

GFL Limited

((Earlier known as Gujarat Fluorochemicals Limited)
ABS Towers, 2nd Floor, Old Padra Road, Vadodara 390 007
Telephone: +91 (265) 6198111 Fax : +91 (265) 2310 312

16

250

To,

Manager - Listing Compliance
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai -
400 051

Dear Sir,

Sub: Extract of Rationale of Scheme

Ref.: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Composite Scheme of Arrangement ('Scheme') between Inox Renewables Limited and GFL Limited ('the Company') and Inox Wind Energy Limited and their respective shareholders.

With reference to the captioned matter, please find hereunder the rationale and benefits for the Scheme:

- i. Each of the varied businesses being carried on by GFL, the First Transferee Company /Demerged Company either by itself or through its subsidiaries including renewable energy business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for renewable energy business is separate and distinct from other businesses being carried out by GFL, the First Transferee Company /Demerged Company. The renewable energy business and the other businesses of GFL, the First Transferee Company /Demerged Company are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.
- ii. There are also differences in the manner in which the renewable energy business and other businesses of GFL, the First Transferee Company /Demerged Company are required to be handled and managed. In order to lend greater/enhanced focus to the operation of each of the said businesses, it is proposed to re-organize and segregate the renewable energy business by way of an arrangement.
- iii. The proposed arrangement would enable consolidation of same line of businesses into new wind company which will result in unlocking of value and creation of additional liquidity for the shareholders of GFL, the Demerged Company, which is currently embedded in the value of renewable energy business.



GFL Limited

((Earlier known as Gujarat Fluorochemicals Limited)
ABS Towers, 2nd Floor, Old Padra Road, Vadodara 390 007
Telephone: +91 (265) 6198111 Fax : +91 (265) 2310 312

251

- iv. The proposed arrangement would enable pooling of homogenous assets and expertise across the group resulting in a business/asset/vertical specific corporate structure for better synergy realization, administrative efficiencies, independent collaboration and expansion.
- v. The proposed arrangement would provide better management focus and specialization for sustained growth.
- vi. The proposed arrangement would provide opportunity for investors to invest only in the combined renewable energy business.
- vii. The proposed arrangement would enhance shareholder value by creating leaner and focused organizations.

For GFL Limited

Bu

Bhavin Desai
Authorized Signatory

Place: Vadodara

Date: 18th March 2020

Bu

