

Vivro Financial Services Private Ltd.

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July 27, 2016

To,  
The Board of Directors,  
Anant Raj Limited  
Plot No. CP-1, Sector-8,  
IMT Manesar,  
Gurgaon -122051,  
Haryana

**Sub: Fairness Opinion on the report of Chirag R. Shah & Associates, Chartered Accountants with respect to the composite scheme of arrangement for proposed amalgamation of Anant Raj Agencies Private Limited with Anant Raj Limited and proposed demerger of Project Division of Anant Raj Limited into Anant Raj Global Limited.**

Dear Sirs,

Vivro Financial Services Private Limited ('Vivro', 'we', 'us', 'our'), refers to the engagement letter dated July 12, 2016 whereby Anant Raj Limited (hereinafter referred to as 'ARL' the Company, 'you', 'your') has appointed us as an Independent Merchant Banker for furnishing a "Fairness Opinion" on the valuation reports issued out by Chirag R. Shah & Associates, Chartered Accountants, ("Valuer"), vide its Share Exchange Ratio Report dated July 27, 2016 and its Share Exchange Ratio Report dated July 18, 2016 pursuant to the composite scheme of arrangement for proposed amalgamation of Anant Raj Agencies Private Limited ('ARAPL') with Anant Raj Limited and proposed demerger of Project Division of Anant Raj Limited into Anant Raj Global Limited (hereinafter referred to as 'ARGL') respectively pursuant to sections 391 to 394 read with sections 78, 100 to 103 of the Companies Act 1956 OR under sections 230 to 234 read with sections 52 and 66 of the Companies Act, 2013.

#### 1. SOURCE OF INFORMATION

We have relied on the following information made available to us by the management of both the Companies for purpose of this opinion:

1. Audited Financial Statements of ARL and ARAPL for the Financial Year ended on March 31, 2016, March 31, 2015 and March 31, 2014;
2. Statement of Assets and Liabilities of Project Division as on March 31, 2016.
3. Share Exchange Ratio Report prepared by Chirag R. Shah & Associates, Chartered Accountants, dated July 18, 2016 for the purpose of ascertaining share exchange ratio for the proposed Scheme of Arrangement in respect of the demerger of the Project Division of ARL into ARGL;

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CIN - U67200GJ1996PTC025142, Merchant Banker Sebl. Reg. No. INM000010172, AMBI Reg. No. AMB/086

For Anant Raj Limited

*M. Patel*

Authorised Signatory

4. Share Exchange Ratio Report prepared by Chirag R. Shah & Associates, Chartered Accountants, dated July 27, 2016 for the purpose of ascertaining share exchange ratio for the proposed Scheme of Arrangement in respect of the amalgamation of ARAPL with ARL;
5. Draft Scheme of Arrangement between Anant Raj Agencies Private Limited and Taurus Promoters and Developers Private Limited and Anant Raj Limited and Anant Raj Global Limited and their respective shareholders and creditors (hereinafter referred to as 'Scheme');
6. Present and Proposed Shareholding Pattern of ARL, ARAPL and ARGL;
7. Details of Market Price and trading volume of Equity Shares of ARL on BSE and NSE;
8. Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for purpose of carrying out this assignment.

## 2. DISCLAIMER

This Fairness Opinion Report is prepared by Vivro Financial Services Private Limited under an engagement from ARL on the basis of information, documents, papers, and explanations given by the management, officers and staff of ARL, ARAPL and ARGL ('the Companies') to Vivro.

In preparing the Fairness Opinion Report, Vivro has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and financial data provided by the Companies. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

Vivro has also considered the proposed Scheme of Arrangement as furnished. It is assumed that the proposed Scheme will be consummated in accordance with the expected terms.

Vivro shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly on account of the use of or reliance on the information set out herein in this report.

Vivro has not provided any accounting, tax or legal advice to any Company involved in the transaction. Fairness Opinion Report should not be construed as investment advice or any form of recommendation either for making or divesting investment in any of the companies involved in the transaction.

This Opinion is furnished on a strictly confidential basis. Neither this Opinion nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above or as may be required under applicable laws and regulation.

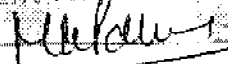
The fee for our services is not contingent upon the results of the proposed Scheme. This opinion is subject to Laws of India.

This Report is necessarily based on various factors and conditions as of the date hereof, and the written and oral information made available to us until July 27, 2016. It is understood that subsequent developments may affect the conclusions of the Report and of the Opinion and that, in addition, Vivro has no obligation to update, revise, or reaffirm the Opinion.

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For Anant Raj Limited



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### 3. LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. The report should be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

In course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financial statements and the information and representations furnished to us without carrying out any audit or other tests to verify the accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant facts and material factors. Accordingly, we do not express any opinion in any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.

Our work does not constitute an audit or certification or due diligence of the past financials of the Companies used in the study and we have relied upon the information provided to us by the management of the Companies as regards such working results.

We express no opinion whatsoever and make no recommendation at all to the underlying decision of the Companies to effect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the proposed Scheme. We accept no responsibility as to the prices at which the equity shares of ARL will trade following the announcement of the proposed Scheme or as to the financial performance of ARL following the consummation of the proposed Scheme.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed merger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

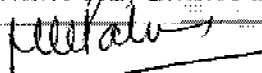
No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of the fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for the purpose of this report.

Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of considering the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed demerger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date of the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

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#### 4. BACKGROUND OF THE COMPANIES

##### ANANT RAJ AGENCIES PRIVATE LIMITED – AMALGAMATING COMPANY

Anant Raj Agencies Private Limited is a private limited company incorporated on 13<sup>th</sup> August, 1979 under the Companies Act, 1956.

Anant Raj Agencies Pvt. Ltd. is engaged in the business of Construction & Development of Real Estates business.

ARAPL is a promoter company of ARL. The promoters of ARAPL are also in turn promoters of ARL.

##### ANANT RAJ LIMITED – AMALGAMATED COMPANY AND DEMERGED COMPANY

Anant Raj Limited is a public limited company incorporated on 30<sup>th</sup> July, 1985 under the Companies Act, 1956.

The Company is engaged in the business of construction and development of residential projects, township projects, commercial projects, SEZ, IT Park, Malls, etc.

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

##### Financial Performance of the Company:

₹ in Lacs

Particulars	2015-16	2014-15(A)	2013-14(A)
Total Revenue	43,307.21	43,402.85	44,899.73
Profit Before Tax	7,514.95	15,590.85	10,799.72
Profit After Tax	5,563.96	12,502.52	8,832.50
Shareholders' Funds	4,08,008.36	4,03,475.99	3,92,047.93

##### Board of Directors of ARL:

Sr. No.	Names of Directors	Designation
1.	Mr. Ashok Sarin	Chairman and Director
2.	Mr. Anil Sarin	Managing Director
3.	Mr. Amit Sarin	Whole Time Director and CEO
4.	Mr. Ambarish Chatterjee	Independent Director
5.	Mr. Brajindar Mohan Singh	Independent Director
6.	Mr. Maneesh Gupta	Independent Director
7.	Mrs. Priya Singh Aggarwal	Independent Director

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**Shareholding Pattern of ARL as on 31<sup>st</sup> March, 2016:**

Sr. No.	Name of the Shareholder	No. of Shares	Shareholding (%)
1	Promoter and Promoter Group	18,72,14,396	63.44%
2	Public Shareholders	10,78,81,939	36.56%
	<b>Total</b>	<b>29,50,96,335</b>	<b>100.00%</b>

**ANANT RAJ GLOBAL LIMITED - RESULTING COMPANY**

Anant Raj Global Limited will be a wholly owned subsidiary of Anant Raj Limited, which is in the process of incorporation as public limited Company under the provisions of Companies Act, 2013.

The Company will be engaged in the business of construction and development of residential projects, township projects, commercial projects, SEZ, IT Park, Malls, etc.

**Proposed Board of Directors of ARGL:**

Sr. No.	Names of Directors	Designation
1.	Mr. Anil Sarin	Director
2.	Mr. Amar Sarin	Director
3.	Mr. Sharda Sarin	Director

**Shareholding Pattern of ARGL:**

Sr. No.	Name of the Shareholder	No. of Shares	Shareholding (%)
1	Anant Raj Limited	2,50,000	100%
	<b>Total</b>	<b>2,50,000</b>	<b>100.00%</b>

**5. SCOPE AND PURPOSE OF THIS REPORT**

We understand that the Board of Directors of ARL has considered and proposed a composite scheme of arrangement in the nature of merger of ARAPL with ARL and demerger of the Project Division of ARL into ARGL, pursuant to the provisions of 391 to 394 read with sections 78, 100 to 103 of the Companies Act 1956 OR under sections 230 to 234 read with sections 52 and 66 of the Companies Act, 2013.

In order to comply with the requirements of the regulations, the Company has appointed Chirag R. Shah & Associates, Chartered Accountants as the Valuer for determining exchange ratios for issue of shares by ARL and ARGL.

In this connection, the Management has engaged Vivro to submit a report on the Fairness of the Reports provided by the Valuer. Our scope of work only includes forming an opinion on the fairness of

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Anant Raj Limited

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the recommendation given by the Valuer on the exchange ratio arrived at for the purpose of the proposed Scheme of Arrangement and not on the fairness or economic rationale of the Scheme per se.

This report is subject to the scope, assumptions, limitations and disclaimers detailed above. As such the report is to be ready in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the Scheme and should not be used for any other purpose.

In this fairness opinion report two aspects of the composite Scheme are considered which concerns the shareholders and the shareholding of ARL, being a listed company with its shares listed on BSE Limited and NSE.

## 6. TRANSACTIONS UNDER THE SCHEME CONSIDERED FOR THIS FAIRNESS OPINION

Under the proposed Scheme, there are 5 Chapters. This fairness opinion is based on the Valuation Reports forming part of Chapter 3 which provides for the specific provisions governing amalgamation of ARAPL with and into ARL and Chapter 4 which provides for the specific provisions governing the demerger of the Project Division of ARL with and into ARGL.

Under Chapter 3 of the proposed Scheme, Anant Raj Agencies Private Limited will be merged with Anant Raj Limited. The promoters of the Anant Raj Limited hold 10,14,19,725 equity shares of Anant Raj Limited through Anant Raj Agencies Private Limited as on 31st March, 2016. In addition, the promoters of Anant Raj Limited have purchased 97,145 equity shares of Anant Raj Limited through Anant Raj Agencies Private Limited as on 27th July, 2016 from the open market. The Scheme proposes to merge ARAPL into ARL in such a manner that the shareholding of ARL held by ARAPL shall vest in the shareholders of ARAPL who are also promoters of ARL whereby there shall be no change in the overall promoters shareholding of ARL Pursuant, to the proposed merger, the investments of Anant Raj Agencies Private Limited in Anant Raj Limited shall stand cancelled.

Under Chapter 4 of the proposed Scheme, the Project Division of Anant Raj Limited, as defined under the Scheme, will be demerged into Anant Raj Global Limited. At present, all the Equity Shares of ARGL are held by ARL and are not listed on any stock exchange. In accordance with the proposed Scheme, as provided to us by the management, ARGL shall issue and allot to the equity shareholders of ARL as per the Share Entitlement Ratio and existing shareholding of ARL in ARGL shall stand cancelled. The new equity shares issued and allotted by ARGL shall be listed and/or admitted to trading on BSE and NSE where shares of ARL are listed in terms of SEBI (ICDR) Regulations, 2009 and other applicable regulations. The equity shares allotted by the ARGL pursuant to the Scheme shall remain frozen in the depositories system till listing or trading permission is given by the BSE Limited and NSE.



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## 7. VALUER'S RECOMMENDATIONS

The Share Exchange Ratios recommended by the Valuer for the transactions mentioned in Clause 6 above are as follows:

**a) For the Merger of ARAPL into ARL:**

*"For every 1 (One) Equity share of face and paid up value of ₹ 100/- (Hundred) held in ARAPL, 562 (Five Hundred Sixty Two) Equity shares of face and paid up value of ₹ 2/- (Two) in ARL to be issued to the equity shareholders of ARAPL."*

**b) For the Demerger of Project Division of ARL into ARGL:**

*"For every 1 (One) Equity share of face and paid up value of ₹ 2/- (Two) held in ARL, 1 (One) Equity share of face and paid up value of ₹ 2/- (Two) in ARGL to be issued to the equity shareholders of ARL."*

## 8. OUR OPINION ON THE VALUERS' REPORTS

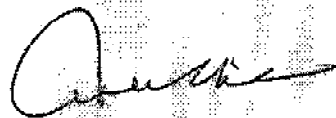
The fairness opinion has been prepared based on the Valuer's reports dated July 27, 2016 and July 18, 2016 as mentioned hereinabove and our analysis of the various factors relevant to the Companies, having regard to the information submitted, management representations, key underlying assumptions and limitations.

In view of the above and on consideration of all relevant factors and circumstances, we believe that the Valuers' recommendations that -

- i) For every 1 (One) Equity share of face and paid up value of ₹ 100/- (Hundred) held in ARAPL, 562 (Five Hundred Sixty Two) Equity shares of face and paid up value of ₹ 2/- (Two) in ARL to be issued to the equity shareholders of ARAPL as per the report dated July 27, 2016; and
- ii) For every 1 (One) Equity share of face and paid up value of ₹ 2/- (Two) held in ARL, 1 (One) Equity share of face and paid up value of ₹ 2/- (Two) in ARGL to be issued to the equity shareholders of ARL as per the report dated July 18, 2016.

are Fair.

For, Vivro Financial Services Private Limited



Jayesh Vithlani  
Sr. Vice President



Date: July 27, 2016  
Place: Ahmedabad

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