

Anant Raj Limited

(Formerly Anant Raj Industries Limited)

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ARL/CS/12876

August 29, 2018

<p>The Manager Listing Department The Bombay Stock Exchange Limited, Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai – 400001</p> <p>Scrip code: ANANTRAJ 515055</p>	<p>The Secretary, The National Stock Exchange of India Limited, “Exchange Plaza”, 5th Floor, Plot No. C/1, G-Block, Bandra – Kurla Complex, Bandra (E), Mumbai-400051</p> <p>Scrip code: NSE ANANTRAJ EQ</p>
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Dear Sir,

Subject: Outcome of the Board Meeting held today on August 29, 2018

Disclosure under Regulation 30(2) of SEBI (LODR) Regulations, 2015 read with sub-para 1.2 and 1.3 of Para A1 of Annexure I of Circular bearing number CIR/CFD/CMD/4/2015 dated 9th September, 2015 issued by SEBI.

In continuation to the decision taken by the board in their meeting held on June 01, 2018, the board in their meeting held today, has, *inter alia*, considered and approved the composite scheme of arrangement for amalgamation and demerger (“Scheme”) which provides for the following:

- Amalgamation of Anant Raj Agencies Private Limited (“ARAPL” or the “Amalgamating Company”) with and into Anant Raj Limited (“the Company”).
- Demerger of Project Division of the Company and the vesting thereof in Anant Raj Global Limited (“ARGL” or the “Resulting Company”) and subsequent listing of the shares of ARGL at BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (collectively, the “Stock Exchanges”).

- This Scheme is prepared in terms of the provisions of Sections 230–232 of the Companies Act, 2013 read with Sections 52 and 66 of the Companies Act, 2013 and the relevant provisions of the rules thereof.

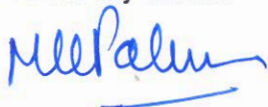
The above Scheme shall be subject to the approval of the shareholders and creditors (secured and unsecured) of the respective companies, the Chandigarh bench of the National Company Law Tribunal (“NCLT”) and any other regulators as may be applicable. The listing/ admittance to trading on the Stock Exchanges of the equity shares of ARGL is subject to approval/ exemption from SEBI in term of Rule 19(7) of the Securities Contract (Regulations) Rules, 1957 read with the applicable provisions under the Circular bearing No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 issued by SEBI, as amended from time to time.

The detailed disclosure as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed as **Annexure** to this outcome.

Request you to take the same on your records.

Thanking You,

For Anant Raj Limited



Manoj Pahwa
Company Secretary cum Compliance Officer
Investors E-mail id: manojpahwa@anantrajlimited.com

a) Name of the entities forming part of the Scheme, details in brief such as size, turnover etc.:

The brief details of entities forming part of Scheme as on March 31, 2018 are as follow:

Name of the Companies	Turnover (in Crores)	Net Worth (in Crore)
Anant Raj Limited	Rs. 455.97	Rs. 4,144.50
Anant Raj Agencies Private Limited	Rs. 5.04	Rs. 621.85
Anant Raj Global Limited	Nil	Rs. 0.04

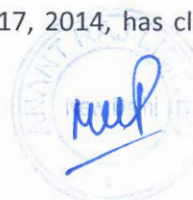
b) Areas of the Business of the Entities:

Name of the Companies	Area of Business
Anant Raj Limited	The Company is engaged in the business of Construction and Development of Residential projects, Township projects, Commercial projects, SEZ, IT Park, Malls, etc.
Anant Raj Agencies Private Limited	ARAPL is engaged in the business of providing construction and engineering services.
Anant Raj Global Limited	ARGL is incorporated with the object to carry on the business of Construction and Development of Residential projects, Township projects, Commercial projects, SEZ, IT Park, Malls, etc.

c) Whether the transaction would fall within related party transaction? If yes, whether the same done as "arm's length"

Yes, the companies involved in the Scheme are controlled by the same promoter group. However, the transaction is based on independent fair valuation of shares of each of the companies and subject to approval of shareholders / creditors of the respective companies and Hon'ble NCLT.

Also, MCA vide its Circular No. 30/ 2014 dated July 17, 2014, has clarified the transaction



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arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956/ Companies Act, 2013, would not attract the requirement of Sections 188 of the Companies Act, 2013.

d) The Scheme provides for:

1. Amalgamation of ARAPL with the Company:

I. The Scheme provides for specific provisions governing amalgamation of ARAPL with and into the Company under the provisions of Sections 230-232 of the Companies Act, 2013.

II. **Share Exchange Ratio for Amalgamation**

Upon the effectiveness of the Scheme, all equity shares of the Company held by ARAPL shall stand cancelled and be of no effect, on and from the Effective Date. Simultaneous to such cancellation, the Company shall issue and allot equal number of shares in the Company as cancelled, to the equity shareholders of ARAPL (whose names are registered in the register of members of ARAPL on the Record Date) in proportion of their shareholding in ARAPL.

III. **Brief details of change in shareholding pattern (if any) of both the entities;**

• **Pre and Post Amalgamation shareholding pattern of ARAPL:**

Upon the Scheme becoming effective, ARAPL shall be dissolved without winding up pursuant to the provisions of Section 232 of the Companies Act, 2013.

• **The Pre and Post Amalgamation shareholding pattern of the Company:**

Particulars	Pre-Arrangement (% Holding)	Post-Arrangement (% Holding)
Promoters	63.47	63.47
Non-Promoters	36.53	36.53
Total	100.00	100.00

2. Demerger of Project Division of the Company into ARGL.

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- I. The Scheme further provides for specific provisions governing demerger of Project Division of the Company into ARGL.

II. **Brief Details and turnover of the Project Division as of 31st March, 2018**

Name of the Division	Turnover (In Crores)	Turnover of Division as percentage of Total Turnover of Listed entity	Brief Details
Project Division	Rs. 162.77	35.70%	This division of the company, over a period of time, has executed or in the processes of executing several Projects related to construction of IT Parks, Residential Projects, Township Projects, SEZ, Malls and Commercial Projects.
Remaining Business	Rs. 293.19	64.30%	The remaining business means all the remaining businesses and/or divisions/undertakings of the Company, other than the Project Division.

III. **Share Entitlement Ratio for Demerger**

Upon the effectiveness of the Scheme, the investments in the equity share capital of ARGL as appearing in the books of accounts of the Company shall stand cancelled. Simultaneous to such cancellation, ARGL shall issue and allot to the

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equity shareholders of the Company (whose names are registered in the register of members of the Company on the Record Date, , equity shares of face value Rs. 2/- (Rupees Two) each credited as fully paid up of ARGL in the ratio of 1 equity share of the face value of Rs. 2/- (Rupees Two) each of ARGL for every 1 equity share of face value Rs. 2/- (Rupees Two) credited as fully paid-up.

IV. Whether listing would be sought for the Resulting Entity:

Yes, the Scheme proposes that subject to the compliance of applicable provisions of the Securities Contract (Regulations) Rules, 1957, the Circulars issued by SEBI and the Stock Exchanges and also subject to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the shares of ARGL would be listed on the Stock Exchanges.

V. Brief details of change in shareholding pattern (if any) of both the entities;

Pre and Post Demerger Shareholding Pattern of the Company:

Particulars	Pre-Arrangement (% Holding)	Post-Arrangement (% Holding)
Promoters	63.47	63.47
Non-Promoters	36.53	36.53
Total	100.00	100.00

Pre and Post Demerger Shareholding Pattern of ARGL:

Particulars	Pre-arrangement (% Holding)	Post-arrangement (% Holding)
Promoters	100.00	63.47
Non-Promoters	0	36.53
Total	100.00	100.00

e) Rationale and Benefits from the Amalgamation and Demerger are as under:

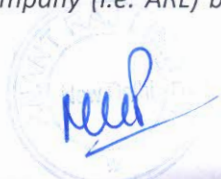
"The management of the Companies is of the view that (a) amalgamation of ARAPL into ARL pursuant to Chapter 2 of this Scheme, and (b) demerger of Project Division of ARL into ARGL pursuant to Chapter 3 of this Scheme, inter alia, would lead to following benefits:

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1. *The amalgamation of ARAPL into ARL shall result in:*
 - (a) *elimination of promoter holding company leading to streamlining the holding structure of ARL by ensuring direct promoter participation and the consolidation of the promoter shareholding in a listed company (i.e. ARL), thereby avoiding multiple disclosure and compliance requirements with respect to SEBI and the Stock Exchanges; and*
 - (b) *ensuring that the ability of ARL to conduct its business through multiple layers of subsidiaries is not compromised in terms of the Companies (restriction on number of layers) Rules, 2017, which could potentially be the case if, in future, by consolidation of the promoter shareholding into ARAPL, ARL becomes a subsidiary of ARAPL.*

2. *The demerger of Project Division of ARL into ARGL shall result in:*
 - (a) *creation of a separate and distinct entity housing the Project Division and would lead to greater operational and administrative efficiencies for the Project Division;*
 - (b) *enabling the business and activities to be pursued and carried on with greater focus and attention through two separate companies each having its own separate administrative set up. Independent setup of each of the undertaking of ARL and ARGL will ensure required depth and focus on each of the Companies and adoption of strategies necessary for the growth of the respective companies. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their respective businesses; and*
 - (c) *unlocking of value for ARL by transfer of Project Division, which would enable optimal exploitation, monetization and development of the Project Division by attracting focused investors, joint venture partners and strategic partners having the necessary ability, experience and interests in this sector and by allowing pursuit of inorganic and organic growth opportunities in such businesses.*

3. *With a view towards focused leadership, and in the overall interest of all stakeholders, including the family and non-family shareholders and creditors, it is proposed that the management and control of the businesses would be realigned and restructured in a manner that the Project Division of the Demerged Company (i.e. ARL) be demerged and*



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hived-off to the Resulting Company (i.e. ARGL), which would also be listed on the Stock Exchanges and which would be controlled and managed by/under the leadership of Mr. Anil Sarin (and family), the present Managing Director of ARL, whereas the Remaining Business (which would continue to reside in ARL) shall be controlled and managed under the leadership of Mr. Ashok Sarin (and family), the present Chairman of ARL.

- 4. It is also agreed that in the post demerger scenario there would be no financial or operational cross linking and dependency between the Demerged Company and the Resulting Company. Additionally, the promoters of ARL/ARGL will indemnify and hold ARL / ARGL harmless against any losses or costs that may arise against ARL / ARGL in connection with the Scheme which would not have devolved on ARL / ARGL but for the amalgamation contemplated under this Scheme.*
- 5. The implementation of the Scheme is thus aimed at protecting and maximizing value for the shareholders of ARL. This Scheme is in the interest of the shareholders, creditors and all other stakeholders of the Companies.*
- 6. The restructuring under this Scheme would enable focused business approach for maximization of benefits to all stakeholders and capitalize on the opportunity for the growth."*

ARGL