

Ajmera Realty & Infra India Limited

Regd. Office: "Citi Mall", 2nd Floor, Link Road, Andheri (West), Mumbai 400 053

Tel.: +91-22-6698 4000 Fax: +91-22-2632 5902 • Email: investors@ajmera.com • Website: www.aril.co.in

CIN NO. L27104 MH 1985 PLC035659



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AJMERA REALTY & INFRA INDIA LIMITED AT ITS MEETING HELD ON 13TH JANUARY, 2020 AT CITI MALL, LINK ROAD, ANDHERI (WEST), MUMBAI – 400 053 EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO, SPECIFYING ANY VALUATION DIFFICULTIES

1. BACKGROUND

- 1.1. The Board of Directors ('Board') of the Company at its meeting held on 13th January, 2020 have approved the draft Scheme of Arrangement of Ajmera Realty & Infra India Limited and Radha Raman Dev Ventures Private Limited and their respective Shareholders under sections 230-232 and other applicable provisions of the Companies Act, 2013 ("Scheme" or "the Scheme").
- 1.2. As per Section 232(2)(c) of the Companies Act, 2013 ('the Act'), a report adopted by the Board explaining effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any valuation difficulties, is required to be circulated to the shareholders and/or creditors along with the notice convening the meeting.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.4. The Scheme provides for Demerger of the Demerged Undertaking of Ajmera Realty & Infra India Limited ('ARIIL') into Radha Raman Dev Ventures Private Limited ('RRDVPL') on a going concern basis; and
- 1.5. The following documents were, inter alia, placed before the Board:
 - 1.5.1. Draft Scheme;
 - 1.5.2. Share Entitlement Report dated January 13, 2020 of M/s SSPA & Co.;
 - 1.5.3. Share Entitlement dated January 13, 2020 of R V Shah & Associates (Registered Valuers).
 - 1.5.4. Fairness opinion dated January 13, 2020 of Libord Advisors Private Limited, a Category I Merchant Banker on the share entitlement report issued by M/s SSPA & Co.;
 - 1.5.5. The certificate dated January 13, 2020 issued by the Statutory Auditors of the Company i.e. M/s Manesh Mehta & Associates, Chartered Accountants, confirming the Accounting Treatment mentioned in the Scheme; and
 - 1.5.6. Report of the Audit Committee of the Company dated January 13, 2020.

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2. SHARE ENTITLEMENT REPORT

- 2.1. As consideration for the demerger of Demerged Undertaking of ARIIL into RRDVPL, Share Entitlement Report was obtained from M/s SSPA & Co., R V Shah & Associates and the Fairness Opinion was provided by Libord Advisors Private Limited, a Category I Merchant Banker, wherein the following share entitlement ratio was recommended:

"1 (One) Equity Share of ARIIL of Rs. 10 each fully paid up to be issued and allotted for every 50 (fifty) Equity Shares of ARIIL of Rs. 10 each fully paid up held in ARIIL in their proportion."

No specific valuation difficulties were reported.

3. EFFECT OF SCHEME ON THE SHAREHOLDERS (PROMOTER AND NON-PROMOTER) AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

- 3.1 Pursuant to the Demerger of Demerged Undertaking of ARIIL into RRDVPL, the wholly owned subsidiary of ARIIL, all shareholders of the ARIIL (both promoter and non-promoter) whose name is recorded in the register of members on the Record Date shall be issued and allotted additional fully paid equity shares of ARIIL as per the share entitlement ratio as mentioned in paragraph 2 above. The equity shares to be issued and allotted as above, shall be subject to the provisions of the Memorandum and Articles of Association of ARIIL and shall rank pari-passu, in all respects with the then existing equity shares of ARIIL, if any, including dividends. Thus, as per the Scheme, consequent upon demerger, the proposed shareholders and their holding proportion in ARIIL, as on the Record Date, will remain unchanged pursuant to the scheme. Thus, the overall economic interest of the shareholders of ARIIL shall remain the same.
- 3.2 Further, there is expected to be no adverse effect of the said Scheme on the key managerial personnel of ARIIL except to the extent of their respective shareholding in ARIIL, if any and effect thereon as detailed in point 3.1 above.
- 3.3 With effect from the Effective Date, RRDVPL undertakes to engage, without any interruption in service, all employees of ARIIL, engaged or in relation to the Demerged Undertaking, on the terms and conditions not less favourable than those on which ARIIL has engaged them.

For AJMERA REALTY & INFRA INDIA LIMITED



RAJNIKANT S. AJMERA

Director

DIN: 00010833