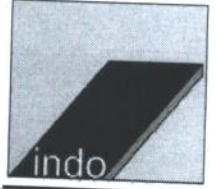


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CIN: L99999MH1992PLC070022

INDO
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**REPORT OF THE AUDIT COMMITTEE OF INDO AMINES LIMITED
RECOMMENDING FOR THE AMALGAMATION OF PIOUS ENGINEERING
PRIVATE LIMITED ("TRANSFEROR COMPANY") WITH INDO AMINES LIMITED
("TRANSFEEE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND
CREDITORS ("SCHEME") DATED 3RD APRIL, 2023**

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. Nandan Khambete	-	Member (Non-executive Director)

MEMBER ABSENT:

Mr. Vijay Palkar	-	Member (Managing Director)
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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 Audit 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").

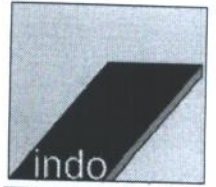
1.2 The Board of Directors of the Company has approved the draft Scheme of Amalgamation of Pious Engineering Private Limited with the Company on 8th August, 2022 based on recommendation provided inter alia by the Audit Committee Report dated 8th August, 2022



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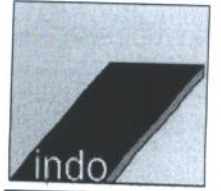
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- 1.3 The National Stock Exchange of India Limited (“NSE”) directed the Company vide its letter no. NSE/LIST/32354 dated 10th October, 2022 to incorporate Income Approach alongwith Market approach for valuing the Transferee Company and submit the addendum to the Valuation Report dated 8th August, 2022.
- 1.4 In response to the requirement raised by the NSE, the Transferee Company has submitted the Addendum dated 19th October, 2022 to Valuation report dated 8th August, 2022 issued by Mr. Arun Lahoti, Registered Valuer by adopting Income Approach for computing the valuation of the Transferee Company. However, after adopting the Income approach for valuation, the Swap Ratio as determined in Valuation Report dated 8th August, 2022 has not changed. The same is remain unchanged.
- 1.5 After submitting the above Addendum, the NSE vide its letter no. NSE/LIST/32354 dated 25th October, 2022 directed the Transferee Company to submit the following documents. So the same were placed before the Audit Committee for their consideration and recommendation to the Board of Directors:
- a) Revised Addendum dated 19th October, 2022 to 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 Income methodology adopted by them in arriving at the Share Exchange Ratio;
- b) Revised Fairness Opinion dated 7th November, 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 consideration for amalgamation of the Transferor Company with the Transferee Company as recommended by the Valuer in revised Addendum dated 19th October, 2022 to Valuation Report dated 8th August, 2022.
- 1.6 Thereafter, the BSE Limited (“**BSE**”) has directed to revise the Valuation by considering the financials for valuation of unlisted entity not more than 6 months old and thereby submit the Revised Valuation Report and in case the existing share exchange ratio considered in the Scheme is changed / altered due to fresh Valuation report, the company shall also provide the following documents. So the same were placed before the Audit Committee for their consideration and recommendation to the Board of Directors:
- a) Draft Scheme, duly initialed by the Company Secretary of the Company for the purpose of identification;





- b) Revised Valuation Report dated 31st March, 2023 (“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) Revised Fairness Opinion dated 3rd April, 2023 (“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.

2. Proposed draft Scheme of Amalgamation:

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

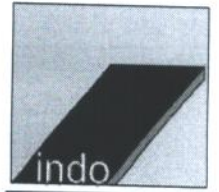
- a) The draft Scheme provides for amalgamation of Transferor Company with the Transferee Company.
- b) The proposed Appointed Date for the Scheme will be 01st January, 2023 or such other dated as may be fixed or approved by the NCLT (as defined in the Scheme) or any other appropriate authority.
- c) 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:
- “525 (Five Hundred Twenty-Five) 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.



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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.



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3. Synergies of the scheme:

This Scheme will result in consolidation of businesses of the Transferor Companies after amalgamation with and into in the Transferee Company. Consolidation will be in the interest of stakeholders of the Transferee & Transferor Company to have an increased capability for running these businesses and pursue growth opportunities. The Scheme will result in consolidation of financial resources and optimization of working capital utilization thereby resulting in stronger financial leverage required not only to sustain such businesses in the long run but also to facilitate their organic and inorganic expansion.

The Scheme would also result in simplified group structure by amalgamation of multiple entities. This in turn is expected to result in achieving synergies benefits under a single flagship listed entity in the following manner:

- a) pooling of resources in terms of manpower, administration, and other common resources, thereby resulting in savings in operational & administrative costs;
- b) achievement of operational synergies due to consolidation of complementary resources and strengths;
- c) an optimum & efficient utilization of available capital and other resources;
- d) economies of scale will play a pivotal role as the consolidated entity's operational efficiency will increase, which in turn will allow the merged entity to compete on a larger scale in the industry and thereby benefiting the merged entity and the shareholders;
- e) duplication of administrative functions together with the multiple recordkeeping will be eliminated, resulting in overall reduction in expenditure including multiplicity of legal and regulatory compliances which at present is required to be made separately by the Transferor Company and Transferee Company.

4. Impact of the Scheme on the Company and its Shareholders:

The amalgamation pursuant to the Scheme is in the interest of both the Transferor Company and the Transferee Company, their respective Shareholders, Creditors and all other Stakeholders and is not prejudicial to the interests of the concerned shareholders, creditors and public at large.



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5. Cost benefit analysis of the scheme:

The Scheme is expected to increase the value of the Company primarily on account of benefits and synergies detailed above. The benefits of the Scheme outweigh such costs for the Company and its Stakeholders.

6. Recommendation of the Audit Committee:

The Audit Committee after a detailed deliberation and after taking into consideration the aforementioned documents presented to the Committee recommends the draft Scheme, Revised Valuation Report dated 31st March, 2023 and Revised Fairness Opinion dated 3rd April, 2023 to the Scheme of amalgamation for favorable consideration and approval of the Board of Directors of the Company.

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


Ajay Marathe
Chairman & Independent Director
Audit Committee



Dated: 3rd April, 2023
Place: Dombivli

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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 ("TRANSFEEEE 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 Rajee	-	Member (Independent Non-Executive Director)

MEMBERS ABSENT:

Ms. Lakshmi Kantam	-	Member (Independent Non-Executive Director)
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In attendance:

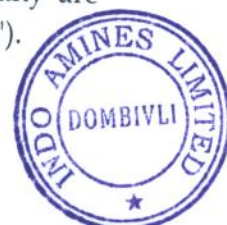
Ms. Tripti Sharma	-	Company Secretary
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Invitees:

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

- 1.1 A meeting of Independent Director Committee ("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').



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- 1.3 The National Stock Exchange of India Limited (“NSE”) directed the Company vide its letter no. NSE/LIST/32354 dated 10th October, 2022 to incorporate Income Approach alongwith Market approach for valuing the Transferee Company and submit the addendum to the Valuation Report dated 8th August, 2022.
- 1.4 In response to the requirement raised by the NSE, the Transferee Company has submitted the Addendum dated 19th October, 2022 to Valuation report dated 8th August, 2022 issued by Mr. Arun Lahoti, Registered Valuer by adopting Income Approach for computing the valuation of the Transferee Company. However, after adopting the Income approach for valuation, the Swap Ratio as determined in Valuation Report dated 8th August, 2022 has not changed. The same is remain unchanged.
- 1.5 Thereafter, the BSE Limited (“BSE”) has directed to revise the Valuation by considering the financials for valuation of unlisted entity not more than 6 months old and thereby submit the Revised Valuation Report and in case the existing share exchange ratio considered in the Scheme is changed / altered due to fresh Valuation report, the company shall also provide the following documents. So the same were placed before the Audit Committee for their consideration and recommendation to the Board of Directors:
- Draft Scheme, duly initialed by the Company Secretary of the Company for the purpose of identification;
 - Revised Valuation Report dated 31st March, 2023 (“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;
 - Revised Fairness Opinion dated 3rd April, 2023 (“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.
2. **Proposed draft Scheme of Amalgamation:**
- 2.1 The Salient features of the draft Scheme are, inter alia, as under:
- The draft Scheme provides for amalgamation of Transferor Company with the Transferee Company.
 - The proposed Appointed Date for the Scheme will be 1st January, 2023 or such other dated as may be fixed or approved by the NCLT (as defined in the Scheme) or any other appropriate authority.

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- 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:
- “525 (Five Hundred Twenty-Five) 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:

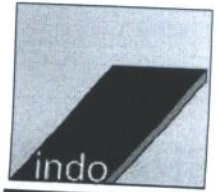
- a) The Companies believe that the combined business will augment industry-leading revenue growth and profitability. Further, the Companies expect that their combined balance sheet will provide diverse strategic options and flexibility arising from cost efficiencies and synergies such as optimization 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.



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- 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:

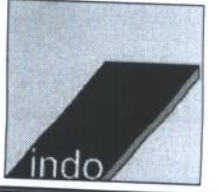
The ID Committee after a detailed deliberation and after taking into consideration the aforementioned documents presented to the Committee recommends the draft Scheme, Revised Valuation Report dated 31st March, 2023 and Revised Fairness Opinion dated 3rd April, 2023 to the Scheme of amalgamation for favorable consideration and approval of the Board of Directors of the Company.



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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

Ajmarathe

Ajay Marathe
Chairman & Independent Director
Independent Director Committee

Dated: 3rd April, 2023

Place: Dombivali

