

30<sup>th</sup> June, 2017

To,  
The Chief General Manager,  
Corporate Finance Department,  
Division of Corporate Restructuring,  
Securities and Exchange Board of India,  
SEBI Bhavan, Plot No. C4-A,  
'G' Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

Respected Sir,

Sub: Request for Informal Guidance by way of an Interpretative Letter under SEBI (Informal Guidance) Scheme, 2003 ('Scheme') in relation to Regulation 30(1) of SEBI (Delisting of Equity Shares) Regulations, 2009 and subsequent amendments thereto

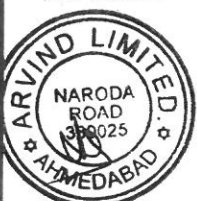
In relation to the captioned subject, we seek your guidance in relation to issue of equity shares followed by listing to the shareholders of the company, in facts of our case, mentioned hereunder:

A. Background of the Company:

Arvind Limited is a company incorporated under the Companies Act, 1956, having its registered office at Naroda Road, Ahmedabad - 380025. The equity shares of Arvind Limited are listed on BSE and NSE.

B. Brief Facts of the Case:

1. The engineering business of Arvind Group is presently held under Arvind Limited and The Anup Engineering Limited, a subsidiary company of Arvind Limited. Arvind Group is proposing to consolidate its engineering business in a single company to unlock its value.
2. The equity shares of The Anup Engineering Limited were listed on Ahmedabad Stock Exchange ('ASE') in May 1965 which were subsequently delisted from ASE in June 2015 in accordance with Chapter III of the of SEBI (Delisting of Equity Shares) Regulations, 2009 ('Delisting Regulations').

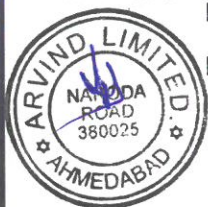


3. Shareholding pattern of The Anup Engineering Limited as on 31 March 2017 (i.e. post delisting) is as under:

Name of shareholders	No. of shares	% of shareholding
Arvind Limited	1,27,20,640	93.53%
Other promoters	1,70,950	1.26%
Public shareholders	7,08,410	5.21%
<b>Total (of Rs. 10 each)</b>	<b>1,36,00,000</b>	<b>100%</b>

4. To achieve the consolidation of engineering business, it is proposed that Arvind Limited will incorporate a wholly owned subsidiary viz. New Company ('New Co.') and will demerge its engineering undertaking into New Co.
5. As a reason of the aforesaid demerger, New Co. will issue equity shares to the shareholders of Arvind Limited as consideration of demerger.
6. The equity shares issued to the shareholders of Arvind Limited as above shall be listed in accordance with the provisions of Regulation 19(2) of the Securities Contracts (Regulation) Rules, 1957 read with Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017.
7. It is also proposed to either merge The Anup Engineering Limited into the New Co. or demerge the engineering undertaking of The Anup Engineering Limited into the New Co. thereby consolidating the entire engineering business of Arvind Group into the New Co.
8. As a reason of the above, New Co. will issue equity shares to the shareholders of The Anup Engineering Limited as consideration for merger / demerger.
9. It is pertinent to note that the above-mentioned steps, viz. demerger of engineering undertaking of Arvind Limited, merger of The Anup Engineering Limited / demerger of engineering undertaking of The Anup Engineering Limited and issue of equity shares by New Co. shall happen simultaneously.

In order to implement the identified alternative, Arvind Limited, The Anup Engineering Limited and New Co. will be required to enter into a Scheme of Arrangement under Section



230-232 of the Companies Act, 2013 which shall require approval from National Company Law Tribunal.

**C. Clarification Sought:**

1. Whether issuance of equity shares by New Co. to the shareholders of The Anup Engineering Limited followed by listing of equity shares is permissible considering the provisions of Regulation 30(1) of the Delisting Regulation.

**D. Our Interpretation:**

1. Regulation 30(1) of the Delisting Regulation reads as under:

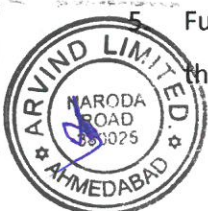
*"No application for listing shall be made in respect of any equity shares,*

*(a) which have been delisted under Chapter III or under Chapter VII (except regulation 27), for a period of five years from the delisting;*

*(b) which have been delisted under Chapter V, for a period of ten years from the delisting."*

2. It can be observed that as per Regulation 30(1) of the Delisting Regulations, equity shares which have been delisted in accordance with Chapter III of the Delisting Regulations cannot be relisted for a period of 5 years from the delisting.
3. It may be inferred from the above that the restriction is only with respect to relisting of the same set of equity shares which have been delisted for the specified period and not with respect to listing of any other class of equity shares issued by the same company or issuance of equity shares by any other listed company to the shareholders of the delisted company (holding the delisted class of equity shares) by virtue of their shareholding in the delisted company.
4. It may be noted that in the instant case, where the equity shares of The Anup Engineering Limited have been delisted in June 2015, it is relisting of such equity shares which is not permissible until completion of 5 years from delisting as per Regulation 30(1) of the Delisting Regulation.

5. Further, where it is proposed to enter into a Scheme of Arrangement to implement any of the alternative as discussed in point no. 4 of Para B, New Co. will be required to issue





equity shares to the shareholders of Arvind Limited as a consideration of demerger of engineering division with New Co. and such equity shares shall be eligible for listing in compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 read with SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017.

6. Since The Anup Engineering Limited is also a demerged company and part of the same Scheme of Arrangement, New Co. will also be required to issue same class of equity shares as discussed above to the shareholders of The Anup Engineering Limited as consideration of demerger of engineering division / merger with New Co.
7. It is worthwhile to note that listing of equity shares issued by New Co. to the shareholders of The Anup Engineering Limited is distinct from listing of equity shares of The Anup Engineering Limited itself and should not be regarded as relisting of equity shares of The Anup Engineering Limited. Therefore, embargo provided under Regulation 30(1) of the Delisting Regulation should not apply to listing of equity shares to be issued by New Co. to the shareholders of The Anup Engineering Limited.

Considering the above, we request you to kindly consider our application and look forward to hearing from you and receiving interpretative letter in relation to the above.

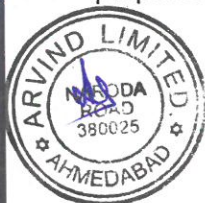
**E. Request for Confidentiality**

In accordance with Paragraph 11 of the Scheme, we request that this letter and its contents be kept confidential for the maximum period possible, i.e. until 90 days after the response to this letter has been tendered.

**F. Compliance with Paragraph 6 of the Scheme**

In accordance with Paragraph 6 of the Scheme, this request for informal guidance is accompanied with a demand draft for Rs. 25,000/- (Rupees Twenty Five Thousand Only) dated 30.06.2017 drawn on YES Bank payable in favour of Securities and Exchange Board of India, payable at Mumbai.

All material facts, circumstances and legal provisions which in our opinion are relevant for the purposes of determination of this request are stated herein.



We seek your considered informal guidance to this effect and we will extend our full co-operation in case you require any further information. Any request for further information / clarification may be addressed to:

Contact Person	Address	Contact Details
Jagdish Dalal	Arvind Limited Naroda Road, Ahmedabad – 380 025	E-mail ID - <a href="mailto:Jagdish.dalal@arvind.in">Jagdish.dalal@arvind.in</a> Contact no – 098250 39722
Ramnik V Bhimani	Arvind Limited Naroda Road, Ahmedabad – 380 025	E-mail ID – <a href="mailto:rv.bhimani@arvind.in">rv.bhimani@arvind.in</a> Contact no – 09824016595
Paresh Shah	Anup Engineering Limited B/h 66 KV Electric Sub Station, Odhav Road, Ahmedabad – 382 415	E-mail ID - <a href="mailto:Paresh.shah@anupengg.com">Paresh.shah@anupengg.com</a> Contact no – 98240 14274
Rakesh Poddar	Anup Engineering Limited B/h 66 KV Electric Sub Station, Odhav Road, Ahmedabad – 382 415	E-mail ID - <a href="mailto:Rakesh.poddar@anupengg.com">Rakesh.poddar@anupengg.com</a> Contact no - 9007136240

Thanking You.

Yours faithfully,

For Arvind Limited



Authorised Signatory

Name: Ramnik V Bhimani

Designation: Company Secretary

