

Anant Raj Limited

(Formerly Anant Raj Industries Limited)

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ARL/CS/12749

July 19, 2016

To,

**The Department of Corporate Services,
National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Symbol: ANANTRAJ

Dear Sir,

Outcome of the Board Meeting held on July 19th, 2016 - Disclosure under Regulation 30(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 September 9th, 2015 issued by Securities and Exchange Board of India.

In continuation to the decision taken by the board in their meeting held on 30th May, 2016, the board in its meeting held today, has considered and approved the composite scheme of arrangement comprising of the following –

1. Demerger of Real Estate Division (Demerged Undertaking 1) of Anant Raj Agencies Private Limited (ARAPL/ Demerged Company 1/Amalgamating Company) into Taurus Promoters & Developers Private Limited (TPDPL/ Resulting Company 1) and subsequent amalgamation of Remaining ARAPL with the Company.
2. Demerger of Project Division (Demerged Undertaking 2) of the Company into Anant Raj Global Limited (ARGL/ Resulting Company 2) (a WOS of the Company, under incorporation) and subsequent listing of ARGL at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

The above provisions of the Scheme shall be effected in accordance with the provisions of Section 391 – 394 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013.

The above scheme of arrangement shall be subject to the approval of High Court (s), Shareholders and



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Creditors of all the Companies. The Listing of ARGL is subject to exemption from SEBI in terms of Rule 19(2)(b) of Securities Contract (Regulations) Rules, 1957.

The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular 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.

Yours Faithfully,

For Anant Raj Limited



Manoj Pahwa
Compliance Officer and Company Secretary

Encl as above:

- a. **Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc. :**

The proposed Composite scheme of arrangement provides for –

- Demerger of Real Estate Division of Anant Raj Agencies Private Limited into Taurus Promoters & Developers Private Limited and subsequent amalgamation of remaining ARAPL with the Company.
- Demerger of Project Division of the company into Anant Raj Global Limited and subsequent listing of ARGL at BSE and NSE.

The brief details of the entities forming part of composite scheme of arrangement as on 31st March, 2016 are as follows –

Name of the Companies	Turnover (Rs. in Crore)	Net Worth (Rs. in Crore)
Anant Raj Limited (Demerged Company 2/ Amalgamated Company/ ARL)	433.07	4,080.08
Anant Raj Agencies Private Limited (Demerged Company 1/ Amalgamating Company/ ARAPL)	2.43	617.09 [Out of above, Net Worth of Rs. 542.03 Cr. Is being transferred and vested with ARL, pursuant to amalgamation]
Taurus Promoters & Developers Private Limited (Resulting Company 1/ TPDPL)	Nil	0.0052
Anant Raj Global Limited (Resulting Company 2/ ARGL) (a company under incorporation)	Company is under incorporation, hence the same is not applicable	

- b. **Brief details and Turnover of the division(s) to be demerged**

Name of the Division	Turnover (Rs. In Cr.)	Turnover of Division as percentage of Total Turnover of Listed entity	Brief Details
Project Division	138.33	31.94%	This division of the company, over a period of time has executed or in the process of executing several Projects related to Construction of IT Parks, Residential Projects, Township Projects, SEZ, Malls, and Commercial Projects.

- c. **Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".**

Yes, the Companies involved in proposed composite scheme of arrangement are controlled by same



promoters. However, the transaction is based on independent fair valuation of shares of each of the companies and will be subject to approval of Shareholders and High Court.

Also, MCA vide its Circular No. 30/2014 dated 17th July 2014, has clarified that transactions arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013, would not attract the requirements of section 188 of the Companies Act, 2013.

d. Area of business of the entities

Name of the Companies	Area of Business
Anant Raj Limited	The Company is engaged in the real estate business. The company, over a period of time has executed or in the process of executing several Projects related to Construction of IT Parks, Residential Projects, Township Projects, SEZ, Malls, and Commercial Projects either directly or through its subsidiaries/ SPVs.
Anant Raj Agencies Private Limited	ARAPL is engaged in the business of investment activities & real estate;
Tauras Promoters & Developers Private Limited	TPDPL is engaged in real estate business;
Anant Raj Global Limited (Under Incorporation)	ARGL is being incorporated with the object on the business of construction and development of residential projects, township projects, commercial projects, SEZ, IT Park, Malls etc.

e. Rationale for Scheme of Arrangement:

• **Demerger of Real Estate Division of ARAPL into TPDPL and subsequent Amalgamation of remaining ARAPL with ARL**

- Elimination of layer of promoter Investment Company;
- Streamlining promoting holding structure of ARL;

• **Demerger of Project Division of ARL into ARGL**

- The Demerger of ARL is likely to enable the business and activities to be pursued and carried on with greater focus and attention through two separate Companies each having its own 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 Company. 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;
- Pursuant to the issue and allotment of shares in terms of this scheme, the equity shareholders of ARL shall hold equity shares in both the Companies i.e. ARL and ARGL. It gives shareholders the ability to continue to remain invested in both or either of the two Companies giving them greater flexibility in managing and/or dealing with their investments;
- The restructuring proposal under the scheme would result into unlocking of value for ARL by transfer of Project Division;
- Demerger of Project Division would assist in induction of joint venture partner/ strategic



investor/ financial investor and pursue inorganic and organic growth opportunities in such businesses, if required.

- The restructuring proposal 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 ARL; and
- 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.

f. Share Exchange Ratio for Merger:

- *Upon the effectiveness of the Scheme, in consideration of the amalgamation of and vesting of ARAPL in ARL and in terms of the scheme, ARL shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of ARAPL (whose names are registered in the Register of members of the ARAPL on the Record Date, or his/her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Rs. 2/- (Rupees Two) each credited as fully paid-up of ARL in the ratio of 562 equity shares of face value of Rs. 2 (Rupees Two) each of ARL for every 1 equity share of Rs. 100/- (Rupees One Hundred) credited as fully paid up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors ARAPL (the "New Equity Shares"). On the amalgamation of ARAPL with ARL, all the investment in the equity shares of ARL, being held by ARAPL, shall be cancelled off.*

g. Share Entitlement Ratio for Demerger:

- *Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Project Division of the Demerged Company 2 with and into the Resulting Company 2 and in terms of the scheme, the Resulting Company 2 shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Demerged Company 2 (whose names are registered in the Register of members of the Demerged Company 2 on the Record Date, or his/her/its legal heirs, executors or administrators or, as the case may be, successors), equity shares of face value Rs. 2/- (Rupees Two) each credited as fully paid-up of the Resulting Company 2 in the ratio of 1 equity share of the face value of Rs. 2/- (Rupees Two) each of the Resulting Company 2 for every 1 equity shares of Rs. 2/- (Rupees Two) credited as fully paid up held on the Record Date by such equity shareholders or their respective legal heirs, executors or administrators or, as the case may be, successors in the Demerged Company 2. Any fractional entitlement arising on this account shall be ignored for this purpose and no shares shall be issued against this fractional proportion.*

h. Whether listing would be sought for the resulting entity

Yes, the shares of the Resulting Company 2 i.e. Anant Raj Global Limited, shall be listed at the stock exchange(s) i.e. BSE and NSE.

i. Pre and Post (Composite Scheme) Shareholding Pattern of the Company:

- **Anant Raj Limited**



Particulars	Pre-Arrangement (% Holding)	Post-Arrangement (% Holding)
- Promoters	63.44	63.44
- Non- Promoters	36.56	36.56
Total	100.00	100.00

• **Anant Raj Agencies Private Limited**

Particulars	Pre-Arrangement (% Holding)	Post-Arrangement (% Holding)
- Promoters	100.00	NA
- Non- Promoters	0.00	NA
Total	100.00	NA

• **Anant Raj Global Limited**

Particulars	Pre-Arrangement (% Holding)	Post-Arrangement (% Holding)
- Promoters	100.00	63.44
- Non- Promoters	0.00	36.56
Total	100.00	100.00

