the Court are found unacceptable for any reason whatsoever by the Demerged Company or the Resulting Company, then Demerged Company and/ or the Resulting Company shall be entitled to withdraw the Scheme in which event no rights and liabilities whatsoever shall accrue to or be incurred inter se to or by the parties or any of them.
- 23.6. The Demerged Company and the Resulting Company by their respective Board of Directors shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

24. MISCELLANEOUS

- 24.1. In the event of non-fulfillment of any or all obligations under the Scheme by any company towards the other company, inter-se or to third parties and non-performance of which will put the other company under any obligation, then such company will indemnify the other company in respect of all costs/interests, etc.
- 24.2. On the approval of the Scheme by the members of the Demerged Company and the Resulting Company pursuant to Section 230 to 232 of the Act, it shall be deemed that the said members have also accorded all relevant consents under other provisions of the Act to the extent the same may be considered applicable for the purpose of this Scheme.
- 24.3. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Resulting Company in respect of the immovable properties vested in it. Any inchoate title or possessory title of the Demerged Company or its predecessor companies shall be deemed to be the title of the Resulting Company.

- 24.4. It is the intention of the Parties that any Part of the Scheme, as may be mutually decided by the Board of each of Parties, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected by such alteration.

25. COSTS, CHARGES AND EXPENSES

- 25.1. All costs, charges, fees, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne and paid by the Demerged Company or the Resulting Company as applicable. The Resulting Company and the Demerged Company shall be eligible for deduction of expenditure incurred as per Section 35DD of the Income Tax Act, 1961.

The Board of Directors
Oban Fashions Pvt Ltd
102, VIP Plaza, B-7, Veera Industrial Estate
Off Andheri Link Road, Andheri (West)
Mumbai MH 400053 IN

The Board of Directors
Rupa & Company Ltd
1 Ho Chi Minh Sarani
Metro Plaza 8th Floor
Kolkata WB 700071 IN

Sub: Report on Fair valuation pursuant to an undertaking of Oban Fashions Pvt Ltd being demerged to Rupa & Company Ltd.

We understand that an undertaking of Oban Fashions Pvt Ltd, (CIN: U18204MH2015PTC271385), a private limited company having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate, Off Andheri Link Road, Andheri (West), Mumbai MH 400053 IN (hereinafter referred to as "**Demerged Company**" or "**Oban**") is being demerged to Rupa & Company Ltd (CIN: L17299WB1985PLC038517) registered at 1 Ho Chi Minh Sarani Metro Plaza 8th Floor Kolkata WB 700071 IN (hereinafter referred to as "**Resulting Company**" or "**Rupa**").

Purpose: An undertaking of Oban Fashions Pvt Ltd, is being demerged to Rupa & Company Ltd and the management of Rupa & Company Ltd ("**Appointing Authority**") has engaged us to assess the need of valuation report and issuance of valuation report, if applicable under SEBI regulations.

Background of Transaction: Rupa is engaged in the manufacturing, marketing, selling and distribution of men's and women's innerwear, thermal wear and fashion wear products, across economy, mid-premium, premium and super-premium categories. Resulting Company operations through its manufacturing facilities in West Bengal, Tamil Naidu, Karnataka and Uttar Pradesh.

Oban is engaged in manufacturing, marketing and selling of hosiery items. Oban Fashions Private Limited is also an authorized licensee with rights for whole of India with respect to innerwear (briefs, trunks, knit thermals, etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) for premium brands French Connection UK ('FCUK') and Fruit of the Loom ('FOTL'). In one of its undertaking, Oban develops, manufactures, markets and sells innerwear and related products with the brand name "FCUK" in India as well as manufactures, distributes, advertises and sells innerwear, and outerwear products for men, boys, women, girls and toddler in India under their brand name and mark, "FOTL" ("**Demerged Undertaking**"). The other undertaking of the Demerged Company is inter alia engaged in the trading of hosiery products including yarn, etc. ("**Remaining Undertaking**"). The Demerged Company is currently a wholly owned subsidiary of the Resulting Company.

The management of the companies have examined the relative business strengths and the potential commercial and other synergies of the consolidation and proposed to consolidate their Demerged Undertaking under a single entity. Accordingly, it is being proposed to transfer the Demerged Undertaking of the Demerged Company to the Resulting Company. The proposed demerger of the Demerged Undertaking would help in:

- a) Utilizing the current market presence and customer base of the Resulting Company
- b) Streamlining the operations structure of the Demerged Undertaking
- c) Synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale of the companies.



- d) Would enable consolidation of similar premium businesses and carry on the same more efficiently and effectively.
- e) Beneficial results for the Companies concerned, their shareholders, employees and all concerned.

The Demerged Company and the Resulting Company believe that this Scheme of Arrangement is in the best interest of the relevant companies and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility.

Background of report: SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 lays down the detailed requirements to be complied with by listed entities while undertaking schemes of arrangements. Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, amended by Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 and further by Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/215 Dated November 3, 2020 "Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957" states as follows (Extracts):

4 Valuation Report:

- a) All listed entities are required to submit a valuation report from a Registered Valuer.
"For the purpose of this clause, the Registered Valuer shall be a person, registered as a valuer, having such qualifications and experience and being a member of an organization recognized, as specified in Section 247 of the Companies Act, 2013 read with the applicable Rules issued thereunder."
- b) However, Valuation Report is not required in cases where there is no change in the shareholding pattern of the listed entity / resultant company.
- c) ...
- d) Further, a few examples illustrating 'no change in shareholding pattern' are indicated below:
 - i. ...
 - ii. *In case a wholly-owned-subsidiary (say, "entity X") of a listed entity is merged with its parent listed entity (say, "entity Y"), where the shareholders and the shareholding pattern of entity Y remains the same, it will be treated as 'no change in shareholding pattern'.*

For the limited purpose of this Circular, 'resultant company' shall mean a company arising / remaining after the listed entity undertakes a Scheme of Arrangement.

As is evident from the extracts of the above circular(s), **Valuation Report is not required in cases where there is no change in shareholding pattern of the listed entity / resultant company.**

The shareholding of Oban is as follows:

Shareholder	Number of Shares	Shareholding (%)
Rupa & Company Ltd	99,10,000	100%
– Equity Shares of Rs 10 each		
Rupa & Company Ltd	49,50,000	100%
– 0.1% Non-Cumulative Compulsorily Convertible Preference Shares of Rs 100 each.		

Source: Audited Financial Statements as on 31st March, 2020 of Rupa & Co Ltd. and of Oban Fashions Private Limited



Based representations received from the management and explanations given to us, we understand that since Oban is wholly owned subsidiary of Rupa, there will be no change in the shareholding of the Resulting Company pursuant to the demerger. Rupa, being the 100 percent shareholder of Oban, cannot issue shares to itself. The management of Oban has confirmed that there has been no change in shareholding of Oban between the balance sheet date as on 31st March 2020 and the date of this report.

Conclusion

Accordingly, we confirm that the Resultant Company which is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) is not required to submit a valuation report from a Registered Valuer as the Resultant Company owns 100% of the paid up share capital of the Demerged Company and there is no change in the shareholding pattern of the listed entity / resultant company pursuant and after the proposed Scheme of Arrangement.

Our report should be read along in entirety along with Caveats, Limitations and Disclaimers that form an integral part of the report.

Regards



Vikash Goel

(Regd. No.: IBBI/RV/01/2018/10339)

Date: 9-Dec-2020

Place: Kolkata

Caveats, limitations and disclaimers

1. **Restriction on use of Valuation Report:** This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. The management of the company is the only authorized user of this report and is restricted for the purpose indicated in the report. This restriction does not preclude the Appointing Authority from providing a copy of the report to its internal stakeholders on a need-to-know basis, auditors, regulators and third-party advisors whose review would be consistent with the intended use. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. We do not take any responsibility for the unauthorized use of this report.
2. **Purpose:** Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.
3. **No advice towards investment or on transaction:** Our Report should not be construed as advice for the transaction. Specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction as stated in the purpose of engagement. We express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion. We would not be responsible for the decision taken by anybody based on this report.
4. **Responsibility of Registered Valuer:** We owe responsibility only to the Appointing Authority that has appointed us under the terms of the engagement. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents. In any case, our liability to the management or any third party is limited to be not more than 50% of the amount of the fee received by us for this engagement.
5. **Accuracy of Information:** While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the clients existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the appointing authority/management. Accordingly, we express no audit opinion or any other form of assurance on this information.
6. **Post Valuation Date Events:** An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. The user to which this report is addressed should read the basis upon which the analysis has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the Date of this report.
7. **Reliance on the representations of the management and other third parties:** In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, documents and other information given by/on behalf of the Appointing Authority. The management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the management and other third parties concerning the financial data, operational data except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the companies, their directors, employee or agents.
8. **Compliance with relevant laws:** The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same.



In addition, we express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion. Further, unless specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

9. **Questions, Appearances or Testimony in courts/ tribunals/ authorities:** Our engagement is limited to preparing the report to be submitted to the Appointing Authority. We shall not be liable to provide any evidence for any matters stated in the report nor shall we be liable or responsible to provide any explanation or written statement for any assumption, information, methodology or any other matter pertaining to the report. However, in case we are required to appear before any regulatory authority as per law, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.
10. **Fees and Independence:** We are independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid/to be paid for our services in no way influenced the results of our analysis

Sources of information: In the course of issuing this report, we have relied on the following sources:

- Audited Financial Statements as on 31st March 2020 of Oban and Rupa.
- Draft scheme of arrangement containing the details of the transaction and shareholding pattern before and after the arrangement.
- We have also accessed public documents as available from external sources such as mca.gov.in.

About the valuer: Vikash Goel (the "Valuer"), is Registered Valuer having Registration No. IBBI/RV/01/2018/10339. The Valuer is registered with the Insolvency and Bankruptcy Board of India to undertake the Valuation of Securities and Financial Assets of the Companies. Vikash is a Chartered Accountant (Fellow member of ICAI), CFA (ICFAI) and holds MS Finance and MBA in HR. He is also an alumnus of St Xavier's College, Kolkata and hails from Indian Institute of Management Calcutta (IIM-C).

Disclosure of valuer interest of conflict: We hereby confirm that the valuer is suitably qualified and authorized to practice as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The valuer accepts instructions only from the appointing authority or eligible instructing party with respect to the valuation engagement. We have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value reported herein.

----- End of the Report -----





To,
The Board of Directors
Oban Fashions Pvt Ltd
102, VIP Plaza, B-7,
Veera Industrial Estate,
Off Andheri Link Road,
Andheri (West)
Mumbai-400053

To,
The Board of Directors
Rupa & Company Ltd
1 Ho Chi Minh Sarani Metro Plaza,
8th Floor
Kolkata-700071

Sub: Fairness Opinion on Valuation Report for Demerger of an undertaking of Oban Fashions Pvt Ltd with Rupa & Company Ltd.

Dear Sir/Madam,

1. ENGAGEMENT BACKGROUND

We understand that an undertaking of Oban Fashions Pvt Ltd, (CIN: U18204MH2015PTC271385), a private limited company having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate, Off Andheri Link Road, Andheri (West), Mumbai-400053 (hereinafter referred to as "**Demerged Company**" or "**Oban**") is being demerged to Rupa & Company Ltd (CIN: L17299WB1985PLC038517) registered at 1 Ho Chi Minh Sarani Metro Plaza 8th Floor Kolkata-700071 (hereinafter referred to as "**Resulting Company**" or "**Rupa**").

We further understand that the Valuation Report dated December 9, 2020 prepared by Registered Valuer Mr. Vikash Goel (the "Valuer") is made available to us.

In connection with the aforesaid, you have requested our opinion as to the fairness of the Valuation Report, as recommended by the Valuer.

2. BACKGROUND OF THE COMPANIES

a. Oban Fashions Pvt Ltd ("Oban")

- Oban Fashions Pvt Ltd, (CIN: U18204MH2015PTC271385), is a private limited company having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate, Off Andheri Link Road, Andheri (West), Mumbai-400053
- Oban is engaged in manufacturing, marketing and selling of hosiery items. Oban Fashions Private Limited is also an authorized licensee with rights for whole of India with respect to innerwear (briefs, trunks, knit thermals, etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) for premium brands French Connection UK ('FCUK') and Fruit of the Loom



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FINSHORE MANAGEMENT SERVICES LIMITED

(CIN : U74900WB2011PLC169377) • Website : www.finshoregroup.com

Regd. Office : "Anandlok" 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph. 033 2289 5101



('FOTL'). In one of its undertaking, Oban develops, manufactures, markets and sells innerwear and related products with the brand name "FCUK" in India as well as manufactures, distributes, advertises and sells innerwear, and outerwear products for men, boys, women, girls and toddler in India under their brand name and mark, "FOTL". ("Demerged Undertaking").

- The other undertaking of the Demerged Company is inter alia engaged in the trading of hosiery products including yarn, etc. ("Remaining Undertaking").
- The Demerged Company is currently a wholly owned subsidiary of the Resulting Company.
- The shareholding pattern of Oban as on 31st March 2020 is as follows:

Shareholder	Number of Shares	Shareholding (%)
Rupa & Company Ltd	99,10,000	100%
– Equity Shares of Rs 10 each		
Rupa & Company Ltd		
– 0.1% Non-Cumulative Compulsorily Convertible Preference Shares of Rs 100 each.	49,50,000	100%

Management has confirmed that there is no change in the above shareholding pattern as on the date of this opinion.

b. Rupa & Company Ltd ("Rupa")

- Rupa & Company Ltd (CIN: L17299WB1985PLC038517) has its registered office at 1 Ho Chi Minh Sarani Metro Plaza 8th Floor Kolkata-700071.
- Rupa is engaged in the manufacturing, marketing, selling and distribution of men's and women's innerwear, thermal wear and fashion wear products, mid-premium, premium and super-premium categories. Resulting Company operates through its manufacturing facilities in West Bengal, Tamil Nadu, Karnataka and Uttar Pradesh.
- Equity shares of Rupa are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").
- Based on the representations received from the management and explanations given to us, we understand that since Oban is a wholly owned subsidiary of Rupa, there will be no change in the shareholding of the Resulting Company pursuant to the demerger

(source: Valuation report and information made available to us by the company)



FINSHORE MANAGEMENT SERVICES LIMITED

(CIN : U74900WB2011PLC169377) • Website : www.finshoregroup.com

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3. SOURCES OF INFORMATION

We have relied on the following information for forming our opinion:-

- a. Audited Annual Accounts of the Oban for FY 2019-20;
- b. Valuation report dated December 9, 2020 issued by Mr. Vikash Goel;
- c. Shareholding Pattern of the Companies as on 31st March, 2020;
- d. Brief Overview of the Companies and its past & current operations;
- e. Management Representation dated December 9, 2020 containing various data, documents and information relating to the Companies;
- f. Other information provided, as well as discussions held with, the Management of the Companies and other key personnel regarding past, current & future business operations;
- g. Published & secondary sources of data, whether or not made available by the Companies.
- h. Such other necessary information as considered relevant.

4. THE SCHEME IS CONDITIONAL UPON THE FOLLOWING FACTORS:

- a. The Scheme is subject to approval by the respective requisite majorities of members of the Company as required under the Act.
- b. The requisite disclosures under the applicable law as required under the SEBI Circular (CFD/DIL3/CIR/2017/21) dated March 10, 2017, Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 and Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/215 Dated November 3, 2020 issued by the SEBI read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as may be required by law in respect of this Scheme being made.
- c. The Scheme is subject to approval by the National Company Law Tribunal(NCLT) read with all other applicable provisions if any, of the Act or of such other authority having jurisdiction under applicable law, being obtained as applicable.
- d. The certified copy of the above order of the NCLT sanctioning this Scheme being filed with the Registrar of Companies as applicable.





5. SCOPE AND LIMITATIONS/CAVEATS

- a. Our opinion and analysis is limited to the extent of review of documents as provided to us by Demerged and Resulting Company including the Valuation report by the Registered Valuer Mr. Vikash Goel dated December 9, 2020. We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial statement relating to these Companies. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged and Resulting Company, if any.
- b. In rendering our opinion, we have assumed that the Scheme of Arrangement will be implemented on the terms described therein without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary regulatory approvals to the Scheme of Arrangement, no delay, limitation, restriction or conditions will be imposed that would have an adverse effect on the Scheme.
- c. We do not express an opinion as to any tax or other consequences that might arise from the Scheme of Arrangement nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.
- d. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the arrangement as explained to us and information provided to us and is not valid for any other purpose.
- e. Our engagement and opinion expressed herein are for the use of Board of Directors of the Companies in connection with the Scheme of Arrangement and for no other purpose. Neither we nor any of our affiliates, partners, directors, shareholders, managers, employees or agents or any of them make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.
- f. No decision should be taken based on this Report by any person intending to provide finance or invest in shares of the Companies and shall do so after seeking their own professional advice and carrying out their own due diligence to ensure that they are making an informed decision.
- g. Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Arrangement, if required or any matter related thereto.



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- h. Reproduction, Copying or otherwise quoting of our Report or any parts thereof, other than in connection with the scheme of Arrangement, can be done only with our prior consent in writing.
- i. Our report should not be construed as an opinion or certificate certifying the compliance of the Proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implication or issues arising from proposed Arrangement.
- j. Our opinion is restricted to the Fairness opinion on the valuation report given by the Registered Valuer as required under Circular No CFD/DIL3/CIR/2017/21 dated 10th March, 2017 amended by Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by the SEBI, further amended by Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/215 Dated November 3, 2020.
- k. The fairness opinion is based on and is subject to the condition's precedent mentioned under Point 4 "The Scheme is conditional upon the following factors".
- l. We have no present or planned future interest in Oban and Rupa and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
- m. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
- n. This Fairness opinion report is subject to the scope and limitations detailed herein. As such the report is to be read in totality, and not in parts and in conjunction with the relevant documents referred to in this opinion report. This report has been issued only for the purpose of the facilitating the Scheme and should not be used for any other purpose.

6. OPINION

With reference to above and based on information provided by Management and after discussions with the Valuer, we understand that an undertaking (Demerged Undertaking) of Oban Fashions Pvt Ltd (Demerged Company) is being demerged to Rupa & Company Ltd (Resulting Company). Oban is a wholly owned subsidiary of Rupa and thus no share shall be issued by Rupa as consideration for the proposed arrangement and there is no change in shareholding pattern of Rupa post proposed arrangement.





Accordingly, as stated by Registered Valuer and as per the relevant SEBI Circular no.CFD/DIL3/CIR/2017/21) dated March 10, 2017, no valuation report is required in this Demerger. Further SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 has amended Para 7 of SEBI Circular No.CFD/DIL3/CIR/2017/21 dated March 10, 2017 as follows:

"7. The Provisions of this circular shall not apply to schemes which solely provides for merger of a wholly owned subsidiary or its division with the parent company. However, such draft schemes shall be filed with the Stock Exchanges for the purpose of disclosures and the Stock Exchanges shall disseminate the scheme documents on their websites."

For Finshore Management Services Limited
SEBI Regd. CAT-I Merchant Banker, Regn No. INM000012185


S. Ramakrishna Iyengar
Director



Place: Kolkata
Date: December 9, 2020

Report adopted by the Board of Directors of Rupa & Company Limited pursuant to section 232(2)(c) of the Companies Act, 2013 with regard to the effect of the Scheme of Arrangement between Rupa & Company Limited and Oban Fashions Private Limited

1. Background

- 1.1. A Meeting of the Board of Directors ("Board") of Rupa & Company Limited was held on 9th December 2020, wherein the Board approved the proposed Scheme of Arrangement for the proposed demerger of Oban Fashions Private Limited ('Oban' or 'Demerged Company') with Rupa & Company Limited ('Rupa' or 'Resulting Company') under Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013, as applicable ("Scheme"). The Appointed date for the proposed demerger under the Scheme is 1st April, 2021.
- 1.2. In terms of Section 232(2)(c) of Companies Act, 2013, a Report from the Board of Directors ('the Report') of the Company explaining the effect of the compromise on each class of Shareholders, Key Managerial Personnel, Promoters, and Non-promoter Shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties has to be appended with the notice of the meeting of shareholders and creditors. This report of the Board is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. The proposed arrangement involving transfer and vesting of Demerged Undertaking of Oban to the Company by way of draft Scheme of Arrangement was approved by the Board of Directors *vide* resolution dated 9th December, 2020.

2. The following is the Report taking into consideration the aforesaid provisions:

2.1. Brief background of Oban Fashions Private Limited

Oban Fashions Private Limited, having its registered office at 102, VIP Plaza, B-7, Veera Industrial Estate, Off Andheri Link Road, Andheri (West), Mumbai, Maharashtra – 400053 and Corporate Identity Number (CIN) U18204MH2015PTC271385, a deemed public company, being a Wholly-owned Subsidiary of Rupa & Company Limited, was incorporated as a company limited by shares on 29th December, 2015 under the Companies Act, 2013 under the name and style of 'Oban Fashions Private Limited. The Demerged Company is a 'Company' within the meaning of the Companies Act, 2013. PAN of the Demerged Company is AACCO2626F. Email address of the Demerged Company is info@oban.co.in.

2.2. Rationale of Scheme

Rationale and Benefits of the Scheme of Arrangement

- a) The Resulting Company is engaged in the manufacturing, marketing, selling and distribution of men's and women's innerwear, thermal wear and fashion wear products, across economy, mid-premium, premium and super-premium categories. Resulting Company operates through its manufacturing facilities in the state of West Bengal, Tamil Nadu, Karnataka and Uttar Pradesh.
- b) The Demerged Company is primarily engaged in manufacturing, marketing and selling of hosiery items. The Demerged Company is also an authorized licensee with rights for whole of India with respect to innerwear (briefs, trunks, knit thermals, etc.) and outerwear (t-shirts, knit pants, vests, leggings, etc.) for premium brands French Connection UK ('FCUK') and Fruit of the Loom ('FOTL'). In one of its undertaking, Oban develops, manufactures, markets and sells innerwear and related products with the brand name "FCUK" in India as well as manufactures, distributes, advertises and sells innerwear, and outerwear products for men, boys, women, girls and toddler in India under their brand name and mark, "FOTL". The other undertaking of the Demerged Company is inter alia engaged in the trading of semi-finished hosiery items, etc. The Demerged Company is currently a Wholly-owned Subsidiary of the Resulting Company.
- c) The management of the companies have examined the relative business strengths and the potential commercial and other synergies of the consolidation and proposed to consolidate their Demerged Undertaking under a single entity. Accordingly, it is being proposed to transfer the Demerged Undertaking of the Demerged Company to the Resulting Company.
- d) The proposed demerger of the Demerged Undertaking would help in:

- i) Utilizing the current market presence and customer base of the Resulting Company which will lead to the presence of the Demerged Undertaking across various market segments leading to higher growth/ top line for the Resulting Company;
 - ii) Would enable consolidation of similar premium businesses and carry on the same more efficiently and effectively;
 - iii) Under a liberalized, fast changing and highly competitive environment, the demerger shall strengthen the business of the Demerged Undertaking and of the Resulting Company, by pooling up resources for common purpose;
 - iv) Will rationalize the management structure, reduce overhead costs and ultimately lead to streamlining the operations structure of the Demerged Undertaking;
 - v) The demerger will enable the future business activities to be carried on more conveniently and advantageously with enhanced flexibility in funding of expansion plans, improving profitability and stronger balance sheet of the Resulting Company;
 - vi) Synergies expected to bring in cost savings in the marketing, selling and distribution expenses as well as give benefits of the economies of scale and elimination of duplication of administrative expenses;
 - vii) The transfer and vesting of the Demerged Undertaking to the Resulting Company will enable better focus and management of the Remaining Undertaking of the Demerged Company and to achieve higher topline for the Remaining Undertaking;
 - viii) The Remaining Undertaking has significantly lower working capital requirement as compared to the Demerged Undertaking. Hence, demerger of the Demerged Undertaking would help in managing the different funding requirements of the two business, both in terms of type of funds and amount of infusion required for the businesses;
 - ix) Beneficial results for the Companies concerned, their shareholders, employees and all concerned.
- e) The Demerged Company and the Resulting Company believe that this Scheme is in the best interest of the relevant companies and their respective shareholders and creditors, and other stakeholders, as it is expected to provide greater financial strength and flexibility.

In view of the aforesaid, the Board of Directors of the Demerged Company and the Resulting Company have considered and proposed the transfer of the Demerged Undertaking of the Demerged Company to the Resulting Company in order to benefit the stakeholders of the Demerged Company and the Resulting Company.

2.3. **Salient Features of the Scheme**

The salient features of the Scheme are as under:

- a) The Scheme provides for the transfer of Demerged Undertaking of the Demerged Company to the Resulting Company;
- b) Appointed Date shall mean 1st April, 2021, or any other date as may be approved by the Appropriate Authority;
- c) Effective date means the later of the dates on which certified copies of the order of the relevant Benches of the NCLT, sanctioning the Scheme are filed with the jurisdictional Registrar of Companies by the Demerged Company and the Resulting Company;
- d) The proposed arrangement will be such that all the assets, liabilities, rights, entitlements, obligations, etc. of the Demerged Undertaking would stand transferred to and vested as a going concern in the Resulting Company.

This Scheme also provides for various other matters consequential or otherwise integrally connected with the above.

2.4. **Share Entitlement Ratio**

- a) Since the Demerged Company is a Wholly-owned Subsidiary of the Resulting Company, in accordance with the Clause 14 of the Scheme, upon the Scheme becoming effective, no new

shares of the Resulting Company shall be allotted in lieu of the transfer of the Demerged Undertaking, to the shareholders of the Demerged Company, as the Resulting Company itself is the shareholder of the Demerged Company. A certificate dated 9th December, 2020 from a Registered Valuer, Mr. Vikas Goel, (Regn. No. IBBI/RV/01/2018/10339) confirming that no shares would be issued by Resulting Company is enclosed.

- b) Also, a fairness opinion report dated 9th December, 2020 from a Merchant Banker, M/s Finshore Management Services Limited, a SEBI registered CAT-I Merchant Banker, Regn No. INM000012185, confirming the fairness of the report of the Registered Valuer is enclosed.
- c) No special valuation difficulties were reported in the aforesaid Report.

2.5. Effect of the Scheme of Arrangement on Equity Shareholders and Directors and KMPs

- a) Since under the proposed Scheme of Arrangement, the Demerged Undertaking of the Demerged Company would be transferred to the Resulting Company, there be no adverse effect of the said Scheme on the Equity Shareholders, Key managerial personnel, Promoters and Non-Promoter shareholders of the Resulting Company. .
- b) None of the Directors, Promoters, KMPs, non-promoter shareholders, respectively have any material personal interest in the Scheme, except to the extent of shares held in Resulting Company, if any.

Date: 9th December, 2020
Place: Kolkata

Sd/-
(Ramesh Agarwal)
(Whole-time Director)
DIN: 00230702