

**IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY ORIGINAL JURISDICTION
COMPANY APPLICATION (M) NO.14 OF 2010**

IN THE MATTER OF:

Sections 391 & 394 of the Companies Act, 1956

AND

IN THE MATTER OF:

VISHAL WATERWORLD PRIVATE LIMITED

**Having its Registered Office at
Plot no. 332, near Telco service station
Rangpuri, New Delhi-110037**

**TRANSFEROR COMPANY
(APPLICANT COMPANY-1)**

AND

VISHAL RETAIL LIMITED

**having its Registered Office at
Plot no. 332, near Telco service station
Behind Shokeen farm lands, Rangpuri,
New Delhi- 110037**

**TRANSFeree COMPANY
(APPLICANT COMPANY-2)**

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF VISHAL RETAIL LIMITED

To

The Equity Shareholders of the VISHAL RETAIL LIMITED

TAKE NOTICE that by an order made on the 5th day of February, 2010, the Hon'ble High Court of Delhi has directed that a meeting of the Equity Shareholders of Vishal Retail Limited, the Transferee Company above named, be held at **NCUI, SIRI FORT Institutional Area, August Kranti, New Delhi -110016 on Saturday 13th March, 2010**. Accordingly, in consultation with the chairperson, Mr. Rajeev K. Goel, Advocate as appointed by the order dated 5th February, 2010 of the Hon'ble High Court of Delhi, the meeting is to be convened at 10:30 a.m. on Saturday 13th March, 2010, for the purpose of considering, and if thought fit, approving, with or without modifications, arrangement embodied in the proposed Scheme of Arrangement for Amalgamation of Vishal Waterworld Private Limited with Vishal Retail Limited.

TAKE FURTHER NOTICE that pursuant to the said order, a meeting of Equity Shareholders of the Transferee Company will be held at **NCUI, SIRI FORT Institutional Area, August Kranti, New Delhi- 110016 on Saturday 13th March, 2010 at 10:30 a.m.** which time and place you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person, or by a proxy provided that the proxy in the prescribed form, duly signed by you, is deposited at the registered office of Vishal Retail Limited at **Plot No. 332, Near Telco Workshop, behind Shokeen Farm Lands, Rangpuri, New Delhi- 110037**, not later than 48 hours before the meeting.

The Hon'ble High Court of Delhi, New Delhi has appointed Mr. Rajeev K. Goel, Advocate, to be the Chairperson of the said meeting and failing him, Mr. Jitender Bhardwaj, Advocate, be the Alternate Chairperson of the said meeting.

A copy of the Scheme of Arrangement for Amalgamation of Vishal Waterworld Private Limited with Vishal retail Limited and Explanatory Statement under section 393 of the Companies Act, 1956 and the Form of Proxy are enclosed herewith. The Scheme of Arrangement for Amalgamation of Vishal Waterworld Private Limited with Vishal Retail Limited, if approved by the said meeting, will be subject to the subsequent approval of the Court.

Sd/-

Mr. Rajeev K. Goel, Advocate
Chairperson
Appointed for the meeting

Date: 10.02.2010
Place: Delhi

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**TRANSFeree COMPANY
(APPLICANT COMPANY-2)**

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an order dated 5th February 2010 passed by the Hon'ble High Court of Delhi at New Delhi, with respect to the Company Application (M) 14 of 2010 referred to above (the "Order"), separate meetings of equity shareholders, secured and unsecured creditors of the Transferee Company, are due to be convened. Accordingly, the meeting is to be convened on Saturday, the 13th day of March 2010 at **NCUI, SIRI FORT Institutional Area, August Kranti Marg, New Delhi -110016** for the purpose of considering, and if thought fit, approving with or without modifications, the arrangement embodied in the proposed Scheme (the "Scheme") of Amalgamation of **VISHAL WATERWORLD PVT. LIMITED** with **VISHAL RETAIL LIMITED**, which is annexed to the notice convening the said meeting of the Transferee Company (the "Notice"), as per the following details:

1.	Time of Meeting of Shareholders:	10:30 AM
2.	Time of Meeting of Secured Creditors:	12: 30 PM
3.	Time of Meeting of Unsecured Creditors:	1: 30 PM
4.	Venue of Meeting	NCUI, 3, Siri Fort Institutional Area, August Kranti Marg, New Delhi.

2. The Transferor Company was incorporated on 7th May 1999 as Vishal Waterworld Private Limited and registered with the Registrar of Companies, West Bengal.
3. Pursuant to Company Law Board order dated 27th October 2009 the Transferor Company changed its registered office from the state of West Bengal to NCT of Delhi, therefore at present Registered Office of the Transferor Company is situated at Plot No. 332, near TELCO service station, Rangpuri, New Delhi-110037.
4. The Authorized share capital of the Transferor Company as on 31.03.2009 is Rs. 8,00,00,000 (Rupees Eight Crores Only) divided into 8,00,000 (Eight Lacs) equity shares of Rs. 100/- each. The issue, paid-up & subscribed capital of the Transferor Company is Rs. 6,36,02,000 (Rupees Six Crores, Thirty-Six Lakhs and Two thousand Only) divided into 6,36,020 (Six lacs, Thirty-Six Thousand and Twenty Only) equity shares of Rs. 100/- each.
5. The Transferee Company was incorporated on 23rd July 2001 as Vishal Retail Private Limited and registered with the Registrar of Companies, West Bengal.
6. The name of the Company was changed on consequent to conversion of Vishal Retail Private Limited to Vishal Retail Limited under section 21/31 read with section 44 of the companies Act, 1956 and the fresh Certificate on conversion to Public Limited Company was issued on 20th February 2006.

7. Pursuant to Company Law Board order dated 16th November 2005 the Transferee Company changed its registered office from the state of west Bengal to NCT of Delhi. In this respect Registrar of Companies, NCT of Delhi & Haryana registered the said order and issued certificate on 21st March 2006. Therefore, at present registered office of the Transferee Company is situated at Plot No. 332, Near Telco Workshop, Behind Shokeen Farm Lands, Rangpuri, New Delhi 110037.
8. The Authorized equity share capital of the Transferee Company as on 31.03.2009 is Rs. 30,00,00,000 (Rupees Thirty Crores Only) divided into 3,00,00,000 (Three crores) equity shares of Rs. 10/- each. The issue, paid-up & subscribed capital of the Transferee Company is Rs. 22,39,88,690 (Rupees Twenty-Two Crores, Thirty-Nine Lakhs, Eighty-eight Thousand, Six Hundred and Ninty Only) divided into 2,23,98,869 (Two Crores, Twenty-Three Lakhs, Ninty-Eight Thousand, Eight Hundred and Sixty-Nine Only) equity shares of Rs. 10/- each.
9. Transferee Company is in the business of manufacturing and retailing of readymade garments (apparels); retailing of non-apparels and a large variety of FMCG products. The Transferor Company has a theme water park spread in the area of about 17 acres in Kolkata popularly known as "Aquatica" which is running successfully. Both the companies have common promoters. The Board of Directors of both the companies were of the opinion that the business of both the companies can be carried out more profitably and in an economical manner if both the companies are amalgamated and that it will be advantageous to consolidate the business and achieve rationalisation of the Management structure and economies of scale for further stable growth and expansion.
10. The management of both the Companies feels desirable to amalgamate both the entities and consolidate the resources and businesses of the companies. The proposed amalgamation, as envisaged in this Scheme, is driven by the motive of consolidation of businesses under one entity. The other benefits likely to arise through the proposed amalgamation are as follows:
 - I. Synergize operational advantages and achieve economies of scale, of operations and elimination of overheads;
 - II. Optimum and efficient utilization of capital, resources, assets and facilities;
 - III. Enhancement of competitive strengths including financial resources;
 - IV. Consolidation of businesses and enhancement of economic value addition and shareholder value; and
 - V. Better management and focus on growing the businesses.

11. The salient features and effects of the Scheme are:

- 11.1. All memberships, licenses, franchises, rights, privileges, all permits, quotas, rights, entitlements, allotments, approvals, consents, concessions available to VWPL as on the Appointed Date shall get transferred to VRL without the payment of any fee, charge or securities.
- 11.2. All the assets of the VWPL as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in VRL, with effect from the Appointed Date, and shall become the property and an integral part of VRL.
- 11.3. With effect from the Appointed Date, all movable property of VWPL, other than those specified above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons shall without any act, instrument or deed become the property of VRL.
- 11.4. With effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of VWPL, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in VRL, without any act or deed done by any of the Transferor or Transferee Companies.
- 11.5. With effect from the Appointed Date, VRL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of VRL by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble High Court(s) and the Scheme becoming effective in accordance with the terms hereof.
- 11.6. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of VWPL, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of VRL.
- 11.7. Without prejudice to the generality of the provisions contained herein, all loans rose after the Appointed Date but before the Effective Date and liabilities incurred by VWPL after the Appointed Date but before the Effective Date for their operations shall be deemed to be of VRL.
- 11.8. The transfer and vesting of the entire business and undertaking of VWPL as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of VWPL, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of VRL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of VWPL vested in VRL pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by VWPL which shall vest in VRL by virtue of the amalgamation of VWPL with VRL and VRL shall not be obliged to create any

further or additional security there for after the amalgamation has become operative.

- 11.9. With effect from the Appointed Date, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to VWPL to which VWPL are the party or to the benefit of which VWPL may be eligible, and which are subsisting or having effect immediately before the effective Date, shall be in full force and effect against or in favor of VWPL and may be enforced as fully and effectually as if, instead of VWPL, VRL had been a party or beneficiary or obligee thereto.
- 11.10. With effect from the Appointed Date, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to VWPL to which VWPL are the party or to the benefit of which VWPL may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of VWPL, VRL had been a party or beneficiary or obligee thereto.
- 11.11. With effect from the Appointed Date, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of VWPL or granted to VWPL shall stand vested in or transferred to VRL without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of VRL upon the vesting of VWPL Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of VWPL shall vest in and become available to VRL pursuant to this scheme.
- 11.12. VRL will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to VWPL to which VWPL are parties, in order to give formal effect to the above provisions. VRL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of VWPL and to carry out or perform all such formalities or compliances referred to above on part of VWPL.
- 11.13. With effect from the Appointed Date, VRL shall bear the burden and the benefits of any legal or other proceedings initiated by or against VWPL.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against VWPL pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to VWPL or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against VWPL; and from the Effective Date, shall be continued and enforced by or against VRL in the same manner and to the same extent as would or might have been continued and enforced by or against VWPL.

- 11.14. If any suit, appeal or other proceedings of whatever nature by or against VWPL be pending, the same shall not abate, be discontinued or be in any way be prejudicially affected by reason of the transfer of the VWPL businesses and Undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against VRL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against VWPL as if this Scheme had not been made.
- 11.15. On occurrence of the Effective Date, all persons that were employed by VWPL immediately before such date shall become employees of VRL with the benefit of continuity of service on same terms and conditions as were applicable to such employees of VWPL immediately prior to such transfer and without any break or interruption of service. VRL undertakes to continue to abide by agreement/settlement, if any, entered into by VWPL with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of VWPL upon occurrence of the Effective Date, VRL shall stand substituted for VWPL, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by VWPL for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, VRL will make the necessary contributions for such transferred employees of VWPL and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of VWPL in relation to such schemes or funds shall become those of VRL.
- 11.16. Loans or other obligations, if any, due between VRL and VWPL shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by VWPL and held by VRL and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- 11.17. With effect from the Appointed Date, all motor vehicles of any description whatsoever shall stand transferred to and be vested in, and the appropriate Governmental and Registration Authorities shall substitute the name of VRL in place of VWPL, as the case may be.
- 11.18. With effect from the Appointed Date, all the profits or income accruing or arising to VWPL, and all expenditure or losses arising or incurred by VWPL shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of VRL. Moreover, VRL shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/excise returns etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards

the transactions entered into by VRL and VWPL which may occur between the appointed date and the effective date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of VRL.

- 11.19. It is expressly clarified that with effect from the Appointed Date, all taxes payable by VWPL including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of VRL.
 - 11.20. VRL shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of VRL, VWPL under the relevant laws and its rights to make such revisions in the Statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
 - 11.21. From the Effective Date and till such time as the name of VRL would get entered as the account holder in respect of all the bank accounts and demat accounts of VWPL in the relevant banks' books of record, VRL shall be entitled to operate the bank accounts of VWPL.
12. Upon this Scheme coming into effect and upon transfer and vesting of the business and undertaking of VWPL in VRL, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by VRL as follows:
 - 1.21.1. VRL shall (without further application, act or deed) issue and allot to each of the shareholders of VWPL, Equity shares in proportion of **1038 (One Thousand and Thirty Eight) Equity shares of Rs.10/- (Rupees Ten) each in VRL for every 100 (Hundred) Equity shares of Rs.100/- (Rupees Hundred)** each held by them in VWPL pursuant to this proposed Amalgamation.
 13. Cross holding at the time of record date (if any), between Transferor Company and the Transferee Company shall get cancelled at the time of allotment of shares to the shareholders of VWPL by VRL and the approval of Scheme by the Court under section 391 and 394 of the Act shall also be treated as approval under section 100 of the Act for reduction of capital pursuant to such cancellations.
 14. With effect from the Effective Date, without any further acts or deeds on the part of VWPL or VRL and notwithstanding anything contained in Sections 94 to 97 of the Act and without any further act or deed, the Authorised Share capital of VWPL as appearing in their Memorandum of Association on the Effective Date shall get clubbed with the Authorised Share Capital of VRL as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of VRL shall stand altered and be substituted with effect from the Effective Date. After clubbing of authorized capital post merger, the Face Value of Equity shares shall remain same as of Transferee Company.
 15. If required, VRL shall take necessary steps to increase its Authorized Share Capital on or before the effective date so as to make it sufficient for allotment of shares to the shareholders of VWPL in consideration of amalgamation.
 16. The Scheme is conditional upon and subject to:
 - a) The Scheme being agreed to by the respective requisite majority of members and/or creditors of each of VWPL and VRL;
 - b) The Scheme being approved by the Hon'ble High Court(s);
 - c) The Scheme being approved by the Stock Exchange(s);
 - d) The certified copy/ies of the order(s) of the High Court(s) sanctioning this Scheme being filed with the Registrar of Companies;
 - e) This Scheme although to come into operation from the Appointed Day shall not become effective until which the necessary certified copy/ies of the order(s) under Sections 391 to 394 of the Act shall be duly filed with the Registrar of Companies.
 17. Corporate Professionals Capital Private Limited, Merchant Banker has provided its fairness opinion on valuation report of valuers on 25.09.2009. The same is reiterate herein below:

"we as Merchant Banker hereby certify that pursuant to Clause 24 (f) of the Listing Agreement and SEBI circular dated September 04, 2008 we have reviewed the above Valuation report and are of the opinion that the Valuation being done by the Valuers vide their report dated 15th September, 2009 for the proposed arrangement may be taken as fair and reasonable from a financial and commercial point of view, to holders of Equity Shares of both the Companies."
 18. The Scheme has been approved by the Stock Exchanges namely Bombay Stock Exchange and National Stock Exchange in terms of Clause 24(f) of the Listing Agreement. NSE and BSE granted their 'No Objection' to the scheme vide their letter no. NSE/LIST/126872-M dated 29th December, 2009 and letter no. DCS/AMAL/SKS/24(f)/926/2009-10 dated 31st December, 2009, respectively. Both the Stock Exchanges have conveyed their NO OBJECTION.
 19. None of the directors of the Transferor and Transferee Company have any material interest in the said Scheme except as shareholders in general. The list of Directors of the Transferor and Transferee Company and their individual shareholding in respective Companies is as per the table below:

VISHAL WATERWORLD PRIVATE LIMITED

Sl. No.	Name	Total Number of Shares	Percentage of total no of shares
1	Mr. Ram Chandra Agarwal	12010	1.88%
2	Mrs. Uma Agarwal	9010	1.41%

VISHAL RETAIL LIMITED

S. No.	Name	Total Number of Equity Shares	Percentage of total no of shares
1	Ram Chandra Agarwal	719161	3.21%
2	Uma Agarwal	344000	1.54%
3	Jay Prakash Shukla	NIL	NIL
4	Seema Kukreja	NIL	NIL
5	Sandeep Kumar	NIL	NIL
6	Bharat Jain	NIL	NIL
7	Rakesh Agarwal	NIL	NIL

20. The pre and post Share Capital Structure pattern of VISHAL RETAIL LIMITED are as follows:

Particulars	Transferor Company [Vishal Waterworld Pvt. Ltd.]	Transferee Company [Vishal Retail Limited]	Post Merger Transferee Company [Vishal Retail Limited]
Authorised Capital	80,000,000.00	Equity Share Capital 300,000,000.00 Preference Share Capital 58,400,000.00	Equity Share Capital 380,000,000.00 Preference Share Capital 58,400,000.00
Paid-up capital	63,602,000.00	223,988,690.00	280,407,570.00
Cross holdings to be cancelled.	-	9,600,000.00	-
Remaining Paid-up capital	63,602,000.00	214,388,690.00	280,407,570.00

21. The pre and post arrangement shareholding pattern of VISHAL RETAIL LIMITED are as follows:

Category category of Shareholder Code	Pre Merger		Post Merger	
	Number of Shares	%age of holding	Number of shares	%age of holding
Shareholding of promoter and promoter Group				
(1) Indian				
(a) Individuals/Hind Undivided Family	1,301,076	5.81%	1,519,264	5.42%
(b) Central Government /State Governments(s)	0	0	0.00	0.00
(c) Bodies Corporate	12,652,620	56.49%	18,076,320	64.46%
(d) Financial Institutions /Banks	0	0	0	0.00
(e) Any other (Director and their Relative)	0	0	0	0.00
Sub – Total (A) (1)	13,953,696	62.30%	19,595,584	69.88%
(2) Foreign				
(a)Individuals(NRIs/Foreign Individuals)	0	0	0	0.00
(b) Bodies corporate	0	0	0	0.00
(c) Institutions	0	0	0	0.00
Sub – Total (A) (2)	0	0.00	0	0.00
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	13,953,696	62.30%	19,595,584	69.88%
Public Shareholding				
(1) Institutions				
(a) Mutual funds/UTI	0	0.00	0	0.00
(b) Financial institutions/Banks	3,327	0.01%	3,327	0.01
(c) Central Government/State Government(s)	0	0.00	0	0.00
(d) Venture Capital Funds	0	0.00	0	0.00
(e) Insurance Companies	0	0.00	0	0.00
(f) Foreign Institutional Investors	200,400	0.89%	200,400	0.71
(g) Foreign Venture Capital Investors	0	0.00	0	0.00
Sub – Total (B) (1)	203,727	0.91%	203,727	0.73
(2) Non- Institutions				
(a) Bodies Corporate	4,566,582	20.39%	4,566,582	16.29%
(b) (i) Individuals holding nominal share Capital up to Rs. 1 Lakh	2,484,631	11.09%	2,484,631	8.86%
(b) (i) Individuals holding nominal share Capital >Rs. 1 Lakh	872,223	3.89%	872,223	3.11%
(c) Any other				
(c-i) Trusts	1	0.00	1	0.00
(c-ii) Non – Resident Indians	151,143	0.67%	151,143	0.54
(c-iii) Clearing Members	89,653	0.40%	89,653	0.32
(c-iv) Hindu Undivided family	77,213	0.34%	77,213	0.28
Sub – Total (B) (2)	8,241,446	36.79%	8,241,446	29.39%
Total public Shareholding (B)=(B) (1)+(B) (2)	8,445,173	37.70%	8,445,173	30.12%
Total (A) + (B)	22,398,869	100%	28,040,757	100%
Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0
Total (A) + (B) + (C)	22,398,869	100%	28,040,757	100%

- 22 No investigation or proceedings have been instituted or are pending under Section 235 to 251 of the Companies Act, 1956.
- 23 The proposed Scheme will be in the best interests of the Transferor and Transferee Company, their shareholders and creditors.
- 24 That the following proposed resolution to the separate meetings of the Equity Shareholders, Secured and Unsecured Creditors to be passed with or without modification.

“RESOLVED THAT subject to the concurrence of the Hon'ble High Court of Delhi at New Delhi, the approval of the Equity Shareholders be and is hereby accorded for scheme of Arrangement for Amalgamation of Vishal Waterworld Private Limited, the Applicant Company-1 with Vishal Retail Limited, the Applicant Company-2 as per the Scheme of Arrangement circulated to the Equity shareholders of the company with such modification (s) as may be made in the Scheme by the Hon'ble High Court of Delhi at New Delhi.”

“RESOLVED THAT subject to the concurrence of the Hon'ble High Court of Delhi at New Delhi, the approval of the Secured Creditors be and is hereby accorded for scheme of Arrangement for Amalgamation of Vishal Waterworld Private Limited, the Applicant Company-1 with Vishal Retail Limited, the Applicant Company-2 as per the Scheme of Arrangement circulated to the Secured Creditors of the company with such modification (s) as may be made in the Scheme by the Hon'ble High Court of Delhi at New Delhi.”

“RESOLVED THAT subject to the concurrence of the Hon'ble High Court of Delhi at New Delhi, the approval of the Unsecured Creditors be and is hereby accorded for scheme of Arrangement for Amalgamation of Vishal Waterworld Private Limited, the Applicant Company-1 with Vishal Retail Limited, the Applicant Company-2 as per the Scheme of Arrangement circulated to the unsecured Creditors of the company with such modification (s) as may be made in the Scheme by the Hon'ble High Court of Delhi at New Delhi.”

- 25 Inspection of the following documents may be done at the Registered Office of the Transferee Company (VISHAL RETAIL LIMITED) on any working day (except Saturday) from the date of this notice till the date of meeting during 11.00 A.M. to 3.00 P.M.
- a. Certified Copy of the Order dated 5th February, 2010 passed by the Hon'ble High Court of Delhi at New Delhi in Company Application (M) No. 14 of 2010 directing the convening of the meeting of the Shareholders, Secured Creditors and Equity Shareholders of VISHAL RETAIL LIMITED the Transferee Company/Applicant Company-2.
 - b. Copy of Reports suggesting the swap/entitlement ratios.
 - c. Copy of Certificate of Fairness Opinion on Valuation report of Valuers provided by Corporate Professionals Capital Private Limited, Merchant Banker.
 - d. Memorandum and Articles of Association of both the Companies.
 - e. Register of Members, Director & Directors' Shareholding of Transferee Company.
 - f. Published audited copies of the Annual Report of the Transferee Company for the year ended 31st March, 2009.
 - g. Copy of NO OBJECTION to the scheme vide letter no. NSE/LIST/126872-M dated 29th December, 2009 and letter no. DCS/AMAL/SKS/24(f)/926/2009-10 dated 31st December, 2009 of National Stock Exchange and Bombay Stock Exchange, respectively.
- 26 Members are requested to read the entire text of the Scheme of Arrangement for Amalgamation of Vishal Waterworld private Limited with Vishal Retail Limited to get better acquaintance with the provisions thereof.

For Vishal Retail Limited

Sd/-

Chairman & Managing Director

Dated this 10th day of February, 2010
Place: New Delhi.

**SCHEME OF ARRANGEMENT
UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956
BETWEEN
VISHAL RETAIL LIMITED
AND
VISHAL WATERWORLD PRIVATE LIMITED
AND
THEIR CREDITORS AND SHAREHOLDERS**

[For Amalgamation of **VISHAL WATERWORLD PRIVATE LIMITED** with **VISHAL RETAIL LIMITED** under Section 391 read with Section 394 of the Companies Act, 1956]

PREAMBLE

- A. VISHAL RETAIL LIMITED** (herein after referred to as '**VRL**'), is a company incorporated under the Companies Act, 1956 and having its registered office Plot No. 332, Near Telco Workshop, Behind Shokeen Farm Lands, Rangpuri, New Delhi- 110037. The company is a leading player in the Indian retail industry and is a pioneer in discount retailing. The Company has a strong presence in manufacturing and retailing of readymade garments (apparels); retailing of non-apparels and a large variety of FMCG products. The equity shares of the company are listed at Bombay Stock Exchange and National Stock Exchange.
- B. VISHAL WATERWORLD PRIVATE LIMITED, (herein after referred to as 'VWPL'),** is a company incorporated under the Companies Act, 1956, and having its registered office registered office at Kochpukur Bamanghata Gram Panchayat, P.S. Bhangore. Kolkata -700032. The company is engaged in the Entertainment Business by running an amusement centre. The registered office of the Company is proposed to be shifted to Delhi from Kolkata and order in this respect has already been passed by the Hon'ble CLB, Kolkata Bench on 27th October, 2009.
- C.** The management of both the Companies feels desirable to amalgamate both the entities and consolidate the resources and businesses of the companies. The proposed amalgamation, as envisaged in this Scheme, is driven by the motive of consolidation of businesses under one entity. The other benefits likely to arise through the proposed amalgamation are as follows:
 VI. Optimum and efficient utilization of capital, resources, assets and facilities;
 VII. Enhancement of competitive strengths including financial resources;
 VIII. Consolidation of businesses and enhancement of economic value addition and shareholder value; and
 IX Better management and focus on growing the businesses.
- D.** It is therefore considered desirable and expedient to amalgamate the said company and in consideration thereof issue equity shares of VRL to the shareholders of VWPL in accordance with this Scheme, pursuant to Section 394 and other relevant provisions of the Companies Act, 1956.

**PART-I
GENERAL PROVISIONS**

1. Definitions:

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.1. **Act:** means the Companies Act, 1956, and will include any statutory modifications, re-enactments or amendments thereof.
- 1.2. **Appointed Date:** means the 1st April, 2009 being the date with effect from which the Scheme shall be applicable or such other date as may be approved by the Hon'ble High Court(s).
- 1.3. **Effective Date:** means the date on which certified copy of the order of the Hon'ble High Court(s) under Sections 391 and 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies at Delhi after obtaining the sanctions, orders or approvals referred to in Clause 2 of PART-IV of this Scheme.
- 1.4. **Scheme:** means this Scheme of Arrangement and Amalgamation in its present form and with any modifications approved by the Hon'ble High Court(s).

2. Capital Structure:

The Capital Structure of VRL, VWPL as on the Appointed Date and immediately before implementation of the Scheme are as under:

2.1. VISHAL RETAIL LIMITED

Particulars	Amount (in Rs.)
Authorized Share Capital	
3,00,00,000 Equity Share of Rs. 10/-each	300,000,000.00
4,00,000 Preference Shares of Rs. 146/- each	58,400,000.00
Issued, Subscribed and Paid-Up Share Capital	
2,23,98,869 Equity Share of Rs. 10/-each	223,988,690.00

There is no change in the Capital structure of the company since the Appointed Date. However, after the appointed date the company vide its Board Meeting dated 30th October, 2009 has allotted 39, 10,000 warrants to Mr. Ram Chandra Agarwal, CMD of the Company.

2.2. VISHAL WATERWORLD PRIVATE LIMITED

Particulars	Amount (in Rs.)
Authorized Share Capital 8,00,000 Equity Shares of Rs.100/- each	8,00,00,000.00
Issued, Subscribed and Paid-Up Share Capital 6,36,020 Equity Shares of Rs.100/- each	6,36,02,000.00

There is no change in the Capital structure of the company since the Appointed Date.

PART-II TRANSFER & VESTING OF UNDERTAKING

1. This Part-II of the Scheme shall become effective on occurrence of the Effective Date but shall be deemed to be operative from the Appointed Date.
2. Subject to the provisions of the Scheme in relation to the modalities of transfer and vesting, on occurrence of the Effective Date, the whole of the business, personnel, property and assets of VWPL shall stand transferred to and be vested in VRL without any further act or deed, and by virtue of the Orders passed by the Hon'ble High Court(s).
3. With effect from the Appointed Date, the entire business and undertaking of VWPL shall stand transferred to and be vested in VRL without any further deed or act, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:
 - 3.1. All memberships, licenses, franchises, rights, privileges, all permits, quotas, rights, entitlements, allotments, approvals, consents, concessions available to VWPL as on the Appointed Date shall get transferred to VRL without the payment of any fee, charge or securities.
 - 3.2. All the assets of the VWPL as are movable in nature or incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in VRL, with effect from the Appointed Date, and shall become the property and an integral part of VRL.
 - 3.3. With effect from the Appointed Date, all movable property of VWPL, other than those specified in sub-clause 3.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons shall without any act, instrument or deed become the property of VRL.
 - 3.4. With effect from the Appointed Date, all immovable property (including land, buildings and any other immovable property) of VWPL, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in VRL, without any act or deed done by any of the Transferor or Transferee Companies.
 - 3.5. With effect from the Appointed Date, VRL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of VRL by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble High Court(s) and the Scheme becoming effective in accordance with the terms hereof.
 - 3.6. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of VWPL, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of VRL.
 - 3.7. Without prejudice to the generality of the provisions contained herein, all loans rose after the Appointed Date but before the Effective Date and liabilities incurred by VWPL after the Appointed Date but before the Effective Date for their operations shall be deemed to be of VRL.
 - 3.8. The transfer and vesting of the entire business and undertaking of VWPL as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of VWPL, as the case may be. Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of VRL shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of VWPL vested in VRL pursuant to the Scheme.
 Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by VWPL which shall vest in VRL by virtue of the amalgamation of VWPL with VRL and VRL shall not be obliged to create any further or additional security there for after the amalgamation has become operative.
 - 3.9. With effect from the Appointed Date, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to VWPL to which VWPL are the party or to the benefit of which VWPL may be eligible, and which are subsisting or having effect immediately before the effective Date, shall be in full force and effect

against or in favor of VWPL and may be enforced as fully and effectually as if, instead of VWPL, VRL had been a party or beneficiary or obligee thereto.

- 3.10. With effect from the Appointed Date, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to VWPL to which VWPL are the party or to the benefit of which VWPL may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of VWPL, VRL had been a party or beneficiary or obligee thereto.
- 3.11. With effect from the Appointed Date, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of VWPL or granted to VWPL shall stand vested in or transferred to VRL without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of VRL upon the vesting of VWPL Businesses and Undertakings pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of VWPL shall vest in and become available to VRL pursuant to this scheme.
- 3.12. VRL will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to VWPL to which VWPL are parties, in order to give formal effect to the above provisions. VRL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of VWPL and to carry out or perform all such formalities or compliances referred to above on part of VWPL.
- 3.13. With effect from the Appointed Date, VRL shall bear the burden and the benefits of any legal or other proceedings initiated by or against VWPL. Provided however, all legal, administrative and other proceedings of whatsoever nature by or against VWPL pending in any court or before any authority, judicial, quasi judicial or administrative, any adjudicating authority and/or arising after the Appointed Date and relating to VWPL or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against VWPL; and from the Effective Date, shall be continued and enforced by or against VRL in the same manner and to the same extent as would or might have been continued and enforced by or against VWPL.
- 3.14. If any suit, appeal or other proceedings of whatever nature by or against VWPL be pending, the same shall not abate, be discontinued or be in any way be prejudicially affected by reason of the transfer of the VWPL Businesses and Undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against VRL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against VWPL as if this Scheme had not been made.
- 3.15. On occurrence of the Effective Date, all persons that were employed by VWPL immediately before such date shall become employees of VRL with the benefit of continuity of service on same terms and conditions as were applicable to such employees of VWPL immediately prior to such transfer and without any break or interruption of service. VRL undertakes to continue to abide by agreement/settlement, if any, entered into by VWPL with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of VWPL upon occurrence of the Effective Date, VRL shall stand substituted for VWPL, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by VWPL for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, VRL will make the necessary contributions for such transferred employees of VWPL and deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of VWPL in relation to such schemes or funds shall become those of VRL.
- 3.16. Loans or other obligations, if any, due between VRL and VWPL shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by VWPL and held by VRL and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- 3.17. With effect from the Appointed Date, all motor vehicles of any description whatsoever shall stand transferred to and be vested in, and the appropriate Governmental and Registration Authorities shall substitute the name of VRL in place of VWPL, as the case may be.
- 3.18. With effect from the Appointed Date, all the profits or income accruing or arising to VWPL, and all expenditure or losses arising or incurred by VWPL shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of VRL. Moreover, VRL shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/service tax/excise returns etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by VRL and VWPL which may occur between the appointed date and the effective date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of VRL.
- 3.19. It is expressly clarified that with effect from the Appointed Date, all taxes payable by VWPL including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of VRL.
- 3.20. VRL shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of VRL, VWPL under the relevant laws and its rights to make such revisions in the Statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.
- 3.21. From the Effective Date and till such time as the name of VRL would get entered as the account holder in respect of all the bank accounts and demat accounts of VWPL in the relevant banks' books of record, VRL shall be entitled to operate the bank accounts of VWPL.

4. Conduct of Business

- 4.1. With effect from the Appointed Date and until occurrence of the Effective Date:
 - 4.1.1. VWPL shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for VRL; and all the profits accruing to VWPL and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of VRL;
 - 4.1.2. VWPL shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and VWPL shall not alter or substantially expand their businesses except with the concurrence of VRL;
 - 4.1.3. VWPL shall not, without the written concurrence of VRL, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of VRL, as the case may be.
 - 4.1.4. VWPL shall not vary or alter, except in the ordinary course of their business or pursuant to any preexisting obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of VRL the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of VRL.
 - 4.1.5. With effect from the Appointed Date, all debts, liabilities, duties and obligations of VWPL as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of VRL.
- 4.2. With effect from the Effective Date, VRL shall commence and carry on and shall be authorized to carry on the businesses carried on by VWPL.
- 4.3. For the purpose of giving effect to the vesting order passed under Sections 391 and 394 of the Act in respect of this Scheme by the Hon'ble High Court(s), VRL shall, at any time pursuant to the orders on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the vesting of the VWPL Businesses and undertakings in accordance with the provisions of Sections 391 and 394 of the Act. VRL shall be authorized to execute any pleadings; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

PART-III REORGANIZATION OF CAPITAL

1. Further Issue of Shares in VRL

1.1. Issue of Shares in the Share Capital of VRL;

Upon this Scheme coming into effect and upon transfer and vesting of the business and undertaking of VWPL in VRL, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by VRL as follows:

- 1.1.1. VRL shall (without further application, act or deed) issue and allot to each of the shareholders of VWPL, Equity shares in proportion of **1038 (One Thousand and Thirty Eight) Equity shares of Rs.10/- (Rupees Ten) each in VRL for every 100 (Hundred) Equity shares of Rs.100/- (Rupees Hundred)** each held by them in VWPL pursuant to this proposed Amalgamation.
- 1.1.2. For arriving at the share exchange ratio, the Companies have considered the Valuation Report submitted by an independent professional firm, M/s Rakesh Raj & Associates, Chartered Accountants. Joint Fairness Opinion of Merchant Bankers, M/s Corporate Professionals Capital
- 1.1.3. Cross holding at the time of record date (if any), between Transferor Company and the Transferee Company shall get cancelled at the time of allotment of shares to the shareholders of VWPL by VRL and the approval of Scheme by the Court under section 391 and 394 of the Act shall also be treated as approval under section 100 of the Act for reduction of capital pursuant to such cancellations
- 1.1.4. Any fractional entitlement for shares in VRL arising as per the Scheme shall be consolidated into nearest possible whole shares and the proceeds thereof shall be transferred to the Prime Minister Relief Fund or such similar benevolent fund as the Board of VRL deems fit. The Board of Directors of VRL shall be entitled to take all necessary steps in this regard.
- 1.1.5. The said Equity shares in the capital of VRL be issued to the shareholders of VWPL shall rank pari passu in all respects, with the existing Equity shares in VRL from the Appointed Date. Such shares in VRL, to be issued to the shareholders of VWPL will, for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.

VRL being a listed Company, the issue of equity shares of VRL to the shareholders of VWPL in consideration of the merger of VWPL into VRL shall be in compliance with the provisions of the Listing Agreement of the Stock

Exchanges, especially the provisions of Clause 24 and 40A and hence the allotment shall be made in such a manner that the post allotment promoters holding in VRL does not cross 75% of the expanded paid-up capital of VRL.

- 1.1.6. Upon the Scheme becoming effective and subject to the above provisions, the shareholders of VWPL as on the record date shall receive new share certificates. Upon the issue and allotment of new shares in the capital of VRL to the shareholders of VWPL, the share certificates in relation to the shares held by them in VWPL shall be deemed to have been cancelled. All certificates for the new shares in the capital of VRL shall be sent by VRL to the said shareholders of VWPL at their respective registered addresses as appearing in the said registers (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such Registers in respect of such joint holding) and VRL shall not be responsible for any loss in transmission.
- 1.1.7. With effect from the Effective Date, without any further acts or deeds on the part of VWPL or VRL and notwithstanding anything contained in Sections 94 to 97 of the Act and without any further act or deed, the Authorised Share capital of VWPL as appearing in their Memorandum of Association on the Effective Date shall get clubbed with the Authorised Share Capital of VRL as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of VRL shall stand altered and be substituted with effect from the Effective Date. After clubbing of authorized capital post merger, the Face Value of Equity shares shall remain same as of Transferee Company.
- 1.1.8. On approval of the Scheme by the members of VRL pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded their consent under relevant Articles of the Articles of Association of the Company and Section 94, 97 and other provisions of the Act as may be applicable for giving effect to the provisions contained in the Scheme.
- 1.2. If required, VRL shall take necessary steps to increase its Authorized Share Capital on or before the effective date so as to make it sufficient for allotment of shares to the shareholders of VWPL in consideration of amalgamation.
- 1.3. **Accounting for Amalgamation**
The Exchange Ratio stated in clause 1.1.1 above, has been accepted by the Board of Directors of VWPL and VRL.
- 1.4. Subject to clauses 1.5 & 1.6 below, the amalgamation would be accounted for by applying the Pooling of Interest Method of accounting as contained in the "Accounting Standard 14: Accounting for Amalgamations" as prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Ministry of Corporate Affairs, as may be amended from time to time.
- 1.5. VRL shall record Assets and Liabilities of VWPL at either their existing carrying amounts.
- 1.6. The difference between purchase consideration payable and the value of net assets acquired shall be adjusted in the consolidated Reserves of the Transferee Company. Also, the difference, if any arising from the cancellation of cross-holdings (if any) shall be adjusted in the consolidated reserves of the Transferee Company.

2. Saving of Concluded Transactions

The transfer of properties and liabilities and the continuance of proceedings by or against VWPL as envisaged in above shall not affect any transaction or proceedings already concluded by VRL on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that VWPL accept and adopts all acts, deeds and things done and executed by VRL in respect thereto as done and executed by VRL in respect thereto as done and executed on behalf of itself.

3. Dissolution of VWPL

On occurrence of the Effective Date, VWPL shall, without any further act or deed, stand dissolved without winding up.

PART - IV OTHER PROVISIONS

1. Application/Petition to High Court(s):

- 1.1. VWPL and VRL shall, with all reasonable dispatch, make application/petition to the Hon'ble High Court(s), respectively, under Section 391 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning the Scheme with such modifications as may be approved by the Hon'ble High Court(s).
- 1.2. On the Scheme being agreed to by the requisite majorities of all the classes of the members and/or creditors of VWPL and VRL shall, with all reasonable dispatch, apply to the Hon'ble High Court(s), for sanctioning the Scheme under Sections 391, 394 and other applicable provisions of the Act, and for such other orders, as the said High Court(s) may deem fit for carrying this Scheme into effect and for dissolution of VWPL without winding-up.

2. Conditionality of Scheme:

The Scheme is conditional upon and subject to:

- 2.1. The Scheme being agreed to by the respective requisite majority of members and/or creditors of each of VWPL and VRL;
- 2.2. The Scheme being approved by the Hon'ble High Court(s);
- 2.3. The Scheme being approved by the Stock Exchange(s);

- 2.4. The certified copy/ies of the order(s) of the High Court(s) sanctioning this Scheme being filed with the Registrar of Companies;
- 2.5. This Scheme although to come into operation from the Appointed Day shall not become effective until which the necessary certified copy/ies of the order(s) under Sections 391 to 394 of the Act shall be duly filed with the Registrar of Companies.

3. Modification or Amendment

- 3.1. VRL (acting through its Board of Directors) and VWPL (acting through its respective Board of Directors) may assent to any modifications or amendments to this Scheme which the High Court(s) and/or other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for any question or doubt or difficulty that may arise for implementing and/or carrying out the scheme or which is generally in the benefit or interest of the shareholders and/or creditors. VRL (acting through its Board of Directors) and VWPL (each acting through its respective Board of Directors) and after the dissolution of VWPL; VRL (by its Board of directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions whether by reason of any order(s) of the High Court(s) or of any directive or order(s) of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 3.2. VWPL and VRL shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Hon'ble High Court(s) or any other authority is not on terms acceptable to them.

4. General Terms and Conditions

All costs, charges, fees, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by VRL. All such costs, charges, fees, taxes, stamp duty including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of VRL.

**IN THE HIGH COURT OF DELHI AT NEW DELHI
COMPANY ORIGINAL JURISDICTION
COMPANY APPLICATION (M) NO.14 OF 2010**

IN THE MATTER OF:

Sections 391 & 394 of the Companies Act, 1956

AND

IN THE MATTER OF:

VISHAL WATERWORLD PRIVATE LIMITED

**Having its Registered Office at
Plot no. 332, near Telco service station
Rangpuri, New Delhi-110037**

**TRANSFEROR COMPANY
(APPLICANT COMPANY-1)**

AND

VISHAL RETAIL LIMITED

**having its Registered Office at
Plot no. 332, near Telco service station
Behind Shokeen farm lands, Rangpuri,
New Delhi- 110037**

**TRANSFeree COMPANY
(APPLICANT COMPANY-2)**

FORM OF PROXY

I, the undersigned [as equity shareholder], of the Vishal Retail Limited hereby appoint Mr. _____

and Mr. _____ of _____, and failing him Mr. _____

and Mr. _____ of _____ as my proxy, to act for me at the meeting or [equity shareholder] to be held at **NCUI, SIRI FORT Institutional Area, August Kranti Marg, New Delhi-110016 at 10:30 a.m. on Saturday, 13th March 2010**, for the purpose of considering and, if thought fit, approving, with or without modification, scheme of arrangement for amalgamation of Vishal Waterworld Private Limited with Vishal Retail Limited and at such meeting and any adjournment thereof, to vote, for me/us and in my/our name _____ the said Scheme either with or without modification as my/our proxy may approve.

Dated this _____ day of _____ 2010

Name :

Address :

Signature

Affix
revenue
Stamp
And
Sign

If you want to vote in favour of the Scheme put "FOR" and in case you intend to vote against the Scheme put "AGAINST" and in the latter case, strike out all the words after the words "the said Scheme"

Notes:

1. Please affix revenue stamp for the appropriate value and sign across the stamp.
2. The Proxy must be deposited at the registered office of the Company not later than 48 hours before the time fixed for convening the meeting.
3. All alterations made in the Proxy Form must be initialed.