

## **VIRAT CRANE INDUSTRIES LIMITED**

D.No: 25-2-1, Opp: Mastan Darga, G.T.Road

Guntur-522 004, (Andhra Pradesh), India.

Telephone: 0863-2223311 Fax: 0863-2356712

### **Salient features of the Scheme.**

1. The Scheme envisages the demerger of the Real estate / infrastructure business undertaking of Virat Crane Industries Limited into Crane Infrastructure Limited pursuant to Sections 391 to 394 and other relevant provisions of the Act on a going concern basis in the manner provided for in the Scheme.
2. Appointed Date for the Scheme is 1<sup>st</sup> April 2007.
3. Effective Date for the Scheme is 23<sup>rd</sup> April 2010, on which the certified true copies of the Order of the High Court of judicature at Hyderabad sanctioning the Scheme were filed by Virat Crane Industries Limited and Crane Infrastructure Limited with the Registrar of Companies, Hyderabad, Andhra Pradesh.
4. Upon this scheme becoming operative and upon vesting of the Real Estate / Infrastructure Business of VCIL in CIL in terms of this Scheme, CIL shall without any further application or deed, issue and allot 1 (One) Equity Shares of the face value of Rs.10 each (Rupees Ten each) credited as fully paid-up to all shareholders of VCIL and whose name appears in the Register of members of VCIL on the Record Date, in respect of every 1 (One) equity Shares of the face value of Rs. 10/- fully paid up.
5. In case any shareholder's holding in VCIL is such that the shareholder becomes entitled to a fraction of an equity share of CIL, CIL shall round off the said entitlement to the nearest integer.
6. Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of DDL in VCIL in terms of the Scheme, VCIL shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 25 (Twenty Five) Equity Shares of Rs.10/- (Rupees Ten only) each, credited as fully paid-up in the capital of VCIL to all Equity Shareholders of DDL, whose names appear in the Register of Members, on a date to be fixed by the Board of Transferee Company, for every 1(One) Equity Shares of the face value of Rs. 10/- each held by the Shareholders of the DDL.
7. In case any shareholder's holding in DDL is such that the shareholder becomes entitled to a fraction of an equity share of VCIL, VCIL shall round off the said entitlement to the nearest integer.



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## Synopsis of the Scheme of Arrangement:

1. Virat Crane Infrastructure Limited has received a certified true copy of the final order from Hon'ble High Court of Andhra Pradesh on 6<sup>th</sup> April 2010 approving the Composite Scheme of Arrangement between the Company, Crane Infrastructure Limited and their respective Shareholders and Creditors, for demerger of the Real Estate and Infrastructure Business undertaking of the Company and transfer / vesting of the said undertaking in favor of Crane Infrastructure Limited and also the merger of Durga Dairy Limited with Virat Crane Industries Limited with effect from 1<sup>st</sup> April 2007 (Appointed Date).
2. The composite scheme envisages the demerger of Real Estate / Infrastructure Division of M/s.Virat Crane Industries Limited into a Separate Listed Company in the name and style of M/s. Crane Infrastructure Ltd, first and then the merger / amalgamation of M/s. Durga Dairy Limited (Transferor company) with M/s.Virat Crane Industries Limited.
3. The aforesaid Scheme of Arrangement has become effective on 23.04.2010, upon filing of the said order of Hon'ble High Court of Andhra Pradesh with the Registrar of Companies, Andhra Pradesh, Hyderabad.
4. The Real estate / Infrastructure Business undertaking of Virat Crane Industries Limited was, inter alia, demerged and vested in Crane Infrastructure Limited with effect from April 1<sup>st</sup> 2007 on a going concern basis pursuant to a Scheme of Arrangement approved by the Hon'ble High Court of Andhra Pradesh on 18<sup>th</sup> February, 2010. The said demerger was carried out essentially to reorganize the business portfolios of Virat Crane Industries Limited with objective of unlocking the value of the shareholders by demerging the real estate / infrastructure Business undertaking into a separate legal listed entity having distinct management focus.
5. The demerger of real estate / infrastructure business undertaking from Virat Crane Industries Limited into Crane Infrastructure limited would, inter alia, have the following benefits:
  - a. Post demerger, Virat Crane Industries limited would be able to focus on its core business.
  - b. There is a huge potential for the commercial office premises in Guntur City and need for Multiplex with the urban population, the real estate / infrastructure business requires dedicated and focused efforts and the company intends to focus on these areas by spinning off the same into a separate company.
  - c. Scope for enhancing diversified, corporate and brand image.
  - d. Financial leveraging possibilities.
  - e. Redundancies would be eliminated and resultant cost saving would result in increase in operating profits of Crane Infrastructure Limited.

