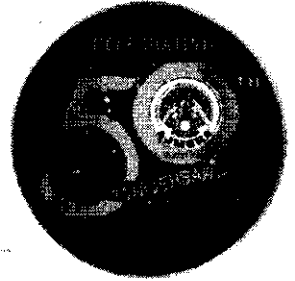


Ajmera Realty & Infra India Limited

Regd. Office: "Citi Mall", 2nd Floor, Link Road, Andheri (West), Mumbai 400 053
 Tel.: +91-22-6698 4000 • Email: investors@vsnl.com • Website: www.aril.co.in
 CIN NO. L27104 MH 1985 PLC035659



REPORT OF THE AUDIT COMMITTEE OF AJMERA REALTY & INFRA INDIA LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN AJMERA REALTY & INFRA INDIA LIMITED AND RADHA RAMAN DEV VENTURES PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

Present – Members:

1. Mr. Ambalal C. Patel – Chairperson
2. Mrs. Aarti Ramani – Member
3. Mr. Rajnikant S. Ajmera – Member

In Attendance

Ms. Harshini D. Ajmera – Company Secretary

1. Background

- 1.1 A draft Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, as may be applicable, between Ajmera Realty & Infra India Limited ('the Demerged Company' or 'ARIL' or 'the Company') and Radha Raman Dev Ventures Private Limited ('the Resulting Company' or 'RRDVPL'), and their respective Shareholders ("Scheme") has been placed before the Audit Committee by the management for it to consider recommending the said draft Scheme to the Board of Directors.
- 1.2 The Scheme inter-alia provides for "Demerger of the business of development of commercial Project at Wadala (6.5 acres) of the Company into the RRDVPL on a going concern basis".

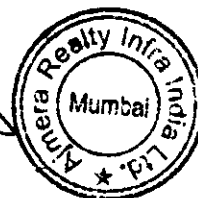
The Equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company will be filing the Scheme along with necessary information/ documents with both of the above-mentioned exchanges.

- 1.3 The report of Audit Committee is made in order to comply with the requirements of the SEBI circular No CFD/DIL3/CIR/2017/21 dated 10th March, 2017 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after considering the following:
 - a) Draft Scheme, duly initialed by Company Secretary of the Company for the purpose of identification;
 - b) Share Entitlement Report dated 13th January, 2020 issued by M/s SSPA & Co., Chartered Accountants;
 - c) Share Entitlement Report dated 13th January, 2020 of M/s R V Shah & Associates, Chartered Accountants, Registered Valuers;

Certified True Copy

For AJMERA REALTY & INFRA INDIA LIMITED

Company Secretary



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- d) Fairness Opinion Report dated 13th January, 2020 issued by M/s. Libord Advisors Private Limited, Category-I, Merchant Banker providing the fairness opinion on the share entitlement recommended in the share entitlement report prepared by M/s SSPA & Co., Chartered Accountants;
- e) Certificate dated 13th January, 2020 obtained from the Statutory Auditors of the Company i.e. M/s. Manesh Mehta & Associates, Chartered Accountants to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013; and
- f) Undertaking dated 13th January, 2020 issued by the Statutory Auditors of the Company i.e., M/s. Manesh Mehta & Associates, Chartered Accountants, clearly stating the reasons for non-applicability of Sub Para 9(a) of Annexure I of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017.

2. Rationale for the Scheme

- 2.1 ARIIL is engaged in real estate development business. It is proposing to develop a project on a land parcel, situated at Plot area of Sub Plot "C" bearing C.T.S. No. 1A/11 and 1A/12 of Village Anik, Wadala (E), Mumbai – 400037 admeasuring 28,113 sq. mts. of area (approximately 6.5 acres), into a commercial project.
- 2.2 It is proposed to segregate business of development of commercial project (6.5 acres) into separate company such that it will result in focused approach to exploit the growth potential of the project. It will also help in providing flexibility to attract fresh set of investors / strategic partners to participate in the project.
- 2.3 This Scheme will result in providing flexibility to ARIIL in scouting for and inviting the potential investors and thereby resulting in unlocking the value of each of the project.

3. Proposed Draft Scheme

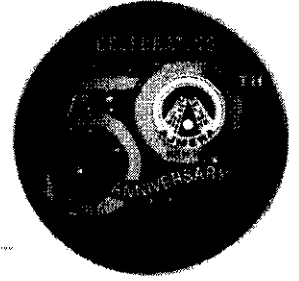
- 3.1 The Audit Committee reviewed the share entitlement reports, noted the reports and recommended the following:
 - a. In consideration for the demerger of development of project on a land parcel situated at Plot area of Sub Plot "C" bearing C.T.S. No. 1A/11 and 1A/12 of Village Anik, Wadala (E), Mumbai – 400037 admeasuring 28,113 sq. mts. of area (approximately 6.5 acres) into the Resulting Company in terms of the Scheme and based on share entitlement reports issued by M/s SSPA & Co., Chartered Accountants and M/s R V Shah & Associates, Chartered Accountants, Registered Valuers and fairness opinion provided by M/s. Libord Advisors Private Limited, Category I Merchant Banker, ARIIL will issue and allot to its existing shareholders in consideration of demerger an aggregate of:

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

Further, the Fairness Opinion confirmed that the share entitlement in the share entitlement report is fair to the Company and their respective shareholders.

- 3.2 Further, M/s. Manesh Mehta & Associates, Chartered Accountants, Statutory Auditors of the Company have confirmed that the accounting treatment as specified in the Scheme are in accordance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- 3.3 Further, M/s. Manesh Mehta & Associates, Chartered Accountants, Statutory Auditors of the Company have given a undertaking clearly stating the reasons for non-applicability of Para 9(a) of Annexure I of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017.
- 3.4 The proposed Appointed Date of the Scheme will be 1st April, 2020.
- 3.5 The equity shares of ARIL to be issued and allotted to its existing equity shareholders pursuant to the Scheme shall be listed on BSE Limited and National Stock Exchange of India Limited (subject to trading permission being granted by the stock exchanges).

4. Recommendations of the Audit Committee

- 4.1 The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Share Entitlement reports, Fairness Opinion Report, Certificate and confirmation and undertaking from Statutory Auditors and the specific points mentioned above, recommends the draft Scheme for favorable consideration by the Board of Directors of the Company, the BSE, the NSE and Securities Exchange Board of India.

By Order of the Audit Committee

For and on behalf of
AJMERA REALTY & INFRA INDIA LIMITED

Chairperson of the Audit Committee
 Date: 13th January, 2020
 Place: Mumbai

Certified True Copy

For **AJMERA REALTY & INFRA INDIA LIMITED**

Company Secretary

