

FOR THE ATTENTION OF THE SHAREHOLDERS OF ARVIND LIMITED

The Hon'ble National Company Law Tribunal, Bench at Ahmedabad has, vide its order dated 26th October 2018, sanctioned the Composite Scheme of Arrangement amongst Arvind Limited ("Arvind") and Arvind Fashions Limited ("AFL") and Anveshan Heavy Engineering Limited ("AHEL") and The Anup Engineering Limited ("Anup") and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("the Scheme").

The Scheme envisages the following:

- a. Transfer and vesting of the Branded Apparel Undertaking from Arvind to AFL and the consideration thereof;
- b. Transfer and vesting of the Engineering Undertaking from Arvind to AHEL and the consideration thereof;
- c. Amalgamation of Anup with AHEL.

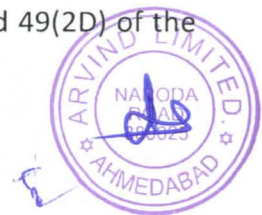
Pursuant to the Scheme, following shares have been allotted on 04th December 2018:

- a. 1 (One) fully paid up equity share of INR 4 (Indian Rupees Four) each of AFL for every 5 (Five) equity shares of INR 10 (Indian Rupees Ten) each held in Arvind as on the record date fixed for the purpose i.e. 29th November 2018;
- b. 1 (One) fully paid up equity share of INR 10 (Indian Rupees Ten) each of AHEL for every 27 (Twenty Seven) equity shares of INR 10 (Indian Rupees Ten) each held in Arvind as on the record date fixed for the purpose i.e. 29th November 2018.

For determining the post demerger cost of acquisition of the equity shares of Arvind and the cost of equity shares of AFL and AHEL under the Income Tax Act, 1961 ("IT Act"), the shareholders are informed to apportion their pre-demerger cost of acquisition of Arvind's equity shares in the following manner:

Name of the Company	% of cost of acquisition of Arvind's shares
Arvind	80.00%
AFL	19.66%
AHEL	0.34%
Total	100.00%

The same is based on "net book value" of the assets of the demerged undertakings to the duly adjusted "net worth" of Arvind as on the respective Appointed Dates (viz. 1st January 2018 for Engineering Undertaking and 30th November 2018 for Branded Apparel Undertaking), computed in accordance with Section 49(2C) and 49(2D) of the IT Act.



Further, according to the provisions of Section 47(vi)(d) of the IT Act, the issue of shares by AFL and AHEL pursuant to the Scheme, to the equity shareholders of Arvind in consideration of demerger of the Branded Apparel Undertaking and the Engineering Undertaking respectively, will not be regarded as transfer. Accordingly, the date of acquisition of shares of Arvind shall be deemed to be the date of acquisition of shares of AFL and AHEL.

This communication is merely for the general guidance of the shareholders and should not be considered as a substitute for any independent opinion that the shareholders may obtain. The Company takes no express or implied liability in relation to this guidance. Please note that the cost apportionment ratio mentioned above is based on unaudited financials and may vary from audited financials.

Thanking You,
Yours faithfully
For **Arvind Limited**



R V Bhimani
Company Secretary

17th December 2018

