

SHARE ENTITLEMENT REPORT

**FOR COMPOSITE SCHEME OF ARRANGEMENT FOR AMALGAMATION AND
DEMERGER
AMONG**

ANANT RAJ AGENCIES PRIVATE LIMITED

AND

ANANT RAJ LIMITED

AND

ANANT RAJ GLOBAL LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREPARED BY:-

**SANJEEV JAGDISH CHAND & ASSOCIATES
CHARTERED ACCOUNTANTS**

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SECTION I – BACKGROUND, SCOPE AND LIMITATIONS

We understand that the following Companies namely **M/s Anant Raj Agencies Private Limited, M/s Anant Raj Limited, M/s Anant Raj Global Limited** (hereinafter referred to as "Group") through a composite Scheme of Arrangement for Amalgamation and Demerger under the provisions of Companies Act, 2013 (hereinafter referred to as "Scheme of Arrangement") proposes to re-organize the business of the companies in order to streamline the promoters holding structure, to increase the operational and administrative efficiencies, pursue inorganic and organic growth opportunities, to maximize the benefits available to all stakeholders and capitalize on the opportunity for the growth. We understand that the appointed date for the transaction is end of the business hours of 30th September, 2018.

Therefore, Scheme of Arrangement is contemplating following arrangement in the chronological order as mentioned below;

- Amalgamation of M/s Anant Raj Agencies Private Limited with M/s Anant Raj Limited (hereinafter referred to as 'Step 1' or 'Transaction 1').
- Demerger of Project Division from M/s Anant Raj Limited and vesting the same into its existing Wholly Owned Subsidiary (WoS) company M/s Anant Raj Global Limited (hereinafter referred to as 'Step 2' or 'Transaction 2').

OBJECTS AND RATIONALE OF THE SCHEME OF ARRANGEMENT: -

- Amalgamation of M/s Anant Raj Agencies Private Limited into M/s Anant Raj Limited, would lead to following benefit:
 - Elimination of layer of promoter holding Company to streamline the holding structure of M/s Anant Raj Limited
- Demerger of the Project Division from M/s Anant Raj Limited and vesting into M/s Anant Raj Global Limited, would lead to following benefits:
 - Greater operational and administrative efficiencies for the Project Division
 - Unlocking the value of M/s Anant Raj Limited
 - Pursuing inorganic and organic growth opportunities
 - The equity shareholders of M/s Anant Raj Limited shall hold equity shares in both the Companies i.e. M/s Anant Raj Limited and M/s Anant Raj Global Limited. 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

SCOPE OF SERVICES:-

As a part of the advisory services, Management of the Group has appointed **M/s SANJEEV JAGDISH CHAND & ASSOCIATES, Chartered Accountants** to recommend Share Entitlement pursuant to the Scheme of Arrangement.

SCOPE & LIMITATIONS: -

✓ **To arrive at share entitlement ratio under 'Transaction 1';**

- We have relied upon Audited Asset & Liabilities Statement of M/s Anant Raj Agencies Private Limited as on 30th September, 2018 and Management Certified Standalone Balance Sheet of M/s Anant Raj Limited as on 30th September, 2018
- Pre and Post Amalgamation shareholding pattern of M/s Anant Raj Limited

✓ **To arrive at share entitlement ratio under 'Transaction 2';**

- We have relied upon Management Certified Asset & Liabilities Statement of Project Division of M/s Anant Raj Limited as on 30th September, 2018 and Audited Balance Sheet of M/s Anant Raj Global Limited as on 30th September, 2018
 - Pre and Post Demerger shareholding pattern of M/s Anant Raj Limited
 - Pre and Post Demerger shareholding pattern of M/s Anant Raj Global Limited
- ✓ The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted herein, which might be relevant in the context of the transaction and which a wider scope might uncover.
- ✓ Draft Scheme of Arrangement as provided by the Management.



SECTION II – SHARE ENTITLEMENT RATIO UNDER 'TRANSACTION-1'

BACKGROUND OF COMPANIES INVOLVED UNDER 'TRANSACTION 1':-

1. **M/S ANANT RAJ AGENCIES PRIVATE LIMITED** is a private limited Company incorporated under the Companies Act, 1956 having its registered office at Plot No. CP-1, Sector-8, IMT Manesar, Gurgaon, Haryana-122051, India. It is engaged in the business of providing construction and engineering services.

Extract of Audited Balance Sheet of M/s Anant Raj Agencies Private Limited as on 30th September,2018

Particulars	Amount in INR Lacs
	30.09.2018
Share Capital	181
Reserve and surplus	56132
Long Term Borrowings	-
Other Non-Current liabilities	-
Short Term Borrowings	-
Provisions	2
Total	56,315
Non-Current Assets	56,280
Current Assets	35
Total	56,315

Note: We have been represented by the management of the Company that only asset that M/s Anant Raj Agencies Private Limited owns is 106,032,745 number of Equity shares of M/s Anant Raj Limited and M/s Anant Raj Agencies Private Limited remains with no other Asset and Liabilities at time of its amalgamation into M/s Anant Raj Limited.

2. **M/S ANANT RAJ LIMITED** is a public limited Company incorporated under the Companies Act, 1956, having its registered office at Plot No. CP-1, Sector-8, IMT Manesar, Gurgaon, Haryana-122051 India. It 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 the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

Extract of Management Certified Standalone Balance Sheet as on 30th September, 2018

Particulars	Amount in INR Lacs
	30.09.2018
Share Capital	5,902
Reserve and surplus	413,707



Non-Current liabilities	180,404
Current liabilities	116,845
Total	716,858
Non-Current Assets	430,704
Current Assets	286,154
Total	716,858

SHARE ENTITLEMENT RATIO FOR AMALGAMATION (Transaction 1):-

The consideration for such proposed amalgamation will be discharged by issue of equity shares by Amalgamated Company (M/s Anant Raj Limited) to the shareholders of the Amalgamating Company (M/s Anant Raj Agencies Private Limited).

As per chapter 2, Part IV, Para 9.1 of draft Scheme of Arrangement, upon the effectiveness of the scheme, all the equity shares of M/s Anant Raj Limited held by M/s Anant Raj Agencies Private Limited shall stand cancelled and be of no effect, on and from the effective date. Simultaneous to such cancellation, M/s Anant Raj Limited shall issue and allot equal number of shares in M/s Anant Raj Limited as cancelled, to the equity shareholders of M/s Anant Raj Agencies Private Limited (whose names are registered in the register of members of M/s Anant Raj Agencies Private Limited on the record date) in the proportion of their shareholding in M/s Anant Raj Agencies Private Limited.

Accordingly this would lead to issuance of **587 (Five Hundred Eighty Seven)** Equity shares of face value of INR 2/- (Rupees Two) each in M/s Anant Raj Limited for every **10 (Ten)** Equity shares of face value of INR 10/- (Rupee Ten) each of M/s Anant Raj Agencies Private Limited.

We have also been represented by the management that the Pre and Post amalgamation shareholding pattern of M/s Anant Raj Limited will remain same as under:

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



SECTION III – SHARE ENTITLEMENT RATIO UNDER 'TRANSACTION-2'

BACKGROUND OF COMPANIES INVOLVED UNDER 'TRANSACTION 2':-

1. **M/S ANANT RAJ LIMITED** is a public limited Company incorporated under the Companies Act, 1956, having its registered office at Plot No. CP-1, Sector-8, IMT Manesar, Gurgaon, Haryana-122051 India. It 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 the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

Extract of Management certified statement of Assets and Liabilities of project division of M/s Anant Raj Limited as on 30th September, 2018

Particulars	Amount in INR Lacs
	Project division
Assets	
Non-Current Assets	237,981
Current Assets	65,088
Total Assets	303,070
Liabilities	114,361
NetWorth	188,708

2. **M/S ANANT RAJ GLOBAL LIMITED** is a public limited Company incorporated under the Companies Act, 2013 having its registered office at Plot No CP-1, Sector -8, IMT, Manesar, Gurgaon, Haryana-122051, India. It 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. The equity shares of M/s Anant Raj Global Limited will be listed on the recognized stock exchange after the proposed demerger. As of now M/s Anant Raj Global Limited is Wholly Owned Subsidiary of M/s Anant Raj Limited.

Extract of Audited Balance Sheet as on 30th September, 2018

Particulars	Amount in INR Lacs
	30.09.2018
Share Capital	5
Reserve and surplus	(1)
Other current liabilities	1
Total	5
Non-Current Assets	-
Current Assets	5
Total	5



SHARE ENTITLEMENT RATIO FOR DEMERGER (Transaction 2):-

The consideration for such proposed demerger will be discharged by issue of equity shares by resulting company (M/s Anant Raj Global Limited) to the equity shareholders of the demerged Company (M/s Anant Raj Limited).

As per chapter 3 - Part IV, para 8.1 of draft Scheme of Arrangement, the Management of the companies has decided equity share entitlement ratio for Demerger of Project Division of M/s Anant Raj Limited into M/s Anant Raj Global Limited as follows:

1 (One) Equity share of face value of INR 2/- (Rupees Two) each in M/s Anant Raj Global Limited for every **1 (One)** Equity share of face value of INR 2/- (Rupees Two) each in M/s Anant Raj Limited. Accordingly, shareholders of M/s Anant Raj Limited shall become shareholders of M/s Anant Raj Global Limited in the same proportion in which they own shares in M/s Anant Raj Limited and investment of M/s Anant Raj Limited in M/s Anant Raj Global Limited shall stand cancelled.

We have also been represented that the Pre and Post Demerger shareholding pattern of M/s Anant Raj Limited will be as under:

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

M/s Anant Raj Global Limited will be as under:

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

Based on above and after considering that the companies involved in the Scheme of Arrangement belong to the same group and there is no change in the shareholding pattern of the companies, we certify the share entitlement ratio to be fair.

For **SANJEEV JAGDISH CHAND & ASSOCIATES**

Place: New Delhi

Date – 18th October, 2018

