

The Board of Directors  
GHCL Limited  
GHCL House, Opp. Punjabi Hall,  
Navrangpura Ahmedabad,  
Gujarat – 380009, India

**Certificate of Non – applicability of requirements prescribed in Para 10 of Annexure I to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 (“SEBI Circular”) dated November 23, 2021 in respect of “Scheme of Arrangement consisting of demerger of Spinning Division of GHCL Limited (“Demerged Company”) into GHCL Textiles Limited (“Resulting Company”)**

1. This certificate is required to be submitted with reference to “Scheme of Arrangement consisting of demerger of Spinning Division of GHCL Limited (“Demerged Company”) into GHCL Textiles Limited (“Resulting Company”)
 (the “Scheme”) as specified in para 2 below. Pursuant to resolution passed by the Board of Directors on December 6, 2021, the Company has initiated the process to withdraw the earlier “Scheme of Arrangement for demerger of the “Textiles Business” of GHCL Limited into GHCL Textiles Limited” (the erstwhile Scheme) with the NCLT and hence our certificate dated July 4, 2020 issued under the erstwhile scheme also stands withdrawn. We have received an undertaking from the management that this report and the fact of the supersession of the original report to be brought to the attention of all recipients of such previous (superseded) report and such original report shall be replaced with the revised report.

This Certificate is issued in accordance with the terms of our service scope letter dated November 15, 2021 and master engagement agreement dated July 13, 2021 with GHCL Limited (hereinafter the “Company”). Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

2. In connection with the “Scheme of Arrangement consisting of demerger of Spinning Division of GHCL Limited (“Demerged Company”) into GHCL Textiles Limited (“Resulting Company”)
 and their respective shareholders and creditors (hereinafter referred to as “Scheme”) in terms of the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, the Demerged Company is required to submit an undertaking which is prepared by the Board of Directors of the Demerged Company as per SEBI’s Circular dated November 23, 2021 (“the Undertaking”), duly certified by the statutory auditors of the Demerged Company, with BSE Limited, National Stock Exchange of India Limited (together referred to as “Stock Exchanges”) & Securities and Exchange Board of India (“SEBI”) towards non-applicability of conditions mentioned in paragraph 10(a) and 10(b) read with para 10(c) of heading / paragraph I (A) of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 (“SEBI Circular”) dated November 23, 2021 stating reasons thereof.3. In connection with the requirement as stated in Paragraph 2 above, we have been provided by the Demerged Company, a certified copy of the Scheme which is presented before the Board of Directors of the Company for approval (as attached herewith) and certified copy of the Undertaking as per the SEBI Circular (as attached herewith). We have initialed the Undertaking for identification purposes only.

**Management’s Responsibility for the Undertaking**

4. The preparation of the Undertaking is the responsibility of the management of the Company including the creation and maintenance of all accounting and other records supporting the contents of the Scheme.



This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.

5. The management is also responsible for ensuring that the Demerged Company complies with the requirements of the aforesaid SEBI Circular and the Companies Act 2013, in relation to the Scheme and for providing all the information to SEBI and the Stock Exchanges.

## **Auditor's Responsibility**

6. Pursuant to the requirements of the SEBI Circular, our responsibility is to provide limited assurance as to whether the requirements set out in paragraph 10(a) and 10(b) read with para 10(c) of heading / paragraph of I (A) of Annexure I of the SEBI Circular, as stated in the Undertaking, are applicable to the Scheme or not.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mention in paragraph 6 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we have performed the following procedures in relation to this report:
  - i. Obtained and read a certified copy of the Scheme.
  - ii. Read the board minutes dated December 6, 2021 approving the Scheme.
  - iii. Obtained a management certified copy of the Undertaking as per the SEBI Circular.
  - iv. Compared the Undertaking with the Scheme certified by the Board to validate the facts mentioned therein.
  - v. Performed necessary inquiries with the management and we have relied on management representations and no independent procedures have been performed in this regard.
10. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the Scheme.



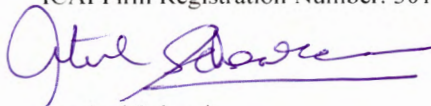
## Conclusion

11. Based on the information, explanations and representations provided by the management; and reading of the scheme; and procedures performed by us as stated in paragraph 9 above, nothing has to come our attention that causes us to believe that the attached Undertaking in Annexure I prepared by the management does not fairly states the reasons for non-applicability of the requirements stated in para 10(a) of the SEBI circular.

## Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the aforesaid SEBI Circular. Our obligations in respect of this certificate are entirely separate from and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
13. The report is addressed to and provided to the Board of Directors of the Company solely for the purpose to comply with requirement of SEBI Circular for onward submission to the Stock Exchanges. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come.

For S.R. Batliboi & CO. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



per Atul Seksaria  
Partner  
Membership Number: 086370  
UDIN: 21086370AAAADI7765  
Place of Signature: Gurugram  
Date: December 6, 2021



**Undertaking in relation to non-applicability of paragraph A(10)(a) read with Para A(10)(b)/(c) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 in relation to the Scheme of Arrangement of GHCL Limited ('Demerged Company') and GHCL Textiles Limited ('Resulting Company') and their respective shareholders and creditors ('the Scheme')**

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This is in connection with the Scheme of Arrangement ('Scheme') between GHCL Limited ('GHCL' or 'Demerged Company'), a listed company, and GHCL Textiles Limited ('Resulting Company') and their respective shareholders and creditors under Sections 230-232 of the Companies Act 2013 ('Cos Act') read with Section 66 and other applicable provisions of the Companies Act, 2013. Pursuant to Para A(10)(a) read with Para A(10)(b)/(c) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ('SEBI Circular'), it is mandated for listed companies to ensure that the Scheme submitted with the Hon'ble National Company Law Tribunal, for sanction, provides for voting by public shareholders through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.

GHCL Limited hereby undertakes that the requirements stated at Para A(10)(a) read with Para A(10)(b)/(c) of Part I of the SEBI Circular i.e. approval by public shareholders through e-voting, is not applicable to the Scheme, for the following reasons:

- Para A(10)(b)(i):** Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity.

**Reason for non-applicability:**

The scheme does not envisage any allotment of additional shares to Promoter/ Promoter Group, Related party of Promoter or Promoter Group, Associates of Promoter or Promoter Group, Subsidiary/(s) of Promoter / Promoter Group, of the Listed entity i.e. GHCL other than the shares to be issued by the Resulting Company to all members of GHCL as per the Share Entitlement Ratio provided in Clause 5 of the Scheme, in discharge of the consideration for transfer of 'Spinning Division' of GHCL to the GHCL Textiles Limited.

 S.R. Batliboi & Co. LLP, Gurugram  
for Identification



**Fact pattern upon demerger coming into effect:**

- Issue of shares by the Resulting Company to the existing members of the Demerged Company  
The Resulting Company shall issue and allot equity shares on a proportionate basis to each member of the Demerged Company, whose name is recorded in the register of members of the Demerged Company, as holding equity shares as on Record Date, as per the Share Entitlement Ratio provided in Clause 5 of the Scheme i.e. 1 (One) equity share of Resulting Company of face value of INR 2 each fully paid up shall be issued for every 1 (One) equity share of INR 10 each fully paid up held in GHCL.
- Cancellation of the equity shares held by the Demerged Company in the Resulting Company  
Simultaneous with the issuance of equity shares by the Resulting Company to the members of the Demerged Company, the existing equity shares of the Resulting Company held by the Demerged Company and its nominee will be cancelled.


This will ensure that shareholding pattern of the Resulting Company is identical and mirror image of the Demerged Company.

Accordingly, it is evident from the above that all the members of the Demerged Company would get equity shares in the Resulting Company in proportion to their entitlement as per Share Entitlement Ratio captured in Clause 5 of the Scheme and there would be no allotment of additional shares to Promoter/ Promoter Group, Related party of Promoter or Promoter Group, Associates of Promoter or Promoter Group, Subsidiary/(s) of Promoter / Promoter Group, of the Listed entity i.e. GHCL.

2. **Para A(10)(b)(ii):** Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter/ Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

**Reasons for non-applicability:**

The scheme envisages demerger of 'Spinning Division' (as defined in the Scheme) of GHCL and transfer and vesting thereof into GHCL Textiles Limited, and thus, the Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of GHCL.

  
S.R. Battiboi & Co. LLP, Gurugram

for Identification



**Fact pattern upon Demerger coming into effect:**

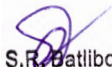
- The Resulting Company is a wholly owned subsidiary of GHCL and therefore the Resulting Company is not part of the Promoter/ Promoter Group of the Demerged Company as the relationship is only through the Demerged Company.
  - As mentioned in para (1) above, the Resulting Company shall issue and allot fully paid up equity shares as per the Share Entitlement Ratio captured in clause 5 of the Scheme to each member of the Demerged Company. Subsequent to issuance of such equity shares by the Resulting Company to the members of the Demerged Company, the existing equity shares of the Resulting Company held by the Demerged Company and its nominee will be cancelled, which will ensure that shareholding pattern of the Resulting Company is identical and mirror image of the Demerged Company. In such a case, benefits, if any, of the Scheme shall be to the advantage of all the shareholders of the Demerged Company.
  - Since all the members of the Demerged Company are being issued equity shares of the Resulting Company, the benefits of the Scheme would accrue to the advantage of all the members of the Demerged Company. Thus, the objective of safeguarding the interest of the minority shareholders is met in this case.
3. **Para A(10)(b)(iii):** Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.

**Reasons for non-applicability:**

Resulting Company is a wholly owned subsidiary company of GHCL. Further, GHCL has not acquired, either directly or indirectly, any equity shares of the Resulting Company from any shareholder of the Resulting Company, who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of GHCL.

Also, the Scheme does not envisage the merger of GHCL and GHCL Textiles Limited.

4. **Para A(10)(b)(iv):** Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity:

  
S.R. Batliboi & Co. LLP, Gurugram  
for Identification



**Reason for non-applicability:**

The Scheme does not envisage merger of unlisted entity with the listed entity and therefore, the question of any reduction in the voting share of pre-scheme public shareholders of GHCL and the Resulting Company, by more than 5% of the total capital of the merged entity, does not arise at all.

5. **Para A(10)(b)(v):** Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares:

**Reason for non-applicability:**

The Scheme envisages demerger of 'Spinning Division' (as defined in the Scheme) of GHCL and transfer and vesting thereof into GHCL Textiles Limited.

As per the SEBI Circular, for the purpose of para A(10)(b)(v), the expression "substantially the whole of the undertaking" in any financial year shall mean 20% or more of value of the Company in terms of consolidated net worth or consolidated total income during previous financial year as specified in section 180(1)(a) (ii) of the Companies Act, 2013.

As per the audited financials of GHCL for the financial year ended 31<sup>st</sup> March, 2021, the 'Spinning Division', do satisfy the prescribed criteria of consolidated net worth and consolidated total income outlined in para A(10)(b)(v) of the SEBI circular.

However, the Shares to be issued/allotted by the Resulting Company to the members of GHCL as per share entitlement ratio captured in clause 5 of the Scheme, shall be listed on both, BSE and NSE.

**For and on behalf of the Board of Directors of GHCL Limited**

**Raman Chopra**

**CFO & Executive Director (Finance)**



**S.R. Battibol & Co. LLP, Gurugram**

for Identification

**Place: Noida**

**Date: December 6, 2021**



**Undertaking in relation to non-applicability of paragraph A(10)(a) read with Para A(10)(b)/(c) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 in relation to the Scheme of Arrangement of GHCL Limited ('Demerged Company') and GHCL Textiles Limited ('Resulting Company') and their respective shareholders and creditors ('the Scheme')**

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This is in connection with the Scheme of Arrangement ('Scheme') between GHCL Limited ('GHCL' or 'Demerged Company'), a listed company, and GHCL Textiles Limited ('Resulting Company') and their respective shareholders and creditors under Sections 230-232 of the Companies Act 2013 ('Cos Act') read with Section 66 and other applicable provisions of the Companies Act, 2013. Pursuant to Para A(10)(a) read with Para A(10)(b)/(c) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ('SEBI Circular'), it is mandated for listed companies to ensure that the Scheme submitted with the Hon'ble National Company Law Tribunal, for sanction, provides for voting by public shareholders through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.

GHCL Limited hereby undertakes that the requirements stated at Para A(10)(a) read with Para A(10)(b)/(c) of Part I of the SEBI Circular i.e. approval by public shareholders through e-voting, is not applicable to the Scheme, for the following reasons:

1. **Para A(10)(b)(i):** Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity.

**Reason for non-applicability:**

The scheme does not envisage any allotment of additional shares to Promoter/ Promoter Group, Related party of Promoter or Promoter Group, Associates of Promoter or Promoter Group, Subsidiary/(s) of Promoter / Promoter Group, of the Listed entity i.e. GHCL other than the shares to be issued by the Resulting Company to all members of GHCL as per the Share Entitlement Ratio provided in Clause 5 of the Scheme, in discharge of the consideration for transfer of 'Spinning Division' of GHCL to the GHCL Textiles Limited.





**Fact pattern upon demerger coming into effect:**

- Issue of shares by the Resulting Company to the existing members of the Demerged Company  
The Resulting Company shall issue and allot equity shares on a proportionate basis to each member of the Demerged Company, whose name is recorded in the register of members of the Demerged Company, as holding equity shares as on Record Date, as per the Share Entitlement Ratio provided in Clause 5 of the Scheme i.e. 1 (One) equity share of Resulting Company of face value of INR 2 each fully paid up shall be issued for every 1 (One) equity share of INR 10 each fully paid up held in GHCL.
- Cancellation of the equity shares held by the Demerged Company in the Resulting Company  
Simultaneous with the issuance of equity shares by the Resulting Company to the members of the Demerged Company, the existing equity shares of the Resulting Company held by the Demerged Company and its nominee will be cancelled.

This will ensure that shareholding pattern of the Resulting Company is identical and mirror image of the Demerged Company.

Accordingly, it is evident from the above that all the members of the Demerged Company would get equity shares in the Resulting Company in proportion to their entitlement as per Share Entitlement Ratio captured in Clause 5 of the Scheme and there would be no allotment of additional shares to Promoter/ Promoter Group, Related party of Promoter or Promoter Group, Associates of Promoter or Promoter Group, Subsidiary/(s) of Promoter / Promoter Group, of the Listed entity i.e. GHCL.

2. **Para A(10)(b)(ii):** Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter/ Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

**Reasons for non-applicability:**

The scheme envisages demerger of 'Spinning Division' (as defined in the Scheme) of GHCL and transfer and vesting thereof into GHCL Textiles Limited, and thus, the Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of GHCL.



**Fact pattern upon Demerger coming into effect:**

- The Resulting Company is a wholly owned subsidiary of GHCL and therefore the Resulting Company is not part of the Promoter/ Promoter Group of the Demerged Company as the relationship is only through the Demerged Company.
  - As mentioned in para (1) above, the Resulting Company shall issue and allot fully paid up equity shares as per the Share Entitlement Ratio captured in clause 5 of the Scheme to each member of the Demerged Company. Subsequent to issuance of such equity shares by the Resulting Company to the members of the Demerged Company, the existing equity shares of the Resulting Company held by the Demerged Company and its nominee will be cancelled, which will ensure that shareholding pattern of the Resulting Company is identical and mirror image of the Demerged Company. In such a case, benefits, if any, of the Scheme shall be to the advantage of all the shareholders of the Demerged Company.
  - Since all the members of the Demerged Company are being issued equity shares of the Resulting Company, the benefits of the Scheme would accrue to the advantage of all the members of the Demerged Company. Thus, the objective of safeguarding the interest of the minority shareholders is met in this case.
3. **Para A(10)(b)(iii):** Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.

**Reasons for non-applicability:**

Resulting Company is a wholly owned subsidiary company of GHCL. Further, GHCL has not acquired, either directly or indirectly, any equity shares of the Resulting Company from any shareholder of the Resulting Company, who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of GHCL.

Also, the Scheme does not envisage the merger of GHCL and GHCL Textiles Limited.

4. **Para A(10)(b)(iv):** Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity:



**Reason for non-applicability:**

The Scheme does not envisage merger of unlisted entity with the listed entity and therefore, the question of any reduction in the voting share of pre-scheme public shareholders of GHCL and the Resulting Company, by more than 5% of the total capital of the merged entity, does not arise at all.

5. **Para A(10)(b)(v):** Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares:

**Reason for non-applicability:**

The Scheme envisages demerger of 'Spinning Division' (as defined in the Scheme) of GHCL and transfer and vesting thereof into GHCL Textiles Limited.

As per the SEBI Circular, for the purpose of para A(10)(b)(v), the expression "substantially the whole of the undertaking" in any financial year shall mean 20% or more of value of the Company in terms of consolidated net worth or consolidated total income during previous financial year as specified in section 180(1)(a) (ii) of the Companies Act, 2013.

As per the audited financials of GHCL for the financial year ended 31<sup>st</sup> March, 2021, the 'Spinning Division', do satisfy the prescribed criteria of consolidated net worth and consolidated total income outlined in para A(10)(b)(v) of the SEBI circular.

However, the Shares to be issued/allotted by the Resulting Company to the members of GHCL as per share entitlement ratio captured in clause 5 of the Scheme, shall be listed on both, BSE and NSE.

**For and on behalf of the Board of Directors of GHCL Limited**



**Raman Chopra**

**CFO & Executive Director (Finance)**



**Place: Noida**

**Date: December 6, 2021**

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF GHCL LIMITED HELD ON MONDAY, 6<sup>th</sup> DAY OF DECEMBER 2021, THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS AT GHCL HOUSE, B-38, INSTITUTIONAL AREA, SECTOR -1, NOIDA - 201301, COMMENCED AT 2:30 PM AND ENDED AT 4:30 PM**

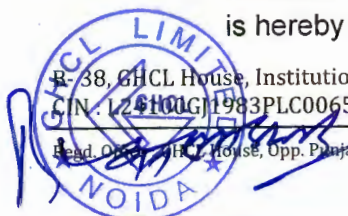
**APPROVAL OF THE SCHEME OF ARRANGEMENT AND SHARE ENTITLEMENT RATIO REPORT BETWEEN GHCL LIMITED ('DEMERGED COMPANY') AND GHCL TEXTILES LIMITED ('RESULTING COMPANY') AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**"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 Memorandum and Articles of Association of GHCL Limited (hereinafter referred to as **"the Company"**) and subject to the requisite approval of the shareholders and creditors of the Company, BSE Limited (**"BSE"**), National Stock Exchange of India Limited (**"NSE"**) (BSE and NSE together referred to as **'Stock Exchanges'**), Securities Exchange Board of India (**"SEBI"**) and/or any other government or regulatory body if applicable or as may be required, and sanction of the National Company Law Tribunal, Ahmedabad Bench (hereinafter referred to as **"the Tribunal"**) or such other competent authority, as may be applicable, and as approved by the Audit & Compliance Committee of GHCL Limited and the Independent directors, the consent of the Board be and is hereby accorded for the Scheme of Arrangement consisting of demerger of Spinning Division of GHCL Limited (**"Demerged Company"**) into GHCL Textiles Limited (**'Resulting Company'**) as per the terms and conditions mentioned in the Scheme of Arrangement (**"the Scheme"**).

**"RESOLVED FURTHER THAT** the Share Entitlement Report(s) dated 6-Dec-2021 issued by Mr. Niranjan Kumar, Registered Valuer (IBBI Registration No - IBBI/RV/06/2018/10137), determining the share exchange ratio for the purpose of the said Scheme, as placed before the Board, be and is hereby accepted, adopted and taken on record.

**"RESOLVED FURTHER THAT** the Fairness Opinion Report dated 6-Dec-2021 of Kunvarji Finstock Private Limited, SEBI Category 1 Merchant Banker, (Registration Number – INM000012564), certifying the Share Entitlement Ratio, as placed before the Board, be and is hereby accepted, adopted and taken on record.

**"RESOLVED FURTHER THAT** the report from the Audit Committee dated December 6, 2021 recommending the draft scheme, taking into consideration the Share Entitlement Report and the Fairness Opinion Report, as placed before the board, be and is hereby accepted, adopted and taken on record.



**“RESOLVED FURTHER THAT** the report of the Board explaining the effect of the arrangement pursuant to the Scheme, on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and laying out in particular, the share exchange ratio, as applicable, specifying special valuation difficulties, if any, as required to be annexed to the notice and explanatory statement pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, submitted before the meeting, be and is hereby adopted.

**“RESOLVED FURTHER THAT** the undertaking (duly certified by the Statutory Auditors of the Company) with regard to the non-applicability of requirements as prescribed in terms of para A(10)(a) and para A(10)(b) of Part I of the Securities And Exchange Board Of India ('SEBI') Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23 , 2021 in respect of the scheme, as placed before the board, be accepted and approved”.

**“RESOLVED FURTHER THAT** the auditor's certificate pursuant to paragraph (5)(a) of Part – I (A) read with Annexure I of SEBI Circular, to the effect that the accounting treatment contained in the Scheme is in compliance with all accounting standards specified by Central Government u/s 133 of the Companies Act, 2013 be and is hereby taken on record.”

**“RESOLVED FURTHER THAT** the report from the Independent Directors approved by them in their meeting held on December 6, 2021, recommending the draft scheme and confirming that the proposed scheme is not detrimental to the shareholders of the listed entity, as placed before the board, be and is hereby accepted, adopted and taken on record.

**“RESOLVED FURTHER THAT** for the purpose of coordinating with the Securities and Exchange Board of India ('SEBI') in terms of Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23 , 2021 (as amended from time to time) issued by SEBI, BSE Limited be and is hereby designated as the Designated Stock Exchange.

**“RESOLVED FURTHER THAT** pursuant to the provisions of the Companies Act, 2013 and other applicable laws, the Company as a shareholder of GHCL Textiles Limited ('Resulting Company') hereby grants its consent to the Scheme with/without modifications and/or conditions, if any, which may be required and/or imposed and/or permitted by any authority under applicable laws.

**“RESOLVED FURTHER THAT** a committee in the name and title of 'Restructuring Committee for Arrangement ('Committee') be and hereby constituted, comprising of Mr. R S Jalan, Managing Director, Mr. Raman Chopra, CFO & Executive Director (Finance), Mr. Neelabh Dalmia, Executive Director (Textiles), Mr. Bhuvneshwar Mishra, Sr. GM - Sustainability & Company Secretary, Mr. Manoj Kumar Ishwar, AGM (Secretarial) and Mr. Abhishek Chaturvedi, Authorised signatory to take all necessary steps, as

A blue circular stamp with the text "GHCL LIMITED" at the top and "NOIDA" at the bottom, flanked by two stars. A handwritten signature in blue ink is written across the stamp.

applicable, in connection with the Scheme and are hereby severally authorised including but not limited to:

- a. To sign, file, submit or present the scheme along-with related applications, supplementary applications, documents, any other information/details, certification/approval of any information/details and replies in connection with the scheme with the concerned Stock Exchanges or with the governmental, regulatory, statutory authorities concerned including but not limited to SEBI, or any other agency concerned as may be required in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23 , 2021 and any applicable laws, regulations, obtaining approvals to the Scheme or for giving effect thereto and also to assent, to approve and make any alterations or modifications to the Scheme as the concerned Stock Exchanges and/or SEBI and/or other Governmental, regulatory and/or statutory authorities may deem fit to approve or impose;
- b. Filing of Applications/Affidavits with the Tribunal or such other competent authority, seeking directions for holding or dispensation from holding of the meeting of the shareholders and/or creditors of the Company as may be directed by the Tribunal to give effect to the Scheme;
- c. Filing of petitions for confirmation of the Scheme by the Tribunal or such other competent authority;
- d. For the above purpose, to engage professionals including Company Secretaries, Chartered Accountants, registered valuers, intermediaries, Advocates, Consultants and if considered necessary, also engage services of Counsel(s), declare and file all pleadings, reports and sign and issue public advertisements, notices and to do all acts and incidental and necessary thereto;
- e. Obtaining approval/consent from such other authorities and parties including the term loan or working capital lenders, financial institutions etc. as may be required as per the terms of the agreements with the said parties;
- f. To communicate and correspond with the Stock Exchanges, banks, institutions, investors, government authorities, local authorities and others, where required, about the Scheme and to do all such acts, deeds, matters and things as may be at their discretion be deemed necessary or desirable for such purpose and with power to settle any queries, difficulties or doubts that may arise in this regard as they may in their absolute discretion, deem fit and proper for the purpose of giving effect to the above resolution;



- g. To settle any question or difficulty that may arise with regard to the implementation of the Scheme and to give effect to the above resolution;
- h. To make any alterations/changes to the Scheme as may be expedient or necessary for satisfying the requirements or conditions imposed by the Tribunal or other competent authority, which do not materially change the substance of the Scheme;
- i. To make, prepare, review, amend, execute, swear, declare and register all declarations, affidavits, applications, fillings, letters, undertakings papers, and writings, as may be required necessary or expedient under the provisions of various applicable acts, rules, regulations or notifications of the Central and/or State Governments and/or any other authorities, including but not limited to Courts, Tribunals, BSE, NSE, SEBI, Registrar of Companies, local authorities, and such other concerned authorities or agencies and or to represent the company in all correspondences, matters and proceedings before them of any nature whatsoever in relation to the above;
- j. To withdraw the Scheme at any stage in case the changes or modifications required in the Scheme due to any business or commercial reason as may be decided by the Board or the conditions imposed by any shareholder, creditor, the Tribunal and/or any other authority, are not acceptable, and if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as they may think necessary and desirable in connection therewith and incidental thereto;
- k. Coordinate and respond to queries raised by Regional Director, Registrar of Companies, Stock Exchanges, SEBI and Income Tax Authorities and/or any other regulatory authority, if applicable, in relation to the Scheme to enable them to file their report with the jurisdictional Tribunal;
- l. To file any other application/petition, affidavits/reports received from Registrar of Companies, Regional Director, Income-tax authorities or any other authority, incidental or ancillary to the Scheme, and in connection of sanction thereof, whether before the Tribunal or before any other statutory and/or regulatory authority, and to do all such acts, deeds and things as they may think necessary and desirable in connection therewith and incidental thereto;
- m. To swear and depose affidavit before the Tribunal or such other competent authority in relation to any matter pertaining to the aforesaid Scheme;
- n. To sign all applications, memoranda, undertakings, declarations, deeds, petitions, vakalatnama, consents and other documents, to be filed before the Tribunal or such other competent authority in relation to any matter pertaining to the aforesaid Scheme;



- o. To sign, submit and file letter, applications, forms returns, affidavits and all other necessary documents etc. for payment of applicable stamp duty for registration of final order of the NCLT with the collector of stamps.
- p. To represent the Company in general before the Tribunal or such other competent authority or any such meetings convened by the Tribunal or such other competent authority in relation to any matter pertaining to the aforesaid Scheme;
- q. To affix Common Seal of the Company in accordance with the provisions of the Articles of Association of the Company on any documents in connection with the purpose of the above resolution as may be required, and to send the Common Seal of the Company to other places, if so required, to facilitate execution of documents / papers in connection with the Scheme;
- r. To do all such other acts, matters, deeds or things as may be considered necessary and expedient in connection with or incidental to giving effect to the purpose of the above resolution or otherwise giving effect to the Scheme; and
- s. To delegate/sub-delegate the powers, privileges and authorizations accorded to them in their favour pursuant to this resolution by way of Power of Attorney or otherwise, to such person(s) as they may be in their full and absolute discretion, deem appropriate.”

“**RESOLVED FURTHER THAT** all acts, deeds, matter and things done by the Restructuring Committee for Arrangement and/or any authorised officials of the Company for the aforesaid purpose, shall have the same effect as if done by the Board of Directors of the Company.”

“**RESOLVED FURTHER THAT** Mr. R S Jalan, Managing Director, Mr. Raman Chopra, CFO & Executive Director (Finance), Mr. Neelabh Dalmia, Executive Director (Textiles), Mr. Bhwneshwar Mishra, Sr. GM - Sustainability & Company Secretary, Mr. Manoj Kumar Ishwar, AGM (Secretarial) and Mr. Abhishek Chaturvedi, Authorised signatory be and is hereby severally authorized to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned.”

**CERTIFIED TRUE COPY**

**FOR GHCL LIMITED**



**Bhwneshwar Mishra**  
**Sr. GM- Sustainability & Company Secretary**





**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF GHCL TEXTILES LIMITED HELD ON MONDAY, 6<sup>th</sup> DAY OF DECEMBER 2021, THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS AT GHCL HOUSE, B-38, INSTITUTIONAL AREA, SECTOR -1, NOIDA - 201301, COMMENCED AT 4:45 PM AND ENDED AT 5:30 PM**

**APPROVAL OF THE SCHEME OF ARRANGEMENT AND SHARE ENTITLEMENT RATIO REPORT BETWEEN GHCL LIMITED ('DEMERGED COMPANY') AND GHCL TEXTILES LIMITED ('RESULTING COMPANY') AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

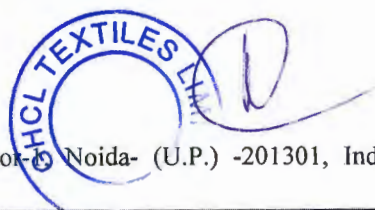
**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions, if any, of the Companies Act, 2013 and Memorandum and Articles of Association of GHCL Textiles Limited (hereinafter referred to as **"the Company"**) and subject to requisite approval of the shareholders and creditors of the Company and/or any other government or regulatory body if applicable or as may be required, and sanction of the National Company Law Tribunal, Ahmedabad Bench (hereinafter referred to as **"the Tribunal"**) or such other competent authority, as may be applicable, the consent of the Board be and is hereby accorded for the Scheme of Arrangement consisting, amongst others, demerger of the Spinning Division of GHCL Limited (**"Demerged Company"**) into GHCL Textiles Limited (**"Resulting Company"**) as per the terms and conditions mentioned in the Scheme of Arrangement (**"the Scheme"**).

**"RESOLVED FURTHER THAT** the Share Entitlement Report(s) dated 6-Dec-2021 issued by Mr. Niranjana Kumar, Registered Valuer (IBBI Registration No - IBBI/RV/06/2018/10137), determining the share exchange ratio for the purpose of the said Scheme, as placed before the Board, is hereby taken on record and accepted.

**"RESOLVED FURTHER THAT** the Fairness Opinion Report dated 6-Dec-2021 of Kunvarji Finstock Private Limited, SEBI Category 1 Merchant Banker, (Registration Number – INM000012564), certifying the Share Entitlement Ratio, as placed before the Board, be and is hereby accepted, adopted and taken on record.

**"RESOLVED FURTHER THAT** the report of the Board explaining the effect of the arrangement pursuant to the Scheme, on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and laying out in particular, the share exchange ratio, as applicable, specifying special valuation difficulties, if any, as required to be annexed to the notice and explanatory statement pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013, submitted before the meeting, be and is hereby adopted.

**"RESOLVED FURTHER THAT** Mr. R S Jalan, Director, and /or Mr. Raman Chopra, Director, and /or Mr. Neelabh Dalmia, Director, and /or Mr. Bhuneshwar Mishra, Authorised Signatory, and /or Mr. Manoj Kumar Ishwar, Authorised Signatory, and /or Mr. Abhishek Chaturvedi, Authorised Signatory are hereby severally authorised to take all necessary steps, as applicable, in connection with the Scheme including but not limited to:



B-38, GHCL House, Institutional Area, Sector-1, Noida- (U.P.) -201301, India. Ph.: 0120-4939900, CIN: U18101GJ2020PLC114004

Regd. Office: GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad, Gujarat -380009, India

# GHCL Textiles Limited

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- a. To sign, file, submit or present the scheme along-with related applications, supplementary applications, documents, any other information/details, certification/approval of any information/details and replies in connection with the scheme with the governmental, regulatory, statutory authorities concerned, as may be required, obtaining approvals to the Scheme or for giving effect thereto and also to assent to, approve and make any alterations or modifications to the Scheme as any governmental, regulatory and/or statutory authorities may deem fit to approve or impose;
- b. Filing of Applications/Affidavits with the Tribunal or such other competent authority, seeking directions for holding or dispensation from holding of the meeting of the shareholders and/or creditors of the Company as may be directed by the Tribunal to give effect to the Scheme;
- c. Filing of petitions for confirmation of the Scheme by the Tribunal or such other competent authority;
- d. For the above purpose, to engage professionals, as required, including Company Secretaries, Chartered Accountants, Advocates and if considered necessary, also engage services of Counsel(s), declare and file all pleadings, reports and sign and issue public advertisements, notices and to do all acts and incidental and necessary thereto;
- e. Obtaining approval/consent from such other authorities and parties including the term loan lenders, financial institutions etc. as may be required as per the terms of the agreements with the said parties;
- f. To communicate and correspond with the banks, institutions, investors, government authorities, local authorities and others where required about the Scheme and to do all such acts, deeds, matters and things as may be at their discretion be deemed necessary or desirable for such purpose and with power to settle any queries, difficulties or doubts that may arise in this regard as they may in their absolute discretion, deem fit and proper for the purpose of giving effect to the above resolution;
- g. To settle any question or difficulty that may arise with regard to the implementation of the Scheme and to give effect to the above resolution;
- h. To make any alterations/changes to the Scheme as may be expedient or necessary for satisfying the requirements or conditions imposed by the Tribunal or other competent authority, which do not materially change the substance of the Scheme;
- i. To make, prepare, review, amend, execute, swear, declare and register all declarations, affidavits, applications, fillings, letters, undertakings papers, and writings, as may be required necessary or expedient under the provisions of various applicable acts, rules, regulations or notifications of the Central and/or State Governments and/or any other authorities, including but not limited to Courts, Tribunals, Registrar of Companies, and such other concerned authorities or agencies and or to represent the company in all correspondences, matters and proceedings before them of any nature whatsoever in relation to the above;

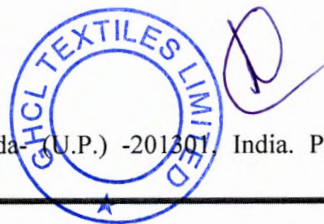
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# GHCL Textiles Limited

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- j. To withdraw the Scheme at any stage in case the changes or modifications required in the Scheme due to any business or commercial reason as may be decided by the Board or the conditions imposed by any shareholder, creditor, the Tribunal and/or any other authority, are not acceptable, and if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as they may think necessary and desirable in connection therewith and incidental thereto;
- k. Coordinate and respond to queries raised by Regional Director, Registrar of Companies and Income Tax Authorities or any other authority, if applicable, in relation to the Scheme;
- l. To file any other application/petition, affidavits/reports received from Registrar of Companies, Regional Director, Income-tax authorities or any other authority, incidental or ancillary to the Scheme, and in connection of sanction thereof, whether before the Tribunal or before any other statutory and/or regulatory authority, and to do all such acts, deeds and things as they may think necessary and desirable in connection therewith and incidental thereto;
- m. To swear and depose affidavit before the Tribunal or such other competent authority in relation to any matter pertaining to the aforesaid Scheme;
- n. To sign all applications, memoranda, undertakings, declarations, deeds, petitions, vakalatnama, consents and other documents, to be filed before the Tribunal or such other competent authority in relation to any matter pertaining to the aforesaid Scheme;
- o. To sign, submit and file letter applications, forms returns, affidavits and all other necessary documents etc. for payment of applicable stamp duty for registration of final order of the NCLT with the collector of stamp.
- p. To represent the Company in general before the Tribunal or such other competent authority or any such meetings convened by the Tribunal or such other competent authority in relation to any matter pertaining to the aforesaid Scheme;
- q. To affix Common Seal of the Company in accordance with the provisions of the Articles of Association of the Company on any documents in connection with the purpose of the above resolution as may be required, and to send the Common Seal of the Company to other places, if so required, to facilitate execution of documents / papers in connection with the Scheme;
- r. To do all such other acts, matters, deeds or things as may be considered necessary and expedient in connection with or incidental to giving effect to the purpose of the above resolution or otherwise giving effect to the Scheme; and
- s. To delegate/sub-delegate the powers, privileges and authorizations accorded to them in their favour pursuant to this resolution by way of Power of Attorney or otherwise, to such person(s) as they may be in their full and absolute discretion, deem appropriate."



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# GHCL Textiles Limited

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“RESOLVED FURTHER THAT Mr. R S Jalan, Director, Mr. Raman Chopra, Director, Mr. Neelabh Dalmia, Director be and is hereby severally authorized to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned.”

FOR GHCL TEXTILES LIMITED



**RAMAN CHOPRA**  
**DIRECTOR**  
**DIN: 00954190**



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