



AARTI INDUSTRIES LIMITED

71, Udyog Kshetra, 2nd Floor, Mulund - Goregaon Link Road, Mulund (West), Mumbai-400 080.INDIA
☎: 00-91-6797 6666, 2591 8195 • Fax : 00-91-22-2590 4806 / 2565 3185 / 3234
Regd. Office : Plot No. 801 / 23, G.I.D.C. Estate, Phase III, Vapi - 396 195, Dist. Valsad, Gujrat.INDIA
E-mail : info@aartigroup.com • Website : www.aartigroup.com • CIN : L24110GJ1984PLC007301



Ref. No : AIL/B-28/2014/333

Date : 30th May, 2014.

To,
Listing/Compliance Department
BSE LTD.
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

BSE CODE –524208

To,
Listing/Compliance Department
**National Stock Exchange of India
Limited**
“Exchange Plaza”, Plot No. C/1,
‘G’ Block, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051.
NSE CODE:AARTIIND

Dear Sir/Madam,

Ref: Clause 36 of the Listing Agreement.

Sub: Approval of Scheme of Amalgamation by the Board of Directors.

The Board of Directors of the Company at their meeting held at on May 30, 2014 has inter alia considered and approved the Scheme of Amalgamation under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956, between Gogri & Sons Investments Private Limited ("GSIPL") and Alchemie Leasing And Financing Private Limited ("ALFPL") and Anushakti Holdings Limited ("AHL") and Anushakti Chemical And Drugs Limited ("ACDL") and Aarti Industries Limited ("Transferee Company" or "AIL"), and their respective shareholders ("Scheme").

Under the proposed Scheme, GSIPL, ALFPL, AHL and ACDL (Transferor Companies) would be amalgamated with AIL, with effect from the Appointed Date which would be same as the Effective Date i.e. the date on which the Scheme would become operational.

The Board has approved following share issue ratio:

- (i) 58,33,773 fully paid up equity shares of Rs.5/- each of AIL shall be issued and allotted as are held by GSIPL in AIL on 1st April, 2014 i.e. 58,33,773 fully paid up equity shares of Rs.5/- each to all the equity shareholders of GSIPL collectively, in proportion to the number of equity shares held by them in GSIPL;
- (ii) 51,84,098 fully paid up equity shares of Rs.5/- each of AIL shall be issued and allotted as are held by ALFPL in AIL on 1st April, 2014 i.e. 51,84,098 fully paid up equity shares of Rs.5/- each to all the equity shareholders of ALFPL collectively, in proportion to the number of equity shares held by them in ALFPL;

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- (iii) 35,81,743 fully paid up equity shares of Rs.5/- each of AIL shall be issued and allotted in consideration of this Scheme, upon cancellation of 70,22,301 fully paid up equity shares of Rs.5/- each of AIL held by AHL in AIL on 1st April, 2014 to all the equity shareholders (other than AIL which holds approx. 49%) of AHL collectively, in proportion to the number of equity shares held by them in AHL;
- (iv) 18,12,009 fully paid up equity shares of Rs.5/- each of AIL shall be issued and allotted in consideration of this Scheme, upon cancellation of 35,94,530 fully paid up equity shares of Rs.5/- each of AIL held by ACDL in AIL on 1st April, 2014 to all the equity shareholders (other than AIL which holds approx. 49.59%) of ACDL collectively, in proportion to the number of equity shares held by them in ACDL;
- (v) In the event the said Transferor Companies hold more than 2,16,34,702 fully paid up equity shares in AIL in aggregate held as on 1st April, 2014 (without incurring any additional liability), such additional number of equity shares of AIL, if any, shall be issued and allotted in consideration of this Scheme, as may be held by the Transferor Companies in AIL, upon cancellation thereof, in addition to 2,16,34,702 equity Shares held by the Transferor Companies in AIL in aggregate on 1st April, 2014, excluding such number of additional equity shares of AIL as are held by AHL and ACDL to the extent of proportionate shareholding of AIL in the equity shares of AHL and ACDL to all the equity shareholders (other than AIL) of the respective Transferor Companies collectively,, in proportion to the number of equity shares held by them in the respective Transferor Companies;
- (vi) No equity shares would be issued by AIL in consideration of this Scheme to the extent of proportionate shareholding of AIL in the equity shares of AHL (i.e. approx. 49%) and ACDL (i.e. approx. 49.59%).
- (vii) Under the Scheme, the Transferor Companies would be able to acquire additional shares of the Company (AIL) using funds/cash available with them until the Effective Date. Such additional shares would also be issued by the Company subject to and in the manner aforesaid.

Upon the Scheme becoming effective, the share capital of the Company, based on shareholding pattern as on 01/04/2014, would stand reduced by 5.90%. This would result in increased Shareholder Value in the long term.

The merger is aimed at simplification and rationalisation of the promoters' shareholding and would also result in increase in public float of shares on 01/04/2014. Increase in the public float / trading stock of the shares of the Company would positively impact the liquidity of the shares of the Company.

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Further, merger will also result in elimination of associate companies and would make the shareholding structure more transparent and investor friendly.

The change in the capital structure of the Company upon the Scheme becoming effective based on shareholding pattern and shareholding of the Transferor Companies in the Company as on April 1, 2014, would be as under:

Particulars	Before the merger		After the merger	
	Shares	Amount (Rs.)	Shares	Amount (Rs.)
Authorised Share Capital	12,50,00,000 Equity Shares of Rs. 5/- each	62,50,00,000	23,01,50,320 Equity Shares of Rs.5/-	115,07,51,600
Issued, subscribed and paid up share capital of the Company	8,85,91,687 Equity Shares of Rs. 5/- each	44,29,58,435	8,33,68,608 Equity Shares of Rs. 5/- each	41,68,43,040

Upon the Scheme becoming effective, based on shareholding pattern and shareholding of the Transferor Companies in the Company as on 01/04/2014, Promoters / Promoter Group shareholding in the Company would be 57.14% from the present 60.88% inter alia on account of non-promoter shareholding in the AHL and ACDL and, further, no issue of equity shares by the Company in consideration of the Scheme to the extent of its proportionate shareholding in the equity shares of AHL (i.e. approx. 49%) and ACDL (i.e. approx. 49.59%).

The Scheme is subject inter alia to approvals of requisite majority of shareholders of the GSIPL, ALFPL, AHL, ACDL and AIL, sanction of the High Court of Judicature at Bombay and /or High Court of Gujarat at Ahmedabad and all other regulatory approvals as may be necessary for the implementation of the Scheme.

Thanking you,

Yours faithfully,

For **AARTI INDUSTRIES LIMITED**


MONA PATEL

COMPANY SECRETARY & COMPLIANCE OFFICER