



CIN: L32109MH1982PLC028280

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**MEETING OF THE EQUITY SHAREHOLDERS OF DELTA MAGNETS LIMITED
CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

MEETING:	
Day	Monday
Date	22 nd April, 2019
Time	2.30 P.M.
Venue	Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra

E-VOTING:	
Start Date and Time	19 th April, 2019 at 9.00 A.M.
End Date and Time	21 st April, 2019 at 5.00 P.M.

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COMPANY SCHEME APPLICATION NO 1637 OF 2018**

In the matter of Companies Act, 2013;

And

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders

DELTA MAGNETS LIMITED..... APPLICANT COMPANY

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY

NOTICE is hereby given that by an order dated 15th March, 2019 in the above mentioned Company Scheme Application (the "Order"), the National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal") has directed a meeting to be held of equity shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification(s), the amalgamation embodied in the Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') (hereinafter referred to as 'Transferor Companies') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders ("Scheme").

In pursuance of the said order and as directed therein further notice is hereby given that a meeting of equity shareholders of the Applicant Company will be held at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik - 422 010, Maharashtra on Monday, 22nd April, 2019 at 2.30 p.m. at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as may be applicable, read with related rules thereto as applicable under the Companies Act, 2013 as amended (including any statutory modification or re-enactment or amendment thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, read with Circular No. CFD/DIL3/CIR/2018/2 dated 03rd January, 2018, the observation letter issued by BSE Limited to the Applicant Company dated 17th December 2018, the observation letter issued by the National Stock Exchange of India Limited to the Applicant Company dated 17th December 2018 and subject to the relevant provisions of other applicable laws and enabling provisions of the Memorandum of Association and Articles of Association of the Applicant Company and subject to the approval of Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal") and subject to such other approvals, permissions 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 the Tribunal 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 Applicant 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 Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta

Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders ("Scheme") placed before this meeting and initialled by the Chairman of the 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 Tribunal 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 without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at B-87,MIDC, Ambad Nashik, Maharashtra - 422 010, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230 read with Section 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017, issued by the Securities and Exchange Board of India (referred to as "SEBI Circular"), the Applicant Company has provided the facility of e-voting so as to enable the equity shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme shall be carried out through e-voting system or ballot paper at the venue of the meeting to be held on 22nd April, 2019.

Copies of the Scheme, and of the Statement under Section 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Applicant Company at B-87,MIDC, Ambad Nashik, Maharashtra - 422010, or at the office of its advocates, M/s Hemant Sethi & Co, 309, Bake House, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai - 400023.

The Tribunal has appointed Dr. Ram H. Shroff, Managing Director and failing him, Mr. Abhilash Sunny, CFO to be the Chairman of the said meeting including for any adjournment or adjournments thereof. The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of the Tribunal.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-

Dr. Ram H. Shroff

DIN: 00004865

Chairperson appointed for the meeting

Dated this 18th March, 2019.

Registered Office:

B-87, MIDC, Ambad, Nashik 422010,
Maharashtra.

Notes:

1. Only registered equity shareholders of the Applicant Company may attend and vote either in person or by proxy (a proxy need not be an equity shareholder of the Applicant Company) or in the case of a body corporate or Registered Foreign Portfolio Investors (“RFPI”) or Foreign Institutional Investors (“FII”), by a representative authorised under Section 113 of the Companies Act, 2013 at the meeting of the equity shareholders of the Applicant Company. The authorised representative of a body corporate/RFPI/FII which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting of the equity shareholders of the Applicant Company provided a copy of the resolution of the board of directors or other governing body of the body corporate/RFPI/FII authorising such representative to attend and vote at the meeting of the equity shareholders of the Applicant Company, duly certified to be a true copy by a director, the manager, the secretary or other authorised officer of such body corporate/RFPI/FII, is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Applicant Company.
2. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights. Equity shareholders holding more than 10% (ten percent) of the total share capital of the Applicant Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or equity shareholder.
3. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.
4. All alterations made in the form of proxy should be initialed.
5. In compliance with the provisions of (i) Section 230 read with Sections 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of e-voting so as to enable the equity shareholders, to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by equity shareholders of the Applicant Company to the Scheme shall be carried out through e-voting or ballot paper at the venue of the meeting to be held on 22nd April, 2019.
6. The quorum of the meeting of the equity shareholders of the Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013.
7. A registered equity shareholder or his / her proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
8. The registered equity shareholders who hold shares in dematerialized form and who are attending the meeting are requested to bring their DP ID and Client ID for easy identification.
9. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the register of members of the Applicant Company/ list of beneficial owners as received from National Securities Depository Limited (“NSDL”) / Central Depository Services (India) Limited (“CDSL”) in respect of such joint holding, will be entitled to vote.
10. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 10:00 a.m. and 12:00 noon on all days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
11. The equity shareholders holding equity shares as on 15th April, 2019 being the cut-off date, will be entitled to exercise their right to vote on the above resolution.
12. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by Courier or through Email who have registered their e-mail ids with the Applicant Company/share transfer agents/ NSDL / CDSL, whose names appear in the register of members/list of beneficial owners as received from NSDL / CDSL as on 15th March, 2019. The Notice will be displayed on the website of the Applicant Company www.deltamagnets.com and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>

13. A person, whose name is not recorded in the register of members or in the register of beneficial owners maintained by NSDL/ CDSL as on the cut-off date i.e. 15th April, 2019 shall not be entitled to avail the facility of e-voting or voting at the meeting to be held on 22nd April, 2019. Voting rights shall be reckoned on the paid-up value of the shares registered in the names of equity shareholders as on the cutoff date. Persons who are not equity shareholders of the Applicant Company as on the cut-off date i.e. 15th April, 2019 should treat this notice for information purposes only.
14. The voting by the equity shareholders through the e-voting shall commence at 09:00 a.m. on 19th April, 2019 and shall close at 05:00 p.m. on 21st April, 2019.
15. The notice convening the meeting will be published through advertisement in (i) Free Press Journal in the English language; and (ii) translation thereof in Navshakti in Marathi language.
16. Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), inter alia, provides that approval of public shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through e-voting. Since, the Applicant Company is seeking approval of its equity shareholders to the Scheme by way of e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its public shareholders in terms of SEBI Circular. The aforesaid notice sent to the equity shareholders (which include public shareholders) of the Applicant Company would be deemed to be the notice sent to the public shareholders of the Applicant Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of SEBI Circular the Applicant Company has provided the facility of voting by e-voting to its public shareholders.
17. In accordance with the provisions of Sections 230 – 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the equity shareholders of the Applicant Company, voting in person or by proxy or e-voting, agree to the Scheme.
18. Further, in accordance with the SEBI Circular, the Scheme shall be acted upon only if votes cast by the public shareholders (through e-voting or ballot paper) in favour of the aforesaid resolution for approval of Scheme are more than the number of votes cast by the public shareholders against it.
19. The Applicant Company has engaged the services of National Securities Depository Limited (NSDL) for facilitating e-voting for the said meeting to be held on 22nd April, 2019. Equity shareholders desiring to exercise their vote by using e-voting facility are requested to follow the instructions mentioned in Note below.
20. Mr. Ashish Kumar Jain of M/s. A K Jain & Co., Practicing Company Secretary (Membership No 6058) has been appointed as the scrutinizer to conduct the e-voting process and voting at the venue of the meeting in a fair and transparent manner.
21. The scrutinizer will submit his combined report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the equity shareholders, which includes public shareholders of the Applicant Company through (i) e-voting process and (ii) ballot paper at the venue of the meeting. The scrutinizer will also submit a separate report with regard to the result of the e-voting in respect of public shareholders. The scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of votes cast through (i) e-voting process and (ii) ballot paper at the venue of the meeting including the separate results of the e-voting exercised by the Public Shareholders will be announced on 22nd April, 2019 at the registered office of the Applicant Company. The results, together with the scrutinizer's reports, will be displayed at the registered office of the Applicant Company, on the website of the Applicant Company, www.deltamagnets.com and on the website of NSDL at <https://www.evoting.nsdli.com>, besides being communicated to BSE Limited and the National Stock Exchange of India Limited.
22. The equity shareholders (including public shareholders) of the Applicant Company can opt only one mode for voting i.e. e-voting or voting at the venue of the meeting.
23. The equity shareholders of the Applicant Company attending the meeting who have not cast their vote through e-voting shall be entitled to exercise their vote at the venue of the meeting. Equity shareholders who have cast their votes through e-voting may also attend the meeting but shall not be entitled to cast their vote again.

24. The voting through e-voting period will commence at 09:00 a.m. on 19th April, 2019 and will end at 05:00 p.m. on 21st April, 2019. During this period, the equity shareholders (including public shareholders) of the Applicant Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. 15th April, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting on 21st April, 2019 at 05:00 p.m. Once the vote on the resolution is cast by an equity shareholder, he or she will not be allowed to change it subsequently.
25. Any queries/grievances in relation to the voting by e-voting may be addressed to Ms. Anannya Godbole, Company Secretary of the Applicant Company at 2nd Floor, Bayside Mall, Tardeo Road, Haji Ali, Mumbai-400034, or through email to secretarial@deltamagnets.com or can be contacted on +91 22 40794700. For any queries/grievances or guidance for e-voting, members may refer to the 'Frequently Asked Questions' (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of NSDL's E-Voting website: <https://www.evoting.nsdl.com/> or write an email to evoting@nsdl.co.in contact on 1800-222-990.
26. Voting through Electronic Means

E-Voting Facility

The Members are informed that the Company is providing Remote e-voting facility (e-voting from a place other than venue of Meeting) as an alternative mode of voting which will enable the members to cast their votes electronically on the resolution as mentioned in the notice. Necessary arrangements have been made by the Company with National Securities Depository Limited (NSDL) to facilitate remote e-voting to the members. The Company has appointed Mr. Ashish Kumar Jain of M/s. A K Jain & Co., Practicing Company Secretary (Membership No 6058), as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the meeting in a fair and transparent manner.

For the purpose of dispatch of this Notice, shareholders of the Company holding shares either in physical form or in dematerialized form as on 15th March, 2019 has been considered. Any person, who acquire shares of the Company and becomes member of the Company after 15th March, 2019 may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in.

The Members whose name appears in the Register of Members/list of Beneficial Owners as received from Depositories as on 15th April, 2019 ("cut-off date") are entitled to vote on the resolutions set forth in this notice. Person who is not a member as on the said date should treat this notice for information purpose only.

For any queries/grievances or guidance for e-voting, members may refer to the 'Frequently Asked Questions' (FAQs) for shareholders and e-voting user manual for shareholders available at the Downloads section of NSDL's E-Voting website: <https://www.evoting.nsdl.com/> or write an email to evoting@nsdl.co.in.

The remote e-voting period commences on 19th April, 2019 (9:00 a.m.) and ends on 21st April, 2019 (5:00 p.m.). During the said period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.

On submission of the report by the scrutinizer, the result of voting at the meeting and e-voting shall be declared. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.deltamagnets.com and on the website of NSDL. Result will be declared forthwith on receipt of the Report of the Scrutinizer.

Voting through Electronic Means

The instructions for Members who desire to cast their vote through e-voting are as under:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The.pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. 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?

1. 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.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akjaincs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

A. Ms. Pallavi Mhatre, Manager
E-voting Helpdesk
National Securities Depositories Limited
Email: evoting@nsdl.co.in
Phone: 022 - 24994545

B. Ms. Anannya Godbole, Company Secretary
Delta Magnets Limited
Corporate Office: Bayside Mall, 2nd Floor, Tardeo Road,
Haji Ali, Mumbai – 400 034
Email: secretarial@deltamagnets.com
Phone: 022-40794700

C. Mr. Bhushan Chandratre
Freedom Registry Limited (STA)
Registered Office: Plot No. 101 / 102,
19th Street, MIDC, Satpur, Nasik - 422 007
Email: support@freedomregistry.in
Phone: 0253-2354032, 2363372

PROCEDURE OF VOTING AT MEETING

Members who have not exercised their votes through remote e-voting are entitled to vote at the meeting. Members who have already casted their vote by remote e-voting mechanism prior to the meeting are also authorized to attend the meeting but shall not be entitled to cast their vote again at the general meeting.

Voting to the resolution as contained in the Notice shall be conducted also through ballot/ poll or other appropriate process. Relevant facility for voting shall also be made available at the meeting and members attending the meeting, who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting. Members who are entitled to vote can cast their vote through ballot/poll paper in the Meeting. The Company will make arrangement in this respect including distribution of ballot papers under the supervision of a scrutinizer appointed for this purpose. Members are required to mention Folio No, DP ID & Client ID No. and number of shares held, etc. on the ballot papers.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COMPANY SCHEME APPLICATION NO 1637 OF 2018**

In the matter of Companies Act, 2013;

And

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('the Transferee Company' or 'DML') and their respective shareholders

DELTA MAGNETS LIMITED..... APPLICANT COMPANY

EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) AND 102 OF THE COMPANIES ACT 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENT AND AMALGAMATIONS) RULES, 2016

1. Pursuant to an order dated 15th March, 2019 passed by the National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal") in the Company Application No. 1637 of 2018 ("Order"), a meeting of the Equity Shareholders of Delta Magnets Limited (hereinafter referred to as "Applicant Company" or "Transferee Company" or "DML" or "Company") is being convened and held at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra on Monday, 22nd April, 2019 at 2.30 p.m. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013. In terms of the said Order, the quorum for the said meeting shall be as prescribed under Section 103 of the Companies Act, 2013, present in person. Further, in terms of the said Order, the Tribunal has appointed Dr. Ram H. Shroff, Managing Director and failing him, Mr. Abhilash Sunny, CFO to be the Chairman of the said meeting of the Applicant Company including for any adjournment (s) thereof.
2. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 (the "Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the "Rules").
3. As stated earlier, the Tribunal by its said Order has, inter alia, directed that a meeting of the equity shareholders of the Applicant Company shall be convened and held at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra on Monday, 22nd April, 2019 at 2.30 p.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
4. In addition, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of voting through e-voting. Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("SEBI Circular") issued by the Securities and Exchange Board of India ("SEBI"), inter alia, provides that approval of Public Shareholders of the Applicant Company to the Scheme shall be obtained by way of voting through e-voting. Since, the Applicant Company is seeking the approval of its equity shareholders to the Scheme by way of e-voting, no separate procedure for voting through e-voting would be required to be carried out by the Applicant Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Circular. The notice sent to the equity shareholders of the Applicant Company would be deemed to be the notice sent to the Public Shareholders of the Applicant Company. For this purpose, the term "Public" shall have the meaning assigned

to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term “Public Shareholders” shall be construed accordingly. The Tribunal, by its Order, has, inter alia, held that the Applicant Company is directed to convene a meeting of its equity shareholders and the voting in respect of the equity shareholders, which includes Public Shareholders, is through e-voting. Accordingly, voting by public Shareholders through such e-voting is in sufficient compliance of SEBI Circular. The scrutinizer appointed for conducting the e-voting process will however submit his separate report to the Chairman of the Applicant Company after completion of the scrutiny of e-voting cast by the Public Shareholders so as to announce the results of the e-voting exercised by the Public Shareholders of the Applicant Company. [to check with Harsh – precedents of N&E]

5. In accordance with the provisions of Sections 230–232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or e-voting, agree to the Scheme. Further, in terms of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the Public Shareholders (through e-voting or ballot paper) in favour of the resolution for approval of Scheme are more than the number of votes cast by the Public Shareholders against it.
6. In terms of the Order dated 15th March, 2019, passed by the NCLT, in Company Scheme Application No. 1637 of 2018, if the entries in the records/registers of the Applicant Company in relation to the number or value, as the case may be, of the equity shares are disputed, the Chairman of the meeting shall determine the number or value, as the case may be, for the purposes of the said meeting and his decision in that behalf would be final.
7. The draft Scheme was placed before the Audit Committee and Board of Directors of the Applicant Company and the Transferor Companies at their respective meetings held on 19th September, 2018. In accordance with the SEBI Circular, the Audit Committee of the Company vide a resolution passed on 19th September, 2018 recommended the Scheme to the Board of Directors of the Applicant Company *inter-alia* taking into account:
 - a) Valuation Report dated 19th September, 2018 issued by M/s. Bharat Kotak & Co, Chartered Accountants for issue of shares pursuant to the Scheme; and
 - b) Fairness Opinion dated 19th September, 2018 issued by Dalmia Securities Private Limited, Category I Merchant Banker.;Copy of the Valuation Report and Fairness Opinion is enclosed to this Notice.
8. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Applicant Company has come to the conclusion that the Scheme is in the interest of the Applicant Company and its shareholders.
9. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:

10. ARROW TEXTILES LIMITED (“FIRST TRANSFEROR COMPANY” OR “ATL”)

- 10.1 Arrow Textiles Limited (‘First Transferor Company’ or ‘ATL’) was incorporated under the Companies Act, 1956, in the State of Maharashtra on 30th January, 2008. The Corporate Identification Number of ATL is L51494MH2008PLC178384. Permanent Account Number of ATL is AAGCA8907P.
- 10.2 The registered office of ATL is situated at Plot No. 101-103, 19th Street, MIDC, Satpur, Nasik, Maharashtra-422077. There has been no change in the registered office address of ATL in the last five (5) years.
- 10.3. The details of authorised, issued, subscribed and paid-up share capital of ATL as on date is as under:

Particulars	Amount in INR
Authorised Capital	
2,10,00,000 Equity Shares of ₹ 10/- each	21,00,00,000
Total	21,00,00,000
Issued, Subscribed and Paid-up	
1,90,43,939 Equity Shares of ₹ 10/- each, fully paid up	19,04,39,390
Total	19,04,39,390

- 10.4. ATL is engaged into business of manufacturing of woven tape, woven & printed labels.
- 10.5. The shares of ATL are listed on BSE Limited and National Stock Exchange of India Limited.
- 10.6. The objects for which ATL has been established are set out in its Memorandum of Association. The main objects of ATL are set out hereunder:

“1. To buy, sell, market, deal in, trade, develop, import, export all kinds of textile fabrics and textile products made out of cotton, natural fibres and yarns, man made fibres and yarns, synthetic fibres and yarns, silk, wool including apparel fabrics, apparel wear of all types, hosiery of all types, industrial fabrics, nylon fabrics, label and tape fabrics, non wovens, household linen of all types and to manufacture the same and/or to get manufactured by any method or process including spinning, weaving, knitting, warp knitting, dyeing, processing, printing, finishing, stitching, non wovens, mending, parking and to establish and/or get established mills for manufacturing of the same and to buy, sell market and to deal in, trade, develop, import, export and to manufacture and/or get manufactured all types of fibres including polyester, polyamide, acrylic, cotton, viscose, rayon, silk, wool, all types of filaments, all types of yarns and cords, all types of threads.”

There has been no change in the object clause of ATL during last 5 years

11. MMG INDIA PRIVATE LIMITED (“SECOND TRANSFEROR COMPANY” OR “MMG”)

- 11.1. MMG India Private Limited (‘Second Transferor Company’ or ‘MMG’) was incorporated under the Companies Act, 1956, in the State of Tamilnadu in the name of Neosid (India) Private Limited on 5th June, 1996. Subsequently its name was changed to MMG Neosid (India) Private Limited on 18th September, 2000 and later to MMG India Private Limited on 2nd April, 2002. The Corporate Identification Number of MMG is U27209MH1996PTC222840. Permanent Account Number of MMG is AAACN3183E.
- 11.2. The registered office of MMG is at B-87, MIDC, Ambad Nashik, Maharashtra 422010. There has been no further change in the registered office address of MMG in the last five (5) years.
- 11.3. The details of authorised, issued, subscribed and paid-up share capital of MMG as on date is as under:

Particulars	Amount in INR
Authorised Capital	
1,50,00,000 Equity Shares of ₹ 10/- each	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up	
1,38,65,870 Equity Shares of ₹ 10/- each, fully paid up	13,86,58,700
Total	13,86,58,700

The entire issued, subscribed and paid up share capital of MMG is held by DML along with its nominees.

- 11.4. MMG is engaged in the business of manufacturing of Soft ferrite magnets and coil winding.
- 11.5. The shares of MMG are not listed on any stock exchange.
- 11.6. The objects for which MMG has been established are set out in its Memorandum of Association. The main objects of MMG are set out hereunder:
- “1. To carry on all or any of the business of manufacturers manipulators, fabricators, assemblers, designers, processors, buyers, sellers, importers, exporters, factors, brokers, agents and distributors of and dealers in metal objects, products and substances of all kinds, including without limitation ferrite and magnetic products and whether made of ferrous or non ferrous metals, and of and in plastic objects, products and substances of all kinds.
2. To Carry on the business of manufacturers and dealers in Iron, Steel and other forgings, stampings, pressings, drop forgings, drop stampings and the like in any manner produced at present or to be produced in the future whether hot or cold and in any class or mixture of metals or other materials.

3. To carry on business of manufacturers and dealer in forging and stampings, processing, dropping and similar operations in various metals of all kinds including the ferrous and non-ferrous, metallic and non-metallic substances, plastics and natural or synthetic substances of all kinds or any combinations thereof.
4. Subject to the Provisions of the Companies Act and other applicable provisions of land, to take over a purchase the running business of Soft ferrite Division belonging to EID Parry (India) Limited at Survey No. 56/1, in Seevaram Village, No. 144, Saidapet Taluk, Chengalpet District Tambaram.
5. To carry on the business of manufacturers, contract manufacturers, traders, contractors and dealers in printed circuit board assemblies, subassemblies, electronic wiring harness assemblies, metallic, non-metallic components, connectors, components of any nature, cables assemblies, control panels, electronic circuit board assemblies for telecommunication apparatus, base stations, to act as erectors of control towers, base stations for cellular phone, mobile phone, fixed wireless phones of any technology, to act as importers, exporters, commission agents, contract manufacturers of any or all of above kinds of business.”

There has been no change in the object clause of MMG during last 5 years.

12. DELTA MAGNETS LIMITED (“TRANSFEEE COMPANY” OR “DML”)

- 12.1. Delta Magnets Limited (hereinafter referred to as ‘Transferee Company’ or ‘DML’) was incorporated under the Companies Act, 1956, in the State of Maharashtra in the name of G.P. Electronics Private Limited on 23rd September, 1982. It was converted into Public Limited Company on 16th July, 1984. Subsequently its name was changed to Delta Magnets Limited on 31st October 2008. The Corporate Identification Number of DML is L32109MH1982PLC028280. Permanent Account Number of DML is AAACG5018K.
- 12.2. The registered office of DML is at B-87, MIDC, Ambad Nashik, Maharashtra 422010. There has been no further change in the registered office address of DML in the last five (5) years.
- 12.3. The details of authorised, issued, subscribed and paid-up share capital of DML as on date is as under:

Particulars	Amount in INR
Authorised Capital	
1,00,00,000 Equity Shares of ₹ 10/- each	10,00,00,000
Total	10,00,00,000
Issued, Subscribed and Paid-up	
64,71,014 Equity Shares of ₹ 10/- each, fully paid up	6,47,10,140
Total	6,47,10,140

- 12.4. DML is engaged in the business of manufacturing of hard ferrites magnets.
- 12.5. The shares of DML are listed on BSE Limited and the National Stock Exchange of India Limited.
- 12.6. The objects for which DML has been established are set out in its Memorandum of Association. The main objects of DML are set out hereunder:
 1. To carry on business as manufacturers of and dealers in Electronic instruments, Miscellaneous Electric Equipment, Magnetic Tapes, Ferrite rods. Capacitors, Connectors, Micro Switches, Electronic Switching Equipment, Power Diodes, Rectifiers, Integrated Circuits, Resistors, Reed relays switches, Printed Boards, and Computers Mini-Computers, Micro-processor Based system and allied items.
 - 1.A To carry on business as manufacturers of and dealers in Electronic instruments, Electronic and Electric Equipment, Electronic Components, Magnetic Tapes, Ferrite rods. Hard & Soft Ferrites, Capacitors, Connectors, Micro Switches, Electric Switching Equipment, Power Diodes, Rectifiers, Integrated Circuits, Resistors, Reed relays and switches, Printed Circuit Boards, and Computers, Mini-Computers and Micro-processor Based systems.”

There has been no change in the object clause of DML during last 5 years.

13. BACKGROUND OF THE SCHEME

The Scheme *inter-alia* provides for the amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('the Transferee Company' or 'DML').

14. RATIONALE OF THE SCHEME

The amalgamation of the First Transferor Company and the Second Transferor Company into the Transferee Company would have the following benefits:

- a. Provide an opportunity to leverage combined assets and enable optimum utilization of existing resources by pooling of resources to facilitate future expansion of business of Transferee Company;
- b. Reduce managerial overlaps involved in operating multiple entities and increase operational and management efficiency, integrate business functions and eliminate duplication and rationalization of administrative expenses;
- c. Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for amalgamated entity; and
- d. Improving organizational capability and leadership arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

In view of the aforesaid, the Board of Directors of the companies involved in the Scheme have considered and proposed this Scheme under the provisions of Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

15. SALIENT FEATURES OF THE SCHEME

Salient features of the Scheme are set out as below:

- The Scheme is presented under Sections 230-232 and other applicable provisions of the Act, as may be applicable;
- The Transferor Companies and Transferee Company shall make applications and / or petitions under Section 230- 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 to the jurisdictional National Company Law Tribunal, as the case may be, for sanction of this Scheme and all matters ancillary or incidental thereto;
- The 'Appointed Date' for the Scheme is 1st October, 2018, or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors;
- "Effective Date" means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by ATL, MMG and DML with the jurisdictional Registrar of Companies;
- Upon the Scheme becoming effective and upon the amalgamation of ATL with DML in terms of this Scheme, DML shall, without any further application or deed, issue and allot shares to the shareholders of ATL whose name appears in the register of members of ATL as on the Record Date as may be stipulated by the Board of Directors of ATL or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz;

"23 (Twenty Three) Equity Shares of ₹ 10 each, fully paid up of DML shall be issued and allotted for every 100 (Hundred) Equity Shares of ₹ 10 each, fully paid up held in ATL."

- The entire issued, subscribed and paid up share capital of MMG is held by DML along with its nominees. Upon the Scheme becoming effective, the entire equity share capital of MMG shall stand automatically cancelled and there will not be any issue and allotment of equity shares in DML.
- This Scheme is conditional upon and subject to the following:
 - (a) The requisite sanctions and approvals of all government, statutory, regulatory, judicial or other authority as may be necessary, and any consents, no-objection confirmations or approvals of the Stock Exchange, in respect of the Scheme being obtained;

- (b) Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company as required under the Act and as may be directed by NCLT;
- (c) Approval of the shareholders of Transferor Companies and Transferee Company through e-voting and/or any other mode as may be required under any Applicable Law. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of First Transferor Company and Transferee Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957; and
- (d) Certified copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Transferor Companies and the Transferee Company as may be applicable.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.

16. APPROVALS

- a. Pursuant to the SEBI Circular read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE Limited seeking their no-objection to the Scheme. The Applicant Company has received the observation letter from BSE Limited dated 17th December, 2018 conveying their no-objection to the Scheme. Copy of the aforesaid observation letter is enclosed herewith.
- b. Pursuant to the SEBI Circular read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before the National Stock Exchange of India Limited seeking their no-objection to the Scheme. The Applicant Company has received the observation letter from the National Stock Exchange of India Limited dated 17th December, 2018 conveying their no-objection to the Scheme. Copy of the aforesaid observation letter is enclosed herewith.
- c. As required by the SEBI Circular, the Applicant Company has filed the Complaint Report with BSE Limited on 25th October, 2018 and the National Stock Exchange of India Limited on 5th November, 2018. A copy of the aforementioned Complaint Report is enclosed herewith.

17. CAPITAL STRUCTURE PRE AND POST SCHEME

- a. The pre-scheme capital structure of ATL, MMG and DML is mentioned in paragraphs 10, 11 and 12 above. Pursuant to the Scheme, equity shares in DML will be issued to the equity shareholders of ATL as consideration in accordance with the valuation report obtained from an independent Chartered Accountant.
- b. Post the Scheme, ATL and MMG shall stand dissolved without being wound-up.
- c. Pre and post Scheme capital structure of DML is as follows:

Particulars	Pre Scheme		Post Scheme (Expected)	
	No. of shares	Amount in crores	No. of shares	Amount in crores
Authorised Share Capital				
Equity shares of ₹ 10/- each	1,00,00,000	10.00	4,60,00,000	46.00
Issued, Subscribed and Paid-up Share Capital				
Equity shares of ₹ 10/- each, fully paid up	64,71,014	6.47	1,08,51,120	10.85

18. PRE AND POST SCHEME SHAREHOLDING PATTERN

18.1. The pre and post scheme shareholding pattern of the DML based on the shareholding as on 31st December, 2018 is as follows:

Sl. No.	Particulars Description	Pre-scheme		Post-scheme	
		No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family				
	Ram Hemant Shroff	2,115	0.03	2,115	0.02
	Ziabai Jaydev Mody and Jaydev Mukund Mody	1,125	0.02	1,125	0.01
	Urvi Piramal	25,000	0.39	30,750	0.28
	Kalpana Singhania	25,000	0.39	33,212	0.31
	Jaydev Mukund Mody	-	-	65	0.00
	Chand Vishnudatt Arora and Indra Chand Arora	-	-	5,822	0.05
	Gopika Singhania	-	-	4,322	0.04
	Ambika Singhania	-	-	4,674	0.04
(b)	Central Government/ State Government(s)	-	-	-	-
(c)	Bodies Corporate Names	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-
(e)	Any Others				
	Aryanish Finance And Investments Private Limited holding as trustee of Aarti J Mody Trust	9,96,570	15.40	19,86,319	18.31
	Bayside Property Developers Private Limited holding as trustee of Aditi J Mody Trust	9,97,751	15.42	19,89,412	18.33
	Delta Real Estate Consultancy Private Limited holding as trustee of Anjali J Mody Trust	10,05,977	15.55	19,95,274	18.39
	SSI Trading Private Limited	16,15,153	24.96	16,15,153	14.88
	PMP Auto Components Private Limited	-	-	8,513	0.08
	Highland Resorts LLP	-	-	1,862	0.02
	Delta Corp Limited	-	-	-	-
	Anjoss Trading Private Limited	-	-	-	-
	Aarti Management Consultancy Private Limited	-	-	-	-
	Aditi Management Consultancy Private Limited	-	-	-	-
	Sub Total (A)(1)	46,68,691	72.15	76,78,618	70.76

Sl. No.	Particulars Description	Pre-scheme		Post-scheme	
		No. of shares	%	No. of shares	%
2	Foreign	-	-	-	-
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any Others	-	-	-	-
	Sub Total (A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	46,68,691	72.15	76,78,618	70.76
(B)	Public Shareholding				
1	Institutions				
(a)	Mutual Funds / UTI	1,425	0.02	1,425	0.01
(b)	Financial Institutions / Banks	8,225	0.13	8,406	0.08
(c)	Central Government/ State Government(s)	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies				
(f)	Foreign Institutional Investors	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other Alternate Investment Fund Foreign Portfolio Investor)	-	-	-	-
	Sub-Total (B)(1)	9,650	0.15	9,831	0.09
2	Non-institutions				
(a)	Bodies Corporate	-	-	-	-
(b)	Individuals				
I	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	11,73,477	18.13	21,90,964	20.19
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	3,58,338	5.54	4,93,346	4.55
(c)	NBFCs registered with RBI			-	-
(d)	Any Other				
	Bodies Corporate	2,28,014	3.52	3,08,961	2.85
	Newdeal Multitrade Private Limited	95,500	1.48	1,37,360	1.27
	T and D Trading Private Limited	1,06,117	1.64	1,06,462	0.98
	Clearing Members	9,200	0.14	24,621	0.23

Sl. No.	Particulars	Pre-scheme		Post-scheme	
	Description	No. of shares	%	No. of shares	%
	Non-Resident Indian (NRI)	7,039	0.11	84,435	0.78
	Director or Director's Relatives	2,400	0.04	1,054	0.01
	Trusts	50	0.00	50	0.00
	HUF	14,155	0.22	59,240	0.55
	Sub-Total (B)(2)	17,92,673	27.70	31,62,671	29.15
(B)	Total Public Shareholding (B)=(B)(1)+(B)(2)	18,02,323	27.85	31,72,502	29.24
	TOTAL (A)+(B)	64,71,014	100	1,08,51,120	100
(C)	Shares held by Custodians and against which DRs have been issued	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	64,71,014	100	1,08,51,120	100

18.2. The pre-scheme shareholding pattern of ATL as on 31st December, 2018 is as follows:

Sr. No.	Name of Shareholder	No. of Shares	Shareholding %
A1)	Indian		
	Individuals/Hindu undivided Family	1,08,671	0.57
	Jaydev Mukund Mody	281	-
	Chand Vishnudatt Arora and Indra Chand Arora	24,877	0.13
	Gopika Singhania	10,966	0.06
	Ambika Singhania	11,842	0.06
	Kalpana Singhania	35,705	0.19
	Urvi PIRAMAL A	25,000	0.13
	Any Other (specify)	1,29,61,231	68.06
	Aryanish Finance And Investments Private Limited holding as trustee of Aarti J Mody Trust	43,03,254	22.60
	Bayside Property Developers Private Limited holding as trustee of Aditi J Mody Trust	43,11,569	22.64
	Delta Real Estate Consultancy Private Limited holding as trustee of Anjali J Mody Trust	43,01,291	22.59
	Highland Resorts LLP	8,097	0.04
	Aditi Management Consultancy Private Limited	2	-
	Aarti Management Consultancy Private Limited	2	-
	Anjoss Trading Private Limited	2	-
	Delta Corp Limited	2	-
	PMP Auto Components Private Limited	37,012	0.19
	Sub Total A1	1,30,69,902	68.63

Sr. No.	Name of Shareholder	No. of Shares	Shareholding %
A2)	Foreign	-	-
	A=A1+A2	1,30,69,902	68.63
	Public Shareholding		
B1)	Institutions		
	Financial Institutions/ Banks	787	0.00
	Sub Total B1	787	0.00
B2)	Central Government / State Government(s) / President of India	-	-
B3)	Non-Institutions	-	-
	Individual share capital upto ₹ 2 Lacs	44,34,744	23.29
	Individual share capital in excess of ₹ 2 Lacs	5,86,991	3.08
	Any Other (specify)	9,51,515	5.00
	Bodies Corporate	3,51,944	1.85
	Clearing Members	67,046	0.35
	Non-Resident Indian (NRI)	3,36,505	1.77
	HUF	1,96,020	1.03
	Sub Total B3	5,973,250	31.37
	B=B1+B2+B3	5,974,037	31.37
	Total (A)+(B)	19,043,939	100.00

Post-scheme shareholding pattern: Not applicable as ATL shall stand dissolved without being wound-up pursuant to the Scheme.

18.3. The pre-scheme shareholding pattern of MMG as on date is as follows:

Sr. No.	Names of Shareholders	No. of equity shares of ₹ 10 each	Shareholding %
1	Delta Magnets Limited	1,38,65,869	99.99%
2	Dr. Ram H. Shroff as a nominee of Delta Magnets Limited	1	0.01%
	Total	1,38,65,870	100.00%

Post-scheme shareholding pattern: Not applicable as MMG shall stand dissolved without being wound-up pursuant to the Scheme.

19. EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

19.1. The Directors and Key Managerial Personnel (KMP) and their respective relatives of ATL, MMG and DML may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Applicant Company, or to the extent the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the Applicant Company. Save as aforesaid, none of the Directors, Managing Director or the Manager or KMP of ATL, MMG and DML have any material interest in the Scheme.

19.2. The details of the present directors and KMP of ATL and their respective shareholdings in ATL, MMG and DML respectively as on 31st December, 2018 are as follows:

Name of Directors / KMP	Designation	Shares held in ATL	Shares held in MMG	Shares held in DML
Mr. Jaydev Mody	Director	281	0	1,125*
Dr. Ram H. Shroff	Managing Director	0	0	2,115
Mr. Aurobind Patel	Director	0	0	0
Mr. Aditya Mangaldas	Director	0	0	0
Ms. Anjali Mody	Director	0	0	0
Dr. Vrajesh Udani	Director	0	0	0
Mr. Ulhas J. Kale	CFO	1,500**	0	2**
Mr. Saurabh Gangadhare	Company Secretary	1	0	1

*Holding as second holder with Zia Mody

**Holding as second holder with Anjali Kale

19.3. The details of the present directors and KMP of MMG and their respective shareholdings in ATL, MMG and DML as on 31st December, 2018 are as follows:

Name of Directors / KMP	Designation	Shares held in ATL	Shares held in MMG	Shares held in DML
Dr. Ram H. Shroff	Director	0	0	2,115
Mr. Abhilash Sunny	Whole Time Director	0	0	0
Mr. Darius Khambatta	Director	525	0	0
Mr. Javed Tapia	Director	0	0	0
Dr. Vrajesh Udani	Director	0	0	0

19.4. The details of the present directors and KMP of DML and their respective shareholdings in ATL, MMG and DML as on 31st December, 2018 are as follows:

Name of Directors / KMP	Designation	Shares held in ATL	Shares held in MMG	Shares held in DML
Mr. Jaydev Mody	Director	281	0	1,125*
Dr. Ram H. Shroff	Managing Director	0	0	2,115
Ms. Ambika Kothari	Director	11,842	0	1,950
Mr. Darius Khambatta	Director	525	0	0
Mr. Javed Tapia	Director	0	0	0
Mr. Rajesh Jaggi	Director	0	0	0
Dr. Vrajesh Udani	Director	0	0	0
Mr. Samir Chinai	Director	0	0	450
Mr. Abhilash Sunny	CFO	0	0	0
Ms. Anannya Godbole	Company Secretary	1	0	1

*Holding as second holder with Zia Mody

20. GENERAL

- 20.1. ATL, MMG and DML have made applications before the Tribunal for the sanction of the Scheme under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.
- 20.2. The amount due from ATL as on 31st December, 2018 to its secured creditors is ₹ 89,68,189/- and unsecured creditors is ₹ 2,54,37,105/-
- 20.3. The amount due from MMG as on 31st December, 2018 to its secured creditors is ₹ 4,25,40,265/- and unsecured creditors is ₹ 28,89,83,575/-.
- 20.4. The amount due from DML as on 31st December, 2018 to its secured creditors is ₹ 5,59,35,663/- and unsecured creditors is ₹ 13,42,63,514/-.
- 20.5. In relation to the meeting of the Applicant Company, Equity Shareholders of the Applicant Company whose names are appearing in the records of the Applicant Company as on 15th April, 2019 shall be eligible to attend and vote at the meeting either in person or by proxies convened as per the directions of the Tribunal or cast their votes using remote e-voting facility.
- 20.6. The rights and interests of creditors of any of the companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.
- 20.7. None of Directors and KMP of the Applicant Company or their respective relatives is in any way connected or interested in the aforesaid resolution except to the extent of their respective shareholding, if any.
- 20.8. The latest audited accounts for the year ended 31st March, 2018 of the Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured or unsecured creditor of the Applicant Company would lose or be prejudiced as a result of this Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be adversely modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of the Applicant Company, nor will it adversely affect the interest of any of the shareholders or creditors.
- 20.9. There are no winding up proceedings pending against the Applicant Company as of date.
- 20.10. No investigation proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Applicant Company.
- 20.11. A copy of the Scheme has been filed with the Registrar of Companies, Mumbai, Maharashtra.
- 20.12. ATL, MMG and DML are required to seek approvals / sanctions / no- objections from certain regulatory and governmental authorities for the Scheme which inter alia includes Registrar of Companies, Regional Director, Official Liquidator and Income-tax authorities which it will obtain at the relevant time.
- 20.13. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

20.14. Names and addresses of the Directors/ KMP and Promoters of ATL are as under:

Sl. No.	Name of Director / KMP	Address
1	Mr. Jaydev Mukund Mody	West Hill, 27 Nepean Sea Road, Mumbai-400 036
2	Dr. Ram H. Shroff	31-B, Bhagwati Bhuvan Condominium, Carmicheal Road, Mumbai 400026
3	Mr. Aurobind Ashabhai Patel	401, Anand Bhavan, Babulnath, 2 nd Cross Lane, Mumbai, 400007
4	Mr. Aditya Harshavadan Mangaldas	12, Ocean View, 100, Bhulabhai Desai Road, Mumbai 400026
5	Ms. Anjali Mody	27, West Hill, Nepeansea Road, Mumbai 400036
6	Dr. Vrajesh Udani	Al-Jabreya Court, 4 th Floor, Flat No. 17, 69, Marine Drive, Mumbai 400 020
7	Mr. Ulhas Kale (CFO)	Plot No. 43 Jairam Krishna Sankul, Gharpure Ghat Lane Ashok Stambh, Nasik 422 002, Maharashtra
8	Mr. Saurabh Gangadhare (CS)	101, A wing, G-9, Rajanigandha C.H.S, Khodaram Baug, Boisar-West, Palghar 401501, Maharashtra

Sl. No.	Name of Promoter	Address
1.	Mr. Jaydev Mukund Mody	West Hill, 27 Nepean Sea Road, Mumbai-400 036
2	Mr. Chand Vishnudatt Arora and Ms. Indra Chand Arora	Space Twinkle 4 th Floor Mahatma Nagar, Nasik 422007, Maharashtra
3	Gopika Singhania	124 Madhuli Apartments, 12 th Floor, Dr. Annie Basant Road, Worli, Mumbai 400018
4	Ambika Singhania	Sea View, 57 Worli Seaface, Worli Mumbai 400030
5	Kalpna Singhania	124 Madhuli Apartments, 12 th Floor, Dr. Annie Basant Road, Worli, Mumbai 400018
6	Urvi Piramal A	61, Piramal House, Pochkhanawala Road, Worli, Mumbai 400025
7	Aryanish Finance And Investments Private Limited holding as trustee of Aarti J Mody Trust	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
8	Bayside Property Developers Private Limited holding as trustee of Aditi J Mody Trust	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
9	Delta Real Estate Consultancy Private Limited holding as trustee of Anjali J Mody Trust	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
10	Highland Resorts LLP	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
11	Aditi Management Consultancy Private Limited	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
12	Aarti Management Consultancy Private Limited	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
13	Anjoss Trading Private Limited	132, Bayside Mall, 1 st Floor Haji Ali Road, Tardeo Mumbai Mumbai City MH 400034 IN
14	Delta Corp Limited	10, Kumar Place, 2408, General Thimayya Road Pune 411001 MH IN
15	PMP Auto Components Private Limited	Peninsula Spenta, Mathuradas Mills Compound Senapati Bapat Marg, Lower Parel Mumbai 400013, MH IN

20.15. Names and addresses of the Directors/ KMP and Promoters of MMG are as under:

Sl. No.	Name of Director / KMP	Address
1	Dr. Ram H. Shroff	31-B, Bhagwati Bhuvan Condominium, Carmicheal Road, Mumbai 400026
2	Mr. Darius Khambatta	7, Sai Manzil, 3 rd Floor, 18 Altamount Road, Next To South African Consulate, Gowalia Tank, Cumb Mumbai 400026
3	Mr. Abhilash Sunny (WTD & CFO)	2/98 B, Meleth House, N S S Road, Aluva, Choondy, Vazhakulam, Ernakulam Erumathala 683112
4	Mr. Javed Tapia	Plot No.26-A, Floor 5 th Ashford APT. BG Kher Marg, Nr. Sahyadari Guest House, Malabar Hill Mumbai 400006
5	Dr. Vrajesh Udani	17, AL Jabreya Court, 69, Marine Drive, Marine Lines, Mumbai 400020

Sl. No.	Name of Promoter	Address
1	Delta Magnets Limited	B-87, MIDC, Ambad, Nashik 422010
2	Dr. Ram H. Shroff as a nominee of Delta Magnets Limited	B-87, MIDC, Ambad, Nashik 422010

20.16. Names and addresses of the Directors/ KMP and Promoters of DML are as under:

Sl. No.	Name of Director / KMP	Address
1	Mr. Jaydev Mody	Flat No 2, 1 st Floor, West Hill, 27, Nepean Sea Road, Mumbai 400036
2	Dr. Ram H. Shroff	31-B, Bhagwati Bhuvan Condominium, Carmicheal Road, Mumbai 400026
3	Mr. Darius Khambatta	7, Sai Manzil, 3 rd Floor, 18 Altamount Road, Next To South African Consulate, Gowalia Tank, Cumb Mumbai 400026
4	Ms. Ambika Kothari	Sea View, 57 Worli Seaface, Worli Mumbai 400030
5	Mr. Javed Tapia	Plot No.26-A, Floor 5 th Ashford APT. B G Kher Marg, Nr. Sahyadari Guest House, Malabar Hill, Mumbai 400006
6	Mr. Rajesh Jaggi	26 Blue Haven, Mount Pleasant Road, Opp CM Bunglow, Malabar Hill, Mumbai 400006
7	Dr. Vrajesh Udani	17, AL Jabreya Court, 69, Marine Drive, Marine Lines, Mumbai 400020
8	Mr. Samir Chinai	B-31, Mayfair Gardens, Little Gibbs Road, Near Hanging Gardens, Malabar Hill, Mumbai 400006
9	Mr. Abhilash Sunny (CFO)	2/98B, Meleth House, N. S. S. Road, Aluva, Choondy, Vazhakulam, Ernakulam, Chennai - 683112.
10	Ms. Anannya Godbole (CS)	Room No.5, Kashi Bhuvan Co-op. Society, Anant Waman Vartak Marg, Vile Parle (East), Mumbai - 400057.

Sl. No.	Name of Promoter	Address
1	Ram Hemant Shroff	31-B, Bhagwati Bhuvan Condominium, Carmicheal Road, Mumbai 400026
2	Ziabai Jaydev Mody And Jaydev Mukund Mody	Barry Villa, 2, Tespal Road, Krishna Sanghi Path, Gam Devi, Mumbai 400007
3	Urvi Piramal	61, Piramal House, Pochkhanawala Road, Worli-400025
4	Kalpana Singhania	124, Madhuli Apts, Dr. Annie Besent Road, Worli-400018
5	Aryanish Finance And Investments Private Limited holding as trustee of Aarti J Mody Trust	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
6	Bayside Property Developers Private Limited holding as trustee of Aditi J Mody Trust	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
7	Delta Real Estate Consultancy Private Limited holding as trustee of Anjali J Mody Trust	132, Bayside Mall, 1 st Floor, Haji Ali Tardeo Road, Mumbai 400034
8	SSI Trading Private Limited	Bhagwati Bhuvan Condominium, 31 B Carmicheal Road, Behind Jaslok Hospital, Mumbai-400026

20.17. Details of Directors of ATL who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of ATL are given below:

Sr. No	Name of the Director	Voted in Favour /against/ did not participate
1	Mr. Aditya Mangaldas	Favour
2	Mr. Chand Arora	Favour
3	Dr. Vrajesh Udani	Favour

20.18. Details of directors of MMG who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of MMG are given below:

Sr. No	Name of the Director	Voted in Favour / against / did not participate
1	Dr. Ram H. Shroff	Favour
2	Mr. Abhilash Sunny	Favour
3	Mr. Darius Khambatta	Favour
4	Mr. Javed Tapia	Favour
5	Dr. Vrajesh Udani	Favour

20.19. Details of directors of DML who voted in favour / against / did not participate on resolution passed at the meeting of the Board of Directors of DML are given below:

Sr. No	Name of the Director	Voted in Favour / against / did not participate
1	Dr. Ram H. Shroff	Favour
2	Ms. Ambika Kothari	Favour
3	Mr. Darius Khambatta	Favour
4	Mr. Javed Tapia	Favour
5	Mr. Rajesh Jaggi	Favour
6	Mr. Samir Chinai	Favour

20.20 For the purpose of the Scheme, M/s Bharat Kotak & Co, Chartered Accountants have recommended share exchange ratio for merger of ATL and MMG with DML. Dalmia Securities Private Limited, a Category I Merchant Banker after having reviewed the valuation report of M/s Bharat Kotak & Co, Chartered Accountants and on consideration of all the relevant factors and circumstances, opined that in their view the independent valuer's proposed share exchange ratio is fair.

20.21. A report adopted by the Directors of the Applicant Company, explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, laying out in particular the share allotment, is attached herewith. The Applicant Company does not have any depositors, deposit trustee and debenture trustee. There will be no adverse effect on account of the Scheme as far as the employees and creditors of the Applicant Company are concerned.

20.22. A copy of the Audited / Unaudited Financial Statements of ATL, MMG and DML for the period ended 30th September, 2018 are attached herewith.

20.23. As far as the employees of the Applicant Company are concerned there would not be any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of the Applicant Company is envisaged on account of the Scheme.

20.24. The following documents will be open for inspection by the equity shareholders of the Applicant Company at its registered office at B-87, MIDC, Ambad Nashik, Maharashtra - 422010, between 10.00 a.m. and 12.00 noon on all days (except Saturdays, Sundays and public holidays) upto the date of the meeting:

- (i) Copy of the order passed by the Tribunal in Company Scheme Application No. 1637 of 2018, dated 15th March, 2019;
- (ii) Copy of the Company Scheme Application No. 1637 of 2018 along with annexures filed by ATL, MMG and DML before the Tribunal;
- (iii) Copy of the Memorandum and Articles of Association of ATL, MMG and DML;
- (iv) Copy of the audited financial statements of ATL, MMG and DML for the last three financial year ended 31st March 2018, 31st March, 2017 and 31st March, 2016;
- (v) Copy of the audited / unaudited financial statements of ATL, MMG and DML for the period ended 30th September, 2018;
- (vi) Copy of the Register of Directors' shareholding of ATL, MMG and DML;
- (vii) Copy of Valuation Report dated 19th September, 2018 submitted by M/s Bharat Kotak & Co, Chartered Accountants;
- (viii) Copy of the Fairness Opinion dated 19th September, 2018, issued by Dalmia Securities Private Limited, Category I Merchant Banker;
- (ix) Copy of the Audit Committee Report dated 19th September, 2018 of the Applicant Company;

- (x) Copy of the resolutions dated 19th September, 2018 passed by the respective Board of Directors of ATL, MMG and DML approving the Scheme;
- (xi) Copy of the Accounting Treatment certificate dated 21st September, 2018 issued by M/s Amit Desai & Co, Chartered Accountants, to the Applicant Company certifying the proposed accounting treatment specified in clause 6 of the Scheme;
- (xii) Copy of the Complaints Report dated 25th October, 2018, submitted by the Applicant Company and First Transferor Company to BSE Limited and Complaints Report dated 5th November, 2018, submitted by the Applicant Company to the National Stock Exchange of India Limited;
- (xiii) Copy of the no objection letter issued by BSE Limited dated 17th December, 2018 to the Applicant Company and First Transferor Company;
- (xiv) Copy of the no objection letter issued by the National Stock Exchange of India Limited dated 17th December, 2018 to the Applicant Company and First Transferor Company; and
- (xv) Copy of the Scheme.

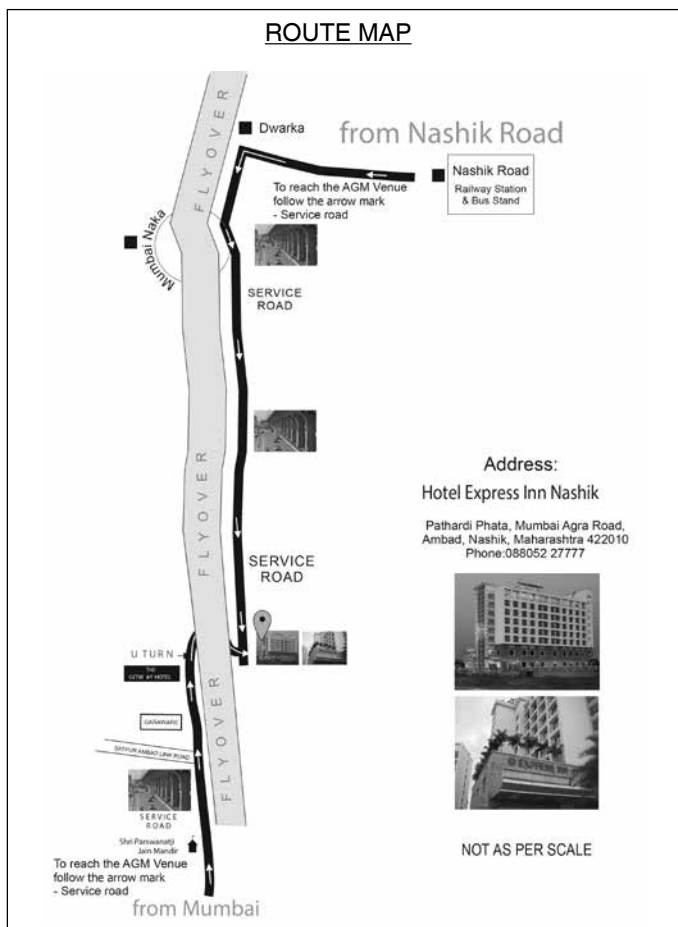
20.25. This Statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of this Scheme, Explanatory Statement and Form of Proxy may be obtained free of charge on any working day (except Saturdays, Sundays and public holidays) prior to the date of the meeting, from the Registered Office of the Applicant Company.

Sd/-
Dr. Ram H. Shroff
 DIN: 00004865

Chairman appointed for the meeting

Dated this 18th March, 2019

Registered Office:
 B-87, MIDC, Ambad Nashik,
 Maharashtra - 422010



SCHEME OF AMALGAMATION
OF
ARROW TEXTILES LIMITED ('FIRST TRANSFEROR COMPANY' OR 'ATL')
AND
MMG INDIA PRIVATE LIMITED ('SECOND TRANSFEROR COMPANY' OR 'MMG')
WITH
DELTA MAGNETS LIMITED ('TRANSFEEE COMPANY' OR 'DML')
AND
THEIR RESPECTIVE SHAREHOLDERS
(Under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions
of the Companies Act, 2013)

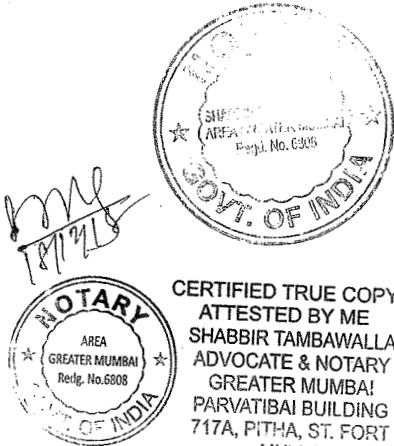
A) Preamble

1. This Scheme of Amalgamation ('Scheme') is presented under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder for amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Ltd ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML');
2. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

B) Rationale for the Scheme

It is desired to consolidate the business of First Transferor Company and Second Transferor Company (hereinafter referred to as 'Transferor Companies') and Transferee Company

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CERTIFIED TRUE COPY
ATTESTED BY ME
SHABBIR TAMBAWALLA
ADVOCATE & NOTARY
GREATER MUMBAI
PARVATIBAI BUILDING
717A, PITHA, ST. FORT
MUM-1



under a single entity i.e. Transferee Company. Accordingly, it is proposed to consolidate the operations by way of amalgamation.

The proposed restructuring would:

- Provide an opportunity to leverage combined assets and enable optimum utilization of existing resources by pooling of resources to facilitate future expansion of business of Transferee Company;
- Reduce managerial overlaps involved in operating multiple entities and increase operational and management efficiency, integrate business functions and eliminate duplication and rationalization of administrative expenses;
- Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for amalgamated entity; and
- Improving organizational capability and leadership arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

C) Parts of the Scheme

The Scheme is divided into following parts:

- a) **Part A** deals with the Definitions and Share Capital;
- b) **Part B** deals with the amalgamation of Transferor Companies with Transferee Company;
- c) **Part C** deals with the General Terms and Conditions.



PART A: DEFINITIONS AND SHARE CAPITAL

1. In this scheme unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

1.1. **“Act” or “the Act”** means the Companies Act, 2013 and Rules framed thereunder as in force from time to time;

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 modification or re-enactment thereof for the time being in force;

1.3. **“Appointed Date”** means 1st October, 2018 or such other date as may be fixed by the National Company Law Tribunal or the Board of Directors (as defined hereinafter);

1.4. **“Appropriate Authority”** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, National Company Law Tribunal and Reserve Bank of India;

1.5. **“ATL” or “First Transferor Company”** means Arrow Textiles Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Plot No.101 - 103 ,19th Street , MIDC, Satpur , Nashik - 422 007, Maharashtra ,India;

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- 1.6. **“Board of Directors” or “Board”** in relation to the Transferor Companies and the Transferee Company, as the case may be, means the Board of Directors of such company, and unless repugnant to the subject, context or meaning thereof, shall be deemed to include every committee (including any committee of directors) or any person authorized by the Board or by any such committee;
- 1.7. **“DML” or “Transferee Company”** means Delta Magnets Limited, a company incorporated under the Companies Act, 1956 and having its registered office at B-87, MIDC, Ambad, Nashik - 422 010, Maharashtra, India;
- 1.8. **“Effective Date” or “coming into effect of this Scheme” or “upon the scheme becoming effective” or “effectiveness of the scheme”** means the date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by ATL, MMG and DML with the jurisdictional Registrar of Companies;
- 1.9. **‘MMG’ or ‘Second Transferor Company’** means MMG India Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at B-87, MIDC, Ambad, Nashik - 422 010, Maharashtra, India
- 1.10. **“National Company Law Tribunal” or “Tribunal” or “NCLT”** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 – 232 of the Companies Act, 2013 of the Companies Act, 2013;



- 1.11. "**Record Date**" shall be the date to be fixed by the Board of ATL in consultation with DML for the purpose of determining the equity shareholders of ATL for issue of equity shares pursuant to this Scheme;
- 1.12. "**Scheme**" or "**the Scheme**" or "**this Scheme**" means the Scheme of Amalgamation in its present form (along with any annexures, schedules, etc., annexed/attached hereto) or with any modification(s) and amendments made under Clause 20 of this Scheme from time to time and with appropriate approvals and sanctions as imposed or directed by the Tribunal or such other competent authority, as may be required under the Act, as applicable, and under all other applicable laws;
- 1.13. "**SEBI**" means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;
- 1.14. "**SEBI Circular**" means the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 and any amendments thereof or modifications issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015
- 1.15. "**Share Exchange Ratio**" means the ratio in which the equity shares of DML are to be issued and allotted to the shareholders of ATL on amalgamation as per Part B of this Scheme;
- 1.16. "**Stock Exchanges**" means the BSE Limited ('BSE') and/ or wherever applicable, the National Stock Exchange of India Limited ('NSE').



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

In the Scheme, unless the context otherwise requires:

- (i) reference to clauses, recitals and schedules, unless otherwise provided, are to clauses, recitals and schedules of and to this Scheme;
- (ii) references to the singular shall include the plural and vice versa and references to any gender includes the other gender;
- (iii) references to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated and (so far as liability thereunder may exist or can arise) shall include also any past statutory provision (as from time to time modified or re-enacted or consolidated) which such provision has directly or indirectly replaced, provided that nothing in this Clause shall operate to increase the liability of any Party beyond that which would have existed had this Clause been omitted.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 2.1. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or made as per Clause 20 of the Scheme, shall be effective from the Appointed Date and shall be operative from the Effective Date

3. SHARE CAPITAL

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3.1. The authorized, issued, subscribed and paid-up share capital of the First Transferor Company as on March 31, 2018 is as under:

Particulars	Amount in INR
Authorised Capital	
2,10,00,000 Equity Shares of Rs. 10/- each	21,00,00,000
Total	21,00,00,000
Issued, Subscribed and Paid-up	
1,90,43,939 Equity Shares of Rs. 10/- each, fully paid up	19,04,39,390
Total	19,04,39,390

Subsequent to March 31, 2018 there is no change in the issued, subscribed and paid-up capital of the First Transferor Company.

3.2. The authorized, issued, subscribed and paid-up share capital of the Second Transferor Company as on March 31, 2018 is as under:

Particulars	Amount in INR
Authorised Capital	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
Total	15,00,00,000
Issued, Subscribed and Paid-up	
1,38,65,870 Equity Shares of Rs. 10/- each, fully paid up	13,86,58,700
Total	13,86,58,700



Subsequent to March 31, 2018 there is no change in the issued, subscribed and paid-up capital of the Second Transferor Company. The entire issued, subscribed and paid up share capital of the Second Transferor Company is held by the Transferee Company along with its nominees.

- 3.3. The authorized, issued, subscribed and paid-up share capital of the Transferee Company as on March 31, 2018 is as under:

Particulars	Amount in INR
<u>Authorised Capital</u>	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
Total	10,00,00,000
<u>Issued, Subscribed and Paid-up</u>	
64,71,014 Equity Shares of Rs. 10/- each, fully paid up	6,47,10,140
Total	6,47,10,140

Subsequent to March 31, 2018 there is no change in the issued, subscribed and paid-up capital of the Transferee Company.

PART B:

AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE TRANSFEREE

COMPANY

4. **VESTING OF ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANIES**



- 4.1. Upon coming into effect of this Scheme and subject to the provisions of this Scheme, with effect from the Appointed Date, the entire business and whole of the undertakings of the Transferor Companies shall be vested in and/or be deemed to have been vested in and amalgamated with the Transferee Company, as a going concern, without any further deed or act, together with all its assets, liabilities, properties, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions or otherwise, as the case may be and subject to the provisions of the Scheme in accordance with Sections 230 to 232 of the Act and all other applicable provisions of law, if any.
- 4.2 Without prejudice to the generality of the foregoing:
- (a) the assets of the Transferor Companies as on the Appointed Date shall include, without limitation:
- i) all properties and assets (whether real or personal, in possession or reversion, corporeal or incorporeal, movable or immovable, tangible or intangible) of whatsoever nature, and wherever situated, including but not limited to immovable properties, plant and machinery, furniture and fixtures, office equipment, other equipment, computers, air conditioners and refrigerators, cash on hand, stock in trade, advances, investments, claims whether recognized or not (including those under any shareholder or share purchase agreements);
 - ii) all licenses, permissions, approvals and consents including environmental approvals and approvals of various regulatory bodies;
 - iii) all intellectual property rights including copy rights, trade marks, logos, brands whether registered or not and other intellectual property rights;
 - iv) all rights relating to property including lease/tenancy rights, sublicensing, subleasing rights or rights to grant sub tenancy, easement rights, permissions,

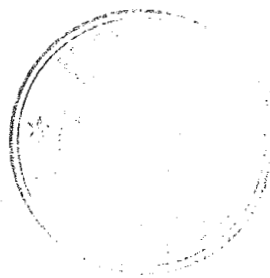
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approved use; title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever and wherever situated;

- v) all rights and benefits under any contracts with customers, suppliers, sellers, shareholders (including rights under any shareholder or share purchase agreements), and other counterparties; and
 - vi) tax incentives, minimum alternate tax credit, cenvat credit, sales tax credit and all other rights, (including rights under any shareholder or share purchase agreements).
- (b) the liabilities shall include all debts, liabilities, contingent liabilities, duties and obligations of the Transferor Companies as on the Appointed Date, whether or not provided in the books of the Transferor Companies, which shall be deemed to be the debt, liabilities, duties and obligations of the Transferee Company as the case may be, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement (including any shareholder or share purchase agreement) by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Companies which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further, or additional security thereof after the amalgamation has become effective or otherwise. The transfer / vesting of the assets of the Transferor Companies as aforesaid shall be subject to the terms and conditions of the existing charges / hypothecation / mortgages over or in respect of the assets or any part thereof of the Transferor Companies.



- 4.3 (a) All the assets, licenses, permits, quotas, including approvals of various regulatory bodies, permissions, incentives, benefits, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, copy rights, trade marks, logos, brands, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Transferor Companies upto the Appointed Date or after the Appointed Date and prior to the Effective Date in connection with or in relation to the operations of the Transferor Companies shall, pursuant to the provisions of Section 232(4) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and / or be deemed to have been transferred to and vested in and be available to the Transferee Company so as to become as and from the Appointed Date the assets, licenses, permits, quotas, approvals including permissions, exemptions, exclusions, incentives, loans, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible under law.
- (b) On the Scheme becoming effective, all moveable assets including cash in hand, if any, of the Transferor Companies, capable of passing by manual delivery or constructive delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to the Transferee Company.
- (c) In respect of all movables other than those specified in sub clause (b) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies, customers and other persons, the same shall, without any further act, instrument or deed, be



transferred to and stand vested in and/ or be deemed to be transferred to and stand vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act.

- (d) The entitlement to various benefits under incentive schemes and policies in relation to the Transferor Companies shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in the Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include (but shall not be limited to) income tax, minimum alternate tax, sales tax, value added tax, excise duty, service tax, customs, goods and service tax and other incentives in relation to the Transferor Companies to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by the Transferee Company of all the terms and conditions subject to which the benefits under such incentive schemes were made available to the Transferor Companies.
- (e) The provisions of this Scheme as they relate to the amalgamation of the Transferor Companies with the Transferee Company, have been drawn up to comply with the conditions relating to "amalgamation" as defined under Section 2(1B) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.



5. CONSIDERATION

- 5.1. Upon the Scheme becoming effective and upon the amalgamation of the First Transferor Company with the Transferee Company in terms of this Scheme, the Transferee Company shall, without any further application or deed, issue and allot shares to the shareholders of the First Transferor Company whose name appears in the register of members of the First Transferor Company as on the Record Date as may be stipulated by the Board of Directors of the First Transferor Company or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz

"23 (Twenty Three) Equity Shares of Rs. 10 each, fully paid up of Transferee Company shall be issued and allotted for every 100 (Hundred) Equity Shares of Rs. 10 each, fully paid up held in the First Transferor Company."

- 5.2. The entire issued, subscribed and paid up share capital of the Second Transferor Company is held by the Transferee Company along with its nominees. Upon the Scheme becoming effective, the entire equity share capital of the Second Transferor Company shall stand automatically cancelled and there will not be any issue and allotment of equity shares in the Transferee Company.
- 5.3. In case any equity shareholder's holding in the First Transferor Company is such that the shareholder becomes entitled to a fraction of equity share of the Transferee Company, the Transferee Company shall not issue fractional share to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a person nominated by the Board of the Transferee Company on behalf of such

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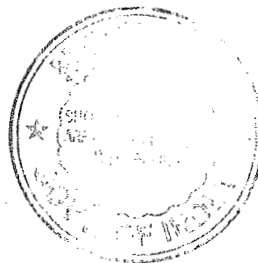
shareholders, who shall sell such shares in the market at such price or prices and on such time or times as the Board may in its sole discretion decide and on such sale, he shall pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the First Transferor Company in proportion to their respective fractional entitlements.

- 5.4. In the event that the First Transferor Company / the Transferee Company restructure their equity share capital by way of share split/consolidation/issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio shall be adjusted accordingly to take into account the effect of any such corporate actions.
- 5.5. The Transferee Company shall take necessary steps to increase or alter or re-classify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme.
- 5.6. The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of the Transferee Company.
- 5.7. The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company.
- 5.8. The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of the provisions of Section 42, 62 of the Companies Act,



2013 and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by the Transferee Company to the shareholders of the First Transferor Company, as provided in this Scheme.

- 5.9. The consideration in the form of equity shares shall be issued and allotted by the Transferee Company in dematerialized form to all the shareholders of the First Transferor Company holding such shares in dematerialized form and in physical form to all those shareholders of the Transferor Companies holding such shares in physical form. Further, the Transferee Company shall ensure that the shares so allotted pursuant to this Clause are listed on the Stock Exchanges where existing shares of the Transferee Company are listed.
- 5.10. The equity shares issued and/ or allotted pursuant to Clause 5.1, in respect of such of the equity shares of the First Transferor Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by the Transferee Company.
- 5.11. The Board of Directors of the Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government /regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of the First Transferor Company pursuant to Clause 5.1 of the Scheme.
- 5.12. The Transferee Company shall apply for listing of the equity shares issued pursuant to Clause 5.1 on the Stock Exchanges in terms of the SEBI Circular. The equity shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of the Transferee Company are listed and admitted to trading, as per the Applicable Law. The Transferee Company shall enter into such arrangements and give



such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange.

6. ACCOUNTING TREATMENT

6.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company shall account for amalgamation of the Transferor Companies in its books in accordance with principles as laid down in Appendix C to the Indian Accounting Standard 103 (Business Combination) in the following manner:

6.1.1 All the assets and liabilities of the Transferor Companies vested in the Transferee Company pursuant to the Scheme shall be recorded in the books of the Transferee Company at their respective carrying values as appearing in the books of Transferor Companies as on the Appointed Date.

6.1.2 The balance of the reserves appearing in the financial statements of the Transferor Companies as on the Appointed Date is aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.

6.1.3 The Transferee Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued by it to the shareholders of the First Transferor Company.

6.1.4 Inter-company holdings and balances, if any, between the Transferee Company and the Transferor Companies shall stand cancelled.

6.1.5 The difference, if any, arising between the carrying value of assets and liabilities and reserves pertaining to the First Transferor Company and Second Transferor



Company and the face value of shares issued by the Transferee Company after providing for adjustments as stated above shall be adjusted in capital reserve.

- 6.2 In case of any differences in accounting policy between the Transferor Companies and the Transferee Company, the accounting policies of the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the capital reserves / goodwill to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 6.3 Upon coming into effect of this Scheme, any expenses incurred by the Transferee Company in relation to the Scheme (for e.g. stamp duty, share issue expenses, statutory fees, legal fees etc.) shall be debited to the Capital Reserve Account.

7. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

- 7.1 With effect from the Appointed Date and upto and including the Effective Date:
- (a) The Transferor Companies shall carry on and shall be deemed to have carried on its business and activities and shall stand possessed of its entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
 - (b) All the income or profits accruing or arising to the Transferor Companies and all costs, charges, expenses or losses incurred by the Transferor Companies shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.
 - (c) The Transferor Companies shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or



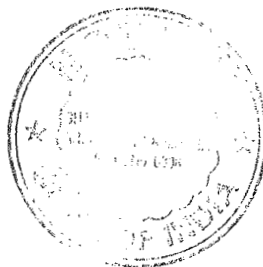
otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Companies and the Transferee Company.

- (d) The Transferor Companies shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Companies as the case may be, prior to the Appointed Date.

- 7.2. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme.

8. STAFF, WORKMEN & EMPLOYEES

- 8.1. All the permanent employees of the Transferor Companies, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies immediately preceding the Effective Date. Services of the employees of the Transferor Companies shall be taken into account from the date of their respective appointment with the Transferor Companies for the purposes of all retirement benefits and all other



entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Companies shall also be taken into account.

The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Companies.

- 8.2. It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Companies are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Companies in respect of the employees so transferred for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such Funds or Trusts shall become those of the Transferee Company. The Trustees including the Board of Directors of the Transferor Companies and the Transferee Company or through any committee / person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Transferor Companies.

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9. LEGAL PROCEEDINGS

- 9.1. All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising before the Effective Date and relating to the Transferor Companies, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. Any cost pertaining to the said proceedings between the Appointed Date and the Effective Date incurred by the Transferor Companies shall be reimbursed by the Transferee Company.
- 9.2. After the Effective Date, if any proceedings are taken against the Transferor Companies in respect of the matters referred to in the Clause 9.1 above, they shall defend the same at the cost of the Transferee Company and the Transferee Company shall reimburse and indemnify the Transferor Companies against all liabilities and obligations incurred by the Transferor Companies in respect thereof.
- 9.3. The Transferee Company undertakes to have all legal or other proceedings initiated by or against Transferor Companies referred to in Clause 9.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company after the Appointed Date.



10. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

10.1. Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Transferor Companies, shall continue in full force and effect against or in favor of the Transferee Company and may be enforced effectively by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.

10.2. With effect from the Appointed Date, any transferable statutory licenses, no objection certificates, permissions or approvals or consents required to carry on operations of the Transferor Companies shall stand vested in the Transferee Company without further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of the Transferee Company upon the vesting and transfer of undertakings of the Transferor Companies pursuant to the Scheme. The benefit of all transferable statutory and regulatory permissions, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall vest in and become available to the Transferee Company pursuant to the Scheme.

10.3. The Transferee 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favor of any party to any contract or arrangement to which the

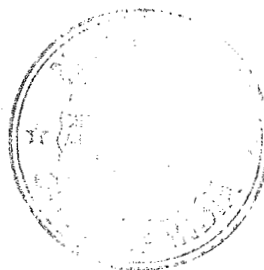


Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Companies.

- 10.4. All cheques and other negotiable instruments, payment orders received in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, the banker of Transferee Company shall honor cheques issued by the Transferor Companies for payment after the Effective Date.

11. TAXES

- 11.1. Upon coming into effect of this Scheme and with effect from the Appointed Date, all tax payable by the Transferor Companies under Income-tax Act 1961, Customs Act, 1962, Goods and Services tax or other applicable laws/ regulations dealing with taxes/duties/levies (hereinafter referred to as "tax laws") shall be to the account of the Transferee Company. Similarly all credits for tax deduction at source on income of the Transferor Companies, or obligation for deduction of tax at source on any payment made by or to be made by the Transferor Companies shall be made or deemed to have been made and duly complied with by the Transferee Company if so made by the Transferor Companies. Similarly any advance tax payment required to be made for by the specified due dates in the tax laws shall also be deemed to have been made by the Transferee Company if so made by the Transferor Companies. Further Minimum Alternate Tax paid by the Transferor Companies under Income Tax Act 1961, shall be



deemed to have been paid on behalf of the Transferee Company and Minimum Alternate Tax Credit (if any) of the Transferor Companies as on or accruing after the Appointed Date shall stand transferred to the Transferee Company and such credit would be available for set off against the tax liabilities of the Transferee Company. Any refunds/credit under the tax laws due to the Transferor Companies consequent to assessments made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

- 11.2. Further, any tax holiday/deduction/exemption/carry forward losses enjoyed by the Transferor Companies under Income-tax Act 1961 would be transferred to the Transferee Company.
- 11.3. On or after the Effective Date, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, 1961 (including for the purpose of re-computing tax on book profits and claiming other tax benefits), goods and services tax law and other tax laws, and to claim refunds and/or credits for taxes paid, and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme from the Appointed Date.
- 11.4. All taxes paid or payable by the Transferor Companies in respect of the operations and/or profits of the business before the Appointed Date shall be on account of the Transferor Companies and in so far it relates to the tax payment whether by way of deduction at source, advance tax or otherwise by the Transferor Companies in respect of profits or activities or operations of the business after the Appointed Date, the same



shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

12. **SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Companies under Clause 9 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of the Transferee Company.

13. **VALIDITY OF EXISTING RESOLUTIONS, ETC.**

Upon the effectiveness of this Scheme, the resolutions of the Transferor Companies, as are considered necessary by the Board of the Transferee Company, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Board of the Transferee Company shall be added to the limits, if any, under like resolutions passed by the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.



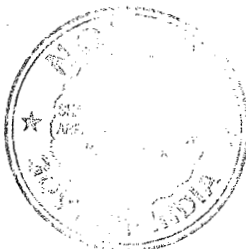
14. **PROFITS AND DIVIDENDS**

14.1. The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending March 31, 2018 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended/declared only by the mutual consent of the concerned Transferor Companies and the Transferee Company.

14.2. It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Transferor Companies and the Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Transferor Companies and the Transferee Company as the case may be, and subject to approval, if required, of the shareholders of the Transferor Companies and the Transferee Company as the case may be.

15. **CONSOLIDATION OF AUTHORISED CAPITAL**

15.1. Upon the Scheme becoming effective, the Authorized Share Capital of the Transferor Companies shall stand consolidated and vested in and be merged with the Authorized Share Capital of the Transferee Company without any liability for payment of any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, as such fees and duties in respect of such Authorized Share Capital of the Transferor Companies have already been paid by the Transferor Companies, the



benefit of which stands vested in the Transferee Company pursuant to the Scheme becoming effective in terms hereof and no separate procedure or further resolution under Section 62 of the Act or instrument or deed or payment of any stamp duty and registration fees shall be required to be followed under the Act.

- 15.2. Consequently, Clause V of the Memorandum of Association of the Transferee Company shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Section 13 of the Companies Act, 2013 and Section 230-232 and other applicable provisions of the Companies Act, 2013, as set out below:

"The Authorized Share Capital of the Company is Rs.46,00,00,000/- (Rupees Forty Six Crores only) divided into 4,60,00,000 (Four Crore Sixty Lakhs) Equity Shares of Rs.10/- each. The Company shall have power to increase or reduce the authorized share capital, to classify the unclassified shares and to divide the same in shares of several classes permissible under the Act and to attach thereto respectively such preferential, deferred, qualified and other special rights, privileges, restrictions and conditions as may be determined under the provisions of the law in force for the time being and the regulations of the Company and to vary, modify, abrogate or deal with any such rights, privileges, restrictions and conditions in the manner prescribed by the regulations of the Company and under the provisions of the law in force."

- 15.3. It is clarified that the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the consequential alteration of the Memorandum and Articles of Association of the Transferee Company and the Transferee Company shall not be required to seek separate consent / approval of its shareholders for such alteration of the Memorandum and Articles of Association of



the Transferee Company as required under Sections 13, 14, 16, 61, 62 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

16. CHANGE OF NAME OF THE TRANSFEEE COMPANY

Upon sanction of this Scheme, the name of the Transferee Company shall automatically stand changed without any further act, instrument or deed on the part of the Transferee Company, to "Delta Manufacturing Limited" or such other name as may be approved by the concerned Registrar of Companies and the Memorandum of Association and Articles of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, 14 and 16 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed.

17. DISSOLUTION WITHOUT WINDING UP

Upon the effectiveness of this Scheme, the Transferor Companies shall stand dissolved without winding up and the Board of Directors and any committee thereof of the Transferor Companies shall without any further act, instrument or deed be and stand dissolved. On and from the Effective Date, the name of the Transferor Companies shall be struck off from the records of the concerned Registrar of Companies.

18. AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEEE COMPANY

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On and from the Effective Date, the objects of the Transferee Company shall be deemed to have been altered by adding clause 1B and clause 1C to the existing clause 1 and clause 1A in the objects with of the Memorandum of Association of the Transferee Company, which shall read as under:

“
1B. To buy, sell , market , deal in , trade, develop, import, export all kinds of textile fabrics and textile fabrics and textile products made out of cotton, natural fibres and yarns, man made fibres and yarns, synthetic fibres and yarns, silk, wool including apparel fabrics, apparel wear of all types, hosiery of all types, industrial fabrics, nylon fabrics, label and tape fabrics, non wovens, household linen of all types and to manufacture the same and/or to get manufactured by any method or process including spinning, weaving, knitting, warp knitting , dyeing, processing , printing, finishing, stitching, non wovens, mending, parking and to establish and/or get established mills for manufacturing of the same and to buy, sell market and to deal in, trade, develop, import, export and to manufacture and/or get manufactured all types of fibres including polyester, polyamide, acrylic, cotton, viscose, rayon, silk, wool, all types of filaments, all types of yarns and cords, all types of threads.

1C. To carry on all or any of the businesses of manufacturers manipulators, fabricators, assemblers, designers, processors, buyers, sellers, importers, exporters, factors, brokers, agents and distributors of and dealers in metal objects, products and substances of all kinds, including without limitation ferrite and magnetic products and whether made of ferrous or non ferrous metals, and of and in plastic objects, products and substances of all kinds.”

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It shall be deemed that the members of the Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Companies Act, 2013. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Section 13 of the Companies Act, 2013 for the amendments of the Memorandum of Association of the Transferee Company.

PART D

GENERAL TERMS AND CONDITIONS

19. APPLICATION TO NCLT

The Transferor Companies and the Transferee Company shall make Applications / Petitions under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act to NCLT for sanction of this Scheme under the provisions of law.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

The Transferor Companies and the Transferee Company with approval of their respective Board of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications / amendments or additions / deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Board of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that NCLT or any other authorities under law may deem fit to approve of, to direct and /



or impose. The aforesaid powers of the Transferor Companies and the Transferee Company to give effect to the modification / amendments to the Scheme may be exercised by their respective Board of Directors or any person authorised in that behalf by the concerned Board of Directors subject to approval of NCLT or any other authorities under the applicable law.

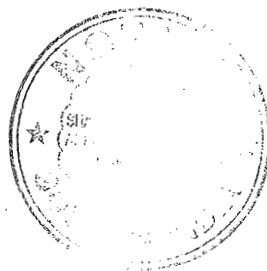
21. CONDITIONALITY OF THE SCHEME

21.1. This Scheme is and shall be conditional upon and subject to:

21.1.1. The requisite sanctions and approvals of all government, statutory, regulatory, judicial or other authority as may be necessary, and any consents, no-objection confirmations or approvals of the Stock Exchange, in respect of the Scheme being obtained;

21.1.2. Approval of the Scheme by the requisite majority in number and value of such class of persons including the respective members and/or creditors of the Transferor Companies and the Transferee Company as required under the Act and as may be directed by NCLT;

21.1.3. Approval of the shareholders of Transferor Companies and Transferee Company through e-voting and/or any other mode as may be required under any Applicable Law. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders of First Transferor Company and Transferee Company, against it as required under the SEBI Circular. The term



'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957; and

21.1.4. Certified or authenticated copy of the Order of NCLT sanctioning the Scheme being filed with the respective Registrar of Companies by the Transferor Companies and the Transferee Company as may be applicable.

22. **EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME**

22.1. In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by NCLT or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2019 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorized to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

22.2. The Transferor Companies and the Transferee Company through their respective Board shall each be at liberty to withdraw from this Scheme (i) in case any condition or alteration imposed by any appropriate authority / person is unacceptable to any of them

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or (ii) they are of the view that coming into effect of this Scheme could have adverse implications on the respective companies.

22.3. In the event of revocation/withdrawal under Clauses 22.1 and 22.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Transferor Companies and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, the Transferor Companies and the Transferee Company and shall bear its own costs, unless otherwise mutually agreed.

23. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

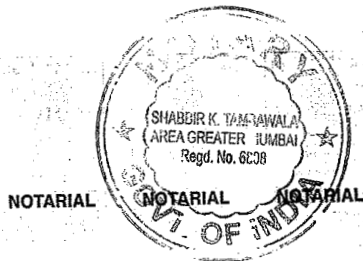


Shabbir K. Tambawalla



CERTIFIED TRUE COPY
ATTESTED BY ME
SHABBIR TAMBAWALLA
ADVOCATE & NOTARY
GREATER MUMBAI
PARVATIBAI BUILDING
717A, PITHA, ST. FORT
MUMBAI

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Bharat Kotak & Company

Chartered Accountants

STRICTLY PRIVATE & CONFIDENTIAL19th September 2018

To,
The Board of Directors,
Arrow Textiles Limited
Plot No. 101-103,
MIDC, 19th Street,
Satpur, Nashik, Maharashtra – 422 007;

The Board of Directors,
MMG India Private Limited
B-87, MIDC,
Ambad, Nashik, Maharashtra – 422 010; and

The Board of Directors,
Delta Magnets Limited
B-87, MIDC,
Ambad, Nashik, Maharashtra – 422 010.

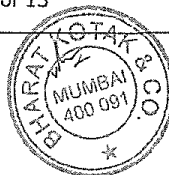
Re: Recommendation of Fair Equity Share Exchange/ Swap Ratio for the proposed amalgamation of Arrow Textiles Limited and MMG India Private Limited into Delta Magnets Limited

Dear Sirs,

We refer to our engagement letter dated 3rd September 2018, whereby Bharat Kotak & Company, Chartered Accountants (hereinafter referred to as "the Valuer" or "We") have been requested by the management of Arrow Textiles Limited [CIN:L51494MH2008PLC178384] (hereinafter referred to as "ATL" or "the Transferor Company 1"); MMG India Private Limited [CIN:U27209MH1996PTC222840] (hereinafter referred to as "MMG" or "the Transferor Company 2") and Delta Magnets

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Ram Mandir Road,
Opp. Saraswati Vidya Mandir,
Vazira, Borivali (West),
Mumbai – 400 091

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For Delta Magnets Limited


Company Secretary

Bharat Kotak & Company
Chartered Accountants

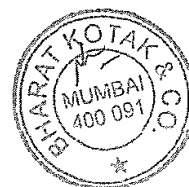
Limited [CIN:L32109MH1982PLC028280] (hereinafter referred to as "DML" or "the Transferee Company") to issue a report containing recommendation of fair equity share exchange / swap ratio for the proposed amalgamation of ATL and MMG with DML. ATL and DML are collectively referred to as "Companies". We understand that MMG is a wholly-owned subsidiary of DML and hence, entire equity share capital of MMG held by DML and its nominees shall stand cancelled pursuant to the amalgamation and no shares shall be issued by DML as consideration for such cancellation.

In the following paragraphs, we have summarized our understanding of the key facts; key information relied upon, valuation approach and limitations to our scope of work. Our report is structured as under:

1. Purpose of Valuation
2. Background
3. Sources of Information
4. Valuation Approach
5. Recommendation
6. Exclusions and Scope Limitations

1. PURPOSE OF VALUATION

- 1.1 We understand that the Management of ATL, MMG and DML is contemplating a Scheme of Amalgamation between the above Companies and their respective shareholders in accordance with Section 2(1B) of the Income-tax Act, 1961 under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder, wherein it is proposed to amalgamate ATL and MMG with DML with effect from the Appointed Date viz. October 1, 2018.
- 1.2 In this regard, we have been appointed by the ATL, MMG and DML to carry out the relative valuation of equity shares of ATL and DML for recommending fair equity share exchange / swap ratio for the proposed amalgamation under the Scheme. For the purpose of amalgamation of MMG with DML, we understand that the entire equity share capital of MMG held by DML and its nominees shall stand cancelled pursuant to amalgamation and no shares shall be issued by DML as consideration for such cancellation.
- 1.3 The valuations to arrive at the fair equity share exchange / swap ratio for the proposed amalgamation of ATL with DML have been carried out as on September 18, 2018 ('Valuation Date').



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1.4 This report sets out our recommendation of the equity share exchange / swap ratio for the proposed amalgamation and discusses the approaches considered in the computation thereof.

2. BACKGROUND

2.1 ARROW TEXTILES LIMITED

2.1.1 Arrow Textiles Limited is a public listed company incorporated on 30th January 2008 under the Companies Act, 1956 having its registered office at Plot No. 101-103, MIDC, 19th Street, Satpur, Nashik, Maharashtra – 422 007.

2.1.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of ATL as per the audited financial statements as on March 31, 2018 is as under:

Particulars	Amount in Rs.
<u>Authorised Share Capital</u>	
2,10,00,000 Equity Shares of Rs. 10/- each	21,00,00,000
Total	21,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
1,90,43,939 Equity Shares of Rs.10/- each, fully paid-up	19,04,39,390
Total	19,04,39,390

Subsequent to 31st March 2018 and as on date of this report, there is no change in the authorized, issued, subscribed and paid up capital of ATL.

2.1.3 The equity shares of ATL are listed on the National Stock Exchange of India Limited and BSE Limited.

2.1.4 ATL is primarily engaged in the business of manufacturing of textile woven labels, fabric printed labels and elastic /woven tapes.

2.2 MMG INDIA PRIVATE LIMITED

2.2.1 MMG India Private Limited is a private limited company incorporated on 5th June 1996 under the Companies Act, 1956 having its registered office at B-87, MIDC, Ambad, Nashik, Maharashtra – 422010.

2.2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of MMG as per the audited financial statements as on March 31, 2018 is as under:

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Particulars	Amount in Rs.
<u>Authorised Share Capital</u>	
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000
Total	15,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
1,38,65,870 Equity Shares of Rs.10/- each, fully paid-up	13,86,58,700
Total	13,86,58,700

Subsequent to 31st March 2018 and as on date of this report, there is no change in the authorized, issued, subscribed and paid up capital of MMG.

- 2.2.3 The entire equity share capital of MMG is held by DML and its nominee as on the date of this report.
- 2.2.4 MMG is primarily engaged in the business of manufacturing of soft ferrites.

2.3 DELTA MAGNETS LIMITED

- 2.3.1 Delta Magnets Limited is a public listed company incorporated on 23rd September 1982 under the Companies Act, 1956 having its registered office at B-87, MIDC, Ambad, Nashik, Maharashtra – 422010.
- 2.3.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of DML as per the financial statements as on March 31, 2018 is as under:

Particulars	Amount in Rs.
<u>Authorised Share Capital</u>	
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000
Total	10,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
64,71,014 Equity Shares of Rs.10/- each, fully paid-up	6,47,10,140
Total	6,47,10,140

Subsequent to 31st March 2018 and as on date of this report, there is no change in the authorized, issued, subscribed and paid up capital of DML.

- 2.3.3 The equity shares of DML are listed on the National Stock Exchange of India Limited and BSE Limited.



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2.3.4 DML is primarily engaged in the business of manufacturing of hard ferrites. DML has two wholly-owned subsidiaries and one step-down wholly-owned subsidiary:

- (i) MMG India Private Limited – Manufacturing of Soft Ferrites
- (ii) Magdev Limited – Trading of Ferrites
- (iii) Pilamec Limited (Step-down Subsidiary) – Trading of Ferrites

2.4 ATL, MMG and DML are a part of Delta Group promoted by Shri Jaydev Mody and Family. As represented by the Management of the ATL, MMG and DML, we understand that the overall objective of the proposed amalgamation of ATL and MMG with DML is to achieve benefits as laid down in Rationale to the Scheme in Part B of the draft Scheme.

3. SOURCES OF INFORMATION

3.1. For the purpose of the valuation exercise, we have relied upon the following sources of information provided by the management of the ATL, MMG and DML:

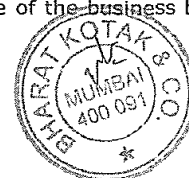
- (a) Annual Report of ATL and DML for the year ended March 31, 2018;
- (b) Audited Financial Statements of MMG for the year ended March 31, 2018;
- (c) Management certified projected financial statements comprising of Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of ATL and DML for the Financial years 2018-19 to 2022-23, as provided to us by the Management;
- (d) In case of DML, we have considered Management certified consolidated projected financial statements consisting of projected financial statements of its wholly-owned subsidiary and step-down wholly-owned subsidiary;
- (e) Market prices and trading history of ATL and DML;
- (f) Draft Scheme of Amalgamation as certified by the Management of ATL, MMG and DML;
- (g) Shareholding Pattern of MMG as on the date. The entire equity share capital of MMG is held by DML and its nominees, which shall stand cancelled pursuant to the amalgamation;
- (h) Shareholding pattern of ATL and DML as on 30th June 2018;
- (i) Memorandum and Articles of Association of ATL, MMG and DML;
- (j) Other relevant details regarding ATL, MMG and DML such as its history, past and present activities, future plans and prospects, income-tax position and other relevant information; and
- (k) Such other information and explanations as we required and which have been provided by the Management and their respective advisors.



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4. VALUATION APPROACH

- 4.1. "Value is a word of many meanings". The term "value" can have different connotations depending upon the purpose which it is intended to be used. "Value" of the share of a company in the context of amalgamation may not be the same for the purpose of other transactions viz. Sale of Shares, Divestments, etc. The value of a share cannot be considered in isolation, it would depend on the precise purpose for which it is intended to be used. The method used for the valuation of shares must necessarily be determined by the purpose for which such valuation exercise is carried out.
- 4.2. The Valuation of equity shares of any Company would need to be based on a fair value concept. The purpose of fair value is to enable valuer to exercise his discretion and judgement in light of all circumstances, in order to arrive at a value, which is fair to all parties.
- 4.3. For the purpose of valuation, generally the following approaches are adopted:
- (a) the 'underlying asset' approach;
 - (b) the 'Income' approach; and
 - (c) the 'market' approach.
- 4.4. 'Underlying Asset' Approach
- (a) In case of the 'underlying asset' approach, the value per share is determined by arriving at the net assets (Assets Less Liabilities) of the Company.
 - (b) In view of the fact that the amalgamation of the Companies is envisaged as a going concern and actual realization of operating assets is not contemplated, the 'underlying asset' approach may not be appropriate for the current valuation exercise as the value of the assets and liabilities may not provide a true reflection of the potential of the business operations of the Company.
- 4.5. 'Income' Approach
- Under the "Income" approach, the equity shares of the company can be valued using Discounted Cash Flow (DCF) Method.
- DCF Method
- (i) Under the DCF method, the projected free cash flows from business operations after considering fund requirements for projected capital expenditure, incremental working capital and debt servicing viz. Debt Repayment and Finance Costs are discounted at the Cost of Equity (CoE). The sum of the discounted value of such free cash flows to equity and discounted value of perpetuity is the value of the business belonging to the equity shareholders of the Companies.



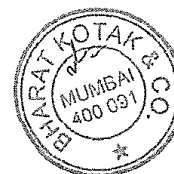
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- (ii) Using the DCF method involves determining the following:
- *Estimating the future free cash flows to equity:*
Future Free cash flows are the cash flows expected to be generated by the entity that are available to the providers of entity's equity shareholders. The free cash flows are determined by adjusting the Earnings before interest, tax and depreciation, interest on long-term loans and repayment of loans, capital expenditure and working capital requirements to the extent funded by the cash from operations.
 - *Time Frame of such cash flows:*
The time frame for free cash flows is determined by separating the value of the business in the explicit projection period and the post explicit projection period.
 - *Appropriate Discount rate (Cost of Equity):*
Under DCF Method, the time value of money is recognized by applying a discount rate to the future free cash flows to arrive at their present value as on the date of valuation. Cost of Equity is considered as the most appropriate discount rate in the DCF Method for FCFE Model, since it reflects both the business and the financial risk of the company. Considering that FCF to Equity model has been used in the current valuation exercise, we have arrived at the Cost of Equity to be used for discounting the Free Cash Flows of the Company.
 - *Terminal or perpetuity value:*
The Perpetuity value of an ongoing business is determined as present value of the estimated future free cash flows by capitalizing the free cash flows of the last year of the explicit projection period into perpetuity using an appropriate rate of return.
 - The equity value so arrived at under 'income' approach is divided by the outstanding number of equity shares as on the date of valuation to arrive at the value per share of the Company.

Considering the nature of business of the Company and based on review of projected financial statements made available to us by the Company, we are of the view that 'income' approach would be appropriate for the current valuation exercise.

4.6. 'Market' Approach

- (a) Since ATL and DML are listed on BSE and NSE, we have considered market price method for equity shares of ATL and DML.

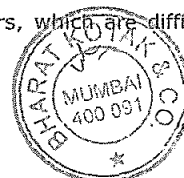


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- (b) The Market Prices of Stock Exchange provide a barometer of faith, confidence and perception of shareholder of the value of an equity share of the Company. The volume of the transactions that takes place in the market affects prices of equity shares traded on the stock exchange.
- (c) Trading Volumes of equity shares of ATL and DML during the period ended 18th September 2018 ("Cut-off date") was higher on NSE as compared to BSE. Under the market price method, we have considered average of weekly high and low of the volume weighted average price ('VWAP') of ATL and DML during the twenty-six weeks or two weeks preceding 19th September 2018, whichever is higher is considered.
- 4.7. For the purpose of the current valuation exercise, since the assets may not provide true reflection of the earning capacity of the Company, valuation of equity shares of the Company has been carried out placing reliance on 'Income' approach – Discounted Cash Flow Method and 'Market' Approach – Market Price Method. In view of the fact that equity shares of ATL and DML are both listed on NSE and BSE and considerations to the fact stated hereinabove, we have considered it appropriate to provide equal weight to the price arrived as per 'Market' approach and 'Income' approach in our recommendation of Share Exchange / Swap Ratio for the Proposed Amalgamation.
- 4.8. With respect to proposed amalgamation of MMG with DML, the entire equity share capital of MMG is held by DML and its nominees, which shall stand cancelled pursuant to the amalgamation and hence, in our opinion, relative valuation with respect to the said amalgamation is not required to be carried out.
- 4.9. Except as specifically stated to the contrary, this valuation report has given no consideration to matters of legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not recorded / provided for in the audited statement of profit and loss / balance sheet of ATL, MMG and DML.
- 4.10. It is universally recognized that the valuation is not an exact science and that estimating values necessarily involves selecting a method of approach that is suitable for the purpose. The application of any particular method of valuation depends upon various factors including nature of its business, overall objective of the transaction and the purpose of valuation.

5. RECOMMENDATION

- 5.1. It is recognized that valuation of any company or assets as a matter of subject is inherently subjective and subject to various factors, which are difficult to



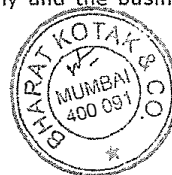
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predict and beyond our control. Valuation exercise involves various assumptions with respect to the specific industry, general business and economic conditions, which are beyond control of the Companies. The assumptions and analysis of market conditions, comparables, prospects of the Industry as a whole and the Company, which influence the valuation of companies are subject to change over a period of time and even differ between the valuers at the given point of time.

- 5.2. In the ultimate analysis, valuation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 5.3. The fair basis of amalgamation of ATL with DML would have to be determined after taking into consideration all the factors and methodology mentioned hereinabove. It is however important to note that in doing so, we are not attempting to arrive at the absolute value per share of ATL and DML. Our exercise is to work out relative value of ATL and DML to facilitate the determination of a share exchange / swap ratio solely for the purpose of proposed amalgamation.
- 5.4. The Share Exchange / Swap Ratio has been arrived at based on relative equity valuation of ATL and DML using the Market Approach and Income Approach based on Methodologies explained herein earlier and various qualitative factors relevant to each Company and the business dynamics



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and growth potential of the business of each Company having regard to the information received, key underlying assumptions and limitations.

- 5.5. It may herein be noted that the Stock Exchanges have issued a circular to the listed companies (e.g; BSE Circular LIST/COMP/02/2017-18 dated May 29, 2017) ("the Circular"), on advice by SEBI, laying down the format in which the valuation report shall display the workings, the relative value per share and Fair Share Exchange Ratio. The disclosure in the format suggested by the Stock Exchanges after suitably averaging and rounding off in values is as under:

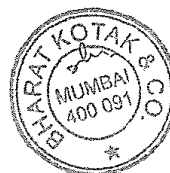
Particulars	Ar ow Textiles Limited			Delta Magnets Limited		
	Value per Share (Rs.)	Weight	Product	Value per Share (Rs.)	Weight	Product
Underlying Asset Approach	N.A. (See Para 4.4)					
Discounted Cash Flow Method (Income Approach)	11.50	1	11.50	81.11	1	81.11
Market Price Method (Market Approach)	31.98	1	31.98	105.65	1	105.65
Total		2	43.48		2	186.75
Fair Value per Share				21.74		
Fair Share Exchange Ratio (Rounded off)				0.23		

- 5.6. In the light of the above and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove earlier in this report (including scope limitation and exclusions given below), in our opinion, we recommend the share exchange / swap ratio as given below for the proposed amalgamation of ATL and MMG with DML would be fair and reasonable:

For equity shareholders of ATL	"23 (Twenty-Three) Equity Shares of Rs. 10/- each, fully paid up of DML to be issued for every 100 (One Hundred) Equity shares of Rs.10/- each held by the equity shareholders of ATL"
For equity shareholders of DML	The entire equity share capital of MMG is held by DML and its nominees, which shall stand cancelled pursuant to the amalgamation and no shares shall be issued as consideration for the amalgamation of MMG with DML.

6. EXCLUSIONS AND SCOPE LIMITATIONS

- 6.1. Our report is subject to the scope 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.



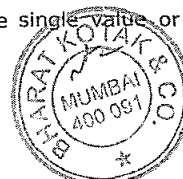
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- 6.2. No investigation of the Company's claim to title of assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.
- 6.3. Our recommendation is based on the estimates of future financial performance as projected by the Management of the Companies, which represents their view of reasonable expectation at the point of time when they were prepared, after giving due considerations to the commercial and financial aspects of the Companies and the industry in which the Companies operate. But such information and estimates are not offered as assurances that the particular level of income or profit will be achieved or events will occur as predicted. Actual results achieved during the period covered by the projected financial statements may vary from those contained in the statement and the variation may be material. The fact that we have considered the projections in this valuation exercise should not be construed or taken as we being associated with or a party to such projections.
- 6.4. Our work does not constitute certification of the historical financial statements including the working results of the Company referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report. Valuation analysis and results are specific to the purpose of valuation and the valuation date mentioned in the report is as per agreed terms of our engagement. It may not be valid or used for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 6.5. A valuation of this nature involves consideration of various factors based on prevailing stock market, financial, economic and other conditions including those impacted by prevailing market trends in general and industry trends in particular. This report is issued on the understanding that the Company have drawn our attention to all material information, which they are aware of concerning the financial position of the the Company and any other matter, which may have an impact on our opinion, on the fair value of the equity share of the Company, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. We have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.6. This Valuation Report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Company and other parties connected thereto.



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- 6.7. In the course of the valuation, we were provided with both written and verbal information. We have evaluated the information provided to us by the Company through broad inquiry, analysis and review. We assume no responsibility for any errors in the above information furnished by the Company and consequential impact on the present exercise. We do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to us.
- 6.8. Our report is not, nor should it be construed as our opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this Report.
- 6.9. The information contained herein and our report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of the Company, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with our prior permission in writing.
- 6.10. This report has been prepared solely for the Board of Directors of ATL, MMG and DML for the purpose of recommending a fair share exchange / swap ratio for the proposed amalgamation of ATL and MMG with DML.
- 6.11. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / Board of Directors of ATL, MMG and DML and our work and our finding shall not constitute recommendation as to whether or not the Management / the Board of Directors of ATL, MMG and DML should carry out the transaction.
- 6.12. This report has been prepared solely for the purpose of assisting ATL, MMG and DML, in determining the fair share exchange / swap ratio for the proposed amalgamation in accordance to our engagement letter. Further, the fees for this engagement is not contingent upon the results arrived under this valuation exercise.
- 6.13. By its very nature, valuation work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions, opinion on the valuation exercise may differ due to application of the facts and assumptions, formulaes used and numerous other factors. There is, therefore, no indisputable single value or standard



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methodology for arriving at the value per equity share. Although our conclusions are in our opinion reasonable, it is quite possible that others may not agree.

- 6.14. BKCo, nor its proprietor, managers, employees or agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the valuation is carried out. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the valuation. We are not liable to any third party in relation to issue of this report. In no event, we shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the ATL, MMG and DML or any person connected thereto.

If you require any clarifications on the above, we would be happy to clarify the same. We are thankful to your team for kind co-operation and support during this assignment.

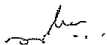
Thanking you,

Yours faithfully,

For Bharat Kotak & Company

Chartered Accountants

Firm Registration No. 135832W



Bharat K. Kotak

Proprietor

Membership No. 015045

Date: 19th September 2018

Place: Mumbai





Letter Ref no .: DSPL/DML/02/2018

September 19,2018

STRICTLY PRIVATE & CONFIDENTIAL

FAIRNESS OPINION

**The Board of Directors
Delta Magnets Limited**

B-87, MIDC, Ambad,
Nashik - 422 010, Maharashtra

**The Board of Directors
Arrow Textiles Limited**

Plot No.101 - 103 ,
19th Street , MIDC, Satpur ,
Nashik - 422 007, Maharashtra

The Board of Directors

MMG India Private Limited
B-87, MIDC, Ambad,
Nashik - 422 010, Maharashtra

Dear Sir(s),

Subject: Fairness Opinion for the proposed Scheme of Amalgamation of Arrow Textiles Limited (referred as "Transferor 1 Company"/ "ATL") and MMG India Private Limited (referred as "Transferor 2 Company"/ "MMG") with Delta Magnets Limited (referred as "Transferee Company"/ "DML") and their respective shareholders.

"Transferor Companies" and Transferee Company are hereinafter referred as the "Companies".

Please refer to the engagement letter no. DSPL/DML/01/2018 of September 14,2018 appointing Dalmia Securities Private Limited ["DSPL"], a SEBI Registered Category (I) Merchant Banker, to provide a fairness opinion in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ["SEBI Circular"] and other applicable SEBI Regulations for the proposed scheme of amalgamation of Transferor Companies with Transferee Company and their respective shareholders pursuant to sections 230-232 and other applicable provisions of the Companies Act, 2013 (hereinafter termed as "Scheme").



1. BACKGROUND

1.1 Arrow Textiles Limited

Arrow Textiles Limited is a listed public limited company incorporated on January 30th, 2008, under the provisions of the Companies Act, 1956 with corporate identity number L51494MH2008PLC178384. Its registered office is situated at Plot No.101 - 103, 19th Street, MIDC, Satpur, Nashik - 422 007, Maharashtra, India and the corporate office is situated at Bayside Mall, 1st Floor Opp. Sobo Central Mall Tardeo Road, Haji Ali Mumbai 400 034. ATL has been in the business of manufacturing textile woven labels, fabric printed labels and elastic /woven tapes. The equity shares of ATL are listed on the BSE Limited and National Stock Exchange of India Limited. The issued, subscribed and paid up share capital of ATL is Rs. 1904.39lac representing 1,90,43,939 equity shares of face value Rs. 10 each.

The shareholding pattern of ATL, as on June 30, 2018, is as under:

Category	Number of Shares Held	Shareholding (%)
Promoters and Promoter Group	1,30,69,902	68.63
Public	59,74,037	31.37
Total	1,90,43,939	100.00

1.2 MMG India Private Limited

MMG is a private limited company incorporated under the provisions of the Companies Act, 1956 on June 5, 1996 under the name and style of MMGNEOSID (INDIA) PRIVATE LIMITED. Subsequently, the name of the company changed to MMG India Private Limited vide fresh certificate of incorporation dated April 2, 2003 issued by the Registrar of Companies Maharashtra, Mumbai. The corporate identity number of the company is U27209MH1996PTC222840. The registered office of MMG is situated at B-87, MIDC, Ambad, Nasik - 422 010, Maharashtra. The corporate office of MMG is situated at Bayside Mall, 2nd Floor, Tardeo Road, Haji Ali, Mumbai - 400 034. MMG is into business of manufacturing of soft ferrites. The issued, subscribed and paid up share capital of the MMG is Rs. 1386.59lac representing 1,38,65,870 equity shares of face



value of Rs. 10 each. The entire equity share capital of MMG is held by DML and its nominee as on the date of this report.

1.3. Delta Magnets Limited

Delta Magnets Limited is a listed public limited company originally incorporated on September 23, 1982 under the provisions of the Companies Act, 1956 under the name and style of "G.P. Electronic Private Limited". Subsequently, the company was converted into public limited and the name of the company was changed to G.P. Electronic Limited on July 16, 1983. Later, the name of the company was further changed to its present name "Delta Magnets Limited" vide fresh certificate of incorporation dated October 21, 2008 issued by the Registrar of Companies Maharashtra, Mumbai. The corporate identity number of DML is L32109MH1982PLC028280. The registered office of DML is situated at B-87, MIDC, Ambad, Nasik - 422 010, Maharashtra. The corporate office of DML is situated at Bayside Mall, 2nd Floor, Tardeo Road, Haji Ali, Mumbai – 400 034.

DML is primarily engaged in the business of manufacturing of hard ferrites. DML has two wholly-owned subsidiaries and one step-down wholly-owned subsidiary:

- i. MMG India Private Limited – Manufacturing of Soft Ferrites
- ii. Magdev Limited – Trading of Ferrites
- iii. Pilamec Limited (Step-down Subsidiary) – Trading of Ferrites

The equity shares of DML are listed on BSE Limited and The National Stock Exchange of India Limited. The issued, subscribed and paid up share capital of ATL is Rs. 647.10lac representing 64,71,014 equity shares of face value Rs. 10 each. The shareholding pattern of DML, as on June 30, 2018, is as under:

Category	Number of Shares Held	Shareholding (%)
Promoters and Promoter Group	46,68,691	72.15
Public	18,02,323	27.85
Total	64,71,014	100.00

2.0 Key Features of the Schem and transaction overview

Pursuant to the proposed Scheme, ATL and MMG is proposed to merge with DML under Sections 230-232 and other applicable provisions of the Companies Act, 2013.





ATL, MMG and DML are a part of Delta Group promoted by ShriJaydevMody and family. As represented by the management of the ATL, MMG and DML, the overall objective of the proposed amalgamation of ATL and MMG with DML is to achieve benefits as laid down in Scheme more specifically indicated as under:

Based on information provided by the management of the Companies forming part of the amalgamation and after analyzing the draft Scheme, the key feature of the scheme are as under:

- (i) consolidate the business of Transferor 1 Company and Transferor 2 Company and Transferee Company under a single entity i.e. Transferee Company. The proposed restructuring would:
 - a) provide an opportunity to leverage combined assets and enable optimum utilization of existing resources by pooling of resources to facilitate future expansion of business of Transferee Company;
 - b) reduce managerial overlaps involved in operating multiple entities and increase operational and management efficiency, integrate business functions and eliminate duplication and rationalization of administrative expenses;
 - c) synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for amalgamated entity; and
 - d) Improving organizational capability and leadership arising from pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
- (ii) Upon the Scheme becoming effective the entire business and whole of the undertakings of the Transferor Companies shall be vested in and/or be deemed to have been vested in amalgamated with the Transferee Company, as a going concern and, as a consideration of the amalgamation, the Transferee Company will issue and allot *23 (Twenty Three) fully paid up Equity Shares of Rs. 10 each of Transferee Company shall be issued and allotted for every 100 (One hundred) Equity Shares of Rs. 10 each, fully paid up held in the Transferor 1 Company. The Transferor 2 Company is a wholly-owned subsidiary of Transferee Company and hence, entire equity share capital of Transferor 2 Company held by Transferee Company and its nominees shall stand cancelled pursuant to the amalgamation and no shares shall be issued by DML as consideration for such cancellation.





3. SCOPE OF ENGAGEMENT

The Companies have appointed DSPL to issue fairness opinion for the proposed Scheme in terms of the SEBI Circular and applicable SEBI Regulations. DSPL is issuing this fairness opinion ("**Fairness Opinion**") in capacity of Independent Merchant Banker based on the valuation report dated September 19, 2018, containing recommendation of fair equity share exchange/ swap ratio for the proposed Scheme ["**Valuation Report**"], issued by M/s Bharat Kotak & Company Chartered Accountants ["**Valuer**"] with firm registration number 135832W and the proprietor Mr. Bharat K Kotak with Membership No: 015045.

4. SOURCES OF INFORMATION

DSPL has relied on the following information for issuing the Fairness Opinion for the purpose of the proposed Scheme:

- i. Draft Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013, with regard to the proposed the proposed Scheme.
- ii. Valuation Report recommending fair equity share exchange/ swap ratio for the proposed Scheme issued by Valuer.
- iii. Copy of Memorandum and Article of Association of the Transferee Company and Transferor Companies.
- iv. Shareholding Pattern of MMG as on the date and Shareholding pattern of ATL and DML as on 30th June 2018;
- v. Audited Financial Statements of ATL MMG and DML for the year ended March 31, 2018.
- vi. Management certified projected financial statements comprising of Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of ATL and DML for the Financial years 2018-19 to 2022-23, as provided to us by the Management;
- vii. Such other information, documents, data, reports, discussions and verbal & written explanations from Transferors Companies and Transferee Company as well as advisors for proposed merger/amalgamation, information available public domain & websites as were considered relevant for the purpose of the Fairness Opinion.



5. EXCLUSIONS AND LIMITATIONS

The Fairness Opinion is subject to the scope limitations detailed hereinafter.

- 5.1 The Fairness Opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein. The Fairness Opinion is divided into chapters and sub section only for the purpose of reading convenience. Any partial reading of this Fairness Opinion may lead to inferences, which may be divergence with the conclusion and opinion based on the entirety of this Fairness Opinion.
- 5.2 In the course of the present exercise, DSPL were provided with both written and verbal information, including financial data. The Fairness Opinion issued by DSPL based on the basis of information available in public domain and sources believed to be reliable and information provided by the companies forming part of the Scheme and the Valuer for the sole purpose of to facilitate the Companies to comply with the requirements of the SEBI Circulars and applicable SEBI Regulations and shall not be valid for any other purpose or as at any other date.
- 5.3 DSPL has relied upon the historical financials, projection and the information and representations furnished without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, DSPL has been given to understand by the managements of the Companies forming part of the Scheme that they have not omitted any relevant and material factors. Accordingly, DSPL does not express any opinion or offer any form of assurance regarding its accuracy and completeness. DSPL assumes no responsibility whatsoever for any errors in the above information furnished by the companies and/or the Valuer and their impact on the present exercise. DSPL has not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies. In particular, DSPL does not express opinion on value of assets of the Companies forming part of the Scheme and/or their subsidiary, holding, affiliates, whether at current price or future price. No investigation of the Companies claim to the title of assets or property owned by the companies has been made for the purpose of this fairness opinion. With regard to the Companies claim, DSPL has relied solely on representation, whether verbal or otherwise made, by the management for purpose of this Fairness Opinion. Therefore no responsibility whatsoever is assumed for matters of legal nature. Further, DSPL has not evaluated solvency or fair value of the Companies



forming part of the Scheme under any law relating bankruptcy, insolvency or similar matter.

- 5.4 DSPL work does not constitute an audit, due diligence or verification of historical financials including the working results of the Companies or their business referred to in this Fairness Opinion. Accordingly, DSPL is unable to and does not express an opinion on the accuracy of any financial information referred to in this Fairness Opinion.
- 5.5 DSPL assumes with the consent of the Companies, that the Scheme will be in compliance with all applicable law and other requirements and will be implemented on terms described in the Draft Scheme, without further modifications of any material terms and conditions, and that in course of obtaining necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the companies forming part of the Scheme and/or its relevant subsidiaries/affiliates and their respective shareholders. DSPL assumes, at the direction of the companies, that the final Scheme will not differ in any material respect from the Draft Scheme. DSPL understands from the companies' management that the Scheme will be given effect in totality and not in part.
- 5.6 The Fairness Opinion of DSPL does not express any opinion whatsoever and make recommendation at all to the companies forming part of the Scheme underlying decision to affect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the companies should vote at their respective meetings held in connection with the proposed Scheme. DSPL does not express and should not be deemed to have expressed any views on any other term of the proposed Scheme. DSPL also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of ATL and DML will trade following the announcement of the proposed Scheme or as to the financial performance of DML following the consummation of the proposed Scheme.
- 5.7 The Fairness Opinion should not be construed as certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.





- 5.8 The Fairness Opinion is specific to the date of this report. An exercise of this nature involves consideration of various factors. This Fairness Opinion is issued on the understanding that the companies forming part of the Scheme have drawn attention to all the matters, which they are aware of concerning the financial position of the companies, their businesses, and any other matter, which may have an impact on the Fairness Opinion for the proposed merger, including any significant changes that have taken place or are likely to take place in the financial position of the companies or their businesses subsequent to the proposed appointed date for the proposed Scheme. DSPL has no responsibility to update this Fairness Opinion for events and circumstances occurring after the date of this Fairness Opinion. DSPL assumes no responsibility for updating or revising the Fairness Opinion based on circumstances or events occurring after the date hereof.
- 5.9 In past, DSPL may have provided and currently or in the future provide, investment banking services to the companies forming part of the Scheme under the scheme and/or any holding or subsidiaries or affiliates and their respective shareholders, for which DSPL has received or may receive customary fees. DSPL engagement as fairness opinion provider is independent of our other business relationship, which may have the companies under the scheme and/or any holding or subsidiaries or affiliates. In addition in ordinary course of their respective business, after complying with applicable SEBI Regulations, DSPL or its affiliates may actively trade in securities of the companies under the scheme and/or any holding or subsidiaries or affiliates and their respective shareholders for their own accounts and account of their customers and accordingly may at a time hold position in such securities. DSPL engagement and opinion only to fulfill the requirement of the SEBI Circular and not for other purposes. Neither DSPL nor any of its affiliates, partners, directors, shareholders, managers, employees or agents make any representation or warranty, expressed or implied, as to the information and documents provided, based on which the Fairness Opinion has been issued.
- 5.10 This Fairness Opinion issued by DSPL without regard to specific objectives, suitability, financial situation and need of any particular person and does not constitute any recommendation, and should not be construed as offer for to sell or the solicitation of an





offer to buy, purchase or subscribe to any securities mentioned herein. This report has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This Fairness Opinion may not be all inclusive and may not contain all information that the recipient may consider material.

- 5.11 The Fairness Opinion and information contained therein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by recipient without prior written approval of DSPL. The distribution/taking/sending/dispatching of this document in certain foreign jurisdictions may be restricted by law, and persons into whose jurisdiction this document comes should inform themselves about, and observe, any such restriction.
- 5.12 This Fairness Opinion has been issued for the sole purpose to facilitate the Companies to comply with SEBI Circular and other applicable SEBI Regulations and it shall not be valid for any other purpose. Neither this Fairness Opinion, nor the information contained herein, may be reproduced, passed to any person or used for any purpose other than stated above, without prior written approval of DSPL.
- 5.13 The Companies have been provided with opportunity to review the draft as part of standard practice to make factual inaccuracies/omissions avoided in the Fairness Opinion.
- 5.14 The fee for the services is not contingent upon the result of proposed Scheme. This Fairness Opinion is subject to law of India.

6. OPINION & CONCLUSION

As per the Valuation Report, the share exchange / swap ratio has been arrived at based on relative equity valuation of ATL and DML using the market approach and income approach based on methodologies explained in the Valuation Report and various qualitative factors relevant to Companies and the business dynamics and growth potential of the business of each Company having regard to the information received,



key underlying assumptions and limitations.

In light of the forgoing and subject to the caveats as detailed hereinbefore, DSPL hereby certifies the share exchange / swap ratio as given below, recommended by the Valuer, for the proposed amalgamation of ATL and MMG with DML would be fair and reasonable:

For equity shareholders of ATL	"23 Equity Share of Rs. 10/- each, fully paid up of DML to be issued for every 100 (One Hundred Equity shares of Rs.10/- each held by the equity shareholders of ATL"
For equity shareholders of DML	The entire equity share capital of MMG is held by DML and its nominees, which shall stand cancelled pursuant to the amalgamation and no shares shall be issued as consideration for the amalgamation of MMG with DML.

For *Dalmia Securities Private Limited*



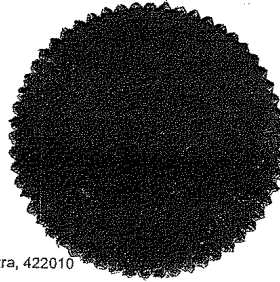
Jeyakumar S

COO- Investment Banking

SEBI Registration Number INM000011476

Date:19.09.2018

Place:Mumbai



DCS/AMAL/BA/R37/1363/2018-19

December 17, 2018

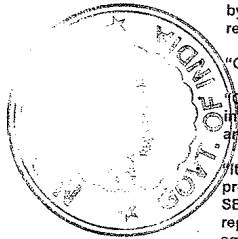
The Company Secretary,
DELTA MAGNETS LTD
B-87, MIDC, Ambad, Nashik, Maharashtra, 422010

Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement among Arrow Textiles Limited, MMG India Private Limited with Delta Magnets Limited

We are in receipt of Draft Scheme of Arrangement among Arrow Textiles Limited, MMG India Private Limited with Delta Magnets Limited and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated December 14, 2018 has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."



Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/331 E: corp.com@bseindia.com | www.bseindia.com
Corporate Identity Number: E67120MH2005PLC155188

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18/12/18

hmp
18/12/18



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SHABBIR TAMBAWALLA
ADVOCATE & NOTARY
GREATER MUMBAI
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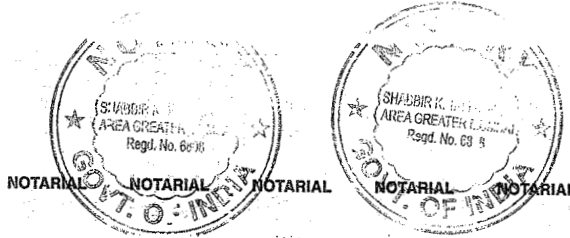
Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.


Yours faithfully,


Nitinkumar Pujari
Senior Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001, India
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25

National Stock Exchange Of India Limited

Ref: NSE/LIST/18651

December 17, 2018

The Company Secretary
Delta Magnets Limited
B - 87, MIDC,
Ambad, Nashik - 422010

Kind Attn.: Ms. Anannya Godbole

Dear Madam,

Sub: 'Objection / No-Objection' Letter for Scheme of Amalgamation of Arrow Textiles Limited and MMG India Private Limited with Delta Magnets Limited

We are in receipt of the Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders vide application dated September 21, 2018.

Based on our letter reference no Ref: NSE/LIST/66388 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated December 14, 2018, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with all the applicable provisions of the aforesaid Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

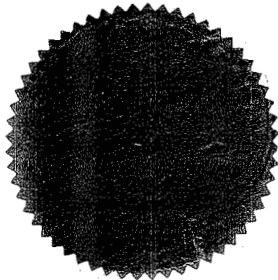
Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.



Date: Mon, Dec 17, 2018 16:47:00 IST
Location: NSE

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
India +91 22 26598100 | www.nseindia.com | CIN U67120MH1992PLC069769



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Continuation Sheet

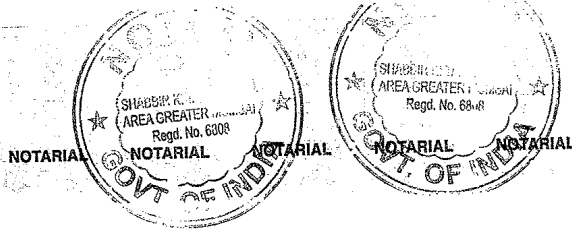
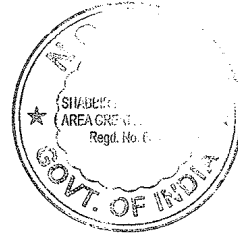
However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from December 17, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Rajendra Bhosale
Manager

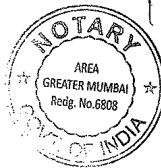
P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm



This Document is Digitally Signed



Signer: Rajendra P Bhosale
Date: Mon, Dec 17, 2018 16:47:00 IST
Location: NSE



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SHABIR TAMBAWALLA
ADVOCATE & NOTARY
GREATER MUMBAI
PARVATIBAI BUILDING
717A, PITHA STREET
MUMBAI





DELTA MAGNETS LTD

B-87, MIDC Ambad, Nashik - 422 010, INDIA
Tel: +91 0253 2382238 / 67 | Fax: +92 0253 2382926
Email: sales@deltamagnets.com | secretarial@deltamagnets.com | www.deltamagnets.com | CIN - L32109MH1982PLC0282 80



Date: 25.10.2018

To,
Ms. Bhagyashree,
BSE Limited
P J Towers, Dalal Street, Fort,
Mumbai – 400 001.
Scrip Code: 504286

Dear Madam,

Sub: Scheme of Amalgamation of Arrow Textiles Limited (“ATL” or “First Transferor Company”) and MMG India Private Limited (“MMG” or “Second Transferor Company”) with Delta Magnets Limited (“DML” or “Transferee Company”) and their respective Shareholders (hereinafter referred to as “Scheme” or “the Scheme” or “this Scheme”) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

With reference to Scheme of Amalgamation of Arrow Textiles Limited (“ATL” or “First Transferor Company”) and MMG India Private Limited (“MMG” or “Second Transferor Company”) with Delta Magnets Limited (“DML” or “Transferee Company”) and their respective Shareholders (hereinafter referred to as “Scheme” or “the Scheme” or “this Scheme”) under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, we are enclosing herewith Complaint Report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017.

Please take the same on your record.

For Delta Magnets Limited



Anannya Godbole
Company Secretary
ACS No.: 23112



MMG INDIA PVT LTD

B-87, MIDC, Ambad, Nashik - 422 010, INDIA
Tel: +91 253 2382238 / 67 | Fax: +91 253 2382926
Email: sales@mmg-india.com | www.mmg-india.com



MAGDEV LTD

Unit 23 Ash Industrial Estate, Kembrey Park, Swindon,
Wiltshire SN2 8UN, United Kingdom
Tel: +44 1793 425600 | Fax: +44 1793 524357
Email: sales@magdev.co.uk | www.magdev.co.uk

Corporate Address:-

Bayside Mall, 2nd Floor, Tardeo Road,
Haji Ali, Mumbai - 400 034, INDIA
Tel: +91 22 4079 4700 | Fax: +91 22 4079 4777
Email: secretarial@deltamagnets.com | www.deltamagnets.com



B-87, MIDC Ambad, Nashik - 422 010, INDIA

Tel: +91 0253 2382238 / 67 | Fax: +92 0253 2382926

Email: sales@deltamagnets.com | secretarial@deltamagnets.com | www.deltamagnets.com | CIN - L32109MH1982PLC028280

Annexure-III

Report on Complaints:

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchanges/SEBI	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Delta Magnets Limited



Anannya Godbole
Company Secretary
ACS No.: 23112

Date: 25.10.2018



B-87, MIDC, Ambad, Nashik - 422 010, INDIA

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To,
Ms. Ekta Shah
Deputy Manager
National Stock Exchange of India Limited
'Exchange Plaza': C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Dear Madam,

Ref: NSE/LIST/18651

Sub: Scheme of Amalgamation of Arrow Textiles Limited ("ATL" or "First Transferor Company") and MMG India Private Limited ("MMG" or "Second Transferor Company") with Delta Magnets Limited ("DML" or "Transferee Company") and their respective Shareholders (hereinafter referred to as "Scheme" or "the Scheme" or "this Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

With reference to Scheme of Amalgamation of Arrow Textiles Limited ("ATL" or "First Transferor Company") and MMG India Private Limited ("MMG" or "Second Transferor Company") with Delta Magnets Limited ("DML" or "Transferee Company") and their respective Shareholders (hereinafter referred to as "Scheme" or "the Scheme" or "this Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, we are enclosing herewith Complaint Report as per Annexure III of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017.

Please take the same on your record.

For Delta Magnets Limited



Anannya Godbole
Company Secretary
ACS No.: 23112



Date: 05.11.2018



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Annexure-III

Report on Complaints:

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchanges/SEBI	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable		

For Delta Magnets Limited



Anannya Godbole
Company Secretary
ACS No.: 23112



Date: 05.11.2018



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REPORT OF THE BOARD OF DIRECTORS OF DELTA MAGNETS LIMITED AT ITS MEETING HELD ON 19th SEPTEMBER, 2018 AT 2ND FLOOR, BAYSIDE MALL, TARDEO ROAD, HAJI ALI, MUMBAI-400034 EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO

The Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders ('Scheme') as per the provisions of Section 230 to 232 of the Companies Act, 2013 was approved by the Board of Directors at their meeting held on 19th September, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors of the Company explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and laying out in particular the share entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provisions, following was discussed by the Board of Directors:

1. The Board of Directors have approved the Share Entitlement Ratio Report obtained from M/s Bharat Kotak & Co., Chartered Accountants who have recommended the following ratio in their report dated 19th September, 2018 for issue of shares to the shareholders of ATL:

For equity shareholders of ATL

"23 (Twenty Three) Equity Shares of Rs. 10 each, fully paid up of DML shall be issued and allotted for every 100 (Hundred) Equity Shares of Rs. 10 each, fully paid up held in ATL."

2. As far as shareholders of MMG are concerned, the entire issued, subscribed and paid up share capital of MMG is held by DML along with its nominees. Upon the Scheme becoming effective, the entire equity share capital of MMG shall stand automatically cancelled and there will not be any issue and allotment of equity shares in DML.
3. There is no adverse effect of the Scheme on the equity shareholders (the only class of the shareholders), the promoter and non-promoter shareholders, the key managerial personnel and/or the Directors of the Company. The interest of shareholders shall remain unaffected
4. There would not be any change in the Key Managerial Person of the Company pursuant to the Scheme.

For Delta Magnets Limited



Anannya Godbole
Company Secretary
ACS No.: 23112



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Regd. Office & Works
101, 102 & 103 MIDC
19th street Satpur
Nasik - 422 007 INDIA
Tel: 91-253-3918200

secretarial@arrowtextiles.com
www.arrowtextiles.com
CIN-L51494MH2008PLC178384



REPORT OF THE BOARD OF DIRECTORS OF ARROW TEXTILES LIMITED AT ITS MEETING HELD ON 19th SEPTEMBER, 2018 AT 2ND FLOOR, BAYSIDE MALL, TARDEO ROAD, HAJI ALI, MUMBAI – 400 034 EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO

The Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders ('Scheme') as per the provisions of Section 230 to 232 of the Companies Act, 2013 was approved by the Board of Directors at their meeting held on 19th September, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors of the Company explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and laying out in particular the share entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provisions, following was discussed by the Board of Directors:

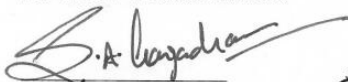
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For equity shareholders of ATL

"23 (Twenty Three) Equity Shares of Rs. 10 each, fully paid up of DML shall be issued and allotted for every 100 (Hundred) Equity Shares of Rs. 10 each, fully paid up held in ATL."

2. There is no adverse effect of the Scheme on the equity shareholders (the only class of the shareholders), the promoter and non-promoter shareholders, the key managerial personnel and/or the Directors of the Company. The interest of shareholders shall remain unaffected
3. There would not be any change in the Key Managerial Person of the Company pursuant to the Scheme.

For Arrow Textiles Limited



Saurabh Gangadhare
Company Secretary
ACS 49743





Registered Office & Factory Address:
B - 87, MIDC Ambad, Nashik - 422 010, INDIA
Tel: +91 253 2382237 | Fax: +91 253 2382926
Email: sales@mmg-india.com | www.mmg-india.com | CIN - U27209MH1996PTC222840



REPORT OF THE BOARD OF DIRECTORS OF MMG INDIA PRIVATE LIMITED AT ITS MEETING HELD ON 19th SEPTEMBER, 2018 AT 2ND FLOOR, BAYSIDE MALL, TARDEO ROAD, HAJI ALI, MUMBAI-400034 EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO

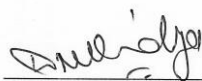
The Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders ('Scheme') as per the provisions of Section 230 to 232 of the Companies Act, 2013 was approved by the Board of Directors at their meeting held on 19th September, 2018.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors of the Company explaining effect of compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders and laying out in particular the share entitlement ratio, is required to be circulated to the shareholders along with the notice convening the meeting.

Having regard to the aforesaid provisions, following was discussed by the Board of Directors:

1. The Board of Directors have approved the Share Entitlement Ratio Report obtained from M/s Bharat Kotak & Co., Chartered Accountants who have recommended the share swap ratio in their report dated 19th September, 2018 for issue of shares to the shareholders of MMG. The entire issued, subscribed and paid up share capital of MMG is held by DML along with its nominees. Upon the Scheme becoming effective, the entire equity share capital of MMG shall stand automatically cancelled and there will not be any issue and allotment of equity shares in DML.
2. There is no adverse effect of the Scheme on the equity shareholders (the only class of the shareholders), the promoter and non-promoter shareholders, the key managerial personnel and/or the Directors of the Company. The interest of shareholders shall remain unaffected.
3. There would not be any change in the Key Managerial Person of the Company pursuant to the Scheme.

For MMG India Private Limited



Dilip Vaidya
Authorised signatory



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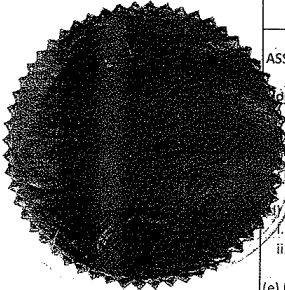


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DELTA MAGNETS LIMITED			
Unaudited BALANCE SHEET AS ON 30th September 2018			
(Rupees in '000)			
Particulars	Note No.	IndAS 30Th Sep 2018	IndAS 31St March, 2018
ASSETS			
Non-Current Assets			
Property, plant and equipment	23	2,07,802.63	2,05,034.55
Capital work-in-progress	23	28.95	1,230.61
Intangible assets under development			
Financial assets			
i. Other investments	12	1,56,055.46	1,56,055.46
ii. Other financial assets	13	4,503.17	4,503.17
(e) Non Current Tax Asset (Net)	15	2,540.10	2,430.92
(f) Other non-current assets	16	4,599.60	3,218.61
Total Non-current Assets		3,75,529.91	3,72,473.32
Current Assets			
(a) Inventories	17	22,052.11	20,527.40
(b) Financial assets			
(i) Investments			
(i) Trade receivables	18	67,125.44	53,964.72
(ii) Cash and cash equivalents	19	209.45	329.49
(iii) Bank Balances other than (ii) Above	19	1,838.61	1,787.74
(iv) Loans	20	46,763.09	44,620.75
(v) Other financial assets	21	7,455.89	6,056.14
(c) Other current assets	22	51,537.53	33,406.53
Total Current Assets		1,96,982.12	1,60,692.78
Total Assets		5,72,512.04	5,33,166.10
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	1	64,710.14	64,710.14
(b) Other Equity	2	2,39,594.33	2,30,587.29
Total Equity		3,04,304.47	2,95,297.43
Non-current Liabilities			
(a) Provisions	3	66,914.52	62,493.13
(b) Other non-current liabilities	4		0.00
(c) Deferred tax liabilities (Net)	14	3,859.15	9,541.43
(d) Other non-current liabilities	6	2,206.64	3,737.39
Total Non-current Liabilities		82,107.24	85,420.32
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	7	59,015.85	55,582.93
(ii) Trade and other payables	8	50,443.29	41,114.10
(iii) Other financial liabilities	9	7,207.09	8,347.87
(b) Provisions	11	2,491.65	2,571.43
(c) Current tax liabilities	11	4,037.90	1,464.50
(d) Other current liabilities	10	62,904.56	43,367.53
Total Current Liabilities		1,86,100.33	1,52,448.36
Total Liabilities		2,68,207.57	2,37,868.67
Total Equity and Liabilities		5,72,512.04	5,33,166.10



my
18/10/18
NOTARY
AREA
GREATER MUMBAI
Regd. No.6808
GOVT. OF INDIA

CERTIFIED TRUE COPY
ATTESTED BY ME
SHABBIR TAMBAWALLA
ADVOCATE
GREATER MUMBAI
PARVATHI BUILDING
717A, PITHA ST. E-10

NOTARY
SHABBIR TAMBAWALLA
AREA GREATER MUMBAI
Regd. No. 6808
GOVT. OF INDIA

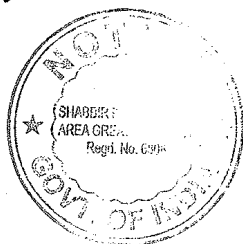
Shabbir Tambawalla

[Signature]

NOTARY
GOVT. OF INDIA

DELTA MAGNETS LIMITED			
Unaudited STATEMENT OF PROFIT AND LOSS FOR PERIOD ENDING 30TH SEP 2018			
(Rupees in '000)			
Particulars	Note No.	IndAS 30Th Sep 2018	IndAS 31St March, 2018
Income:			
Revenue From Operations	24	1,25,410.10	2,38,346.76
Other Income	25	5,157.88	10,838.66
Total Income		1,30,567.98	2,49,185.42
Expenses:			
Cost of Raw Materials Consumed	26	17,437.21	30,885.26
Changes In Inventories of Finished Goods & Work-in-Progress	27	1,302.64	2,392.08
Excise Duty on sale of goods			5,823.88
Employee Benefits Expense	28	36,030.48	71,547.87
Finance Costs	29	8,682.30	14,847.12
Depreciation & Amortization Expense	30	3,927.57	8,082.19
Other Expenses	31	58,217.96	1,17,458.52
Total Expenses		1,25,598.15	2,51,036.91
Profit/(Loss) Before Exceptional And Extraordinary Items And Tax		4,969.83	(1,851.49)
Exceptional Items			(1,851.49)
Profit/(Loss) Before Extraordinary Items And Tax		4,969.83	(1,851.49)
Extraordinary Items			(1,851.49)
Profit/(Loss) Before Tax		4,969.83	(1,851.49)
Tax Expenses:			
- Current Tax		2,457.06	1,839.31
- MAT Credit (Entitlement) / Reversal		(2,457.06)	(1,839.31)
- Prior Year Tax Adjustments			(2,436.36)
- Deferred Tax		(3,436.34)	(2,436.36)
Total Tax Expenses		(3,436.34)	(2,436.36)
Profit/(Loss) After Tax		8,406.17	584.87
Prior Period Items			584.87
Profit/(Loss) For The Year		8,406.17	584.87
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Changes in revaluation surplus			1,623.98
(b) Remeasurements of the defined benefit plans		811.99	1,623.98
(c) Equity instruments through other comprehensive income			
A (ii) Income tax relating to items that will not be reclassified to profit or loss			
		(211.12)	(422.24)
B (i) Items that may be reclassified to profit or loss			
B (ii) Income tax relating to items that may be reclassified to profit or loss			
Total Other Comprehensive Income		600.87	1,201.75
Total Comprehensive Income for the period		9,007.04	1,786.62
No. of Shares Outstanding At The End Of The Period		6471014	64,71,014.00
Earning Per Equity Share: (Face Value of Rs.10/- Each)			
Basic & Diluted		1.39	0.28
Significant Accounting Policies & Notes to the Financial Statements	1 to 28		





1	Equity share capital	(Rupees in '000)		(Rupees in '000)	
		IndAS 30Th Sep 2018		As at 31St March, 2018	
		No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
Authorised:					
Equity Shares of Rs. 10/- Each					
Total		1,00,00,000	1,00,000.00	10000000	1,00,000.00
Issued, Subscribed And Fully Paid-Up:					
Equity Shares of Rs.10/- Each					
Total		64,71,014	64,710.14	64,71,014	64,710.14
Total		64,71,014	64,710.14	64,71,014	64,710.14

(a) Reconciliation of the Equity Shares at the Beginning and at the End of the Reporting Period:

Particulars	IndAS 30Th Sep 2018		As at 31St March, 2018	
	No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
At the Beginning of the Year	64,71,014	64,710.14	64,71,014	64,710.14
Issued During the Year	-	-	-	-
Bought back During the Year	-	-	-	-
Outstanding at the End of the Year	64,71,014	64,710.14	64,71,014	64,710.14

(b) Terms/Rights Attached to Equity Shares:

The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per Share. The Company declares and pays dividends in Indian Rupees. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

(c) Details of Equity Shareholders Holding More Than 5 % Shares in the Company:

Particulars	IndAS 30Th Sep 2018		As at 31St March, 2018	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Aryamish Finance and Investments Private Limited *	9,96,570.00	15.40	10,01,570.00	15.48
Bayside Property Developers Private Limited *	9,97,751.00	15.42	9,97,751.00	15.42
Delta Real Estate Consultancy Private Limited *	10,05,977.00	15.55	10,10,977.00	15.62
SSI Trading Private Limited	16,15,153.00	24.96	16,15,153.00	24.96

NOTE: *Aryamish Finance and Investments Private Limited, Bayside Property Developers Private Limited and Delta Real Estate Consultancy Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J Mody Trust, respectively.

2	Other Equity	(Rupees in '000)	
		IndAS 30Th Sep 2018	IndAS 31St March, 2018
Capital Reserve:			
Opening Balance			
(+/-) : During the Year			
Closing Balance			
Securities Premium Reserve:			
Opening Balance			
(+/-) : Securities Premium Credited on Share Issue			
(-) : Premium Utilised for Share Issue Expenses			
Closing Balance			
Revaluation Reserve:			
Opening Balance			
(+/-) : Transferred to Surplus in Statement of Profit & Loss			
Closing Balance			
Retained Earnings			
Opening Balance			
(+/-) : Net Profit / (Net Loss) During the Year			
(+/-) : Indas Adjustments			
(+/-) : Depreciation Effect as per Schedule II of the			
(+/-) : Transferred from Revaluation Reserve			
(+/-) : Transferred from General Reserve			
Closing Balance			
Transition Reserves			
Opening Balance			
(+/-) Current Period Transfer			
(-) Written Back in Current Period (Net)			
Closing Balance			
Other Items of Other Comprehensive Income			
Opening Balance			
(+/-) Current Period Transfer			
(-) Written Back in Current Period (Net)			
Closing Balance			
Deemed Equity Contribution			
Total			

3	Borrowings	(Rupees in '000)	
		IndAS 30Th Sep 2018	IndAS 31St March, 2018
Unsecured Borrowings:			
From Others			
- Loans from Related Parties (Interest-Free and			
Total			

4	Other financial liabilities	(Rupees in '000)	
		IndAS 30Th Sep 2018	IndAS 31St March, 2018
Security Deposits			
Total			



5	Provisions	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	<u>Provision for Employee Benefits:</u>		
	-Gratuity (Funded)	9,126.93	9,648.36
	-Leave Encashment (Unfunded)		
	Total	9,126.93	9,648.36

6	Other non-current liabilities	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Deferred revenue arising from transfer of assets from cust	360.00	540.00
	Unearned Financial Guarantee Commission	1,846.64	3,197.39
	Total	2,206.64	3,737.39

7	Borrowings	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	<u>Secured Borrowing:</u>		
	From a Bank - Cash Credit (Repayable on demand & carries floating interest @14.50% p.a. payable at monthly rests. Further it is secured against first hypothecation charge on the entire current assets and movable fixed assets of the Company, both present and future and also secured by way of equitable mortgage of land & building owned by the Company.)	50,915.85	51,482.93
	<u>Unsecured Borrowing:</u>		
	Loan from a Related Party (Repayable on demand)	8,100.00	4,100.00
	Total	59,015.85	55,582.93

8	Trade and other payables	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Micro, Small and Medium Enterprises		
	Others	50,443.29	41,114.10
	Total	50,443.29	41,114.10

9	Other financial liabilities	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Interest Accrued but not due	1,682.26	1,119.77
	Payable to Employees	5,524.82	5,312.13
	Payable Against Capital Assets		1,915.97
	Total	7,207.09	8,347.87

10	Other Current Liabilities	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Duties & Taxes	58,330.49	38,523.68
	Advance Received from Customers	1,512.56	1,512.37
	Other Payables	0.00	269.98
	Deferred revenue arising from transfer of assets from cust	360.00	360.00
	Unearned Financial Guarantee Commission (current portio	2,701.50	2,701.50
	Advanced Rent Received		
	Total	62,904.56	43,367.53

11	Provisions	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	<u>Provision for Employee Benefits:</u>		
	-Gratuity (Funded)		
	-Leave Encashment (Unfunded)	2,491.65	2,571.43
	Provision for Income Tax (Net of Advance Tax)	4,037.90	1,464.50
	Total	6,529.54	4,035.93

12	Other Investments	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	<u>Trade Investments (At Cost)</u>		
	<u>Investments in Subsidiary Companies</u>		
	Unquoted Fully Paid-up Equity Shares of:		
	MMG India Private Limited (1,38,65,870 Equity Shares of Rs.10 each)	76,810.89	76,810.89
	Investment in Subsidiary on account of Financial Guarantee	16,260.81	16,260.81
	MagDev Limited (Foreign Company) (762,500 Equity Shares of £ 1 each) (2,500 Deferred Shares of £ 1 each)	62,983.76	62,983.76
	Total	1,56,055.46	1,56,055.46

Particulars	IndAS 30Th Sep 2018	As at 31st March, 2018
Aggregate Amount of Quoted Investments		
Aggregate Amount of Unquoted Investments	1,56,055.46	1,56,055.46

13	Other Financial assets - Non Current	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	<u>Security Deposits:</u>		
	- With Public Bodies	4,491.97	4,491.97
	- With Others	11.20	11.20
	Total	4,503.17	4,503.17



Deferred Tax

In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has accounted for Deferred Tax during the year.

The components of Deferred Tax Assets to the extent recognized and Deferred Tax Liabilities as on 31st

14	Net Deferred Tax Liability / (Assets)	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	<u>Deferred tax liability arising on account of:</u>		
	Difference between Book and Tax Depreciation	17,087.63	20,312.85
		17,087.63	20,312.85
	<u>Deferred Tax Asset arising on account of:</u>		
	Business Loss & Expenses Disallowed under the Income	8,932.11	8,932.11
		8,932.11	8,932.11
	MAT CREDIT ENTILEMENT	4,296.37	1,839.31
	Net Deferred Tax Liability / (Assets)	3,859.15	9,541.43

15	Non Current Tax Assets	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Advance Income Tax (Net of Provision for Taxes)	2,540.10	2,430.92
	Total	2,540.10	2,430.92

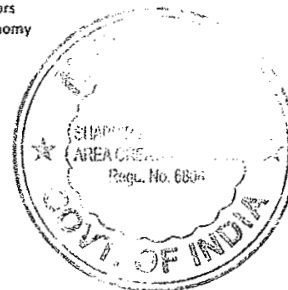
16	Other non-current assets	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Capital Advances	4,599.60	3,218.61
	Prepaid expense on account of operating lease		
	Total	4,599.60	3,218.61

17	Inventories	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	(At the lower of Cost and Net Realisable Value)		
	Raw Materials	2,880.82	1,430.77
	Work-in-Progress	9,222.82	9,326.53
	Finished Goods	2,521.47	3,720.40
	Stores and Spares, Consumables etc.	7,097.30	5,802.10
	Loose Tools	329.71	247.61
	Total	22,052.11	20,527.40

18	Trade Receivables	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	<u>Trade Receivables Outstanding for a period exceeding six months from the date they were due for payment:</u>		
	Considered Good		
	Considered Doubtful	1,540.90	1,540.90
	<u>Other Trade Receivables:</u>		
	Considered Good	67,125.44	53,964.72
	Considered Doubtful		
	Less: Provision for Doubtful Debts	(1,540.90)	(1,540.90)
	Total	67,125.44	53,964.72

Provision for Doubtful Debts

The Company periodically evaluate all customers dues, the need for provision is amended based on various factors including collectability of specific dues, risk, perceptions of the industry in which customer operate, general economy factors.



19	Cash and Cash Equivalents		
		IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Cash and Cash Equivalents:		
	Balances with Banks in Current Accounts	80.74	287.29
	Cash on Hand	59.76	26.97
	USD and RMB on Hand	68.95	15.23
	Bank Deposits with original maturity within three months	-	-
	Other Bank Balances:		
	Bank Deposits	1,838.61	1,787.74
	Total	2,048.06	2,117.23

20	Loans		
		IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Loans to related parties		
	Inter Corporate Deposit	46,491.25	44,341.25
	Loan to Employees	271.84	279.50
	Total	46,763.09	44,620.75

21	Other financial assets		
		IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Accrued Interest Receivable	7,279.92	5,880.18
	Other Receivables (MMG- Expense Reimbursement)	-	-
	Deposits:		
	- With Others	175.97	175.97
	Total	7,455.89	6,056.14

22	Other current assets		
		IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Balance With Statutory / Government Authorities	46,884.58	30,554.36
	Advance to Creditors	2,534.03	276.22
	Prepaid Expenses	2,022.56	2,539.00
	Prepaid expense on account of operating lease	-	-
	Advance to Employees	96.35	36.95
	Total	51,537.53	33,406.53

23	Fixed Assets		
		IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Non-Current Assets		
	(a) Property, plant and equipment	207802.63	205034.55
	(b) Capital work-in-progress	28.95	1230.61
	(c) Intangible assets		
	(i) Goodwill		
	(ii) Others		
	Intangible assets under development		
	Total	2,07,831.58	2,06,265.16



		(Rupees in '000)	
24	Revenue from Operations (Gross)	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Sale of Products	1,18,462.25	2,31,294.18
	Sale of Services	-	-
	Other Operating Revenues	6,947.85	7,052.59
	Total	1,25,410.10	2,38,346.76

25	Other Income	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Interest Income	2,177.19	3,540.82
	Loss by flood	-	-
	Sundry Balances W/Back	127.69	295.85
	Excess Provision W/Back	269.98	-
	Exchange Rate Fluctuation	-	-
	Excise Duty Variation on Opening / Closing Stock	-	1,120.60
	Financial Guarantee Comm. Income	1,350.75	2,701.50
	Lease Rent Income	810.00	1,154.45
	Other Non-Operating Income	422.27	2,025.43
	Total	5,157.88	10,838.66

26	Cost of Materials Consumed	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Opening Stocks	1,430.77	338.45
	Add: Purchases	18,887.25	31,977.57
		20,318.02	32,316.03
	Less: Closing Stocks	(2,880.82)	(1,430.77)
	Total	17,437.21	30,885.26

27	Change in Stock of Finished Goods & Work-in-Progress	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Stocks At the End:		
	Finished Goods	2,521.47	3,720.40
	Work-in-Progress	9,222.82	9,326.53
	(A)	11,744.28	13,046.92
	Stocks At the Beginning:		
	Finished Goods	3,720.40	10,025.19
	Work-in-Progress	9,326.53	5,413.81
	(B)	13,046.92	15,439.00
	Total (B) - (A)	1,302.64	2,392.08

28	Employee Benefits Expense	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Salaries and Wages	33,072.79	65,249.84
	Contribution to Provident and Other Funds	1,291.88	2,731.93
	Contribution to Gratuity Fund and Leave Encashment	1,166.36	2,653.32
	Staff Welfare Expenses	499.44	912.78
	Total	36,030.48	71,547.87

29	Finance Costs	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Interest Expenses	8,018.81	14,275.40
	Other Borrowing Costs	663.49	571.71
	Total	8,682.30	14,847.12

30	Depreciation & Amortization Expense	IndAS 30Th Sep 2018	IndAS 31St March, 2018
	Depreciation for the Year	3,927.57	8,082.19
	Transfer from Revaluation	-	-
	Total	3,927.57	8,082.19

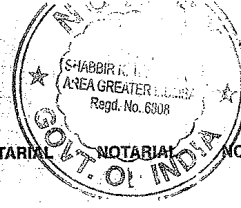
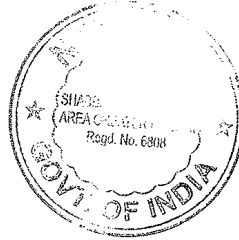


31	Other Expenses	IndAS 30th Sep 2018	IndAS 31st March, 2018
	Consumption of Stores, Spares, Consumables, Packing Materials etc.	16,484.53	37,376.27
	Power and Fuel	27,983.25	52,577.90
	Rates, Taxes and Water Charges	539.29	344.40
	<u>Repairs and Maintenance:</u>	-	-
	- Plant & Machinery	527.69	1,541.76
	- Building	330.86	107.69
	- Others	166.75	227.91
	Excise Duty Variation on Opening / Closing Stock	-	-
	Insurance Charges	301.96	657.02
	Travelling Expenses	1,371.71	2,160.20
	Freight Charges	4,576.04	8,131.21
	Directors' Sitting Fees	46.00	78.00
	Provision for Doubtful Debts / Bad Debts	-	227.85
	Job Work Charges	-	-
	Exchange Rate Fluctuation Loss	469.65	336.63
	Loss by Flood	-	-
	Rent Paid	454.76	876.76
	Discount to Customers	-	-
	Legal & Professional Fees	1,709.21	4,218.02
	Miscellaneous Expenses	3,206.26	8,296.89
	Loss on extinguishment of liability	-	-
	<u>Payments to the Auditor:</u>	-	-
	- As Auditor	50.00	225.00
	- For Taxation Matters	-	75.00
	- For Company Law Matters	-	-
	- For Other Services	-	-
	- For Reimbursement of Expenses	-	-
	50.00	300.00	
	Total	58,217.96	1,17,458.52

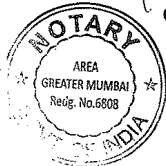
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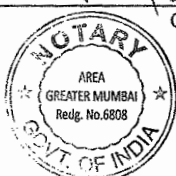
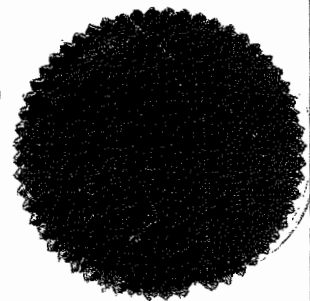


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 ATTESTED BY ME
 SHABBIR TAMBAWALLA
 ADVOCATE & NOTARY
 GREATER MUMBAI
 PARVATIBAI BUILDING
 717A, PITHA ROAD, MUMBAI
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Arrow Textiles Limited
Balance Sheet As At September 30, 2018

(Rs. in '000')

Particulars	Note No.	As at September 30, 2018	As at March 31, 2018
ASSETS			
1 Non-Current Assets			
a) Property, Plant and Equipments	3	150,073.68	160,568.72
b) Capital Work-in-Progress		-	3,487.18
c) Intangible Assets	4	933.61	1,121.37
d) Financial Assets			
Other Financial Assets	5	2,735.56	2,735.56
e) Non-Current Tax Assets (Net)	6	3,760.83	3,760.83
f) Other Non-Current Assets	7	-	4,702.82
Total Non-Current Assets		157,503.68	176,376.50
2 Current Assets			
a) Inventories	8	63,656.95	68,229.58
b) Financial Assets			
(i) Investments	9	-	66,192.82
(ii) Trade Receivables	10	110,056.27	120,196.68
(iii) Cash and Cash Equivalents	11	64,158.31	3,007.18
(iv) Bank Balances Other Than (iii) Above	12	1,982.80	855.49
(v) Other Financial Assets	13	598.58	1,170.16
c) Other Current Assets	14	7,782.49	4,406.80
Total Current Assets		248,235.41	264,058.72
TOTAL ASSETS		405,739.09	440,435.21
EQUITY AND LIABILITIES			
1 Equity			
a) Equity Share Capital		190,439.39	190,439.39
b) Other Equity		134,018.53	163,438.56
Total Equity		324,457.92	353,877.95
2 Non-Current Liabilities			
a) Financial Liabilities			
Borrowings	17	11,957.90	17,933.20
b) Provisions	18	-	-
c) Deferred Tax Liabilities (Net)	47	817.56	3,893.65
d) Other Non-Current Liabilities	19	3,469.58	3,886.22
Total Non-Current Liabilities		16,245.04	25,713.07
3 Current liabilities			
a) Financial liabilities			
(i) Borrowings	20	-	-
(ii) Trade Payables	21	18,727.48	17,719.41
(iii) Other Financial Liabilities	22	23,802.68	24,906.60
b) Other Current Liabilities	23	13,199.66	8,814.11
c) Provisions	24	7,635.83	7,115.56
d) Current Tax Liabilities (Net)	25	1,670.47	2,288.51
Total Current Liabilities		65,036.12	60,844.19
TOTAL EQUITY AND LIABILITIES		405,739.09	440,435.21



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 SHABBIR TAMBAWALLA
 ADVOCATE & NOTARY
 GREATER MUMBAI
 PARVATIBAI BUILDING
 717A, PITHA, ST. FOREST
 MUMBAI



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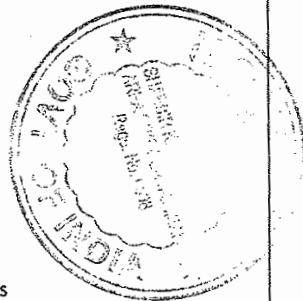
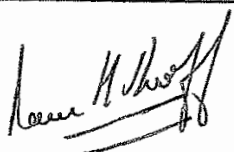
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Arrow Textiles Limited
Statement of Profit and Loss for the Half Year Ended September 30, 2018

(Rs. in '000')

Particulars	Note No.	Half Year Ended September 30, 2018	Year Ended March 31, 2018
REVENUE:			
Revenue from Operations	26	209,063.70	397,945.86
Other Income	27	4,168.76	12,159.85
TOTAL REVENUE		213,232.46	410,105.71
EXPENSES:			
Cost of Materials Consumed	28	70,103.86	134,859.13
Purchases of Stock in Trade		7,197.05	11,828.56
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	29	4,789.25	(5,676.27)
Excise Duty	26	-	1,417.16
Employee Benefit Expenses	30	54,869.34	107,011.39
Finance Costs	31	1,629.23	4,113.13
Depreciation and Amortisation Expense	3 & 4	20,506.70	44,553.76
Other Expenses	32	47,017.55	86,664.04
TOTAL EXPENSES		206,112.97	384,770.90
Profit Before Exceptional Items and Tax		7,119.50	25,334.83
Less: Exceptional Items		-	-
Profit Before Tax		7,119.50	25,334.83
Tax Expenses	47		
- Current Tax		6,060.00	12,772.57
- Prior Year Tax Adjustments		(489.70)	190.38
- Deferred Tax		(3,076.08)	(3,695.34)
Total Tax Expenses		2,494.23	9,267.61
Profit After Tax		4,625.27	16,067.22
Other Comprehensive Income			
a) Items that will not be reclassified into profit or loss			
- Remeasurements of the defined benefit obligations		392.43	784.86
b) Income tax relating to items that will not be reclassified into profit or loss		-	(218.35)
Total Other Comprehensive Income		392.43	566.51
Total Comprehensive Income for the Year		5,017.70	16,633.73
Earnings Per Equity share			
Basic and Diluted (Rs.)	37	0.24	0.84
(Face Value Rs. 10/- each)			


Arrow Textiles Limited
Statement of Changes in Equity for the Half Year Ended September 30, 2018

(Rs. in '000')	
As at April 1, 2016	190,439.39
Changes in Equity Share Capital	-
As at March 31, 2017	190,439.39
Changes in Equity Share Capital	-
As at March 31, 2018	190,439.39

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as at April 1, 2016	101.34	166,357.56	166,458.90
<u>Changes in Other Equity During the Year</u>			
- Net Profit for the Year	-	38,781.48	38,781.48
- Other Comprehensive Income of the Year	-	(2,045.49)	(2,045.49)
- Depreciation Reversal on Capital Subsidy Received	-	912.03	912.03
- Dividend Declared	-	(19,043.94)	(19,043.94)
- Dividend Distribution Tax	-	(3,876.88)	(3,876.88)
Balance as at March 31, 2017	101.34	181,084.76	181,186.10
Balance as at April 1, 2017	101.34	181,084.76	181,186.10
<u>Changes in Other Equity During the Year</u>			
- Net Profit for the Year	-	16,067.22	16,067.22
- Other Comprehensive Income of the Year	-	566.51	566.51
- Dividend Declared	-	(28,565.91)	(28,565.91)
- Dividend Distribution Tax	-	(5,815.36)	(5,815.36)
Balance as at March 31, 2018	101.34	163,337.22	163,438.56
Balance as at April 1, 2018	101.34	163,337.22	163,438.56
<u>Changes in Other Equity During the Year</u>			
Changes in Other Equity During the Year	-		-
- Net Profit for the Year	-	4,625.27	4,625.27
- Other Comprehensive Income of the Year	-	392.43	392.43
- Dividend Declared	-	(28,565.91)	(28,565.91)
- Dividend Distribution Tax	-	(5,871.82)	(5,871.82)
Balance as at September 30, 2018	101.34	133,917.20	134,018.53



Arrow Textiles Limited
Notes to the Financial Statements for the Half Year Ended September 30, 2018

NOTE 3: PROPERTY, PLANT AND EQUIPMENTS

Particulars	(Rs. in '000')								
	Assets under Lease - Land	Freehold Building	Plant and Equipment	Furniture and Fixtures	Electrical Installations	Computer Hardware	Office Equipment	Vehicles	Total
GROSS CARRYING AMOUNT (COST/ DEEMED COST)									
As at 1st April, 2018	558.86	32,917.50	197,186.85	1,585.72	4,442.43	1,109.53	896.22	4,140.38	242,837.48
Additions	-	-	9,165.71	355.20	193.68	70.52	60.66	-	9,845.76
Disposals / Adjustments	-	-	(1,248.11)	-	-	(14.86)	(11.16)	-	(1,274.12)
As at 30th September, 2018	558.86	32,917.50	205,104.45	1,940.92	4,636.11	1,165.19	945.72	4,140.38	251,409.12
ACCUMULATED DEPRECIATION									
As at 1st April, 2018	15.01	4,034.45	73,626.09	489.06	1,654.08	642.47	473.41	1,334.19	82,268.76
Charge for the Year	3.76	696.74	18,518.08	119.20	389.28	148.83	108.57	334.46	20,318.93
Reverse Charge on Disposal	-	-	(1,235.63)	-	-	(14.71)	(1.92)	-	(1,252.25)
As at 30th September, 2018	18.77	4,731.18	90,908.54	608.26	2,043.36	776.60	580.07	1,668.66	101,335.44
NET BLOCK									
As at 31st March, 2018	543.85	28,883.06	123,560.76	1,096.66	2,788.34	467.06	422.80	2,806.19	160,568.72
As at 30th September, 2018	540.09	28,186.32	114,195.90	1,332.66	2,592.75	388.59	365.65	2,471.72	150,073.68



Arrow Textiles Limited

Notes to the Financial Statements for the Half Ended September 30, 2018

NOTE 4: INTANGIBLE ASSETS

(Rs. in '000')

Particulars	Computer Software As at September 30, 2018	Computer Software As at March 31, 2018
GROSS CARRYING AMOUNT (COST/ DEEMED COST)		
As at 1st April, 2018	2,046.03	2,046.03
Additions		-
Disposals / Adjustments		-
As at 30th September, 2018	2,046.03	2,046.03
ACCUMULATED DEPRECIATION		
As at 1st April, 2018	924.66	924.66
Charge for the Year	187.76	187.76
Reverse Charge on Disposal	-	-
As at 30th September, 2018	1,112.43	1,112.43
NET BLOCK		
As at 31st March, 2018	1,121.37	1,121.37
As at 30th September, 2018	933.61	1,121.37



Arrow Textiles Limited
Notes to the Financial Statements for the Half Year Ended September 30, 2018

Note 5: Other Financial Assets - Non Current

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
(Unsecured, Considered Good) Security Deposits	2,735.56	2,735.56
Total	2,735.56	2,735.56

Note 6: Non-Current Tax Assets (Net)

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
(Unsecured, Considered Good) Advances with Income Tax Authorities (Net)	3,760.83	3,760.83
Total	3,760.83	3,760.83

Note 7: Other Non-Current Assets

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Capital Advances	-	4,702.82
Total	-	4,702.82

Note 8: Inventories

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Raw Materials	32,763.85	33,081.02
Work-in-Progress	4,064.89	3,204.99
Finished Goods	14,100.69	19,549.06
Stock-in-Trade	1,601.82	1,802.59
Stores and Spares	10,912.44	10,326.26
Packing Materials	213.27	265.66
Total	63,656.95	68,229.58



Arrow Textiles Limited
Notes to the Financial Statements for the Half Ended September 30, 2018

		(Rs. in '000')				
Particulars	Nos. 30th September, 2018	Nos. 31st March, 2018	Nos. 1st April, 2016	Face Value per unit (Rs. unless stated otherwise)	As at September 30, 2018	As at March 31, 2018
Investments measured at fair value through profit or loss						
Reliance Money Manager Fund	27142.784	44465.489	29490.087	1000	-	66,192.82
Total					-	66,192.82



Arrow Textiles Limited
Notes to the Financial Statements for the Half Year Ended September 30, 2018

Note 10: Trade Receivables (Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Unsecured, Considered Good	110,880.98	120,196.68
Unsecured, Considered Doubtful	-	-
Less: Provision for doubtful debts	(824.70)	-
Total	110,056.27	120,196.68

Note 11: Cash & Cash Equivalents (Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Cash on Hand	91.21	119.74
Balances with Banks in Current Accounts	64,067.09	2,887.44
Total	64,158.31	3,007.18

Note 12: Bank Balances Other Than Cash and Cash Equivalents (Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Margin Money with Bank	36	36
Unpaid Dividend Accounts	1,946.80	819.49
Total	1,982.80	855.49

Note 13: Other Financial Assets - Current (Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Interest Receivables	598.58	1,170.16
Total	598.58	1,170.16

Note 14: Other Current Assets (Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Balances with Statutory / Government Authorities	-	421.67
Prepaid Expenses	990.22	612.57
Advance to Suppliers	1,393.52	754.51
Advance to Employees	417.22	418.50
Other Advances	4,981.53	2,199.57
Total	7,782.49	4,406.80



Arrow Textiles Limited

Notes to the Financial Statements for the Half Year Ended September 30, 2018

Note 15: Equity Share Capital

Particulars	As at September 30, 2018		As at March 31, 2018	
	No. of Shares	Rs. In '000	No. of Shares	Rs. In '000
Authorised: Equity Shares of Rs.10/- each	21,000,000	210,000.00	21,000,000	210,000.00
Issued, Subscribed and Fully Paid-up: Equity Shares of Rs.10/- each, fully paid-up	19,043,939	190,439.39	19,043,939	190,439.39
Total	19,043,939	190,439.39	19,043,939	190,439.39

Terms & Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. The Directors have recommended, subject to approval of shareholders at the ensuing Annual General Meeting, a Dividend for the Year Ended on 2018: 15% (2017: 15%). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the Equity Shares at the beginning and end of the reporting period

Particulars	As at September 30, 2018		As at March 31, 2018	
	No. of Shares	Rs. In '000	No. of Shares	Rs. In '000
Balance at the Beginning of the Year	19,043,939	190,439.39	19,043,939	190,439.39
Issued During the Year	-	-	-	-
Brought Back During the Year	-	-	-	-
Balance at the End of the Year	19,043,939	190,439.39	19,043,939	190,439.39

Details of Equity Shareholders Holding More Than 5% Shares in the Company

Name of the Shareholder	As at September 30, 2018		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Aryanish Finance and Investments Private Limited *	4,308,254	22.62	4,313,254	22.65
Bayside Property Developers Private Limited *	4,311,569	22.64	4,311,569	22.64
Delta Real Estate Consultancy Private Limited *	4,306,291	22.61	4,311,291	22.64

Note:

*Aryanish Finance and Investments Private Limited, Bayside Property Developers Private Limited, Delta Real Estate Consultancy Private Limited are holding Equity Shares in the capacity of trustees for Aarti J Mody Trust, Aditi J Mody Trust and Anjali J Mody Trust respectively.



Arrow Textiles Limited
Notes to the Financial Statements for the Half Year Ended September 30, 2018

(Rs. in '000')

Note 16: Other equity	As at September 30, 2018	As at March 31, 2018
<u>Securities Premium Reserve</u>		
Opening Balance	101.34	101.34
(+) During the Year		-
(-) During the Year		-
Closing Balance	101.34	101.34
<u>Retained Earnings</u>		
Opening Balance	160,982.49	166,357.56
(+) Net Profit During the Year	16,067.22	16,067.22
(+) / (-) Other Comprehensive Income or Loss During the Year	392.43	566.51
(+) Depreciation Reversal on Capital Subsidy Received	-	912.03
(-) Dividend Declared	(28,565.91)	(19,043.94)
(-) Dividend Distribution Tax	(5,815.36)	(3,876.88)
Closing Balance	143,060.88	160,982.49
Total	143,162.22	161,083.83



Arrow Textiles Limited
Notes to the financial statements for the Half year ended Septemebr 30, 2018

Note 17: Borrowings - Non-Current (Rs. in '000')

Particulars	As at Septemebr 30, 2018	As at March 31, 2018
Secured		
From Banks	11,957.90	17,933.20
[Primarily secured by first charge on existing and proposed Factory Building, Plant & Machineries and other fixed assets (except vehicles), both present and future of the Company. Further Collateral security being extension of first hypothecation charge on entire stock and book debts of the company, present and future.]		
[Outstanding Term Loan is repayable in quarterly installment of Rs.3,000 ('000) each and carrying interest @ 10.00% p.a. as on balance sheet date]		
Unsecured		
Deffered Payment Liabilities From a Financial Institution Installment are payable annually and last installment is due on 30.04.2019	-	-
Total	11,957.90	17,933.20

Note 18: Provisions - Non-Current (Rs. in '000')

Particulars	As at Septemebr 30, 2018	As at March 31, 2018
Provision for Employee Benefits:		
Gratuity	-	-
Total	-	-

Note 20: Deferred Tax (Rs. in '000')

Particulars	As at Septemebr 30, 2018	As at March 31, 2018
Deferred Tax Liabilities		
- Property, Plant and Equipments	2,801.20	4,661.28
- Measurement of Financial Liabilities at Amortised Cost	-	25.56
- Fair Valuation of Investments through Profit and Loss	-	1,298.82
(A)	2,801.20	5,985.66
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	1,983.64	2,092.01
(B)	1,983.64	2,092.01
Deferred Tax Liabilities (Net) [(A) - (B)]	817.56	3,893.65

Note 19: Other Non-Current Liabilities (Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Deferred Government Grant	3,469.58	3,886.22
Total	3,469.58	3,886.22

Note 20: Borrowings - Current (Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Secured		
From Banks	-	-
[Loan was repayable on demand and was primarily secured by the first hypothecation charge on entire Book Debts and Stocks of the Company, both present and future and carries interest @ 10% p.a. and further collateral security was given being extension of first charge on entire fixed assets of the Company, both present and future (except Vehicles) by way of hypothecation of Plant & Machinery / Equitable Mortgage of Land and Building]		
Total	-	-



Note 21: Trade Payables

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
- Due to Micro, Small and Medium Enterprises	-	-
- Dues to Others	18,727.48	17,719.41
Total	18,727.48	17,719.41

Details of Dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006. The Company has sent letters to suppliers to confirm whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 as well as whether they have filed required memorandum with the prescribed authorities. Out of the letters sent to the parties, some confirmations have been received till the date of finalisation of Balance Sheet. Based on the confirmations received, the details of outstandings are as under:

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
The principal amount remaining unpaid at the end of the year	-	-
The interest amount remaining unpaid at the end of the year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note 22: Other Financial Liabilities - Current

Particulars	As at September 30, 2018	As at March 31, 2018
Current Maturities of Long-Term Borrowings	12,057.90	12,173.22
Interest Accrued But Not Due on Borrowings	202.46	257.01
Other Current Liabilities Payable to Employees	9,595.52	11,656.88
Unclaimed Dividends(*)	1946.80	819.49
Other Payables	-	-
Total	23,802.68	24,906.60

* There are no amounts due for payment to the Investor Education and Protection Fund u/s 125 of the Companies Act, 2013 as at year end.

Note 23: Other Current Liabilities

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Advances Received from Customers	506.52	408.30
Duties & Taxes Payable	11,859.85	7,572.52
Deferred Government Grant	833.29	833.29
Total	13,199.66	8,814.11

Note 24: Provisions

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
<u>Provision for Employee Benefits</u>		
- Leave Encashment	4,409.33	4,413.56
Provision for CSR	3,226.50	2,702.00
Total	7,635.83	7,115.56

Note 25: Current Tax Liabilities (Net)

(Rs. in '000')

Particulars	As at September 30, 2018	As at March 31, 2018
Provision for Taxation [Net of Advance Taxes]	1,670.47	2,288.51
Total	1,670.47	2,288.51



Arrow Textiles Limited
Notes to the Financial Statements for the Half Year Ended Septemebr 30, 2018

Note 26: Revenue from Operations (Rs. in '000')

Particulars	Half Year Ended 30 Septemebr, 2018	Year Ended 31 March, 2018
Sale of Goods (including Excise Duty)	209,063.70	397,945.86
Total	209,063.70	397,945.86

Goods and Service Tax (GST) has been effected from July 1, 2017. Consequently excise duty, value added tax, service tax etc. have been replaced with GST. Until June 30, 2017 "Sale of products" included the amount of excise duty recovered on sale. With effect from July 1, 2017 sale of products excludes the amount of GST recovered. Accordingly, revenue from sale of products for the year ended March 31, 2018 is not comparable with that of the previous year. The following additional information is being provided to facilitate such understanding:

(Rs. in '000')

Particulars	Half Year Ended 30 Septemebrt , 2018	Year Ended 31 March, 2018
Revenue from Operations (Sale of Products)	209,063.70	397,945.86
Less: Excise Duty	-	(1,417.16)
Revenue from Operations (Sale of Products) Excluding Excise Duty	209,063.70	396,528.70

Note 27: Other Income (Rs. in '000')

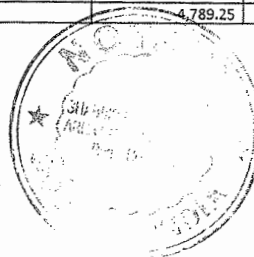
Particulars	Half Year Ended 30 Septemebrt , 2018	Year Ended 31 March, 2018
Interest Income	614.97	3,430.07
Profit on Sale of Mutual Funds	2,587.97	6,466.17
Provision for Doubtful Debts Reversed	-	909.37
Octroi/LBT Refund Received	-	-
Net Foreign Exchange Gain	82.46	-
Net Gain on Disposal of Property, Plant and Equipment	300.36	483.17
Amortisation of Government Grant	416.65	833.29
Other Miscellaneous Income	166.36	37.77
Total	4,168.76	12,159.85

Note 28: Cost of Materials Consumed (Rs. in '000')

Particulars	Half Year Ended 30 Septemebrt , 2018	Year Ended 31 March, 2018
Inventory at the Beginning of the Year	33,081.02	27,625.72
Add: Material Purchases	68,251.26	137,659.76
Add: Other Direct Costs	1,535.43	2,654.67
Less: Inventory at the End of the Year	(32,763.85)	(33,081.02)
Total	70,103.86	134,859.13

Note 29: Changes in Inventory of Finished Goods, Work in Progress and Stock-in-Trade (Rs. in '000')

Particulars	Half Year Ended 30 Septemebrt , 2018	Year Ended 31 March, 2018
<u>Opening Inventories</u>		
Work in Progress	3,204.99	3,065.00
Finished Goods	19,549.06	13,018.15
Stock in Trade	1,802.59	2,797.22
	24,556.64	18,880.37
<u>Closing Inventories</u>		
Work in Progress	4,064.89	3,204.99
Finished Goods	14,100.69	19,549.06
Stock in Trade	1,601.82	1,802.59
	19,767.39	24,556.64
Total	4,789.25	(5,676.27)



Note 30: Employee Benefit Expense

(Rs. in '000')

Particulars	Half Year Ended 30 Septemebt , 2018	Year Ended 31 March, 2018
Salaries, Wages and Incentives	49,458.43	96,400.89
Contribution to Provident Fund and Other Funds	3,932.29	7,603.48
Gratuity & Leave Expenses	963.02	1,578.18
Staff Welfare Expenses	515.61	1,428.84
Total	54,869.34	107,011.39

Note 31: Finance Costs

(Rs. in '000')

Particulars	Half Year Ended 30 Septemebt , 2018	Year Ended 31 March, 2018
Interest Expenses	1,459.61	3,890.71
Bank Charges	169.61	222.42
Total	1,629.23	4,113.13

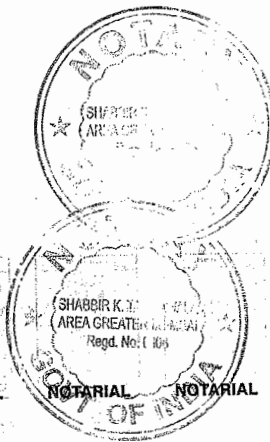
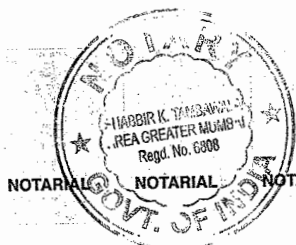
Note 32: Other Expenses

(Rs. in '000')

Particulars	Half Year Ended 30 Septemebt , 2018	Year Ended 31 March, 2018
Consumption of Packing Material	2,177.51	3,693.54
Consumption of Stores and Spare Parts	4,447.66	12,870.78
Labour Charges	6,527.01	11,329.81
Power and Fuel	13,165.03	23,373.58
Processing Charges	1,943.30	2,325.37
Advertisements	1,189.45	2,967.54
Payment to Auditors (Refer Note 36)	179.02	345.35
Commission on Sales	4,779.26	7,711.88
Conveyance	510.50	904.41
Directors Sitting Fees	67.50	125.00
Freight & Forwarding	5,335.05	8,880.07
Net Gain/ (Loss) on Sale of Fixed Assets	-	-
Loss on Discard of Fixed Assets	-	-
Professional & Legal Fees	539.57	1,830.35
Provision for Doubtful Debts	824.70	-
Rates and Taxes, Excluding Taxes on Income	129.55	665.12
Rent	133.60	277.80
Insurance	260.96	713.72
Repairs to Buildings	499.90	1,509.31
Repairs to Other Assets	413.22	618.48
Travelling Expenses	647.16	1,258.85
CSR Expenses	524.50	1,342.00
Vehicle Expenses	597.28	902.77
Miscellaneous Expenses	2,125.82	3,018.31
Total	47,017.55	86,664.04

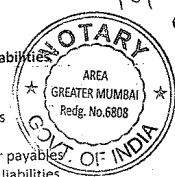
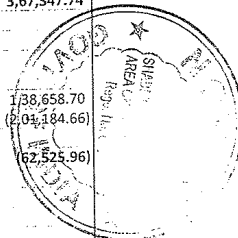


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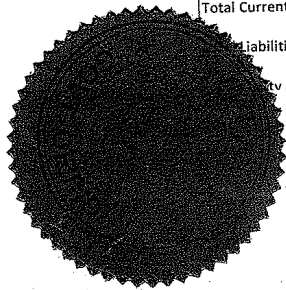


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ATTESTED BY ME
SHABBIR TAMBAWALLA
ADVOCATE & NOTARY
GREATER MUMBAI
PARVATIBAI BUILDING
717A, PINK STAR JKC**

MMG INDIA PRIVATE LIMITED			
Unaudited Balance Sheet As At 30th September, 2018			
(Rupees in '000)			
Particulars	Note No.	IndAS 30th Sept, 2018	IndAS 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, plant and equipment	20	1,47,081.21	1,49,694.88
(b) Capital work-in-progress			250.00
(c) Others Intangible assets	20	1,048.43	1,248.45
BRANCH			
(d) Financial assets			
(i) Other financial assets	11	883.45	710.25
(e) Deferred tax assets (Net)	10	9,340.44	3,081.59
(f) Non-Current Tax Asset (Net)	12	2,538.90	2,259.70
(f) Other non-current assets		1,846.64	3,197.39
Total Non-current Assets		1,62,739.08	1,60,442.26
Current Assets			
(a) Inventories	13	59,365.67	61,474.59
(b) Financial assets			
(i) Trade receivables	14	1,05,147.54	87,750.58
(ii) Cash and cash equivalents	15	1,398.37	1,378.50
(iii) Bank balances other than (iii) above	16	2,234.97	2,234.97
(iv) Other financial assets	17	510.17	453.85
(c) Other current assets	18	32,044.25	29,972.46
Assets classified as held for sale	19	23,640.54	23,640.54
Total Current Assets		2,24,342.90	2,06,905.48
Total Assets		3,87,081.98	3,67,347.74
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	1	1,38,658.70	1,38,658.70
(b) Other Equity	2	(2,15,370.13)	(2,04,184.66)
Total Equity		(76,711.43)	(65,525.96)
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	3	139.46	64,504.98
(b) Provisions	4	3,923.57	3,835.47
Total Non-current Liabilities		4,063.03	68,340.45
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	5	24,007.78	2,34,790.24
(ii) Trade and other payables	6	14,001.04	37,399.85
(iii) Other financial liabilities	7	55,711.73	59,906.24
(b) Provisions	9	2,238.65	2,142.13
(c) Other current liabilities	8	1,36,771.18	27,294.79
Total Current Liabilities		4,59,730.38	3,61,533.25
Total Liabilities		4,63,793.41	4,29,873.70
Total Equity and Liabilities		3,87,081.98	3,67,347.74



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 SHABBIR TAMBAWALLA
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 GREATER MUMBAI
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 717A, PITHA, ST. FRANCIS
 ROAD, P. O. MATUNGA



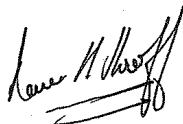
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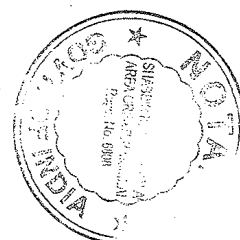
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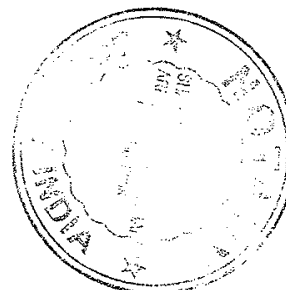
MMG INDIA PRIVATE LIMITED
Unaudited Statement of Profit And Loss For Period Ending 30th September, 2018

Particulars	Note No.	IndAS 30Th Sept, 2018	Year Ended 31st March, 2018
Income:			
Revenue From Operations (Gross)	21	1,32,228.61	2,04,579.00
Other Income	22	(96.08)	4,334.27
Total Revenue		1,32,132.53	2,08,913.27
Expenses:			
Cost of Raw Materials Consumed	23	57,438.38	89,187.01
Purchase of Stock-in-Trade		-	3,655.69
Changes In Inventories Of Finished Goods, Work-in-Progress And Stock-in-Trade	24	(2,054.25)	874.15
Excise duty on sale of goods		-	3,655.69
Employee Benefit Expense	25	26,184.62	47,268.96
Finance Costs	26	16,019.43	36,402.99
Depreciation & Amortization Expense	27	5,589.06	11,471.84
Other Expenses	28	49,510.82	70,254.97
Total Expenses		1,52,688.06	2,59,115.61
Profit/(Loss) Before Exceptional And Extraordinary Items And Tax		(20,555.53)	(50,202.33)
Exceptional Items		-	-
Profit/(Loss) Before Extraordinary Items and Tax		(20,555.53)	(50,202.33)
Extraordinary Items		-	-
Profit/(Loss) Before Tax		(20,555.53)	(50,202.33)
Tax Expense:			
- Current Tax		-	-
- Deferred Tax		(6,258.85)	2,973.89
Profit / (Loss) After Tax		(14,296.67)	(53,176.22)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Changes in revaluation surplus		112.58	225.16
(b) Remeasurements of the defined benefit plans		-	-
(c) Equity instruments through other comprehensive income		-	(58.54)
A (ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that may be reclassified to profit or loss			
B (ii) Income tax relating to items that may be reclassified to profit or loss			
Total Other Comprehensive Income		112.58	166.62
Total Comprehensive Income for the period		(14,184.10)	(53,009.60)
No. of Shares Outstanding At The End Of The Period		1,38,65,870	1,38,65,870
Earning Per Equity Share: (Face Value of Rs.10/- Each)		(0.94)	(3.84)
Basic & Diluted			
Significant Accounting Policies and Notes on Financial Statements			

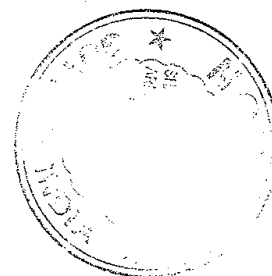




1	Equity share capital	As at 30th September, 2018		As at 31st March, 2018	
		No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
	Authorised:				
	Equity Shares of Rs. 10/- Each	1,50,00,000	1,50,000.00	1,50,00,000	1,50,000.00
	Total	1,50,00,000	1,50,000.00	1,50,00,000	1,50,000.00
	Issued, Subscribed And Fully Paid-Up:				
	Equity Shares of Rs. 10/- Each	1,38,65,870	1,38,658.70	1,38,65,870	1,38,658.70
	Total	1,38,65,870	1,38,658.70	1,38,65,870	1,38,658.70
(a) Reconciliation of the Equity Shares at the Beginning and at the End of the Reporting Period:					
	Particulars	As at 30th September, 2018		As at 31st March, 2018	
		No. of Shares	Rupees in '000	No. of Shares	Rupees in '000
	At the Beginning of the Year	1,38,65,870	1,38,658.70	1,38,65,870	1,38,658.70
	Issued During the Year				
	Bought Back During the Year				
	Outstanding at the End of the Year	1,38,65,870	1,38,658.70	1,38,65,870	1,38,658.70
(b) Terms/Rights Attached to Equity Shares:					
The Company has only one class of Equity Shares having a par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per Share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.					
(c) Details of Equity Shareholders Holding More Than 5 % Shares in the Company:					
	Particulars	As at 30th September, 2018		As at 31st March, 2018	
		No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
	Delta Magnets Limited - Holding Company	1,38,65,870	100.00	1,38,65,870.00	100.00
(Rupees in '000)					
2	Other Equity	IndAS 30th Sept, 2018	IndAS 31st March, 2018		
	Surplus / (Deficit) in Statement of Profit & Loss:				
	Opening Balance	(2,01,075.21)	(1,51,762.33)		
	(+) / (-) : Net Profit / (Net Loss) During the Year	(23,709.16)	(58,725.36)		
	(+) / (-) : Depreciation Effect as per Schedule II of the Companies Act, 2013 [(Refer Note 10 (a))]				
	Closing Balance	(2,24,784.37)	(2,10,487.69)		
	Transition Reserves				
	Opening Balance				
	(+) Current Period Transfer	(7,067.09)	(7,067.09)		
	(-) Written Back in Current Period (Net)				
	Closing Balance	(7,067.09)	(7,067.09)		
	Deemed Capital Contribution/Share Capital	16,260.81	16,260.81		
	Other Items of Other Comprehensive Income				
	Opening Balance				
	(+) Current Period Transfer	(88.08)	(144.37)		
	Closing Balance	(88.08)	(144.37)		
	Total	(2,15,678.73)	(2,01,438.34)		



		(Rupees in '000)	
3	Borrowings	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Secured Borrowings:		
	-From a Bank (Outstanding balance as at Balance sheet date carry interest @ 13.50% p.a. (Floating) is repayable in 72 months (including moratorium period of 12 months) as per ballooning repayment schedule at monthly rests. Installment starts from July, 2015. For details of securities refer note 4 (a)) Long Term Vehicle Loan	0.00	64,303.04
	-From a Financial Institution (Outstanding Balance as at Balance sheet date carry floating interest @10.25% p.a., repayable in 60 months at monthly rests. Further, it is secured against hypothecation of Motor Vehicle)	139.46	201.94
	Total	139.46	64,504.98
	Note:		
	4 (a) The said borrowings are secured by way of registered mortgage of immovable property situated at Chennai and exclusive charge by way of hypothecation on entire movable fixed assets & current assets of the Company, present and future. Further, extension of equitable mortgage of immovable property owned by Holding Company situated at Nashik. Also corporate guarantee is given by the Holding Company.		
		(Rupees in '000)	
4	Provisions	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Provision for Employee Benefits:		
	Gratuity (Funded)	3,923.57	3,835.47
	Leave Encashment (Unfunded)		
	Total	3,923.57	3,835.47
		(Rupees in '000)	
5	Borrowings	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Loans Repayable on Demand		
	From Banks		
	Bank 2 - Cash Credit (Repayable on demand and carry interest @ 13.50% p.a. (Floating). For details of securities refer note 4 (a))	40,516.53	39,949.00
	Buyer's Credit Facility (Various buyer credits are repayable within one year from the date of credit facility and carries interest @ LIBOR + variable BPS. For details of securities refer note 4 (a))		
	Unsecured Loan		
	Inter Corporate Deposit (Repayable on demand and carry interest @9.00% p.a.)	2,00,491.25	1,94,841.25
	Total	2,41,007.78	2,34,790.24
		(Rupees in '000)	
6	Trade and other payables	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Micro, Small and Medium Enterprises	44,001.04	37,399.85
	Others		
	Total	44,001.04	37,399.85



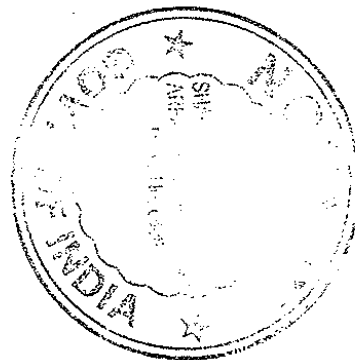
			[Rupees in '000]	
7	Other financial liabilities	IndAS 30Th Sept, 2018	IndAS 31st March, 2018	
	Payable to Employees	4,052.07	4,606.26	
	Current Maturities of Long-Term Borrowings	192.33	32,370.18	
	Interest Accrued & Due on Borrowings	31,467.33	22,022.79	
	Interest Accrued But Not Due on Borrowings	-	907.01	
	Payable for Capital Assets	-	-	
	Other Current Liabilities	-	-	
	Total	35,711.73	59,906.24	
			[Rupees in '000]	
8	Other Current Liabilities	IndAS 30Th Sept, 2018	IndAS 31st March, 2018	
	Duties & Taxes	8,377.80	7,829.28	
	Advance from Customers	22,096.63	19,465.51	
	Advance against sale of property	1,06,296.75	-	
	Total	1,36,771.18	27,294.79	
			[Rupees in '000]	
9	Provisions	IndAS 30Th Sept, 2018	IndAS 31st March, 2018	
	<u>Provision for Employee Benefits:</u>			
	Gratuity (Funded)	-	-	
	Leave Encashment (Unfunded)	2,238.65	2,142.13	
	Total	2,238.65	2,142.13	
			[Rupees in '000]	
<u>Deferred Tax</u>				
10	Deferred Tax Assets (Net)	IndAS 30Th Sept, 2018	IndAS 31st March, 2018	
	Deferred Tax	6,218.75	213.59	
	Mat Credit Entitlement	2,868.00	2,868.00	
	Total	9,086.75	3,081.59	
			[Rupees in '000]	
11	Other financial assets	IndAS 30Th Sept, 2018	IndAS 31st March, 2018	
	<u>Security Deposits (Unsecured, Considered Good)</u>			
	With Public Bodies	18.65	10.25	
	Deposits with Others	864.80	700.00	
	Total	883.45	710.25	
			[Rupees in '000]	
12	Other non - current assets	IndAS 30Th Sept, 2018	IndAS 31st March, 2018	
	Advance Tax (Net of Provision for Taxes)	2,538.90	2,259.70	
	Prepaid Financial Guarantee Commission	1,846.64	3,197.39	
	Total	4,385.55	5,457.09	



13	Inventories	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Raw Materials	18,445.00	23,652.80
	Work-in-Progress	11,829.85	6,479.16
	Finished Goods	21,396.60	21,951.73
	Stores and Spares	7,694.23	9,390.89
	Total	59,365.67	61,474.59
(Rupees in '000)			
14	Trade Receivables	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	<u>Trade Receivables Outstanding for a period exceeding six months from the date they were due for payment:</u>		
	Considered Good		
	Considered Doubtful		
	<u>Other Trade Receivables:</u>		
	Considered Good	1,05,147.54	87,750.58
	Considered Doubtful		1,007.50
	Less: Provision for Doubtful Debts		(1,007.50)
	Total	1,05,147.54	87,750.58
	Provision for Doubtful Debts		
	The Company periodically evaluate all customers dues, the need for provision is amended based on various factors including collectability of specific dues, risk, perceptions of the industry in which customer operate, general economy factors.		
(Rupees in '000)			
15	Cash and cash equivalents	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	<u>Cash and Cash Equivalents:</u>		
	Balances with Banks in Current Accounts	749.49	714.21
	Cash on Hand	19.27	34.67
	Book Overdraft		
	-Fixed Deposits with maturity less than 3 months	629.61	629.61
	Total	1,398.37	1,378.50
	<u>Other Bank Balance</u>		
	Bank Deposits		
	-Fixed Deposits with maturity more than 3 months but less than 12 months	2,234.97	2,234.97
(Rupees in '000)			
17	Other financial assets	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Interest accrued on Fixed Deposits	116.12	25.07
	Interest Receivable on EB Deposit		
	Security Deposit	358.98	428.78
	Other Receivable	35.08	
	Total	510.17	453.85



[Rupees in '000]			
18	Other Current Assets	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Balance with Statutory Authorities	28,358.26	26,102.25
	Advances to Suppliers	720.22	798.02
	Prepaid Expenses	503.47	337.56
	Advance to Employees	(239.89)	33.13
	Advance Rent Paid		
	Prepaid Financial Guarantee Commission	2,701.50	2,701.50
	Advances against sale of property		
	Total	32,043.56	29,972.46
[Rupees in '000]			
19	Assets classified as held for sale	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Assets held for sale	23,640.54	23,640.54
	Total	23,640.54	23,640.54
20	Fixed Assets	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Non-Current Assets		
	(a) Property, plant and equipment	147081.21	149912.84
	(b) Capital work-in-progress		250.00
	(c) Intangible assets		
	(i) Goodwill		
	(c) Others Intangible assets	1048.43	1030.48
	(iv) Intangible assets under development		
	Total	1,48,129.64	1,51,193.33



		(Rupees in '000)	
21	Revenue From Operations (Gross)	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Sale of Products	1,32,228.61	2,03,275.49
	Sale of Services	-	1,303.51
	Income from Other Operating Activities	-	-
	Total	1,32,228.61	2,04,579.00
22	Other Income	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Interest Income	101.17	499.83
	Exchange Rate Fluctuation Income	(804.66)	3,402.10
	Duty Draw Back Income	-	-
	Other Non-Operating Income	300.11	401.46
	Sundry Balance Written Back	307.30	30.88
	Gain on derecognition of financial asset	-	-
	Total	(96.08)	4,334.27
23	Cost of Materials Consumed	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Opening Stocks	23,652.80	18,888.37
	Add: Purchases	52,230.58	93,951.44
		75,883.38	1,12,839.81
	Less: Closing Stocks	(18,445.00)	(23,652.80)
	Total	57,438.38	89,187.01



24	Change in Stock of Finished Goods & Work-in-Progress	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Stocks At the End		
	Finished Goods	21,632.32	21,951.73
	Work-in-Progress	11,829.85	6,479.16
		33,462.17	28,430.89
	Stocks At the Beginning		
	Finished Goods	22,187.46	24,687.83
	Work-in-Progress	9,220.47	4,617.21
		31,407.92	29,305.05
	Total (B) - (A)	(2,054.25)	874.15
25	Employee Benefits Expense	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Salaries and Wages	24,148.84	43,049.68
	Contribution to Provident and Other Funds	754.03	1,454.52
	Staff Welfare Expenses	741.75	1,470.90
	Contribution to Gratuity Fund and Leave Encashment	540.00	1,293.87
	Total	26,184.62	47,268.96
26	Finance Costs	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Interest Expenses	14,913.12	35,460.25
	Other Borrowing Costs	1,106.31	942.75
	Total	16,019.43	36,402.99
27	Depreciation & Amortization Expense	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Depreciation for the Year	5,616.94	11,471.84
	Total	5,616.94	11,471.84



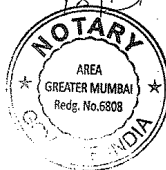
28	Other Expenses	IndAS 30Th Sept, 2018	IndAS 31st March, 2018
	Consumption of Stores, Spares, Consumables, Packing Materials etc.	17,631.73	29,698.75
	Job Work Charges	10,299.09	1,891.32
	Production Over Head	-	-
	Power and Fuel	12,290.96	21,027.06
	Rates, Taxes and Water Charges	380.07	464.65
	<u>Repairs and Maintenance:</u>		
	- Plant & Machinery	428.81	2,824.09
	- Building	-	-
	Excise Duty variation on Opening / Closing Stock	-	(2,743.09)
	Insurance Charges	78.84	225.71
	Travelling Expenses	1,305.27	3,580.41
	Freight Charges	2,715.83	5,005.63
	Selling & Distribution cost	547.99	1,077.80
	Net Foreign Currency Loss/Gains	-	-
	Rent	1,794.38	3,072.95
	Penalty	-	-
	Miscellaneous Expenses	921.01	1,931.88
	Provision for Doubtful Debts	-	-
	Sundry Balance Written Off	-	-
	Prior Period Exp.	-	206.71
	<u>Remuneration to Auditors:</u>		
	- For Audit Fees	20.00	150.00
	- For Taxation Matters	-	-
	- For Company Law Matters	-	-
	- For Reimbursement of Expenses	-	-
	Legal & Professional Fees	1,096.85	1,841.09
	Total	49,510.82	70,254.97

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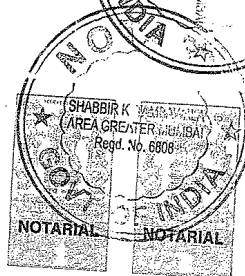
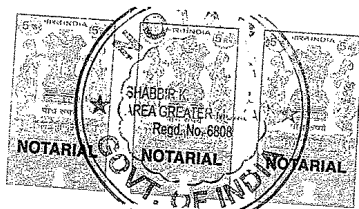
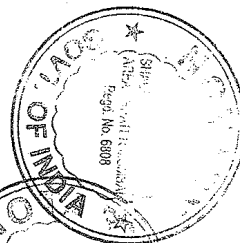
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18/11/18



CERTIFIED TRUE COPY
 ATTESTED BY ME
 SHABIR TAMBAWALLA
 ADVOCATE & NOTARY
 GREATER MUMBAI
 PARVATIBAI BUILDING
 717A, PTD
 MUMBAI



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CIN: L32109MH1982PLC028280

Regd. Office: B-87, MIDC, Ambad, Nashik, Maharashtra - 422010

Tel.: -91 253 2382238 | **Fax:** +91 253 2382926

Website: www.deltamagnets.com | **Email:** secretarial@deltamagnets.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY SCHEME APPLICATION NO 1637 OF 2018 In the matter of Companies Act, 2013;**

In the matter of Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable Provisions of the Companies Act, 2013;

AND

In the matter of Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders ("Scheme")

AND

DELTA MAGNETS LIMITED

..... Applicant Company

Name of the Member(s): _____

Registered address: _____

E-mail ID: _____ Folio No. /*Client ID: _____ *DP ID: _____

I / We being the member(s) of _____ shares of Delta Magnets Limited, hereby appoint -

1) Name _____

Address _____

Email id _____ Signature: _____ Or failing him / her

2) Name _____

Address _____

Email id _____ Signature: _____ Or failing him / her

3) Name _____

Address _____

Email id _____ Signature: _____

as my / our proxy and whose signature(s) are appended above to attend and vote (on Poll) for me/ us and on my/ our behalf at the Meeting of the Company to be held on Monday, 22nd April, 2019 and 2.30 p.m. at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra and at any adjournment or adjournments thereof in respect of such resolutions and in such manner as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolution	For	Against
1	Approval of Scheme of Amalgamation of Arrow Textiles Limited ('First Transferor Company' or 'ATL') and MMG India Private Limited ('Second Transferor Company' or 'MMG') with Delta Magnets Limited ('Transferee Company' or 'DML') and their respective shareholders ("Scheme")		

* Applicable for investors holding shares in electronic form.

Signed this _____ day of _____ 2019.

Please
affix
Revenue
Stamp of
Re. 1

Signature of Shareholder

Signature of Proxy holder(s)

(Signature across the stamp)

NOTES:

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at B-87,MIDC, Ambad Nashik, Maharashtra - 422010 not less than 48 hours before the commencement of the Meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be the shareholder of the Company.
6. Body Corporate and FPI/FII Equity Shareholder(s) would be required to deposit certified copies of Board/ Custodial Resolutions/Power of Attorney in original, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of Company at B-87,MIDC, Ambad Nashik, Maharashtra - 422010, at least 48 hours before the time of holding the meeting.
- **7. This is only optional, please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
8. In case of joint holders, the signature of any one holder will be sufficient, full name of all the joint holders should be stated.



CIN: L32109MH1982PLC028280

Regd. Office: B-87, MIDC, Ambad, Nashik, Maharashtra - 422010

Tel.: -91 253 2382238 | **Fax:** +91 253 2382926

Website: www.deltamagnets.com | **Email:** secretarial@deltamagnets.com

ATTENDANCE SLIP

MEETING OF THE EQUITY SHAREHOLDERS ON MONDAY, 22ND APRIL, 2019 AT 2.30 P.M.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name of shareholder :	
Address :	
Folio No. / DP ID No.: #	
Client ID No.: #	
No. of Equity Shares held:	
Name of the Proxy holders / Authorised Representative*	

#Applicable for shareholders holding shares in dematerialized form

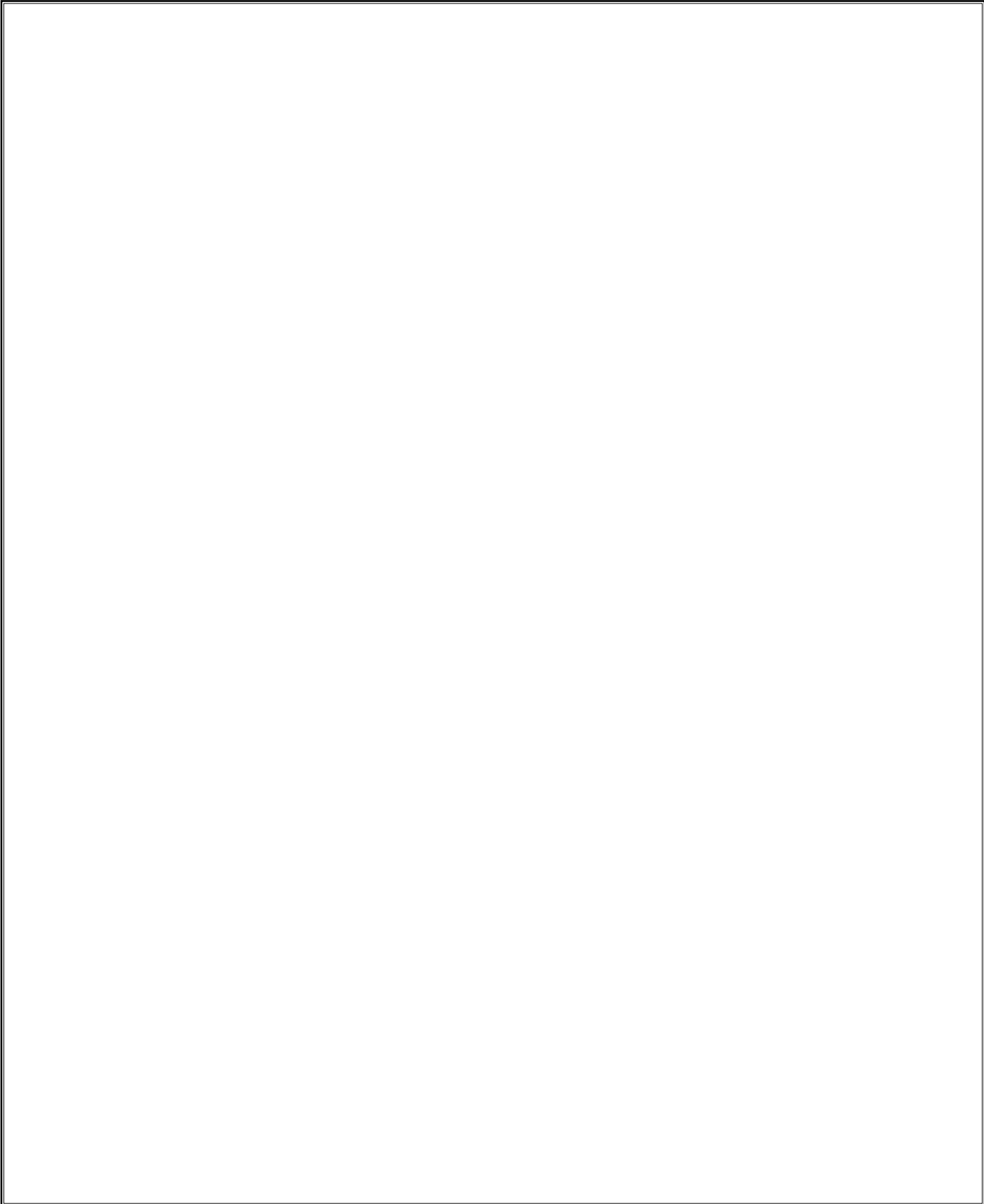
* To be filled in by the Proxy in case he/she attends instead of the equity shareholder

I/We hereby record my/our presence at the NCLT Convened Meeting of the Equity Shareholders of Delta Magnets Limited, the Applicant Company, convened at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik – 422 010, Maharashtra on Monday, 22nd April, 2019 at 2.30 p.m. pursuant to the Order dated 15th March, 2019 of the Hon'ble Tribunal.

Signature of Member / Proxy / Authorised Representative

NOTES:

- 1) Shareholders attending the meeting in person or by proxy or through authorised representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the meeting hall.
- 2) Shareholder/proxy holder who desire to attend the meeting should bring his / her copy of the Notice for reference at the meeting.
- 3) Members are informed that no duplicate slips will be issued at the venue of the meeting and they are requested to bring this slip for the meeting.





DELTA MAGNETS GROUP

If, undelivered return to:

Freedom Registry Limited

Unit: Delta Magnets Limited

Plot No. 101/102, 19th Street, MIDC,
Satpur, Nasik - 422 007, Maharashtra.