



Ref: EIL/SECRETARIAL/2017-18/407

1st July, 2017

The General Manager Department of Corporate Services BSE Limited Phiroze S Jeejeebhoy Towers Dalal Street, Mumbai-400 001	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai-400 051	The Secretary The Calcutta Stock Exchange Limited 7, Lyons Range Kolkata-700 001
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Dear Sir(s),

SUB: Outcome of Board Meeting held today, 1st July, 2017, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular no. CIR/CFD/CMD/4/2015 dated 9th September, 2015

This is to inform you that the Board of Directors of the Company, at its meeting held today, the 1st of July, 2017, has upon consideration of the recommendations of Audit Committee inter alia approved the Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 between Zandu Realty Limited ("ZRL" or "Transferor Company") and the Company ("EIL" or "Transferee Company") and their respective shareholders and creditors.

In consideration of the merger of ZRL with EIL in terms of the Scheme and based on the Valuation Report issued by M/s S K Agrawal & Co., Independent Chartered Accountants and Auditors of the Company along with fairness opinion provided by M/s IIFL Holdings Limited, Merchant Banker, EIL will issue and allot 7 (Seven) fully paid up equity share of Rs.2/- each to the Equity shareholders of ZRL as on Record Date for every 1 (One) fully paid up equity share of Rs 100/- each held by them in ZRL. Pursuant to the said Scheme, EIL's shareholding in ZRL to the extent of 35.51% of Share capital of ZRL would stand cancelled.

The above said Scheme is subject to the approval of the shareholders, creditors, Securities and Exchange Board of India (SEBI), Stock Exchanges, Hon'ble National Company Law Tribunal (NCLT), and other regulatory authorities, as applicable.

The Board also authorised a Committee of Directors to take all necessary actions and to do all necessary acts or things for completing the requirements in this regard.

Payel Jain



The disclosures in respect of the aforesaid Scheme of Amalgamation 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 9th September, 2015 are enclosed as **Annexure 1**.

In furtherance to our intimation regarding closure of trading window of the Company dated 27th June, 2017, this is to inform that the Trading Window of the Company for dealing in the securities of the Company shall reopen on and from 5th July, 2017.

This is for your information and record.

Thanking you,
Yours faithfully,

For Emami Infrastructure Limited

Payel Jain

Payel Jain
Company Secretary
(ACS: 22418)





Disclosures in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015.

1. Name of entity(ies) forming part of the Amalgamation/merger, details in brief such as size, turnover, etc

Transferor Company: **Zandu Realty Limited ('ZRL')**

Transferee Company: **Emami Infrastructure Limited ('EIL')**

As on 31-03-2017 (Rs. in Lakhs)

Company	Paid-up capital	Turnover	Net Worth
ZRL	806.40	1680.85	18780.74
EIL	485.97	11835.41	2607.29

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "Arms length"

EIL holds 286329 equity shares constituting 35.51% of the paid-up capital of ZRL. Hence, ZRL is an Associate of EIL and the proposed transaction is a related party transaction.

The Shares to be allotted to the shareholders of ZRL as consideration for the merger, are based on the Valuation Report of an Independent Chartered Accountant M/s S K Agrawal & Co., and Fairness Opinion on the same has been provided by M/s IIFL Holdings Limited, a Category I Merchant Banker. Thus, the transaction is being done on an "Arms Length" basis.

3. Area of business of entity(ies)

Both EIL and ZRL are engaged in Real Estate activities of Construction and Development of residential, commercial or retail premises.

4. Rationale for Amalgamation/merger

- (a) The growth of Indian Real Estate Industry in the last few years has been sluggish with decrease in demand across all sectors due to overall economic slowdown. However, initiatives such as "Clean India" and "Smart Cities" projects clearly indicate that the Government recognises urbanization as a feature of modernity. The mammoth and ambitious goal of Indian Government of providing affordable Housing to all its citizen by 2022 coupled with overall growth in economy, increased FDI inflows in construction





industry, lower interest rates and path-breaking regulatory developments such as RERA and GST, will provide much needed impetus to the Real Estate Industry in India. Large sized efficiently managed companies with wider territorial presence will spearhead the Real Estate growth in the country.

- (b) The complications of construction industry coupled with volatility and uncertainty in market, emphasises the need for highly efficient and competent managers to steer them. With many emerging players, procurement of skilled and efficient managers is one of major concerns for the real estate industry.
- (c) Emami Infrastructure Limited ("the Transferee Company") is a pioneer in the real estate sector and is testimony to attract the best talents available in the industry. The Transferee Company is having its footprints spanning across Chennai, Kolkata, Mumbai, Jhansi, Bhubaneswar, Hyderabad, Coimbatore and Indore. The Company's operations span to all real estate sectors such as residential, commercial and retail and to all aspects of real estate development, including the identification and acquisition of land, the planning, execution and marketing of the projects.
- (d) Zandu Realty Limited ("the Transferor Company") is an associate of the Transferee Company. It has completed successfully development of its project "Zandu Sigma Estate" at Dadar, Mumbai. It is exploring further opportunities and has in the meantime deployed its funds in investment in securities.
- (e) The Transferee Company and the Transferor Company are both engaged in real estate business and are listed companies. The Transferor Company is an associate of the Transferee Company and both are Companies under the same management. Thus, the amalgamation will ensure focused management in a single combined entity thereby resulting in efficiency of management and maximising overall shareholder value.
- (f) The proposed amalgamation will bring in advantages of synergy in operations and economies of scale. The pooling of resources of companies will create strong financial structure and facilitate resource mobilisation and achieve better cash flows. The combined net worth in a single entity shall facilitate in attracting funds from strategic investors and/or financial institutions at competitive rates. Thus, the synergies created by the horizontal merger will increase the operational efficiency and integrate business functions of the amalgamated entity and help to pursue inorganic and organic growth opportunities of such business. It will also lead to more efficient utilisation of capital and create a consolidated base for future growth of the amalgamated entity.
- (g) The amalgamation will also result in administrative and operational rationalisation, organisational efficiencies, reduction in overheads and other expenses and optimal utilisation of various resources. It will prevent cost duplication, overlapping of administrative responsibilities and multiplicity of records, legal and regulatory compliances generally involved with running two separate entities and more particularly due to the listed status of both the companies involved. It will enable a dedicated management to focus and accelerate growth of the amalgamated entity.

Pooja Jain



- (h) The amalgamation will result in not only, pooling of efficient human resources and putting them to optimum utilisation for the growth of the merged entity but also attracting efficient manpower by the merged entity.
 - (i) The rationale for continuing with two separate entities in the same business no longer exists. It is considered prudent and more appropriate to consolidate similar businesses in one entity. Such restructuring will lead to simplification of group structure by eliminating multiple companies in similar business, thus enabling focus on core competencies.
 - (j) The amalgamation will enable greater realization of the potential of the businesses of the Transferor and Transferee Companies in the amalgamated entity and have beneficial results for all concerned.
 - (k) The assets of the amalgamated entity will far exceed its liability and rights of the creditors of the Transferor Company and the Transferee Company are not in any way prejudiced.
 - (l) The Scheme shall also be in the larger interest of the public shareholders of the Transferor Company and Transferee Company as amalgamation of the two companies will lead to cancellation of 2,86,329 equity shares of the Transferor Company held by the Transferee Company, which constitutes 35.51% of the paid up share capital of the Transferor Company. These will result into reduced combined paid-up capital leading to higher earnings per share.
 - (m) The Scheme envisages transfer of entire undertaking of the Transferor Company as a going concern to the Transferee Company and is in the interest of its shareholders, creditors, employees and all concerned.
5. In case of cash consideration – amount or otherwise share exchange ratio

There is no cash consideration involved in the Scheme.

The Share Exchange ratio is as under:

“7 equity shares of Rs. 2/- each of EIL credited as fully paid-up, will be issued to the shareholders of ZRL, for every 1 equity share of Rs 100/- each held by such shareholder in ZRL, in consideration for the amalgamation of ZRL into and with EIL. Fractional shares arising out of amalgamation would be dealt with in the manner provided in the Scheme.”

Rajel Jain



6. Brief details of change in shareholding pattern (if any) of listed entity

EIL:

Category	Before Amalgamation		Post Amalgamation	
	No. of Shares	% of Total	No. of Shares	% of Total
Promoters	1,41,07,511	58.06	1,41,07,511	50.49
Public	1,01,90,881	41.94	1,38,31,378	49.51
Total	2,42,98,392	100.00	2,79,38,889	100.00

ZRL:

Category	Before Amalgamation		Post Amalgamation
	No. of Shares	% of Total	
Promoters	2,86,329	35.51	Not Applicable
Public	5,20,071	64.49	
Total	8,06,400	100.00	

Pooja Jain