



MOHIT INDUSTRIES LTD.

AN ISO 9001:2008 CERTIFIED COMPANY

14th October, 2015

To,
The Secretary,
Deptt. Of Corporate Service,
Bombay Stock Exchange Limited,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
REF: Script Code **531453**

The Manager
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, c-1 Block G
Bandra- Kurla Complex, Bandra (E)
Mumbai- 400050
REF: Script Code **MOHITIND**

Sub: COURT CONVENED MEETING OF EQUITY SHAREHOLDERS, SECURED CREDITORS, UNSECURED CREDITORS ON 10TH NOVEMBER, 2015

REF: SCHEME OF ARRANGEMENT IN THE NATURE OF DEMERGER OF AAC BLOCK DIVISION OF MOHIT INDUSTRIES LIMITED INTO BIGBLOC CONSTRUCTION LIMITED UNDER SECTION 391-394 OF THE COMPANIES ACT, 2013

Dear Sir,

This is to inform you that the Pursuant to an Order dated 05th October, 2015 passed by the Hon'ble High Court of Gujarat at Ahmedabad in the Company Application No.. 300 of 2015, Meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Mohit Industries Limited, are being convened and held on Tuesday, 10th November, 2015 at 11:00 a.m, 12:00 noon and 01:00 p.m respectively at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002, Gujarat for the purpose of considering and if thought fit, approving with or without modifications, the Scheme of Arrangement in the nature of demerger of AAC Block Division of Mohit Industries Limited into Bigbloc Construction Limited.

We are submitting herewith Notice calling Court Convened Meeting of the Equity Shareholders of the Company to be held on 10th November, 2015.

A copy of notice of meeting of Equity shareholders, secured Creditors and unsecured Creditors shall be placed on the website of the company.

Thanking You
Yours truly
For Mohit Industries limited

Narayan Saboo
Managing Director
Enclosed: As Above

CIN No. : L17119GJ1991PLC015074

A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat-395 002.

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E-mail : contact@mohitindustries.com Visit us : www.mohitindustries.com



MOHIT INDUSTRIES LIMITED

NOTICE TO THE SHAREHOLDERS

**COURT CONVENED MEETING OF
THE EQUITY SHAREHOLDERS OF
MOHIT INDUSTRIES LIMITED**

ON TUESDAY, 10TH NOVEMBER, 2015



MOHIT INDUSTRIES LIMITED

CIN No. L17119GJ1991PLC015074

Regd Office: A/ 601-B, International Trade Center, Majura Gate, Ring Road, Surat,
Gujarat-395002 INDIA

(T): +91-0261-2463261 /62 /63, | Fax: +91-0261-2463264

Email id: contact@mohitindustries.com

Website: www.mohitindustries.com / www.nxtbloc.in

Day :	Tuesday
Date :	10th November, 2015
Time :	11:00 A.M.
Venue :	A/ 601-B, International Trade Center, Majura Gate, Ring Road, Surat 395002

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**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 300 OF 2015**

In the matter of Sec.391 of the Companies Act, 1956;
And
In the matter of Scheme of Arrangement in the nature of demerger
of AAC Block Division of Mohit Industries Limited into Bigbloc
Construction Limited;
And In the matter of;

MOHIT INDUSTRIES LIMITED

CIN No. L17119GJ1991PLC015074,
a company having its registered office
at A-601/B, International Trade Centre,
Majura Gate, Ring Road, Surat 395002, Gujarat

**....Applicant
(Demerged Company)**

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF MOHIT INDUSTRIES LIMITED

To,

The Equity Shareholders of Mohit Industries Ltd. ("the Applicant Company")

TAKE NOTICE that by an order made on 5th October, 2015 in the above Company Application, the Hon'ble High Court of Gujarat has directed that a meeting of the Equity Shareholders of the applicant company be convened and held at the registered office of the company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002 on Tuesday, 10th November, 2015 at 11:00 am, for the purpose of considering and if thought fit, approving with or without modifications, the Scheme of Arrangement in the nature of demerger of AAC Block Division of Mohit Industries Limited into Bigbloc Construction Limited.

TAKE FURTHER NOTICE that in pursuance of the said order and as directed therein, a meeting of the Equity Shareholders of the applicant company will be convened and held at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002 on Tuesday, 10th November, 2015 at 11:00 am, at which place, day and time, you are requested to attend.

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 authorized representative, is deposited at the registered office of the applicant company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002 not later than 48 hours before the said meeting.

The Hon'ble Court has appointed Mr. Sitaram Saboo, Director, failing him, Shri Naresh Saboo, Director, shall be the Chairman of the meeting to be held on 10th November, 2015 or for any adjourned meeting thereof.

A copy of the Scheme, the statement under Section 393 of the Companies Act, 1956, Fairness Opinion, Complaints Report, Observation letters issued by Stock Exchanges, Attendance Slip and the Form of Proxy are enclosed herewith.

sd/-
Mr. Sitaram Saboo
Chairman appointed for the Meeting

Date: 10th October, 2015

Place: Surat

Registered Office:

A-601/B, International Trade Centre, Majura Gate,
Ring Road, Surat 395002, Gujarat.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF MEETING.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Only registered shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorized Representative under Section 187 of the Companies Act, 1956) at the shareholders' meeting. The Authorized Representative of a body corporate which is a registered Equity Shareholder of the Applicant Company may attend and vote at the Equity Shareholders' meeting provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013.
4. A registered equity shareholder or his Proxy is requested to bring copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
5. The Notice is being sent to all the Members, whose names appeared in the Register of Members as on 30th September, 2015. This notice of the Court Convened Meeting of the Members of the Applicant Company is also displayed / posted on the website of the Applicant Company www.mohitindustries.com.

Enclosure: As Above

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)

COMPANY APPLICATION NO. 300 OF 2015

In the matter of Sec.391 of the Companies Act, 1956;

And

In the matter of Scheme of Arrangement in the nature of
demerger of AAC Block Division of Mohit Industries Limited
into Bigbloc Construction Limited;

And

In the matter of;

MOHIT INDUSTRIES LIMITED,
CIN No. L17119GJ1991PLC015074
Company having its registered office
at A-601/B, International Trade Centre,
Majura Gate, Ring Road,
Surat 395002, Gujarat

....Applicant

(Demerged Company)

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. This Scheme of Arrangement ("the Scheme") provides for demerger of AAC Block Division of Mohit Industries Limited into Bigbloc Construction Limited and consequential restructuring of share capital of Mohit Industries Limited pursuant to Sections 391 to 394 read with Sections 100 to 103 and other relevant provisions of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013. Pursuant to an Order dated 05th October, 2015 passed by the Hon'ble High Court of Gujarat at Ahmedabad in the Company Application No. 300 of 2015, separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Mohit Industries Limited, are being convened and held at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002 in the state of Gujarat on Tuesday, 10th November, 2015 for the purpose of considering and if thought fit, approving with or without modification(s), the aforesaid Scheme.
2. The Board of Directors of the Demerged Company and the Resulting Company had vide a resolution passed at their Board Meetings held on 17th June, 2015 and 17th June, 2015 respectively, approved the terms and conditions of the Scheme pursuant to the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 and applicable provisions of the Companies Act, 2013. The same was sent to BSE Limited ("BSE") as well as National Stock Exchange ("NSE") for obtaining their approval.
3. Post receipt of comments from the Securities and Exchange Board of India ("SEBI") on the Scheme which were incorporated into the Scheme, the Demerged Company has received, in terms of Clause 24(f) of the Listing Agreement, respective observation letters from BSE and NSE both dated 22.09.2015 conveying their 'No-Objection' for filing the Scheme with the High Court.
4. As required by Circular No.CIR/CFD/DIL/5/2013 dated 4th February, 2013 issued by SEBI read with Circular No. CIR/CFD/ DIL/8/2013 dated 21st May, 2013 issued by SEBI ("SEBI Circular"), the Scheme along with related documents was hosted on the websites of the Demerged Company, NSE and BSE and was open for complaints / comments from 08th July, 2015 to 03rd August, 2015. During the above period, the Demerged Company has not received any complaint / comment and accordingly, the Demerged Company has filed a NIL complaints report with the respective Stock Exchanges on 04th August, 2015.

5. BACKGROUND OF THE COMPANIES

5.1 MOHIT INDUSTRIES LIMITED

5.1.1 The Demerged Company ("MIL") was incorporated on 18.02.1991 in the name of Mohit Fibres private Limited and converted into limited company w.e.f. 07.02.1995 and changed its name to Mohit Industries Limited w.e.f. 29.09.1997.

5.1.2 The registered office of the Demerged Company is situated at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002 in the State of Gujarat.

5.1.3 As per the latest Audited Balance Sheet of the Demerged Company as on 31.03.2015, the share capital consists of the following There is no change in the capital structure of demerged company after the above date.

Particulars	Amount (Rs.)
Authorised Share Capital	
2,00,00,000 equity shares of Rs. 10/- each	200,000,000.00
TOTAL	200,000,000.00
Issued Share Capital	
1,46,82,900 Equity Shares of Rs. 10/- each	146,829,000.00
TOTAL	146,829,000.00
Subscribed & Fully Paid - up Share Capital	
1,41,57,575 equity shares of Rs. 10/- each	141,575,750.00
TOTAL	141,575,750.00

5.1.4 The Equity Shares of the Demerged Company are listed on BSE and NSE.

5.1.5 MIL is leading Player in Textile and AAC blocks Business. MIL is currently involved in Trading, processing and manufacturing of various Textile products and also having state of art manufacturing plants of AAC block and having good market share in the western part of the Country. The revenue of the Demerged Company on standalone basis during the financial year ended on 31st March, 2015 was Rs. 246.80 crore and the net profit after tax was Rs. 1.42 crores. It has built up reserves of Rs. 33.11 crore. Thus, it is a growth oriented, profit making company.

5.2 BIGBLOC CONSTRUCTION LIMITED

5.2.1 Bigbloc Construction Limited ("Resulting Company" Or "BCL"), was incorporated on 17.06.2015 in the name of Bigbloc Construction Limited. This company will have the AAC block unit after approval of this demerger scheme.

5.2.2 The Registered Office of BCL is situated at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002 in the State of Gujarat.

5.2.3 The authorised share capital and the issued, subscribed and fully paid-up share capital of resulting company, as on 17.06.2015 was as under:

Particulars	Amount (Rs.)
Authorised Share Capital	
1,00,000 Equity shares of Rs.10/- each	10,00,000.00
TOTAL	10,00,000.00
Issued, Subscribed & Fully Paid - up Share Capital	
70,000 Equity shares of Rs.10/- each	7,00,000.00
TOTAL	7,00,000.00

There is no change in the capital structure of resulting company after the above date.

5.2.4 The Resulting Company is a recently incorporated company. However, the company shall undertake the commercial activities only upon the Scheme being effective.

6. BACKGROUND AND RATIONALE FOR THE SCHEME

The Board of Directors of MOHIT INDUSTRIES LIMITED is of the opinion that the SCHEME OF ARRANGEMENT and DEMERGER would benefit the shareholders, employees and creditors of the Company in the following manner:

- a. To achieve better growth of both verticals independently.
- b. To ensure proper focus on individual division/Division
- c. To achieve better valuation for both divisions in the hands of shareholders
- d. To achieve better compliance of respective government regulations as both verticals have different compliances

7. SALIENT FEATURES OF THE SCHEME

Part- B

4. DEMERGER OF AAC BLOCK DIVISION OF MOHIT INDUSTRIES LIMITED INTO BIGBLOC CONSTRUCTIONS LIMITED

- 4.1 With effect from 01.04.2015, being the Appointed date, the AAC BLOCK DIVISION of MIL shall, pursuant to the provisions contained in Section 391 to 394 and other relevant provisions, if any, of the Act, without any further act, deed, matter or things be transferred to and vested in and/or be deemed to be transferred to and vested in BCL, as a going concern, in accordance with section 2(19AA) of the Income Tax Act, 1961 in the following manner.
- 4.2 With effect from the Appointed date the whole of the Demerged Undertaking including all assets, (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) as aforesaid of the AAC BLOCK DIVISION, of whatsoever nature and where so ever situated, shall under the provisions of Section 391 to 394 and all other applicable provisions, if any of the Act, without any further act or deed be transferred to and vested in and/or be deemed to be transferred to and vested in BCL, at their respective book values (net of revaluations, if any).
- 4.3 At the option of the Board of Directors of MIL and BCL, the transfer referred in para 4.2 above shall be carried out as follows;
 - a) All the movable assets of the AAC BLOCK DIVISION including plant and machinery, investments, cash on hand etc., shall be physically handed over by manual delivery (together with duly executed transfer forms or other documents as may be required) to the RESULTING COMPANY along with such other documents as may be necessary to the end and intent that the property therein passes to the RESULTING COMPANY, on such delivery;
 - b) In respect of movable assets, other than those specified in sub clause (a) above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits the following modus operandi shall be followed:
 - i. MIL shall give notice to each debtor or depositor, as the case may be stating that pursuant to the sanction of the Scheme by the Hon'ble High Court or by the NCLT, as the case may be, the said debt, deposit, loan, advances, etc., be paid or made good or shall be held on account of BCL as the persons entitled thereto the end and intent that the right of MIL to recover or realize the same stands extinguished. The RESULTING COMPANY may, pursuant to the sanction of the Scheme, as above, may give notice to any debtor or depositor calling upon such person to pay/ settle the debt, loan or advance or make good the same or hold the same to its account and that the right of the RESULTING COMPANY to recover or realize the same is in substitution of the right of MIL; and
 - ii. With effect from the Appointed Date all debts, liabilities, duties and obligations of MIL in respect of the AAC BLOCK DIVISION shall without any further act or deed be and stand transferred to the Resulting Company.

5. ISSUE OF EQUITY SHARES BY THE RESULTING COMPANY TO THE SHAREHOLDERS OF DEMERGED COMPANY

- 5.1 Upon this Scheme becoming effective and in consideration of demerger including the transfer and vesting of all assets and liabilities, duties, rights and obligations relating to the AAC BLOCK DIVISION, the RESULTING COMPANY "BCL" shall, without any further application or deed, issue and allot to all shareholders of the Demerged Company "MIL" whose name appears in the Register of Members of the Demerged Company "MIL" as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, fully paid-up Equity Shares in the following ratio:

"In respect of every 1 (One) fully paid-up equity share held by the shareholders of MIL in the Demerged Company "MIL", 1 (One) Equity Share of Rs.10/- each fully paid up of the Resulting Company "BCL" shall be issued."

- 5.2 The Equity Shares to be issued by The Resulting Company pursuant to Clause 5.1 above shall be issued in Physical form or Demat form by corporate action as may be approved by the competent authority by the Resulting Company.
- 5.3 In the event of there being any pending share transfers with respect to any application lodged for transfer by any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Resulting Company shall be empowered in appropriate cases, even subsequent to the Record Date to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in the Resulting Company and in relation to the new Equity Shares after the Scheme becomes effective.
- 5.4 The Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 5.5 REORGANIZATION OF AUTHORIZED SHARE CAPITAL AND AMENDMENTS IN MEMORANDUM AND ARTICLES OF ASSOCIATION.

a. AUTHORIZED SHARE CAPITAL OF THE DEMERGED COMPANY

- I. Upon the Scheme becoming effective the Authorized Share Capital of the Demerged Company shall stand transferred to the Resulting Companies without any further act, instrument or deed and without payment of any fees, stamp duty etc. to the extent of Rs. 5,00,00,000/- (Rupees Five Crores) to the Resulting Company (BCL) pursuant to Ss. 391 and 394 and other applicable provisions of the Act, as the case may be without any further act, instrument or deed. Hence the Authorized Share Capital of the De-merged Company shall be reduced from Rs.20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crore) equity shares of Rs.10/- each to Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakh) equity shares of Rs.10/- each.
- II. Consequentially, upon Scheme being effective, Clause V of the Memorandum of Association of the Demerged Company (relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and 391 & 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly.

b. AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY

- I. Upon the scheme becoming effective, the Authorized Capital of the 1st Resulting Company shall stand increased by Rs.5,00,00,000/- (Rupees Five Crores) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- each, which shall be transferred from the Authorized Capital of Demerged Company to the Resulting Company without any further act, instrument or deed and without payment of any fees, stamp duty etc.
- II. Consequentially, upon Scheme being effective, Clause V of the Memorandum of Association of both the Resulting Companies (relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and 391 & 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly.
- III. The resulting company shall further increase its authorized capital by complying with all the provisions and procedure of the Act and Rules made there under or any other law for the time being in force to an appropriate amount so as to be eligible to issue the shares to the shareholders of demerged company (MIL) in accordance with and in pursuance to this scheme.

- c. Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations in the memorandum and Articles of Association of both the Demerged Company and Resulting Company viz. Change in the Capital Clause, referred above, shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Demerged Company and the Resulting Company while approving the Scheme as a whole at duly convened meetings, have also resolved and accorded the relevant consents as required respectively under Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and 391 & 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly and shall not be required to pass separate resolutions as required under the Act."

6. REDUCTION IN SHARE CAPITAL OF THE RESULTING COMPANY AND REDUCTION IN THE SECURITIES PREMIUM ACCOUNT OF THE TRANSFEROR COMPANY

- 6.1 Upon the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Resulting Company to the shareholders of MIL as per share entitlement ratio prescribed in the clause 5.1 above, the 70,000 (Seventy Thousand) equity shares of the Resulting Company having face value of Rs. 10 (Rupees Ten) each held by the Demerged Company comprising 100% (Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled without any further act or deed on the part of the Resulting Company. The reduction in the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.
- 6.2 It is expressly clarified that for the purposes of this Clause 6.1 of the Scheme, the consent of the shareholders and the creditors of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the share capital of the Resulting Company resulting in a reduction in the equity share capital of the Resulting Company, and no further resolution or action under Section 100 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.
- 6.3 The reduction of the share capital of the Resulting Company as contemplated in this Clause 6 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Court sanctioning the scheme including aforesaid capital reduction by the Resulting Company with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, if any, showing, with respect to the share capital of the Resulting Company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the ROC. Such reduction in the share capital of the Resulting Company as contemplated in this Clause 6 of the Scheme shall be conditional upon this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of share capital as set out in this Clause 6 of the Scheme shall not become effective and shall be deemed to be redundant.
- 6.4 Upon the Scheme coming into effect on the Effective Date, in accordance with Clause 7b of this Scheme, the difference between the amount of assets and liabilities pertaining to the Demerged Undertakings being transferred by the Transferor Company pursuant to the Scheme shall be partially adjusted against the Securities Premium Account of the Transferor Company and to the extent of such adjustment, the Securities Premium Account of the Transferor Company shall stand reduced without any further act or deed on the part of the Transferor Company. The reduction in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act without any further act or deed on the part of the Transferor Company and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 52 of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the share capital of the Transferor Company, the Transferor Company shall not be required to add "And Reduced" as suffix to its name.

6.5 It is expressly clarified that for the purposes of this Clause 6 of the Scheme, the consent of the shareholders and the creditors of the Transferor Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the Securities Premium Account of the Transferor Company and no further resolution or action under Section 52 of the 2013 Act read with Section 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

6.6 The reduction of the Securities Premium Account of the Transferor Company as contemplated in this Clause 6 shall become effective, in accordance with the provisions of Section 52 of the 2013 Act read with Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act, pursuant to the filing of the order of the Court sanctioning the Scheme including aforesaid reduction by the Transferor Company with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court. Such reduction of the Securities Premium Account of the Transferor Company as contemplated in this Clause 6 the Scheme shall be conditional upon this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of the Securities Premium Account of the Transferor Company as set out in this Clause 5 of the Scheme shall not become effective and shall be deemed to be redundant.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY & DEMERGED COMPANY

7.1 In the Books of RESULTING COMPANY

- a. The Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to and vested in it pursuant to this scheme, at their respective book values thereof, as appearing in the books of account of the Demerged company immediately before the Appointed Date.
- b. The Resulting Company shall credit to its Share Capital Account, the aggregate face value of the New Equity Shares issued by it to the members of the Demerged Company pursuant to this scheme.
- i. Pursuant to the demerger and vesting of the Demerged Undertaking with the Resulting Company, the difference arising between:
 - ii. The net book value of the assets and liabilities of the Demerged Undertaking; and
 - iii. The aggregate of the issued and paid up Equity Shares allotted pursuant to this Scheme;

Shall be accounted as follows

- i) To the extent of share premium account transferred as Share Premium Account.
- ii) Balance amount shall be treated as General Reserve which shall be treated as free reserves of the Resulting Company,
- c. In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the impact of such differences shall be quantified and adjusted in the General Reserve Account of the Resulting Company to ensure that the true financial statements of the Resulting Company on the Appointed Date are on the basis of consistent accounting policy,
- d. Notwithstanding the above, the Board of the Resulting Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

7.2 In the books of DEMERGED COMPANY:

- e. Upon this scheme becoming effective, the Demerged Company shall reduce the book value of the assets and liabilities transferred to the Resulting Company from its total book value of assets and liabilities as appearing in its books immediately before the Appointed Date.
- f. The difference between the value of assets and value of liabilities transferred pursuant to this Scheme shall be reduced as follows:
 - i) To the extent of share premium belonging to the Demerged Undertaking transferred from Share Premium Account.
 - ii) Balance amount shall be adjusted in the General Reserve Account.
- g. Notwithstanding the above, the Board of the Demerged Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the institute of Chartered Accountants of India and applicable generally accepted accounting principles.
- h. The reduction in the securities premium account of the Demerged Company shall be effected as an Integral part of this Scheme itself and not under a separate process, in terms of the applicable provisions of the Act and the orders of the High Court sanctioning the Scheme deemed to be also the orders under section 102 of the Act for the purpose of confirming the reduction.

8. The pre demerger capital structure of the Demerged Company and the Resulting Company as on 30th September, 2015 and their respective post demerger capital structure is as under:

MOHIT INDUSTRIES LIMITED (Demerged Company)

	Pre Demerger (As on 30th September, 2015)	Post Demerger
	In Rs.	In Rs.
<u>Authorized Share Capital</u>		
Equity Share Capital	200,000,000.00	150,000,000.00
Preference Share Capital	-	-
<u>Issued & Subscribed</u>		
Equity Share Capital	146,829,000.00	146,829,000.00
Preference Share Capital	-	-
<u>Paid Up Capital</u>		
Equity Share Capital	141,575,750.00	141,575,750.00
Preference Share Capital	-	-

BIGBLOC CONSTRUCTION LIMITED (Resulting Company)

	Pre Demerger (As on 30th September, 2015)	Post Demerger
	In Rs.	In Rs.
<u>Authorized Share Capital</u>		
Equity Share Capital	1000,000.00	150,000,000.00
Preference Share Capital	-	-
<u>Issued Share Capital</u>		
Equity Share Capital	7,00,000.00	141,575,750.00
Preference Share Capital	-	-
<u>Subscribed & Paid Up Capital</u>		
Equity Share Capital	7,00,000.00	141,575,750.00
Preference Share Capital	-	-

9. The equity shareholding pattern of the Demerged Company and the Resulting Company as on 30th September, 2015 and the post scheme equity shareholding pattern are as under:

MOHIT INDUSTRIES LIMITED (Demerged Company)

Particulars	Pre Scheme (as on 30 th September , 2015)		Post Scheme	
	No. of shares held	%	No. of shares held	%
Promoters (including persons acting in concert)	9,585,319	67.70	9,585,319	67.70
Mutual Funds	NIL	NIL	NIL	NIL
Financial Institutions / Banks	NIL	NIL	NIL	NIL
Central / State Government	NIL	NIL	NIL	NIL
Insurance Companies	NIL	NIL	NIL	NIL
Foreign Institutional Investors	NIL	NIL	NIL	NIL
Bodies Corporate	1,649,321	11.65	1,649,321	11.65
Individuals	2,915,131	20.59	2,915,131	20.59
Others	7,804	0.06	7,804	0.06
Total	14,157,575	100.00	14,157,575	100.00

BIGBLOC CONSTRUCTION LIMITED (Resulting Company)

Particulars	Pre Scheme (as on 30 th September, 2015)		Post Scheme	
	No. of shares held	%	No. of shares held	%
Demerged Company	69,993	99.99	NIL	NIL
Individuals (jointly with Demerged Company)	7	0.01	NIL	NIL
Promoters (including persons acting in concert)	NIL	NIL	9,585,319	67.70
Mutual Funds	NIL	NIL	NIL	NIL
Financial Institutions / Banks	NIL	NIL	NIL	NIL
Central / State Government	NIL	NIL	NIL	NIL
Insurance Companies	NIL	NIL	NIL	NIL
Foreign Institutional Investors	NIL	NIL	NIL	NIL
Bodies Corporate	NIL	NIL	1,649,321	11.65
Individuals	NIL	NIL	2,915,131	20.59
Others	NIL	NIL	7,804	0.06
Total	70,000	100.00	14,157,575	100.00

10. The details of Directors of Demerged company & Resulting company are as under:

MOHIT INDUSTRIES LIMITED (Demerged Company)

No.	Name Of Director	Designation	Age	Educational Qualifications
1.	Narayan Sitaram Saboo	Managing Director	54	Graduate And Degree In LLB
2.	Sitaram Nandlal Saboo	Executive Director & Chairman	80	Under Graduate
3.	Naresh Sitaram Saboo	Executive Director	41	Under Graduate
4.	Manish Narayan Saboo	Executive Director & CFO	33	MBA In Finance From Nottingham University, London
5.	Pragya Rahul Memani	Non Executive Director (Independent Director)	28	Bachelor Of Design
6.	Sachinkumar Pramod Jain	Non Executive Director (Independent Director)	41	BMS
7.	Jayesh Rasiklal Gandhi	Non Executive Director (Independent Director)	55	B.Com
8.	Dharmesh Vinodraj Patel	Non Executive Director (Independent Director)	45	B.E (Civil), AMIE, Chartered Engineer

BIGBLOC CONSTRUCTION LIMITED (Resulting Company)

No.	Name of Director	Designation	Age	Educational Qualifications
1	Narayan Sitaram Saboo	Director	54	Graduate And Degree In LLB
2	Naresh Sitaram Saboo	Director	41	Under Graduate
3	Manish Narayan Saboo	Director	33	MBA In Finance From Nottingham University, London

11. The Directors, Key Managerial Personnel ("KMP") and relatives of Directors and the KMP's of the Demerged Company and BCL may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the respective companies, or to the extent of common directorship in the companies, or to the extent the said Directors, KMP's and relatives of Directors and the KMP's are the partners, directors, members of the companies, firms, association of persons, bodies corporate and / or beneficiary of trust that hold shares in any of the companies.
12. The details of present Directors and KMP's of the Demerged Company ' MIL'and their shareholding in the Demerged Company (MIL) and Resulting Company (BCL), either singly or jointly as on 30th September,2015 are as follows:

Name of the Director s/ KMP	Position in the Demerged Company	No.of Equity Shares held in	
		MIL	BCL
Narayan Sitaram Saboo	Managing Director	827,687	1
Sitaram Nandlal Saboo	Executive Director & Chairman	550,021	1
Naresh Sitaram Saboo	Executive Director	268,424	1
Manish Narayan Saboo	Executive Director & CFO	265,440	1

Pragya Rahul Memani	Non Executive Director (Independent Director)	NIL	NIL
Sachinkumar Pramod Jain	Non Executive Director (Independent Director)	NIL	NIL
Jayesh Rasiklal Gandhi	Non Executive Director (Independent Director)	5414	NIL
Dharmesh Vinodraj Patel	Non Executive Director (Independent Director)	NIL	NIL
Swati Shriomprakash Malu	Company Secretary	NIL	NIL

The directors of the Demerged Company hold shares in Resulting Company "BCL" as Registered Owner only (for such shares Beneficial Owner is Demerged Company)

13. The details of present Directors and KMP's of Resulting company 'BCL' and their shareholding in the Demerged Company (MIL) and Resulting Company (BCL), either singly or jointly as on 30th September, 2015 are as follows:

Name of the Directors/KMP	Position in MCL	No. of Equity Shares	
		MIL	BCL
Narayan Sitaram Saboo	Director	827,687	1
Naresh Sitaram Saboo	Director	268,424	1
Manish Narayan Saboo	Director	265,440	1

14. The abridged financial statements of the Demerged Company for last three years are annexed herewith as Annexure 'A'.
15. The rights and interest of the members and the creditors of the Demerged Company will not be prejudicially affected by the Scheme.
16. The financial position of the Demerged Company will not be adversely affected by the Scheme. The financial position of the Demerged Company will continue to remain strong and it will be able to meet and pay its debts as and when they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the Demerged Company shall not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
17. The Scheme was placed before the Audit Committee of the Company at its meeting held on 17th June, 2015. The Audit Committee of the Company took into account the recommendations on the Share Entitlement Ratio by GBN & Co., Chartered Accountants acting as independent Chartered Accountants, and the Fairness Opinion provided by SPA Capital Advisors Ltd., Merchant Bankers. The Audit Committee concluded that the Scheme would be to the benefit of the Demerged Company and also its shareholders and recommended the Scheme to the Board of Directors of the Demerged Company by its report dated 17th June, 2015.
18. On the Scheme between Mohit Industries Limited and Bigbloc Construction Limited after being approved by the shareholders and creditors as per the requirements of Section 391 of the Act, Mohit Industries Limited will seek the sanction of the Hon'ble High Court of Gujarat at Ahmedabad.
19. Exemption from Postal Ballot Procedure: Approval of the shareholders was not sought by postal ballot and e-voting (as required under Clause 5.16 (a) of the SEBI Circular) since the proposed Scheme is not covered under any of the cases listed under the aforesaid Clause 5.16(a). As per Clause 5.16 (b), the necessary undertaking/approval/certification has been obtained.
20. No investigation proceedings have been instituted or are pending under Section 235 to 250A of the Companies Act, 1956 or the corresponding sections of the Companies Act, 2013, against the Demerged Company.
21. With effect from the Effective Date, upon the filing of the certified copies of the Orders of the Hon'ble High Court of Gujarat, under Section 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 as may be applicable with the Registrar of Companies, Gujarat; the Scheme shall come into effect.

22. The following documents will be open for inspection upto 1 (One) day prior to the date of the meeting at the Registered Office of the Demerged Company between 09:00 A.M and 05:00 P.M on any working day (Monday to Friday):
- a) Certified copy of the Order of the Hon'ble High Court of Gujarat dated 5th October, 2015 passed in Company Application No. 300 of 2015 directing convening of the meeting of Equity Shareholders, Secured Creditors and Unsecured Creditors of Mohit Industries Limited.
 - b) Certified copy of the Order of the Hon'ble High Court of Gujarat dated 5th October, 2015 passed in Company Application No. 299 of 2015
 - c) Scheme of Arrangement.
 - d) Memorandum and Articles of Association of both companies viz. Mohit Industries Limited and Bigbloc Construction Limited.
 - e) The latest Audited Accounts of Mohit Industries Limited as at 31st March, 2015 and provisional financials of Bigbloc Construction Limited as at 17th June, 2015.
 - f) Letters under Clause 24(f) of Listing Agreement dated 22nd September, 2015 of BSE and that of NSE approving the Scheme along with correspondence with SEBI in this regard.
 - g) Share Entitlement Ratio report dated 17th June, 2015 by GBN & Co., Chartered Accountant for the demerger of AAC Block Division of Mohit Industries Limited into Bigbloc Construction Limited.
 - h) Copy of the Fairness opinion by Merchant Banker, M/s. SPA Capital Advisors Limited dated 17th June, 2015.
 - i) Copy of the Audit Committee Report dated 17th June, 2015.
 - j) Copy of the Undertaking and the Chartered Accountant's certificate dated 17th June, 2015 submitted to SEBI confirming non applicability of clause 5.16(a) of the SEBI circulars (CIR/CFD/DIL/5/2013 dated 4th February, 2013 and CIR/CFD/DIL/8/2013 dated 21st May, 2013).
 - k) Complaints Report dated 04th August, 2015 submitted by the Company to the BSE and NSE and also uploaded on its website.
 - l) Copies of the resolutions passed by the respective Board of Directors of both companies approving the Scheme.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956. A copy of the scheme and Explanatory Statement may be obtained from the Registered Office of Mohit Industries Limited at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002 in the state of Gujarat.

Sd/-

Mr. Sitaram Saboo

Chairman appointed for the meeting

Dated this 10th day of October, 2015

Surat, Gujarat, India

Registered Office:

A-601/B, International Trade Centre,

Majura Gate, Ring Road, Surat-395002 in the state of Gujarat

Annexure 'A'
Summarized Balance sheet

(Amount in Crores)

	Particulars	2015	2014	2013
I	<u>EQUITIES & LIABILITIES</u>			
1	Shareholder's Funds			
	(a) Share Capital	14.16	14.16	14.16
	(b) Reserves & Surplus	33.12	31.83	29.66
	SUB-TOTAL	47.27	45.99	43.81
2	Non- Current Liabilities			
	(a) Long Term Borrowings	31.02	27.21	29.95
	(b) Other Non -Current Liabilities	0.07	0.06	0.11
	(c) Deferred Tax Liability	7.82	7.98	6.74
	SUB -TOTAL	38.91	35.26	36.81
3	Current Liabilities			
	(a) Short Term Borrowings	48.21	42.66	41.25
	(b) Trade Payables	11.73	10.02	10.79
	(c) Other Current Liabilities	9.63	8.46	8.93
	(d) Short Term Provisions	0.46	0.72	0.69
	SUB -TOTAL	70.04	61.85	61.65
	TOTAL	156.22	143.09	142.28
II	<u>ASSETS</u>			
1	Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible & Intangible Assets	66.74	62.19	65.54
	(ii) Capital Work In Progress	2.04	0.10	0.29
		68.78	62.29	65.83
	(b) Non-Current Investments	2.76	3.85	7.14
	(c) Long Term Loans & Advances	1.50	1.76	2.76
	(d) Other Non -Current Assets	1.89	2.35	1.79
	SUB -TOTAL	74.93	70.25	77.52
2	Current Assets			
	(a) Inventories	22.32	17.58	15.45
	(b) Trade Receivables	41.86	45.62	36.21
	(c) Cash & Bank Balances	1.80	2.03	2.38
	(d) Short Term Loans & Advances	15.30	7.61	10.71
	SUB-TOTAL	81.29	72.84	64.75
	TOTAL	156.22	143.09	142.28

Annexure 'A'

Summarized Profit & Loss Account

(Amount in Crores)

Particulars		2015	2014	2013
I.	Revenue from Operations			
	Revenue from Operations	262.18	233.51	201.05
	Less: - Excise Duty	15.37	8.41	4.37
	Revenue from Operations (Net)	246.80	225.10	196.68
II.	Other Income	1.81	2.44	1.55
III.	Total Revenue (I+II)	248.61	227.54	198.23
IV.	Expenses			
	Raw Material Consumed	167.99	161.77	121.33
	Purchase of Traded Goods	1.31	0.24	32.67
	Changes in Inventories of Finished Goods & Trading Goods	(4.81)	(0.84)	(1.87)
	Employee Benefit Expenses	11.71	9.99	8.11
	Finance Costs	10.03	9.00	6.13
	Depreciation & Amortization	5.41	4.46	3.80
	Other Expenses	54.12	40.98	26.12
	Total Expenses	245.77	225.59	196.28
V.	Profit / (Loss) Before Exceptional Item & Tax	2.84	1.94	1.95
VI.	Exceptional Item	(0.52)	1.64	-
		2.32	3.58	1.95
VII.	Tax Expenses			
	For Current Tax	0.46	0.72	0.38
	Less: - MAT Credit Entitlement	(0.47)	0.56	0.14
	Net Current Tax	0.93	0.16	0.23
	For Deferred Tax	(0.10)	1.24	0.67
	Income Tax of Earlier Years	0.06	0.01	0.38
	Sub - Total	0.90	1.41	1.28
VIII.	Profit / (Loss) for the Period (After Tax)	1.42	2.17	0.67

**SCHEME OF ARRANGEMENT AND DEMERGER BETWEEN
MOHIT INDUSTRIES LIMITED (DEMERGED COMPANY)
AND
BIGBLOC CONSTRUCTION LIMITED (RESULTING COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
Under section 391 to 394 of the Companies Act, 1956**

This scheme of **ARRANGEMENT AND DEMERGER** is presented:

For demerger of the AAC BLOCK Division of **MOHIT INDUSTRIES LIMITED** a company incorporated under the Companies Act, 1956 and having its registered office at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat 395002, Gujarat, India as a going concern with all its assets (fixed and movable) and liabilities pertaining to AAC BLOCK Division situated at Survey No.279/7 Paikie 1 & 2, Khata No.1076, Moje Khatalwada, Khatalwada Manda Road, Umargaon, Valsad, Gujarat, India to and in **BIGBLOC CONSTRUCTION LIMITED (Resulting Company)** a company incorporated under the Companies Act 2013 and having its registered office at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat 395002, Gujarat, India .

A. DESCRIPTION OF COMPANIES

1. **MOHIT INDUSTRIES LIMITED** a company incorporated under the Act (hereinafter referred to as the “Demerged Company” and/or “MIL” having main object and doing business of following:
 - a. To carry on the business comprising of all or any of the activities connected with the converting of manmade or natural fibres or fibrous substances into the wearing apparels or textile products.
 - b. To carry on all or any of the business of manufacturing, Weaving, Knitting, Crimping, Texturising, Twisting, doubling, Spinning, Ginning, Combing, Conning, Sizing, Processing in any manner, Purchasing, Selling, Importing, Exporting, distributing, acting as buying or selling agents or generally dealing in Yarns, fibres and fabrics of all kinds of whatsoever description like synthetic, cotton, wool, silk, art-silk, flax hemp, nylon, polyester, acrillic, Viscose, Polypropylene, teriene, lined, canvas and all other kinds of fibrous material and substances.
 - c. To carry on all or any of the business of dyeing, printing, sanforising, sizing, bleaching, mercerising, washing, chiffon, rayon, shoddy, jute and fabrics or textile products whether manufactured on power looms or in textile mills or other factories.
 - d. To construct, purchase, take on lease, erect or otherwise acquire, establish and equip, act as collaborators, technicians, financiers, managers, administrator, consultant and to carry on the business of running all type of hotels, motels, holiday camps, guest houses, restaurants ,Canteen, caterers, cafes, taverns, subject to law pubs, bars, beer houses, refreshment rooms and lodging or apartments, house-keepers, night clubs, discotheques, swimming pools, health clubs, baths, dressing rooms, licensed wine, beer and spirit merchants, exporters, importers of aerated, mineral and artificial water and other drinks, purveyors, caterers for public amusement generally to equip and furnish any property for purpose of letting or hiring the same to visitors or guests whether in single or double rooms, suites, chalets, cottages or otherwise.
 - e. To manufacture and deal in Aerocon Sandwiched Panels/Aerocon Blocks (Aerated Autoclaved Concrete Bricks) using Cement, Fly ash, Expanded Polystyrene Beads, Chemicals and mix of Sillicaceous and Micaceous and such other material as is found technically suitable for manufacture of these products to do the business as manufacturers, producers, merchants and dealers in stone, sand, lime, bricks, cement, timber, wood, hardware and other building materials.

- f. To carry on India or elsewhere in the world the business of Manufacturer, retailers, online-sales, wholesalers, exporters & importers of all types of footwear, Sports Shoes, boots, shoes, leather shoes, bags, equipments for manufacturing footwear Components and accessories, moulds, boot tress, laces, buckles, rivets, eyelets, shanks, shoe hams, leggings, boot polishes, rubber goods, leather good, plastic goods and to establish, maintain, manage, prepare, process, coat, transport, refine, recover, improve, recycle, reclaim, utilize, extract, finish, import, export, buy, sell, market, install, survey, estimate and acquire retail stores, chain stores, exclusive stores and to enter into tie ups and other arrangement for selling, marketing, distributing and retailing of all types of footwear and footwear accessories and other consumer product of similar nature and description.

2. **BIGBLOC CONSTRUCTION LIMITED** a company incorporated under the Act (hereinafter referred to as the "Resulting Company" and/or "BCL" having main object To carry on the business as manufacturers, processors, purchasers, sellers, buyers, importers, exporters and to deal in building blocks, slabs, Aerated Autoclaved Concrete (AAC) Bricks by using Cement, Fly ash, lime Powder, lignite, aluminum powder, gypsum, Chemicals, soil, concrete of any kind, sand, clay and mix of Sillicaceous and Micaceoas and such other building construction materials or otherwise deal in all kinds of building materials, civil construction materials and item required for finishing and furnishing of commercial and domestic buildings and to carry on all or any of the business of estate developers, builder, contractor and to construct on, develop, acquire, hold or deal in land, building, flats, bungalows, shops, hereditaments of any tenure or freehold for residential business or other purpose.

B. RATIONALE FOR THE SCHEME OF ARRANGEMENT AND DEMERGER

The Board of Directors of **MOHIT INDUSTRIES LIMITED** are of the opinion that the SCHEME OF ARRANGEMENT and DEMEGER would benefit the shareholders, employees and creditors of the Company in the following manner:

- a. To achieve better growth of both verticals independently.
- b. To ensure proper focus on individual division/Division
- c. To achieve better valuation for both divisions in the hands of shareholders
- d. To achieve better compliance of respective government regulations as both verticals have different compliances

C. THE PARTS OF THE SCHEME OF ARRANGEMENT AND DEMERGER ARE :

Part-A – deals with "Definitions and Share Capital"

Part-B – deals with the de-merger of AAC BLOCK DIVISION of MOHIT INDUSTRIES LIMITED into BIGBLOC CONSTRUCTION LIMITED, and

Part-C – deals with other General Terms and Conditions

PART-A

1. DEFINITION

In this scheme unless inconsistent with the subject or context the following expression shall have the following meaning:

- 1.1, "Act" means the Companies Act 1956 and Companies Act, 2013 as may be applicable and shall include any statutory Modifications, re- enactment or amendment thereof
- 1.2, "Appointed Date" means 01.04.2015 or such other date as may be approved by the Honorable High Court of Gujarat at Ahmedabad.

- 1.3, **"MIL" means MOHIT INDUSTRIES LIMITED**, a Company incorporated under the Act (hereinafter also referred to as Demerged Company or "MIL") and having its registered office at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat 395002 Gujarat, India.
- 1.4, **"BCL" means BIGBLOC CONSTRUCTION LIMITED**, a Company incorporated under the Act (hereinafter also referred to as "Resulting Company") and having its registered office at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat 395002 Gujarat, India.
- 1.5, **"DEMERGED COMPANY" means MOHIT INDUSTRIES LIMITED**
- 1.6, **"Effective Date"** means the date on which certified copies of the Orders of the Hon'ble High Court of Gujarat at Ahmedabad under sections 391 to 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Ahmedabad, Gujarat, by the demerged company and the Resulting Company.
- 1.7, **"Scheme" or "the Scheme" or "this Scheme"** means this SCHEME OF ARRANGEMENT IN THE NATURE OF DEMERGER in its present form or with any modification and as approved or directed by the Hon'ble High Court of Gujarat at Ahmedabad or such other competent authority.
- 1.8, **"REMAINING UNDERTAKING"** means all the business of the Demerged Company other than those transferred to and vested in, the Resulting Company pursuant to this scheme i.e. "REMAINING UNDERTAKING" of MIL other than that of "AAC BLOCK"
- 1.9, **"AAC BLOCK DIVISION"** means the Division of MIL (Demerged Undertaking) situated at Survey No.279/7 Paikee 1 & 2, Khata No.1076, Moje Khatalwada, Khatalwada Manda Road, Umargaon, Valsad, Gujarat, India,
- 1.10, **"DEMERGED UNDERTAKING" means AAC BLOCK DIVISION comprising of:**
- a. All assets (whether movable or immovable, real or personal, corporeal or in-corporeal, present future or contingent, tangible or intangible) pertaining to AAC BLOCK DIVISION of MIL. For avoidance of doubt, the REMAINING UNDERTAKING shall be continued to be Remaining by the demerged company.
 - b. Liabilities relating thereto except the liabilities pertaining to the REMAINING UNDERTAKING
 - c. Balance in the Profit & Loss account to the above business as appearing in the books of accounts of MIL as on the appointed date except relatable to REMAINING UNDERTAKING.
 - d. Without prejudice to the generality of the above, the AAC BLOCK DIVISION shall include in particular:
 - i. All property of or required for the above businesses wherever situated, including all current assets, loans and advances, investments, funds, plant and machinery, and equipment, buildings, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles in connection with or relating to the demerged undertaking namely AAC BLOCK DIVISION;
 - ii. All permits, licenses and permits, quotas, rights, Trade Marks, LOGOs, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of Interest, development rights (whether vested or potential), municipal and other statutory permissions, approvals, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile, email connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, carbon credits, contracts and arrangements and all other interests in connection with or relating to the AAC BLOCK DIVISION;
 - iii. All records, files, papers, engineering and process information, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the demerged undertaking namely AAC BLOCK DIVISION; and

- iv. Debts, duties, taxes obligations and liabilities (including contingent liabilities) relating to the AAC BLOCK DIVISION.

For the purpose of this scheme, it is clarified that liabilities pertaining to the demerged undertaking are;

- a) The liabilities which arise out of the activities or operations of the AAC BLOCK DIVISION;
- b) Specific loans and Borrowings raised, incurred and utilized solely for the activities or operation of the AAC BLOCK DIVISION;
- c) Liabilities other than those referred to in sub clauses (a) and (b) above, if any, being the amounts of general or multipurpose borrowing of MIL allocated to the AAC BLOCK DIVISION in the same proportion in which the value of the assets transferred under this scheme bear to the total value of the assets of BCL immediately before giving effect to this scheme;
- d) All permanent employees of MIL employed in the AAC BLOCK DIVISION identified by the Board of directors of MIL as on the effective date; and
- e) In case of any question(s) that may arise as to whether a specific asset or liability pertains or not to the AAC BLOCK DIVISION or whether it arises out of the activities or operations of the AAC BLOCK DIVISION shall be decided by mutual agreement between the Board of Directors of MIL and BCL.

1.12 **"High Court"** means the Hon'ble High court of Gujarat at Ahmedabad which may include the National Company Law Tribunal or any other Forum as may be established under the provisions of the Act.

1.13 **"Record Date"** means the date, wherein, the Board of Directors of MIL identify the equity Shareholders of MIL for the purpose of issuance and allotment of consideration by way of equity shares under the Scheme.

1.14 **"Shareholders"** means respectively the person registered as holders of Equity Shares of the Companies concerned.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble High Court of Gujarat at Ahmedabad, shall be operative from the Appointed Date but shall be Effective from the effective Date.

3. SHARE CAPITAL

3.1 The Share Capital of the MIL as on 31.03.2015 is as under:

Particulars of Share Capital	Amount in Rs.
<u>Authorized Share Capital</u>	
2,00,00,000 equity shares of Rs. 10/- each	200,000,000.00
<u>Issued Share Capital</u>	
1,46,82,900 Equity Shares of Rs. 10/- each	146,829,000.00
<u>Subscribed & Fully Paid Up</u>	
1,41,57,575 equity shares of Rs. 10/- each,	141,575,750.00
Total	141,575,750.00

There is no change in the Authorized and the Paid-up Share Capital of the DEMERGED COMPANY as on date of Presentation of this Scheme.

3.2 The Share Capital of the Resulting Company BCL as on 17.06.2015 is as under:

Particulars of Share Capital	Amount in Rs.
<u>Authorized Share Capital</u>	
1,00,000 Equity shares of Rs.10/- each	10,00,000.00
<u>Issued and Subscribed & Paid up Capital</u>	
70,000 Equity shares of Rs.10/- each	7,00,000.00

3.3 The Resulting Company BCL is a 100% Subsidiary of Demerged Company MIL.

PART – B

4. DEMERGER OF AAC BLOCK DIVISION OF MOHIT INDUSTRIES LIMITED INTO BIGBLOC CONSTRUCTIONS LIMITED

- 4.1 With effect from 01.04.2015, being the Appointed date, the AAC BLOCK DIVISION of MIL shall, pursuant to the provisions contained in Section 391 to 394 and other relevant provisions, if any, of the Act, without any further act, deed, matter or things be transferred to and vested in and/or be deemed to be transferred to and vested in BCL, as a going concern, in accordance with section 2(19AA) of the Income Tax Act, 1961 in the following manner.
- 4.2 With effect from the Appointed date the whole of the Demerged Undertaking including all assets, (whether movable or immovable, real or personal, corporeal or incorporeal, present future or contingent, tangible or intangible) as aforesaid of the AAC BLOCK DIVISION, of whatsoever nature and where so ever situated, shall under the provisions of Section 391 to 394 and all other applicable provisions, if any of the Act, without any further act or deed be transferred to and vested in and/or be deemed to be transferred to and vested in BCL, at their respective book values (net of revaluations, if any).
- 4.3 At the option of the Board of Directors of MIL and BCL, the transfer referred in para 4.2 above shall be carried out as follows;
 - a) All the movable assets of the AAC BLOCK DIVISION including plant and machinery, investments, cash on hand etc., shall be physically handed over by manual delivery (together with duly executed transfer forms or other documents as may be required) to the RESULTING COMPANY along with such other documents as may be necessary to the end and intent that the property therein passes to the RESULTING COMPANY, on such delivery;
 - b) In respect of movable assets, other than those specified in sub clause (a) above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits the following modus operandi shall be followed:
 - i. MIL shall give notice to each debtor or depositor, as the case may be stating that pursuant to the sanction of the Scheme by the Hon'ble High Court or by the NCLT, as the case may be, the said debt, deposit, loan, advances, etc., be paid or made good or shall be held on account of BCL as the persons entitled thereto the end and intent that the right of MIL to recover or realize the same stands extinguished. The RESULTING COMPANY may, pursuant to the sanction of the Scheme, as above, may give notice to any debtor or depositor calling upon such person to pay/ settle the debt, loan or advance or make good the same or hold the same to its account and that the right of the RESULTING COMPANY to recover or realize the same is in substitution of the right of MIL; and

- ii. With effect from the Appointed Date all debts, liabilities, duties and obligations of MIL in respect of the AAC BLOCK DIVISION shall without any further act or deed be and stand transferred to the Resulting Company.

5. ISSUE OF EQUITY SHARES BY THE RESULTING COMPANY TO THE SHAREHOLDERS OF DEMERGED COMPANY

- 5.1 Upon this Scheme becoming effective and in consideration of demerger including the transfer and vesting of all assets and liabilities, duties, rights and obligations relating to the AAC BLOCK DIVISION, the RESULTING COMPANY "BCL" shall, without any further application or deed, issue and allot to all shareholders of the Demerged Company "MIL" whose name appears in the Register of Members of the Demerged Company "MIL" as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, fully paid-up Equity Shares in the following ratio:

"In respect of every 1 (One) fully paid-up equity share held by the shareholders of MIL in the Demerged Company "MIL", 1 (One) Equity Share of Rs. 10/- each fully paid up of the Resulting Company "BCL" shall be issued."

- 5.2 The Equity Shares to be issued by The Resulting Company pursuant to Clause 5.1 above shall be issued in Physical form or Demat form by corporate action as may be approved by the competent authority by the Resulting Company.
- 5.3 In the event of there being any pending share transfers with respect to any application lodged for transfer by any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Resulting Company shall be empowered in appropriate cases, even subsequent to the Record Date to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in the Resulting Company and in relation to the new Equity Shares after the Scheme becomes effective.
- 5.4 The Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 5.5 REORGANIZATION OF AUTHORIZED SHARE CAPITAL AND AMENDMENTS IN MEMORANDUM AND ARTICLES OF ASSOCIATION.

a. AUTHORIZED SHARE CAPITAL OF THE DEMERGED COMPANY

- I. Upon the Scheme becoming effective the Authorized Share Capital of the Demerged Company shall stand transferred to the Resulting Companies without any further act, instrument or deed and without payment of any fees, stamp duty etc. to the extent of Rs. 5,00,00,000/- (Rupees Five Crores) to the Resulting Company (BCL) pursuant to Ss. 391 and 394 and other applicable provisions of the Act, as the case may be without any further act, instrument or deed. Hence the Authorized Share Capital of the De-merged Company shall be reduced from Rs.20,00,00,000/- (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crore) equity shares of Rs.10/- each to Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crore Fifty Lakh) equity shares of Rs.10/- each.
- II. Consequentially, upon Scheme being effective, Clause V of the Memorandum of Association of the Demerged Company(relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and 391 &394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly.

b. **AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY**

- I. Upon the scheme becoming effective, the Authorized Capital of the 1st Resulting Company shall stand increased by Rs.5,00,00,000/- (Rupees Five Crores) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10/- each, which shall be transferred from the Authorized Capital of Demerged Company to the Resulting Company without any further act, instrument or deed and without payment of any fees, stamp duty etc.
 - II. Consequentially, upon Scheme being effective, Clause V of the Memorandum of Association of both the Resulting Companies (relating to authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and 391 & 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly.
 - III. The resulting company shall further increase its authorized capital by complying with all the provisions and procedure of the Act and Rules made there under or any other law for the time being in force to an appropriate amount so as to be eligible to issue the shares to the shareholders of demerged company (MIL) in accordance with and in pursuance to this scheme.
- c. Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alterations in the memorandum and Articles of Association of both the Demerged Company and Resulting Company viz. Change in the Capital Clause, referred above, shall become operative on the scheme being effective by virtue of the fact that the Shareholders of the Demerged Company and the Resulting Company while approving the Scheme as a whole at duly convened meetings, have also resolved and accorded the relevant consents as required respectively under Sections 13, 14, 61 and other applicable provisions of the Companies Act, 2013 and 391 & 394 of the Companies Act, 1956 and other applicable provisions of the Act, and be replaced accordingly and shall not be required to pass separate resolutions as required under the Act.”

6. REDUCTION IN SHARE CAPITAL OF THE RESULTING COMPANY AND REDUCTION IN THE SECURITIES PREMIUM ACCOUNT OF THE TRANSFEROR COMPANY

- 6.1 Upon the Scheme coming into effect on the Effective Date and immediately after issuance of the equity shares of the Resulting Company to the shareholders of MIL as per share entitlement ratio prescribed in the clause 5.1 above, the 70,000 (Seventy Thousand) equity shares of the Resulting Company having face value of Rs. 10 (Rupees Ten) each held by the Demerged Company comprising 100% (Hundred per cent) of the total issued and paid-up equity share capital of the Resulting Company as on the Effective Date shall stand cancelled without any further act or deed on the part of the Resulting Company. The reduction in the share capital of the Resulting Company shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Resulting Company and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

- 6.2 It is expressly clarified that for the purposes of this Clause 6.1 of the Scheme, the consent of the shareholders and the creditors of the Resulting Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the share capital of the Resulting Company resulting in a reduction in the equity share capital of the Resulting Company, and no further resolution or action under Section 100 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.
- 6.3 The reduction of the share capital of the Resulting Company as contemplated in this Clause 6 shall become effective, in accordance with the provisions of Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act and rules and regulations framed thereunder, pursuant to the filing of the order of the Court sanctioning the scheme including aforesaid capital reduction by the Resulting Company with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court, if any, showing, with respect to the share capital of the Resulting Company as altered by the order, (a) the amount of share capital; (b) the number of shares into which it is to be divided; (c) the amount of each share; and (d) the amount, if any, deemed to be paid-up on each share at the date of registration of the aforesaid minute and order by the ROC. Such reduction in the share capital of the Resulting Company as contemplated in this Clause 6 of the Scheme shall be conditional upon this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of share capital as set out in this Clause 6 of the Scheme shall not become effective and shall be deemed to be redundant.
- 6.4 Upon the Scheme coming into effect on the Effective Date, in accordance with Clause 7b of this Scheme, the difference between the amount of assets and liabilities pertaining to the Demerged Undertakings being transferred by the Transferor Company pursuant to the Scheme shall be partially adjusted against the Securities Premium Account of the Transferor Company and to the extent of such adjustment, the Securities Premium Account of the Transferor Company shall stand reduced without any further act or deed on the part of the Transferor Company. The reduction in the Securities Premium Account of the Transferor Company shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of the 2013 Act read with Sections 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/ or any other applicable provisions of the Act without any further act or deed on the part of the Transferor Company and without any approval or acknowledgement of any third party. The order of the Court sanctioning the Scheme shall be deemed to also be the order passed by the Court under Section 52 of the 2013 Act read with Section 102 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) for the purpose of confirming such reduction. The aforesaid reduction would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the provisions of Section 101 of the 1956 Act (and Section 66(1)(a) of the 2013 Act, if in force) shall not be applicable. Notwithstanding the reduction in the share capital of the Transferor Company, the Transferor Company shall not be required to add "And Reduced" as suffix to its name.
- 6.5 It is expressly clarified that for the purposes of this Clause 6 of the Scheme, the consent of the shareholders and the creditors of the Transferor Company to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reduction of the Securities Premium Account of the Transferor Company and no further resolution or action under Section 52 of the 2013 Act read with Section 100 to 103 of the 1956 Act (or Section 66 of the 2013 Act, if applicable) and/or any other applicable provisions of the Act would be required to be separately passed or taken.
- 6.6 The reduction of the Securities Premium Account of the Transferor Company as contemplated in this Clause 6 shall become effective, in accordance with the provisions of Section 52 of the 2013 Act read with Section 103 of the 1956 Act (or Section 66(5) of the 2013 Act, if in force) and/ or any other applicable provisions of the Act, pursuant to the filing of the order of the Court sanctioning the Scheme including aforesaid reduction by the Transferor Company

with the RoC and upon registration by the RoC of such order of the Court and of the minute approved by the Court. Such reduction of the Securities Premium Account of the Transferor Company as contemplated in this Clause 6 the Scheme shall be conditional upon this Scheme becoming effective on the Effective Date. If this Scheme is, for any reason whatsoever, not sanctioned by the Court, such reduction of the Securities Premium Account of the Transferor Company as set out in this Clause 5 of the Scheme shall not become effective and shall be deemed to be redundant.

7. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY & DEMERGED COMPANY

7.1 In the Books of RESULTING COMPANY

- a. The Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to and vested in it pursuant to this scheme, at their respective book values thereof, as appearing in the books of account of the Demerged company immediately before the Appointed Date.
- b. The Resulting Company shall credit to its Share Capital Account, the aggregate face value of the New Equity Shares issued by it to the members of the Demerged Company pursuant to this scheme.
 - i. Pursuant to the demerger and vesting of the Demerged Undertaking with the Resulting Company, the difference arising between:
 - ii. The net book value of the assets and liabilities of the Demerged Undertaking; and
 - iii. The aggregate of the issued and paid up Equity Shares allotted pursuant to this Scheme;

Shall be accounted as follows

- i) To the extent of share premium account transferred as Share Premium Account.
 - ii) Balance amount shall be treated as General Reserve which shall be treated as free reserves of the Resulting Company,
- c. In case of any differences in accounting policy between the Demerged Company and the Resulting Company, the impact of such differences shall be quantified and adjusted in the General Reserve Account of the Resulting Company to ensure that the true financial statements of the Resulting Company on the Appointed Date are on the basis of consistent accounting policy.
- d. Notwithstanding the above, the Board of the Resulting Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the Institute of Chartered Accountants of India and applicable generally accepted accounting principles.

7.2 In the books of DEMERGED COMPANY:

- e. Upon this scheme becoming effective, the Demerged Company shall reduce the book value of the assets and liabilities transferred to the Resulting Company from its total book value of assets and liabilities as appearing in its books immediately before the Appointed Date.
- f. The difference between the value of assets and value of liabilities transferred pursuant to this Scheme shall be reduced as follows:
 - i) To the extent of share premium belonging to the Demerged Undertaking transferred from Share Premium Account.
 - ii) Balance amount shall be adjusted in the General Reserve Account.
- g. Notwithstanding the above, the Board of the Demerged Company is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the prescribed Accounting Standards issued by the institute of Chartered Accountants of India and applicable generally accepted accounting principles.

- h. The reduction in the securities premium account of the Demerged Company shall be effected as an Integral part of this Scheme itself and not under a separate process, in terms of the applicable provisions of the Act and the orders of the High Court sanctioning the Scheme deemed to be also the orders under section 102 of the Act for the purpose of confirming the reduction.

PART – C – GENERAL

8. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

8.1 With effect from the Appointed Date and up to and including the Effective date:

- a. The AAC BLOCK DIVISION shall carry on and be deemed to have carried on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for the RESULTING COMPANY and all the profits accruing to the AAC BLOCK DIVISION or losses arising or incurred by them shall for all purposes be treated as the profits or losses of the RESULTING COMPANY, as the case may be;
- b. The AAC BLOCK DIVISION shall carry on its business and activities with reasonable diligence;
- c. The AAC BLOCK DIVISION shall not without the prior written consent of the Board of Directors of the RESULTING COMPANY or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charges, mortgage or encumber or otherwise deal with or dispose of its undertaking or any part thereof except in the ordinary course of its business;
- d. Neither the DEMERGED COMPANY nor the RESULTING COMPANY shall alter its respective capital structure either by fresh issue of shares or convertible securities (on a rights basis or by way of bonus shares or otherwise) or by any decrease, reduction, reclassification, sub-division, consolidation, re-organization or in any other manner, except by and with the consent of the Board of Directors of the Demerged Company and the RESULTING COMPANY;
- e. The DEMERGED COMPANY in respect of Demerged Undertaking, shall not vary the terms and conditions of service of its permanent employees except in the ordinary course of its business; and

8.2 The RESULTING COMPANY shall be entitled, pending the sanction of the Scheme, to apply to the Central / State Governments and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals, licenses and sanctions which the RESULTING COMPANY may require to carry on the business of the AAC BLOCK DIVISION OF MIL

9. LEGAL PROCEEDINGS

- 9.1 All legal proceedings of whatsoever nature by or against the AAC BLOCK DIVISION pending and/or arising at the Appointed date, as and from the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the arrangement or by anything contained in this Scheme but shall be continued and enforced by or against the RESULTING COMPANY, in the manner and to the same extent as would or might have been continued and enforced by or against the AAC BLOCK DIVISION,
- 9.2 After the Appointed Date, if any proceedings are taken against the AAC BLOCK DIVISION In respect of the matters referred to in paragraph 8 (a) above, It shall defend the same at the cost of the RESULTING COMPANY who shall reimburse and indemnify the Demerged Company against all liabilities and obligations incurred by the Demerged Company,
- 9.3 The RESULTING COMPANY undertakes to have all legal or other proceedings initiated by or against AAC BLOCK DIVISION referred to in paragraph 8 (a) above transferred Into its name and to have the same continued prosecuted and enforced by or against the RESULTING COMPANY.

10. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements including the contracts for tenancies and licenses, arrangements and other instruments of whatsoever nature to which the AAC BLOCK DIVISION are parties subsisting or having effect immediately before or after the Effective Date shall remain in full force and effect against or in favor of the RESULTING COMPANY and shall be binding on and be enforceable against the RESULTING COMPANY as fully and effectually as if it had at all material times been a party thereto.

11. EMPLOYEES OF THE AAC BLOCK DIVISION OF MIL

11.1 All the regular employees of the AAC BLOCK DIVISION who are in service on the date immediately preceding the Effective Date shall, unless otherwise desired by any of the employees, become the employees of the RESULTING COMPANY respectively, on the Effective Date.

11.2 On the Scheme finally taking effect as hereinafter provided:

- a. The employee of the AAC BLOCK DIVISION shall become the employees of the RESULTING COMPANY, without any break or interruption in service and on terms and conditions not less favorable than these on which they were engaged by the AAC BLOCK DIVISION as on the Effective Date, Services of all employees with the AAC BLOCK DIVISION up to the Effective Date shall be taken into account from the date of their respective appointment with the AAC BLOCK DIVISION for the purposes of all retirement benefits for which they may be eligible. The RESULTING COMPANY further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Demerged Company shall also be taken into account.
- b. The services of such employees shall not be treated as has 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 AAC BLOCK DIVISION.
- c. It is provided that as far as the contributions made by the respective employees and the employers to the Employee Provident Fund Scheme, established by the Central Government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Gratuity Fund maintained are concerned, upon the Scheme becoming finally effective, the RESULTING COMPANY shall stand substituted for the Demerged undertaking of MIL in respect of the employees transferred with the Undertakings for all purposes whatsoever relating to the continuation or operation of such Schemes or Funds or in relation to the obligation to make contribution to the said Schemes or Funds in accordance with the provisions of such schemes or funds as provided in the Employees Provident funds & Miscellaneous Provisions Act, 1952 or provisions of such funds. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the DEMERGED UNDERTAKING in relation to such schemes or Funds shall become those of the RESULTING COMPANY. The Board of Directors of the Demerged undertaking of MIL and the RESULTING COMPANY shall be entitled to adopt such course in this regards as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of the Demerged undertaking of MIL

12. SAVING OF CONCLUDED TRANSACTIONS

12.1 The transfer of properties and liabilities under this scheme and the continuance of proceedings by or against the AAC BLOCK DIVISION under paragraph 8 above shall not affect any transaction or proceedings already conceded by the AAC BLOCK DIVISION on or after the Appointed Date till the Effective Date, to the end and intent that the RESULTING COMPANY accepts and adopts all acts, deeds and things done and executed by the AAC BLOCK DIVISION in respect thereto as done and executed on behalf of itself.

12.2 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income Tax Act, 1961, the provisions of Section 2 (19AA) of the income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income Tax Act, 1961; such modification not to affect other parts of the Scheme.

13. On this scheme becoming effective the division of assets among Transferor and Resulting Company as on appointed date shall be as under:

TABLE OF ASSETS & LIABILITIES OF BOTH DIVISIONS – ATTACHED AS PER SCHEDULE I AT THE END OF THE SCHEME.

14. LISTING AGREEMENT & SEBI COMPLIANCES

14.1 On approval of the scheme by the Hon'ble High Court, Resulting Company shall apply for listing and trading permission of its shares to the BSE and NSE and comply with the SEBI guidelines in this regard.

14.2 The Demerged Company being a listed company, the Demerged Company shall comply with all requirements under the Listing Agreement and all statutory directives of the Securities and Exchange Board of India ('SEBI') in so far as they relate to sanction and implementation of this Scheme.

14.3 The Demerged Company in compliance with the Listing Agreement shall apply for approval of the BSE & NSE where its shares are listed in terms of the clause 24(f) of the Listing Agreement before approaching the High Court for sanction of the Scheme.

14.4 New equity shares allotted to the shareholders of the Transferor Company in the Resulting Company pursuant to the Scheme shall remain frozen in the depositories system until listing/ trading permission is granted by the Stock Exchanges between the date of allotment of the equity shares of the Resulting Company to the shareholders of the Transferor Company and the date of listing of the equity shares of the Resulting Company with the Stock Exchanges. Further, except as provided for in Clause 6 of Part B of this Scheme in relation to the reduction of the existing share capital of Rs. 7,00,000 (Rupees Seven Lacs) comprising of 70,000 equity shares of Rs. 10/- each held by the Transferor Company in the Resulting Company, there shall be no change in the shareholding pattern or control of the Resulting Company till the listing of shares on the Stock Exchanges.

14.5 The Demerged Company shall also comply with the directives of the SEBI contained in its Circular No. CIR/CFD/DIL/S/2013 dated 4 February 2013 as modified by its subsequent Circular No. CJR/CPD/01U8/2013 dated 21 May 2013.

15. MODIFICATION OR AMENDMENTS TO THE SCHEME

15.1 The DEMERGED COMPANY and the RESULTING COMPANY through their respective Board of Directors in their full and absolute discretion, may assent to any modification or amendment to the Scheme which the Hon'ble High Court of Gujarat at Ahmedabad, shareholders of the Demerged Company and/ or the RESULTING COMPANY and/ or any other competent authority may deem fit to approve I impose and effect any other modification or amendment which the Board of Directors in the best interests of the DEMERGED COMPANY at the RESULTING COMPANY may consider necessary or desirable and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme or in regard to its implementation or in any matter connected there with (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the DEMERGED COMPANY or the RESULTING COMPANY and to do all

acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect. In the event that any modification or amendment to the Scheme is unacceptable to the DEMERGED COMPANY and/ or the RESULTING COMPANY for any reason whatsoever, the DEMERGED COMPANY and/ or the RESULTING COMPANY shall be at liberty to withdraw a part of the Scheme which is independent of each other or withdraw the whole Scheme at any time and in such case MIL and BCL, as the case may be, shall bear its own costs or bear costs as may be mutually agreed.

- 15.2 For the purpose of giving effect to the Scheme or to carry out any modification or amendment thereto, the Boards of Directors of the DEMERGED COMPANY and the RESULTING COMPANY or any Committee thereof is authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question, doubt or difficulty whatsoever that may arise.

16. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to the requisite, consent, approval or permission of the Central Government, or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

17. BORROWINGS, INVESTMENT AND LOAN LIMITS

- 17.1 Upon the coming into effect of this Scheme the borrowing limits of the RESULTING COMPANY in terms of Section 293 (1)(d) of the Companies Act 1956 and Section 180 of the Companies Act 2013 shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities/ authorized borrowing limits of the Demerged undertakings which are being transferred to the RESULTING COMPANY pursuant to the scheme, such limits being incremental to the existing limits of the RESULTING COMPANY, with effect from the Appointed Date. These limits, as enhanced, may be increased, from time to time, by the RESULTING COMPANY, by obtaining sanction from its Shareholders in accordance with the provisions of the Act.
- 17.2 Upon coming into effect of this Scheme; the limits of the Resulting Company to invest and grant loans, in terms of Section 372A (t) of the Act Companies Act 1956 and Section 186 of the Companies Act, 2013 shall be deemed without any further act or deed to have been enhanced by the aggregate limits of the Demerged Company to invest or grant loans which are being transferred to the Resulting Company pursuant to the scheme, such limits being incremental to the existing limits of the Resulting Company, with effect from the Appointed Date. These limits, as enhanced, may be increased, from time to time, by the Resulting Company, by obtaining sanction from its Shareholders in accordance with the provisions of the Act.

18. OTHER GENERAL TERMS

- 18.1 All taxes payable by the DEMERGED COMPANY in relation to the Demerged Undertaking from the Appointed Date including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of the RESULTING COMPANY. Accordingly, upon the Scheme becoming effective, the BOTH, TRANSFEROR COMPANY and RESULTING COMPANY are expressly permitted to revise its Sate Tax returns, excise and Modvat / Cenvat returns, other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme. Upon the Scheme becoming effective, the RESULTING COMPANY is also expressly permitted to revise its income tax returns and to claim refunds, advance tax and withholding tax credits, tax losses/unabsorbed depreciation under the provisions of the Income Tax Act, 1961, as the case may be, pursuant to the provisions of this Scheme.

18.2 Upon the scheme becoming effective, the Demerged and Resulting Company if required, are expressly permitted to revise their returns and filings under the Income Tax Act, 1961, Service Tax Laws, Sales Tax Laws, Value Added Tax Laws, and other Tax Laws and to claim refund and/ or credits for tax paid etc., and for matters incidental thereto to give effect to the provisions of the Scheme, more particularly pertaining to the Demerged Undertaking;

19. DIVIDENDS

19.1 Until the coming into effect of this Scheme. MIL and BCL shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date as applicable.

19.2 Until the coming into effect of this Scheme, the shareholders of MIL and BCL shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends.

19.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of MIL and BCL to demand or claim any dividends which, subject to the provisions of explicable law, shall be entirely at the discretion of the Boards of Directors of MIL and BCL respectively, and subject to the approval, if required, of the shareholders of MIL and BCL respectively.

20. EFFECT OF NON-RECEIPT OF APPROVALS

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 the Hon'ble High Court at Ahmedabad and/or the Order or Orders not being passed as aforesaid before 31.03.2017 or within such further period or periods as may be agreed upon between the Demerged Company and the RESULTING COMPANY by its Board of Directors and which the Board of Directors of the Company 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. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

21. APPLICATION TO HON'BLE HIGH COURT

The DEMERGED COMPANY and the RESULTING COMPANY shall with all reasonable care and diligence dispatch, make applications and petitions under Sections 391 to 394 of the Act and other applicable provisions of the Act to the Hon'ble Gujarat High Court for seeking approval of the Scheme.

22. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the TRANSFEROR COMPANY. Such costs incurred by MIL will be adjusted against General Reserves, if any, or balance of Profit and Loss Account in the books of accounts of MIL upon the Scheme becoming effective.

SCHEDULE I

TABLE OF ASSETS AND LIABILITIES OF TEXTILE DIVISION & AACB DIVISION

(Amount in Rupees)

	Particulars	TEXTILE DIVISION	AACB DIVISION
		Figures as at 31st March, 2015	Figures as at 31st March, 2015
A	<u>ASSETS</u>		
	Fixed Assets		
	(a) Tangible & Intangible Assets	317,672,737.86	349,771,215.81
	(b) Capital Work In Progress	-	20,374,145.49
	Non-Current Investments	27,615,886.10	-
	Long Term Loans & Advances	12,533,670.81	2,491,096.00
	Other Non-Current Assets	18,862,206.00	-
	Current Assets, Loans & Advances		
	(a) Inventories	171,371,862.00	51,848,106.00
	(b) Trade Receivables	286,702,229.43	131,884,334.96
	(c) Cash & Cash Equivalents	7,152,950.73	10,891,585.83
	(d) Short Term Loans & Advances	127,203,630.82	25,799,803.65
	TOTAL ASSETS [A]	969,115,173.75	593,060,287.74
B	<u>LIABILITIES</u>		
	Loan Funded		
	(a) Long Term Borrowings	133,415,651.00	176,745,581.00
	(b) Short Term Borrowings	409,971,224.06	72,122,164.77
	Other Non Current Liabilities	-	7,00,000.00
	Deferred Tax Liability	78,212,347.00	-
	Current Liability & Provisions		
	(a) Trade Payables	57,347,379.60	59,944,908.92
	(b) Other Current Liabilities	51,181,678.81	45,145,263.00
	(c) Short Term Provisions	4,641,645.00	-
	TOTAL LIABILITIES [B]	734,769,925.47	354,657,917.69
	TOTAL NETWORTH [A-B]	234,345,248.28	238,402,370.05

Submitted to

MOHIT INDUSTRIES LIMITED

FAIRNESS OPINION REPORT

On

Share Entitlement Ratio Report for the proposed demerger of AAC Blocks
Division of Mohit Industries Ltd. into new resulting company, Bigbloc
Construction Limited, from GBN& Co., Chartered Accountants (GBN)

BY

M/s SPA Capital Advisors Limited

25, C-Block, Community Centre,

Janak Puri, New Delhi.

Tel: 25558601/25517371/25515086

Fax: 25572763

E-mail: sgarg@spacapital.com

Website: www.spacapital.com

June 17, 2015

The Board of Directors
Mohit Industries Limited
A-601B, International Trade Centre,
Majura Gate, Surat - 395002, Gujarat

RE: Share Entitlement Ratio Report for the proposed demerger of AAC Blocks Division of Mohit Industries Ltd. into new resulting company, Bigbloc Construction Limited (BCL), from GBN& Co., Chartered Accountants (GBN)

PURPOSE

We have been engaged to give fairness opinion on Share Entitlement Ratio Report for demerger of AAC Blocks Division of Mohit Industries Ltd. into BCL as going concern from GBN& Co., Chartered Accountants (GBN). This report should be read in conjunction with Share Entitlement Ratio Report dated June 17, 2015 issued by GBN.

Fairness Opinion on Share Entitlement Ratio Report on Demerger of AAC Blocks Division of Mohit Industries Limited By SPA Capital Advisors Limited

Page 2 of 10



BACKGROUND

MOHIT INDUSTRIES LIMITED (MIL)

We understand that, Mohit Industries Limited (MIL) is one of the top notch manufacturers of fabrics & texturised yarn in the nation. Established in 1991, Mohit Industries has over the years, managed to carve out a niche in the highly competitive industry with satisfied clients world over.

MIL is primarily into textile industry and has recently diversified into the construction materials industry in adherence to its long term vision and goals.

TRANSACTION

The Management of MIL has decided on business re-organisation of the Company by way of demerger which is proposed as follows:-

Demerger of the AAC Block unit of MIL as a going concern with all its assets (fixed and movable) and liabilities pertaining to AAC Block to and in BCL (Transferee company).

The transaction is proposed under a composite scheme of arrangement under section 391-394 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, as may be applicable (the "Scheme").

Fairness Opinion on Share Entitlement Ratio Report on Demerger of AAC Blocks Division of Mohit Industries Limited By SPA Capital Advisors Limited

Page 3 of 10



The Board of Directors of MOHIT INDUSTRIES LIMITED believes that the SCHEME OF ARRANGEMENT and DEMERGER would benefit the shareholders, employees and other shareholders of MOHIT INDUSTRIES LIMITED in following manner:

- To achieve better growth of both verticals independently.
- To ensure proper focus on individual division/unit
- To achieve better valuation for both divisions in the hands of shareholders

As per the Scheme, BCL will issue its equity shares to the respective shareholders of MIL as a consideration for the demerger of AAC Blocks as per share entitlement ratio. Upon coming into effect of the Scheme, and in consideration of the demerger and transfer and vesting thereof with the Resulting Company, the Resulting Company shall, without any further act or deed and without any further payment, issue and allot the Equity Shares on a proportionate basis to the respective shareholders of the MIL is as follows:

“One equity share of INR Ten each as fully paid up in BCL for every one equity share of INR Ten held in MIL.



Statement of Limiting Conditions: The Final Report has been prepared for the internal and exclusive use of The Board of Directors of MIL in support of the decisions to be taken by it, the Resulting Company and the Transferee Companies. Therefore, the Final Report may not be disclosed, in whole or in part, to any third party or used for any purpose whatsoever other than those indicated in the Engagement and in the Final Report itself, provided that the Final Report may be transmitted to the experts appointed in compliance with the law and its content may be disclosed publicly where required by regulations of the Indian authorities. Any other use, in whole or in part, of the Final Report will have to be previously agreed and authorised in writing by SPA Capital Advisors Limited (SPA). In preparing the Final Report, SPA has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by MIL. SPA has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Final Report has also been used. Therefore the Final Report is based on: (i) our interpretation of the information which MIL, as well as their representatives and advisers, have supplied to us to date; (ii) our understanding of the terms upon which MIL intends to consummate the Transaction (iii) the assumption that the Transaction will be consummated in accordance with the expected terms and within the expected time periods. In the execution of the Engagement, SPA has elaborated its own analysis based on the methodologies illustrated below, reaching the conclusions contained in the final paragraph of this Final Report.

The conclusions described in the Final Report have been prepared with the sole purpose of determining fairness of valuation of Demerged Undertakings and Business Undertakings of MIL, for the purpose of proposed demerger and slump sales therefore; the values contained in this Final Report have no relevance for purposes other than that stated. The Final Report and the Opinion concern exclusively for the purpose of proposed demerger and the slump sales and do not constitute an opinion by SPA as to the absolute value of the shares of MIL.

Fairness Opinion on Share Entitlement Ratio Report on Demerger of AAC Blocks Division of Mohit Industries Limited by SPA Capital Advisors Limited



Page 5 of 10

The conclusions contained in this Final Report are based on the whole of the valuations contained herein and therefore no part of the Final Report may be used apart from the document in its entirety.

The Final Report and the Opinion are necessarily based on economic, market and other conditions as on the date of valuation, and the written and oral information made available to us until June 15, 2015. It is understood that subsequent developments may affect the conclusions of the Final Report and of the Opinion and that, in addition, SPA has no obligation to update, revise, or reaffirm the Opinion.

In addition, SPA is expressing no opinion as to the price at which any securities of MIL will trade on the stock market at any time. Other factors after the date hereof may affect the value of the businesses of MIL either before or after completion of the event. No opinion is expressed by SPA whether any alternative transaction might have been more beneficial to MIL. It also remains understood that SPA or certain SPA affiliates may currently have and may in the future have commercial banking, investment banking, trust and other relationships and/or engagements with, Counterparties which may have interests with respect to MIL, or companies directly or indirectly, controlled by, affiliated with MIL or in which MIL holds securities. Finally, it remains understood that SPA or certain SPA affiliates may have fiduciary or other relationships and engagements whereby SPA or certain SPA affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of MIL, or companies directly or indirectly controlled by, affiliated with MIL, or in which MIL holds securities, or other parties with an interest in the Transaction.



COMMON APPROACHES TO VALUATION

Income Approach

The *Income Approach* measures the value of an asset by calculating the present value of its future economic benefits. When used to determine *Business value*, the *Income Approach* develops an indication of value by discounting forecasted cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds plus the expected rate of inflation and the risks associated with the particular investment. The discount rate applied to these expected cash flows is generally based upon rates of return available from alternative investments of similar type and quality. Another discounting method calculates the company's *Weighted Average Cost of Capital* ("WACC") from its cost of debt and cost of equity. Forecasts typically cover three to five years, but the reliability of forecasts for valuation purposes in early stage enterprises depends upon many factors, such as the company's vulnerability to advances in technology, actions by competitors, changes in end-user requirements, & the availability of financing. Selecting the forecast period required our judgment.

The *Income Approach* works best when development stage companies have progressed to Stage five. Typically, companies in prior stages have limited operating histories and cash flow forecasts. Using the *Income Approach* when a company has not achieved profitability or positive cash flow, and therefore has negative flows/losses during some or all of the forecast years, results in an *equity Value* that consists mostly (if not entirely) of the *Terminal Value* ("TV" is the estimate of the *Company's* future value at the end of the forecast period).



Market Approach

The *Market Approach* measures the value of an asset through an analysis of recent sales of comparable property compared to the property being valued. When applied to the valuation of an equity interest, consideration is given to the financial condition and operating performance of the subject company compared to either publicly traded companies with similar lines of business or recent corporate acquisitions ("*Guideline Companies*"). Typically, the companies selected for comparison are subject to economic, political, competitive, and technological factors that correspond with those confronting the *Company*.

The *Market Approach* is conceptually preferable to the other two approaches both because it uses direct comparisons to similar enterprises and because the analysis is based upon actual market transactions. However, comparables that fit perfectly rarely exist. Privately held companies are compared to publicly traded ones that are typically further along in their stage of development, have superior access to capital, and have common stock that is readily marketable. Often historical results of public companies are being compared to projected results for the private company being valued. In order to reflect these differences, data from the *Guideline Companies* must be appropriately adjusted.

Asset Approach

The *Asset Approach* measures the value of an asset by the cost to reconstruct or replace it with another of like utility. When applied to the valuation of equity interests in businesses, value is based on the net aggregate *fair market value* of the entity's underlying assets.

This approach basically entails a restatement of the balance sheet of the enterprise in which the *fair market value* of its assets and liabilities are substituted for their book



values. This approach is frequently used to value holding companies or capital-intensive firms. It is typically not an appropriate valuation approach for growing operating companies which provide goods or services and which have significant intangible value. The same may be considered in conjunction with other approaches with lower weight age.

Sources of Information: The valuation was performed as per following information:

- Statement of Divisional Assets and Liabilities of demerged company
- Business profile of MIL.
- Draft Scheme of Arrangement

SUMMARY OF SHARE ENTITLEMENT RATIO PERFORMED BY GBN

GBN has, inter alia, mentioned in their report:

“Based on the aforementioned and that upon demerger, the set of shareholders and holding proportion being proposed for BCL is identical to that of MIL, the beneficial economic interest of MIL shareholders in BCL will remain same at the time of demerger.

We believe that the above share entitlement ratio is fair and reasonable considering that all the shareholders of MIL are and will, upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in MIL, as on the record date to be decided by Management of MIL.”



CONCLUSION

CONCLUSION ON SHARE ENTITLEMENT RATIO BY GBN

The entitlement ratio as recommended by GBN is "One equity share of INR Ten each as fully paid up in BCL for every one equity share of INR Ten held in MIL;

It is noted that the Share Entitlement ratio was arrived at assuming that the Resulting Company and the Transferor Company will continue in operation in unhindered manner for the future as at present on a pre demerger standalone basis (going concern).

The assumptions considered in the determination of the Share Entitlement ratio are appropriate and reasonable for the subject companies.

Subject to the assumptions presented herein, in our opinion the Share Entitlement Ratio derived by GBN is fair considering circumstances and purpose of valuation.

for SPA Capital Advisors Limited
(SEBI Reg. No. INM 000010825)


NitiN Somani
Company Secretary




Sourabh Garg
Vice President



MOHIT INDUSTRIES LTD.

04th August, 2015

To,
The Secretary,
Department of Corporate Service,
Bombay Stock Exchange Limited,
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001
Ref: Script Code **531453**

The Manager
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, Block G
Bandra- Kurla Complex, Bandra (E)
Mumbai- 400050
Ref: Script Code **MOHITIND**

Dear Sir,

Sub: Filling of Complaints Report under Clause 24(f) read with SEBI Circular CIR/CFD/DIL/5/2013 dated February 4, 2013

Further to our Application under Clause 24(f) of the listing agreement for the proposed Scheme of Arrangement involving Demerger of Aerated Autoclave Concrete Block (AACB) Business undertaking of **MOHIT INDUSTRIES LIMITED** into **BIGBLOC CONSTRUCTION LIMITED** and their respective shareholders and Creditors.

In this regards, we are submitting herewith Complaints Report for the period from 08th July, 2015 to 03rd August, 2015 as per the format specified in the above mentioned Circular as Annexure- I.

You are requested to kindly take the above on records.

Thanking You

For Mohit industries Limited

Mr. Narayan Saboo
Managing Director

Encl:a/a

CIN No. : L17119GJ1991PLC015074

A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat-395 002.

Phone : 2463261, 2463262, 2463263, 3234330 FAX : +91 - 261 - 2463264

E-mail : contact@mohitindustries.com Visit us : www.mohitindustries.com



MOHIT INDUSTRIES LTD.

Annexure-I

Complaint Report as per SEBI Circular No. CIR/CFD/DIL/5/2013 dated August 04, 2015

Part A

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

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Nil		

For Mohit industries Limited

Mr. Narayan Saboo
Managing Director

CIN No. : L17119GJ1991PLC015074

A/601 B, International Trade Centre, Majura Gate, Ring Road, Surat-395 002.

Phone : 2463261, 2463262, 2463263, 3234330 FAX : +91 - 261 - 2463264

E-mail : contact@mohitindustries.com Visit us : www.mohitindustries.com



DCS/AMAL/AM/24(f)/161/2015-16

September 22, 2015

The Company Secretary
Mohit Industries Limited
601 B A Wing,
International Trade Centre,
Majura Gate Crossing, Ring Road,
Surat – 395002.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Mohit Industries Limited and Bigbloc Construction Limited.

We refer to your draft Scheme of Arrangement between Mohit Industries Limited and Bigbloc Construction Limited as filed by the company.

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated September 22, 2015 given the following comment(s) on the draft scheme of arrangement:

➤ ***The company shall duly comply with various provisions of the Circulars.***

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

➤ 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 High Court.

However, the listing of equity shares of Bigbloc Construction Limited on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, Bigbloc Construction Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Bigbloc Construction Limited is at the discretion of the Exchange. In addition to the above, the listing of Bigbloc Construction Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Bigbloc Construction Limited and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information about Bigbloc Construction Limited in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188

3. To disclose all the material information about Bigbloc Construction Limited to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - ii. "There shall be no change in the shareholding pattern of Bigbloc Construction Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

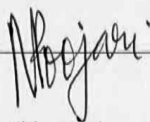
Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the exchange.

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,



Nitin Pujari
Manager



Pooja Sanghvi
Asst. Manager

September 22, 2015

Ref: NSE/LIST/43646
The Company Secretary
Mohit Industries Limited
A/601-B, International Trade Centre
Majura Gate Ring Road
Surat - 395002

Kind Attn.: Ms. Swati Malu

Dear Madam, Sub: Observation letter for draft Scheme of Arrangement and Demerger between Mohit Industries Limited (Demerged Company) and Bigbloc Construction Limited (Resulting Company) and their respective shareholders & creditors under section 391 to 394 of the Companies Act, 1956.

This has reference to draft Scheme of Arrangement and Demerger between Mohit Industries Limited (Demerged Company) and Bigbloc Construction Limited (Resulting Company) and their respective shareholders & creditors under section 391 to 394 of the Companies Act, 1956 submitted to NSE vide your letter dated July 08, 2015.

Based on our letter reference no Ref: NSE/LIST/36560 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated September 22, 2015, has given following comments on the draft Scheme of Arrangement:

"The Company shall duly comply with various provisions of the Circulars."

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the listing of equity shares of Bigbloc Construction Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Bigbloc Construction Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Bigbloc Construction Limited is at the discretion of the Exchange.

The listing of Bigbloc Construction Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Bigbloc Construction Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.



2. To publish an advertisement in the newspapers containing all the information about Bigbloc Construction Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.

3. To disclose all the material information about Bigbloc Construction Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:

(a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."

(b) "There shall be no change in the shareholding pattern or control in Bigbloc Construction Limited between the record date and the listing which may affect the status of this approval."

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 Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from September 22, 2015, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable;

and

f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,

For National Stock Exchange of India Limited

Radhika Ropalekar
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

MOHIT INDUSTRIES LIMITED

CIN NO. L17119GJ1991PLC015074

Regd. office: A-601/B, International Trade Centre, Majura Gate Ring Road, Surat 395002

Phone: +91-261-2463261, 2463262, 2463263 Fax: +91-261-2463264

Email: Contact@mohitindustries.com or cs_swati@mohitindustries.com

Website: www.mohitindustries.com

ATTENDANCE SLIP

COURT CONVENED MEETING OF EQUITY SHAREHOLDERS ON TUESDAY, 10TH NOVEMBER, 2015

Folio No./DP ID/ Client ID#	
Name of Shareholder (In Block letter)	
Address of Shareholders	
No. of Equity Shares Held	
Name of proxy/ Authorized Representatives attending* (In Block letter)	

I hereby record my/our presence at the meeting of the Equity Shareholders of Mohit Industries Limited, convened pursuant to the Order dated 05th October, 2015 of Hon'ble High Court of Gujarat, on Tuesday , 10th November, 2015 at 11:00 a.m at the registered office of the company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat-395002.

* Strike out whichever is not applicable

#Applicable for Shareholders holding Shares in Dematerialized Form.

Signature of the attending Shareholder/

Proxy/Authorised Representative*

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Equity Shareholders who come to attend the meeting are requested to bring their copy of the Notice and Scheme of Arrangement.

MOHIT INDUSTRIES LIMITED

CIN NO. L17119GJ1991PLC015074

Regd. office: A-601/B, International Trade Centre, Majura Gate Ring Road, Surat 395002

Phone: +91-261-2463261, 2463262, 2463263 Fax: +91-261-2463264

Email: Contact@mohitindustries.com or cs_swati@mohitindustries.com

Website: www.mohitindustries.com

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
(ORIGINAL JURISDICTION)
COMPANY APPLICATION NO. 300 OF 2015

In the matter of Sec.391 of the Companies Act, 1956;

And

In the matter of Scheme of Arrangement in the nature of demerger of AAC Block Division of Mohit Industries Limited into Bigbloc Construction Limited;

And

In the matter of;

MOHIT INDUSTRIES LIMITED

CIN No. L17119GJ1991PLC015074,
a company having its registered office
at A-601/B, International Trade Centre,
Majura Gate, Ring Road, Surat 395002, Gujarat

...Applicant
(Demerged Company)

PROXY FORM

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

I/We _____ being member(s) of above
named company, hereby appoint

1. Name: _____ Address: _____

Email Id: _____ Signatures: _____ or falling him:

2. Name: _____ Address: _____

Email Id: _____ Signatures: _____ or falling him:

3. Name: _____ Address: _____

Email Id: _____ Signatures: _____ or falling him:

as my/our proxy to act for me/us at the court convening meeting of the Equity Shareholders of the company to be held on Tuesday, 10th November, 2015 at 11:00 a.m. at the registered office of the company at A-601/B, International Trade Centre, Majura Gate, Ring Road, Surat -395002 for the purpose of considering and if thought fit, approving with or without modifications, the Scheme of Arrangement in the nature of demerger of AAC Block Division of Mohit Industries Limited into Bigbloc Construction Limited and their respective shareholders under section 391 to 394 of the companies Act, 1956 at such meeting and at any adjournment thereof, to vote, for me/ us and in my / our name
..... (Here, "if for" insert "FOR", "if against" insert "AGAINST") the said Scheme either with or without modification(s) as my/ our proxy may approve.

Signed this _____ day of November, 2015

Signature of Shareholder

Signature of Proxy holder

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. All alterations made in the form of proxy should be initialed.
3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of Court Convened Meeting of Equity Shareholders.

Affix Rs. 1
Revenue
Stamp

Book Post

To,

If undelivered, please return to:

MOHIT INDUSTRIES LIMITED

CIN No. L17119GJ1991PLC015074

Regd Office: A/ 601-B, International Trade Center, Majura Gate,
Ring Road, Surat, Gujarat- 395002 INDIA

(T): +91-0261-2463261 /62 /63, | Fax: +91-0261-2463264

Email id: contact@mohitindustries.com

Website: www.mohitindustries.com / www.nxtbloc.in