

# SANATHNAGAR ENTERPRISES LIMITED

January 25, 2022

The Listing Dept.,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001  
Scrip code: **509423**

Dear Sir/Madam,

**Sub: Intimation under Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**

With reference to above, we would like to inform that the Board of Directors of the Company at the meeting held today has approved the following:

The Board of Directors of the Company based on the recommendations of the Audit Committee and the Committee of Independent Directors has considered and approved the Scheme of Merger by Absorption of Roselabs Finance Limited ("RFL"), National Standard (India) Limited ("NSIL") and Sanathnagar Enterprises Limited ("SEL" or "the Company") (RFL, NSIL and SEL together "Transferor Companies") with Macrotech Developers Limited ("Transferee Company" or "MDL") and their respective shareholders ("the Scheme").

It is to note that the Company is a listed subsidiary of MDL

**Valuation Report and Fairness Report:**

- 1) Valuation report dated January 25, 2022 issued by Drushti R. Desai, Registered Valuer (Bansi Mehta & Co.) recommending Share Exchange Ratio;
- 2) Fairness opinion dated January 25, 2022 issued by Fedex Securities Private Limited, SEBI registered Merchant Banker to the Company, providing its fairness opinion on the Share Exchange Ratio recommended in the valuation report in relation to amalgamation of the Company into MDL.

The Share exchange ratio as recommended by the Registered Valuer and approved by the Board is as follows:

*8 fully paid up equity shares of Rs.10/- each of MDL for every 1,000 fully paid up equity shares of Rs.10/- each held in the Company*

The shareholding of MDL in the Company shall be cancelled.

The Scheme is subject to receipt of approvals of shareholders of the companies involved and approval of other regulatory authorities as may be required, including those of BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal ("NCLT").

The details as per Regulation 30 of the Listing Regulations read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 is annexed herewith as **ANNEXURE**.

You are requested to inform your members accordingly.

Thanking You,  
Yours faithfully,  
For **Sanathnagar Enterprises Limited**

  
**Hitesh Marthak**  
**Company Secretary & Compliance Officer**  
**Membership No. A18203**  
Encl.: a/a



# SANATHNAGAR ENTERPRISES LIMITED

## ANNEXURE

Sr. No.	Details of Events that need to be provided	Information of such events(s)
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc. for the period ended and as at December 31, 2021	<p><b>The details of Transferor Companies</b></p> <p><b><u>Roselabs Finance Limited</u></b> Paid-up capital: Rs. 10 Crore Net-worth: (-)ve Rs. 6.21 crore Revenue from Operations: Nil</p> <p><b><u>National Standard (India) Limited</u></b> Paid-up capital: Rs. 20 Crore Net-worth: Rs. 225.88 Crore Revenue from Operations: Rs.7.26 Crore</p> <p><b><u>Sanathnagar Enterprises Limited ("the Company")</u></b> Paid-up capital: Rs. 3.15 Crore Net-worth: (-)ve Rs. 11.54 Crore Revenue from Operations: Nil</p> <p><b>The details of Transferee Company</b></p> <p><b><u>Macrotech Developers Limited ("MDL")</u></b> Paid-up capital: Rs. 481.50 crore Net-worth (Standalone): Rs. 1,1240.66 crore Revenue from Operations (Standalone): Rs.5,048.78 crore</p>
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";	In terms of General Circular No. 30/2014, dated 17/07/2014 issued by the Ministry of Corporate Affairs, transactions arising out of Compromise, Arrangements and Amalgamations will not fall within the purview of related party transaction in terms of Section 188 of the Companies Act, 2013. Further, the Scheme is approved by the Audit Committee of the respective Transferor Companies pursuant to Regulation 23(2) of the Listing Regulations and is being carried out at arm's length basis as per the share exchange ratios recommended in valuation report given by Drushti R. Desai, Registered Valuer (Bansi Mehta & Co.).
c)	Area of business of the entity(ies);	<p>Macrotech Developers Limited, National Standard (India) Limited and Sanathnagar Enterprises Limited are engaged in the business of real estate development and allied activities.</p> <p>The main object of Roselabs Finance Limited is development of residential/commercial premises and related activities. Currently, there are no business activity.</p>
d)	Rationale for amalgamation/merger;	<ul style="list-style-type: none"> <li>• Streamlining, rationalization and simplification of the group holding structure by way of reduction in the number of entities, resulting in ease of management for the Transferee Company</li> <li>• Reduction in overheads including administrative, managerial and other expenditure, and optimal utilization of resources by elimination of duplication of activities and related costs.</li> <li>• Reduction in the multiplicity of legal and regulatory compliances at present carried out separately by the Transferor Companies and the Transferee Company and promote organisational efficiencies with the achievement of greater economies of scale</li> </ul>

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		<ul style="list-style-type: none"> <li>Free up management bandwidth especially of senior management towards more productive and value generating activities</li> <li>As the Transferor Companies neither have any ongoing projects nor is any further business opportunity envisaged, the proposed scheme of merger with the Transferee company would be in the best interest of the Transferor Companies and their shareholders</li> <li>Public shareholders of the Transferor Companies will receive shares in the Transferee Company which is one of the biggest real estate developer in India</li> </ul>																								
e)	In case of cash consideration – amount or otherwise share exchange ratio;	<p>Upon the Scheme becoming effective, equity shares of the MDL shall be allotted to the shareholders of the Company as follows:</p> <p style="text-align: center;"><i>8 fully paid up equity shares of Rs.10/- each of MDL for every 1,000 fully paid up equity shares of Rs.10/- each held in the Company</i></p> <p>The shareholding of MDL in the Company shall be cancelled.</p>																								
f)	Brief details of change in shareholding pattern (if any) of listed entity.	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Scheme</th> <th colspan="2">Post-Scheme</th> </tr> <tr> <th>No. of Eq. Shares</th> <th>%</th> <th>No. of Eq. Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td>23,62,071</td> <td>74.99</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Public</td> <td>7,87,929</td> <td>25.01</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td><b>Total</b></td> <td><b>31,50,000</b></td> <td><b>100.00</b></td> <td><b>Nil</b></td> <td><b>Nil</b></td> </tr> </tbody> </table>	Category	Pre-Scheme		Post-Scheme		No. of Eq. Shares	%	No. of Eq. Shares	%	Promoter and Promoter Group	23,62,071	74.99	Nil	Nil	Public	7,87,929	25.01	Nil	Nil	<b>Total</b>	<b>31,50,000</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>
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