

REPORT OF AUDIT COMMITTEE RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF ADESHWAR REALTY PRIVATE LIMITED (ADESHWAR) WITH ARIHANT SUPERSTRUCTURES LIMITED (ASL)

The Securities and Exchange Board of India ("SEBI") vide its Circular No. CIR/CFD/5/2013 dated February 4, 2013 ("Circular") has amongst the other requirements, sought, a report from the Audit Committee of the Listed Companies recommending the Draft Scheme under Section 391-394 of the Companies Act, 1956.

Pursuant to the above, a Scheme of Amalgamation of Adeshwar Realty Private Limited with the Company was placed before the Audit Committee for its recommendation.

The Audit Committee at its meeting held on Monday, December 22, 2014 has noted the background and rationale for the said Scheme. The salient features of the Scheme were as under:

- Both the companies are in the Construction and Real Estate Business which can be carried out more efficiently under one single Holding Company i.e. Arihant Superstructures Ltd
- The proposed amalgamation will result in administrative and operational rationalisation, organisational efficiencies, reduction in overheads and other expenses and optimal utilisation of various resources.
- The proposed amalgamation will reduce managerial overlaps, which are necessarily involved in running multiple entities.
- The proposed Appointed Date for the amalgamation of Adeshwar Realty Private Limited is 1st April 2014
- All assets and liabilities of Adeshwar Realty Private Limited will get transferred to the company
- Upon the scheme becoming effective, all the shares held by Arihant Superstructures Ltd, in Adeshwar Realty Private Limited i.e. 10,000 equity shares of Rs. 10/- each constituting 100% of the total paid-up Share Capital of Adeshwar Realty Private Limited shall stand automatically cancelled and there shall be no further obligation in that behalf.
- There being no outside or other shareholders, Arihant Superstructures Ltd, shall not issue or allot any shares to any party as a result of the Amalgamation.

After consideration of the draft Scheme, the members of the Audit Committee formed an opinion that the implementation of the proposed scheme of amalgamation between Adeshwar Realty Private Limited and Arihant Superstructures Ltd, is in the best interest of the Company and its shareholders, Creditors and Stakeholders.

The Audit Committee recommends the Draft Scheme, inter-alia, taking into consideration that the Fairness Opinion issued by **Dalmia Securities Private Limited** for favourable consideration by the Board, Stock Exchange and SEBI.

Place: Navi Mumbai
Date: 2nd Jan 2015



Dinesh Chandra Babel
Chairman of the Audit Committee