



Annex - 13

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CIN : L99999MH1992PLC070022

**INDO
AMINES
LIMITED**



REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF INDO AMINES LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION ("SCHEME") OF PIOUS ENGINEERING PRIVATE LIMITED ("TRANSFEROR COMPANY") WITH INDO AMINES LIMITED ("TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

MEMBERS PRESENT:

Mr. Ajay Marathe	-	Chairman (Independent Non-Executive Director)
Mr. Pradeep Thakur	-	Member (Independent Non-Executive Director)
Mr. Satish Chitale	-	Member (Independent Non-Executive Director)
Mr. Rohan Deshpande	-	Member (Independent Non-Executive Director)
Mr. Suneel Raje	-	Member (Independent Non-Executive Director)
Ms. Lakshami Kantam	-	Member (Independent Non-Executive Director)

In attendance:

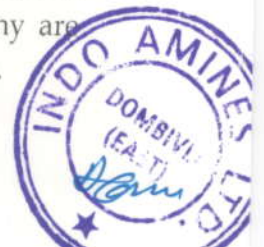
Ms. Tripti Sharma	-	Company Secretary
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Invitees:

Mr. Mukesh Agrawal	-	Chief Financial Officer
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1. Background:

- 1.1 A meeting of Committee of Independent Directors ("ID Committee") of the Indo Amines Limited ("the Company" or "IAL") was held on 8th August, 2022 to consider and recommend to the Board of Directors, the proposed Scheme of Amalgamation of Pious Engineering Private Limited ("Transferor Company") with the Company ("Transferee Company") and their respective Shareholders and Creditors pursuant to Section 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules and/ or regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("Act") and other applicable laws including the master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000655 issued by the Securities and Exchange Board of India ("SEBI") on November 23, 2021 (as amended from time to time) or any other circular issued by SEBI applicable to Schemes of Amalgamation from time to time ("SEBI Scheme Circular" and such Scheme, the "Scheme").
- 1.2 The Company is a public limited company and was incorporated on December 17, 1992 under the Companies Act, 1956. The Transferee Company's Corporate Identification Number is L99999MH1992PLC070022. The equity shares of the Transferee Company are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').





1.3 This report of ID Committee is made in order to comply with the requirements of the SEBI Scheme Circular issued by SEBI pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has been recorded after taking into consideration the following documents, as placed before the ID Committee:

- a) Draft Scheme, duly initialed by the Company Secretary of the Company for the purpose of identification;
- b) Valuation Report dated 8th August, 2022 ("Valuation report") prepared by Mr. Arun Rajendra Lahoti, Registered Valuer (Registration No. IBBI/RV/06/2018/10115), describing the methodology adopted by them in arriving at the Share Exchange Ratio;
- c) Fairness Opinion dated 8th August, 2022 ("Fairness Opinion") prepared by Corporate Capital Venture Private Limited, SEBI Registered Category I, Merchant Banker (Registration No. INM000012276) providing the Fairness Opinion on the Share Exchange Ratio as recommended by the Valuation Report; and
- d) Certificate prepared and issued by the Statutory Auditor of the Company M/s. Sanjay M. Kangutkar & Associates, Chartered Accountants confirming that the proposed accounting treatment specified in the draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and the circulars issued there under and all the applicable accounting standards prescribed under the Companies Act, 2013 and other accounting principles generally accepted in India.

2. Proposed draft Scheme of Amalgamation:

2.1 The Salient features of the draft Scheme are, inter alia, as under:

- a) The draft Scheme provides for amalgamation of Transferor Company with the Transferee Company.
- b) The proposed Appointed Date for the Scheme will be 01st April, 2022 or such other dated as may be fixed or approved by the NCLT (as defined in the Scheme) or any other appropriate authority.
- c) In consideration of the transfer of and vesting of the assets and said liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed, issue and allot equity shares, to each shareholder of the Transferor Company, whose names appear in the register of members of the Transferor Company as on the Record Date (as defined in the Scheme) in the following manner:





"537 (Five Hundred Thirty-Seven) equity shares of Rs. 5/- each (Rupees Five Only) of the Transferee Company each credited as fully paid up for every 10 (Ten) equity shares of Rs. 100/- (Rupees One Hundred Only) held in the Transferor Company and whose names are recorded in the register of members on the Record Date".

- d) The Company shall account for the Amalgamation as per the prescribed accounting standards.
- e) The Scheme will become effective on obtaining all approvals as mentioned in the Scheme.
- f) The equity shares proposed to be issued and allotted by the Company will be listed on BSE and NSE.

2.2 Need for the Amalgamation and Rationale of the Scheme:

The proposed amalgamation would be in the best interest of the Parties (as defined in the Scheme) and their respective shareholders, employees, creditors and other stakeholders as the proposed amalgamation will yield advantages as set out *inter alia* below:

- a) The Companies believe that the combined business will augment industry-leading revenue growth and profitability. Further, the Companies expect that their combined balance sheet will provide diverse strategic options and flexibility arising from cost efficiencies and synergies such as optimization of sales, general and administration costs.
- b) Amalgamation of the Transferor Company with the Transferee Company will provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the amalgamation will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, expertise and infrastructure of both the companies. The merged entity will also have sufficient funds required at lower cost than what Transferor Company borrowed for meeting its long term capital & working capital.
- c) Strengthened strong position in the industry, in terms of the assets base, revenues, product range, production volumes, integrated supply chain and market share of the combine entity.
- d) Greater efficiency in cash management by cost saving for all the Companies as they are capitalizing on each other's core competency and a resource which is expected to result in stability of operations, cost savings and higher profitability levels for the Amalgamated Company.





- e) Greater integration, financial strength and flexibility for the amalgamated company, which would result in improved overall shareholder value.
 - f) Simplified management structure, leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication, reduction in multiplicity of legal and regulatory compliances and rationalization of administration expenses.
- There is no likelihood that interests of any shareholder or creditor of either Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.

3. Scheme not detrimental to the shareholders of the Company:

The ID Committee discussed and deliberated upon the rationale and salient features of the Scheme. In light of the same and the fair equity shares swap ratio reports, the Valuation Report, Fairness Opinion and other documents presented before the ID Committee, the ID Committee is of the informed opinion that, the draft Scheme is in the best interest of the shareholders and not detrimental to their interest.

4. Recommendation of the ID Committee:

The ID Committee recommends the draft Scheme, the fair equity shares swap ratio reports, the Valuation Report, Fairness Opinion, rationale of the Scheme for favorable consideration and approval by the Board of Directors of the Company, Stock Exchanges and SEBI.

This report of the ID Committee is made in order to comply with the requirements of the SEBI Scheme Circular after considering the necessary documents.

By Order of the Audit committee
For and on Behalf of Indo Amines Limited

Ajay Marathe
Ajay Marathe
Chairman & Independent Director
Independent Director Committee



Dated: 8th August, 2022
Place: Dombivli