



भारतीय प्रतिभूति  
और विनिमय बोर्ड  
Securities and Exchange  
Board of India

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SEBI/HO/CFD/DCR1/OW/P/2017/0000021177/1  
September 05, 2017

Mr. Ramnik V Bhimani  
Company Secretary  
M/s. Arvind Limited  
Naroda Road  
Ahmedabad – 380025

Dear Sir,

**Sub: Request for informal guidance by way of "Interpretive Letter" under the SEBI (Informal Guidance) Scheme, 2003 ("Scheme") in relation to Reg. 30(1) SEBI (Delisting of Equity Shares) Regulations, 2009 ('Delisting Regulations')**

1. This has reference to your letter dated June 30, 2017 (received by SEBI on July 05, 2017) on the captioned subject.
2. In respect of the same, you have, inter alia, represented as under:
  - 2.1 Arvind Limited is listed on the NSE and BSE Limited.
  - 2.2 The engineering business of Arvind Group is presently held under Arvind Limited and the Anup Engineering Limited ('AEL'), a subsidiary company of Arvind Limited.
  - 2.3 Arvind Group is proposing to consolidate its engineering business in a single company.
  - 2.4 The equity shares of AEL were listed on Ahmedabad Stock Exchange ('ASE') in May, 1965 and were subsequently delisting from ASE in June, 2015, in accordance with Chapter III of Delisting Regulations.
  - 2.5 To achieve the consolidation of engineering business, it is proposed that Arvind Limited will incorporate a wholly owned subsidiary i.e. New Company ('New Co.') and will demerge its engineering undertaking into New Co.

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.  
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : [www.sebi.gov.in](http://www.sebi.gov.in)



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- 2.6 As a reason of the aforesaid demerger, New Co. will issue equity shares to the shareholders of Arvind Limited as a consideration for demerger.
- 2.7 The equity shares issued to shareholders of Arvind Limited as above shall be listed in accordance with the provisions under Rule 19(2) of Securities Contracts (Regulation) Rules, 1957 ('SCRR') read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.
- 2.8 It is also proposed to either merge AEL into the New Co. or demerge the engineering undertaking of AEL into the New Co. thereby consolidating the entire engineering business of Arvind Group in the New Co.
- 2.9 New Co. will issue equity shares to the shareholders of AEL as a consideration of merger/demerger.
- 2.10 It is pertinent to note that the above mentioned steps, viz. demerger of engineering undertaking of Arvind Limited, merger of AEL/demerger of undertaking of AEL and issue of equity shares of New Co. shall happen simultaneously.
- 2.11 In order to implement the identified alternative, Arvind Limited, AEL and New Co. shall be required to enter into a scheme of arrangement under Section 230-232 of the Companies Act, 2013 which shall require approval from NCLT.
3. In view of above, you have sought interpretive letter from SEBI confirming, whether the issuance of equity shares of New Co. to the shareholders of AEL followed by listing of such equity shares is permissible considering the provisions of Reg. 30(1) of Delisting Regulations.
4. We have considered the submissions made by you in your letter under reference and without necessarily agreeing with your analysis, our view is as under:

The issuance of equity shares of New Co. to the shareholders of Arvind Limited and AEL followed by listing of such equity shares would be permissible subject to compliance with SCRR, read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 and SEBI (Listing and Disclosure Requirements) Regulations, 2015.



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5. The above position is based on the information furnished in your letter under reference. Different facts or conditions might lead to a different result. Further, this letter does not express a decision of the Board on the questions referred.
6. You may also note that the above views are expressed only with respect to the clarification sought in your letter under reference with respect to Delisting Regulations and do not affect the applicability of any other law or requirements of any other SEBI Regulations, Guidelines and Circulars administered by SEBI or of the laws administered by any other authority.

Yours faithfully,

**Amit Tandon**