

30.05.2018

The General Manager
Dept. of Corporate Services
Bombay Stock Exchange Limited
Floor 25th P.J. Towers
Dalal Street
Mumbai - 400 001.

Dear Sir,

Sub: Corporate Announcement

Ref: BSE Scrip Code: 532994

NSE: Stock Code: Archidply

Dear Sir,

With reference to the captioned subject, we would like to inform you that the Board of Directors at their meeting held on 30th day of May, 2018, have subject to the approval of the Hon'ble National Company Law Tribunal [NCLT], Stock Exchanges (BSE and NSE) where the shares of the company are listed, Equity shareholders, Secured Creditors (Banks, Financial Institutions and others) and Unsecured Creditors and other relevant regulatory authorities:

1. Approved the Scheme of Arrangement for Demerger and vesting of "Chintamani" Unit of Archidply Industries Limited, the Demerged Company into Archidply Décor Limited the Resulting Company.
2. The Valuation Report has been given by Suresh Shah & Co., Chartered Accountants, Mumbai .
3. Approved Share Exchange Ratio for the proposed Scheme of Arrangement for Demerger which is:
 - One (1) Equity Share of Rs.10/- each of Archidply Décor Limited (Resulting Company) for every four (4) Equity Shares of Rs.10/- each held by the shareholders in Archidply Industries Limited (Demerged Company)



CIN: L85110UR1995PLC008627

No. 29/2, G.K. Manor, 1st Floor, Nehru Circle, Seshadripuram, Bangalore - 560 020.

Ph: 080-2344 5607, 4342 0000, Fax: 080-2334 8463, E-mail: info@archidply.com, Website: www.archidply.com

Registered Office: Plot No 7, Sector-9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, Uttarakhand - 263 153.

4. We are enclosing herewith the information pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular number CIR/CFD/CMD/4/2015 dated 9th September, 2015 as **Annexure-A**

The Scheme will be filed with the Stock Exchange as per applicable provisions of Regulation 37 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The meeting of the Board of Directors was commenced at 11:30 a.m.- and concluded at - 4:15 p.m..

Kindly disseminate the information on the official website of the exchange for the information of all members of the Exchange and Investors.

Thanking you.
Yours faithfully,

For Archidply Industries Limited


(Rajneesh Sharma)
Company Secretary



CC: The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Annexure A

Disclosure of Event and Information pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular number CIR/CFD/CMD/4/2015 dated 9th September, 2015

A. Brief Details of the divisions to be demerged.

i. Archidply Industries Limited (Demerged Company)

Archidply Industries Limited is a Public Limited company incorporated under the Companies Act, 1956 having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR - 263153.

ii. Archidply Décor Limited (Resulting Company)

Archidply Decor Limited is a public Limited company incorporated under the Companies Act, 2013 having its registered office at Plot No.7, Sector - 9, Integrated Industrial Estate, SIDCUL, Pant Nagar, Rudrapur, Udham Singh Nagar, UR - 263153 . The company is a newly incorporated Company.

The "Chintamani" Unit of Archidply Industries Limited, the Demerged Company will be demerged and vested into Archidply Décor Limited the Resulting Company.

B. Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year.

The turnover of the Demerged Undertaking and as percentage to the total turnover of the listed entity is Rs. 67.31 crores and 21.95% respectively.

C. Rational for Demerger :

- In order to achieve geographical operational efficiencies and unlock shareholders value, the management of AIL has proposed to separate each business undertaking based on the commercial objectives and relevant geographies of the undertaking into separate company. Therefore with a view to effect such reorganization the present scheme is proposed for Transfer of Chintamani Undertaking into



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Archidply Décor Limited (ADR)

- In order to concentrate its growth efforts in a focused manner, introduce different strategies for growth and different focus for alliance / ventures and to enable direct Equity participation from investors and the Demerged Company has determined to create a focused entity and accordingly proposes the transfer and vesting of the Demerged Undertaking (as defined hereinafter) in the Resulting Company by way of a Demerger (as hereinafter defined) undertaken through this Scheme (as hereinafter defined) under the provisions of Sections 230 to 232 read alongwith Section 52 and Section 66 and other relevant provisions of the Act.
- The above transfer will be carried out by demerging Chinatamani unit from AIL to ADL as per the provisions of Section 2(19AA) of the Income Tax Act, 1961 (IT Act).
- Upon the effectiveness of this scheme, ADL will be listed on the stock exchanges where shares of AIL are listed i.e. BSE and NSE.

The key objectives for this demerger which is primarily focused towards maximizing shareholder value are:-

- The nature of risk, competition and capital intensity involved in demerged undertakings and remaining undertaking of AIL is distinct from each other. Consequently, each undertaking of AIL is capable of addressing independent business opportunities, deploying different technologies and attracting different sets of investors, strategic partners, lenders and other stakeholders. Hence as part of an overall business reorganization plan, it is considered desirable and expedient to reorganize and reconstruct AIL by demerging the Demerged Undertaking to ADR in the manner and on the terms and conditions contained in this Scheme.
- The Demerger is likely to enable the business and activities comprised in the demerged undertaking and remaining business and activities of AIL to be pursued and carried on with greater focus and attention through two separate companies each having its own administrative set up. Independent management of each of the undertakings will ensure required depth and focus on each of the businesses and adoption of strategies necessary for the growth of respective businesses. The structure provides independence to the management in decisions regarding the use of their respective cash flows for dividends, capital expenditure or other reinvestment in their business.
- It will facilitate each business to independently pursue their growth plans through organic / inorganic means.



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- It will enhance management focus and operational flexibility and it will create a platform to enhance financial flexibility to pursue next stage of growth.
- The restructuring proposal is thus aimed at protecting and maximizing value for the shareholders of the AIL. This scheme is in the interest of the shareholders, creditors and all other stakeholders of AIL and shall not in any manner be prejudicial to the interests of shareholders and creditors. The restructuring under this Scheme would enable focused business approach for the maximization of benefits to all stakeholders and capitalize on the opportunity for growth.

D. Brief details of change in shareholding pattern (if any) of all entities:

The change in shareholding pattern of the Company consequent upon demerger of Demerged Undertaking of Demerged Company into Resulting Company is given below:

Category	Existing Shareholding of Demerged Company	Post- Demerger shareholding of Resulting Company
Promoters and Promoter's Group	1,60,34,645	40,58,661
Public	60,30,355	15,07,589
Total	2,20,65,000	55,66,250

E. In case of cash consideration- amount or otherwise share exchange ratio;

Upon this scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the record date in respect of every four (4) Equity Shares of the face value of Rs. 10 /- each fully paid up held by him / her / it in the Demerged Company, one (1) new Equity share of the Resulting Company of the face value of Rs.10/- each fully paid up



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F. Whether listing would be sought for the resulting entity

Yes. The Resulting Company i.e. Archidply Décor Limited will list its shares to the Stock exchanges i.e. BSE and NSE where the shares of Archidply Industries Limited, the Demerged Company are listed.

