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APM INDUSTRIES LIMITED

910, Chiranjiv Tower, 43, Nehru Place, New Delhi-110019

Phone : (011) 26441015-17 Fax : (011) 26441018

E-mail : delhi@apmindustries.co.in

CIN No. : L21015RJ1973PLC015819

Website : www.apmindustries.co.in

APMIL/215

To,
Listing Department,
BSE Limited
Phiroz Jejeebhoy Towers,
Dalal Street, Mumbai – 400 001

January 11, 2018

Dear Sir,

Ref: Scrip Code: 523537

Sub.: Outcome of the Board Meeting held on January 11, 2018

In compliance with Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 ('LODR Regulations') read with SEBI Circular bearing no. CIR/CFD/CMD/4/2015 dated September 9, 2015 ('SEBI Circular'), this is to inform you that Board of Directors of the Company at its meeting held today i.e. January 11, 2018 (*meeting commenced 12.30 P.M. and concluded at 02.30 P.M.*) has considered and approved the **Scheme of Arrangement ("Scheme") under section 230-232 read with section 66 of the Companies Act, 2013 ("Act") between APM Industries Limited and APM Finvest Limited, a wholly owned subsidiary of the Company, and their respective shareholders and creditors.**

The scheme provides for demerger of Finance and Investment Undertaking of the Company and its subsequent amalgamation with APM Finvest Limited. The Appointed Date for the Scheme is April 1, 2018. The Scheme is subject to approval of BSE Limited, SEBI, Shareholders and Creditors of both the Companies and such other statutory authorities as may be required and sanction thereof by the Hon'ble National Company Law Tribunal, New Delhi Bench.





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For your kind information, the proposed scheme has also been reviewed and recommended for approval by the Audit Committee of the Company at its meeting held today i.e. January 11, 2018.

The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed as Annexure to this Outcome.

Request you to take the same on your records.

Yours Faithfully,

For APM INDUSTRIES LIMITED



R K Rajgarhia

R K RAJGARHIA
CHAIRMAN

Encl. as above



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Annexure

Disclosure of Information pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI Circular bearing no. CIR/CFD/CMD/4/2015 dated September 9, 2015

1. Brief details of the divisions to be demerged.-

The proposed Scheme of Arrangement (Scheme) involves APM Industries Limited (Company/ AIL) and APM Finvest Limited (Resulting Company or AFL), a wholly owned subsidiary of the Company.

The Company is a widely held listed company having its equity shares listed at 'BSE Limited' (BSE). The Company is currently engaged in two distinct and diverse business activities through the following undertakings, namely –

- a) Yarn manufacturing undertaking – manufacturing of synthetic blended (polyester, viscose & acrylic) yarn. Yarn manufacturing business undertaking here in after may also be referred as the Core Business of the Company.
- b) Finance and Investment undertaking – Finance and Investment business includes investment in shares and other securities of companies and granting of loans and advances.

The scheme provides for demerger of Finance and Investment Undertaking of the Company along with all its employees, assets, properties and liabilities and its transfer and vesting thereof to the Resulting Company on a 'going concern' basis, on and with effect from the Appointed Date i.e. April 1, 2018.





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

Turnover of Finance and Investment Undertaking of the Company in FY ending 31.03.2017	% of the total turnover of the Company in FY ending on 31.03.2017
Rs 343.17 lakh	1.35%

3. Rationale for demerger:-

The arrangement is aimed at demerger of "***Finance and Investment undertaking***" of the Company into AFL to segregate the said business. The transfer and vesting by way of a demerger shall achieve the following benefits for the Company and AFL:

- I. Each of the business activities being carried out by the Company is distinct and diverse in its business characteristics. Both the businesses are entirely unrelated and at different stages of maturity with different risk and return profiles and capital and operational requirements. The management of the Company believes that there may be a segment of investors who may wish to have a choice of investing in either of the categories of businesses being undertaken by the company.
- II. Pursuant to the proposed demerger, the Finance and Investment Undertaking and the Remaining Business would have their own management teams which can chart out independent strategies for each business segment. Further, the proposed demerger would also open avenues for resizing and inorganic growth opportunities for the businesses, provide





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multiple listing avenues, along with creating opportunity for shareholders to participate in business of choice and reposition the businesses in their respective market segments, thereby creating opportunities for value creation for the respective stakeholders.

- III. The demerger will permit increased focus by the Company and AFL on their respective businesses in order to better meet their respective customers' needs and priorities, develop their own network of alliances and talent models that are critical to success.

There is no adverse effect of Scheme on any directors, key management personnel, promoters, non-promoter members, creditors and employees of AFL. The Scheme would be in the best interest of all stakeholders in AIL.

Also, the transfer and vesting of the Finance and Investment undertaking into AFL would be in the best interests of the shareholders, creditors and employees of the Company and AFL, respectively, as it would result in enhanced value for the shareholders and allow focused strategy in operation of the Finance and Investment undertaking and the remaining business of the Company. Pursuant to this Scheme all the shareholders of the Company will get shares in AFL and there would be no change in the economic interest for any of the shareholders of the Company, pre-and post implementation of the Scheme.

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

- 4.1. There will be no change in the shareholding pattern of the Company pursuant to the proposed Scheme, as no shares are proposed to be issued by the Company, in terms of the Scheme.





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- 4.2. As a result of the proposed Scheme, the Resulting Company, will issue and allot equity shares to each shareholders of the Company, whose name is recorded in the register of members on the record date, as per the share entitlement ratio enshrined in the Scheme.
- 4.3. As on date, the entire paid up capital of the Resulting Company is held by the Company and thus the Resulting Company is wholly owned subsidiary of Company. Further, upon effectiveness of the Scheme, the existing paid up equity share capital of the Resulting Company held by the Company, shall stand cancelled.
- 4.4. In terms of the Scheme, consequent upon demerger of the Finance and Investment Undertaking into AFL, on the Record Date, the set of shareholders and their holding proportion being proposed in the Resulting Company, is identical to that of the Company, and thus overall economic interest of equity shareholders of the Company, shall remain same.
5. In case of cash consideration – amount or otherwise share exchange ratio.–

The scheme does not involve payment of any cash consideration. In terms of the share exchange ratio, enshrined in the Scheme, in consideration for the demerger /transfer of the Finance and Investment Undertaking to the Resulting Company, the Resulting Company shall issue and allot to each equity shareholders of the Company, whose name is recorded in the register of members on the record date, *“for every 1 (one) equity share of face value of Rs. 2/- (Rupees two only) each held in APM Industries Limited as on the record date, the equity shareholders of APM Industries Limited shall be issued 1 (one) equity share of face value Rs. 2/- (Rupees two only) each credited as fully paid-up in APM Finvest Limited”.*





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M/s Bansal Abhinav & Co., Chartered Accountants have issued the share entitlement ratio report. Further, Finshore Management Services Limited, a SEBI Registered (Cat-1) Merchant Banker, has provided the fairness opinion on the said share entitlement ratio. The aforesaid report and fairness opinion have been duly considered by the Board of Directors of the Company.

6. Whether listing would be sought for the Resulting entity.-

As proposed in the Scheme, the Resulting Company shall apply for listing of its equity shares on the BSE limited, post sanction of the Scheme by Hon'ble National Company Law Tribunal, New Delhi bench and in compliance of SEBI Circular No. CFD/DIL3/CIR/CMD/2017/21 dated March 10, 2017 and relevant regulation in the said behalf.

For APM INDUSTRIES LIMITED



R K Rajgarhia

R K RAJGARHIA
CHAIRMAN