

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF MAITHAN ALLOYS LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT BETWEEN MA KALYANESHWARI HOLDINGS PRIVATE LIMITED (“DEMERGED COMPANY OR “TRANSFEROR COMPANY”) AND ANJANEY LAND ASSETS PRIVATE LIMITED (“RESULTING COMPANY”) AND MAITHAN ALLOYS LIMITED (“TRANSFEREE COMPANY” OR “COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Members Present

Mr. N.K. Agarwal	-	Non-Executive Independent Director
Mr. Ashok Bhandari	-	Non-Executive Independent Director
Mr. Vivek Kaul	-	Non-Executive Independent Director
Mr. P.K. Venkatramani	-	Non-Executive Independent Director
Mrs. Kalpana Biswas Kundu	-	Non-Executive Independent Director

1. Background:

1.1 A meeting of Committee of the Independent Directors (“**ID Committee**”) of the Company was held on May 5, 2021 to consider the draft Composite Scheme of Arrangement (“**Scheme**”) proposed amongst Ma Kalyaneshwari Holdings Private Limited (“**MKH**” or “**Demerged Company**” or “**Transferor Company**”) and Anjaney Land Assets Private Limited (“**ALAPL**” or “**Resulting Company**”) and Maithan Alloys Limited (“**MAL**” or “**Transferee Company**” or “**Company**”) and their respective shareholders and creditors under the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (“**Act**”) read with relevant rules framed thereunder and other applicable laws including Securities and Exchange Board of India (“**SEBI**”) (Listing Obligation and Disclosure Requirements) Regulations, 2015, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time and SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 (collectively referred to as “**SEBI Circular**”) regarding schemes of arrangement by listed entities and relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, as amended from time to time.

1.2 The Scheme provides for :

- Demerger (as defined under the Scheme) of Real Estate and Ancillary Business (“**REAB**”) of MKH into ALAPL (“**Part II of the Scheme**”); and thereafter
- Amalgamation (as defined under the Scheme) of MKH with MAL (“**Part III of the Scheme**”)

In consideration for the Amalgamation issuance of fully paid-up equity shares by the Transferee Company to the shareholders of the Transferor Company; the consequent dissolution of the Transferor Company without winding up and various other matters consequential or integrally connected therewith with effect from the Appointed Date (as defined under the Scheme) or such other date as the National Company Law Tribunal (“**NCLT**”) may direct/ allow.

1.3 The Scheme which shall be presented before the jurisdictional bench of NCLT under Section 230 to 232 read with Section 66 and other applicable provisions of the Act has been drawn up to be in compliance with Section 2(1B) and other applicable provisions of Income-tax Act, 1961 and other applicable laws including SEBI Regulations read with the SEBI Circular.

1.4 In terms of SEBI Circular, a report from the ID Committee is required recommending the draft Scheme, taking into consideration *inter alia* that the Scheme is not detrimental to the shareholders of the listed entity. This report of ID Committee is made in order to comply with the requirements of the SEBI Circular.

2. Documents perused by the ID Committee

2.1 The following documents were placed before the ID Committee -

- a) Draft Scheme, duly initialed by the Chairperson of the ID Committee for the purpose of identification. The Scheme provides for:
- Demerger (as defined under the Scheme) of Real Estate and Ancillary Business (“REAB”) of MKH into ALAPL (“Part II of the Scheme”); and
 - Amalgamation (as defined under the Scheme) of MKH with MAL (“Part III of the Scheme”)
- b) Amalgamation Share Entitlement Report (as defined under the Scheme) dated May 5, 2021 issued by KPMG Valuation Services LLP, Registered Valuer (IBBI Registration No. IBBI/RV-E//06/2020/115), appointed for the purposes of Part III of the Scheme which involves Amalgamation of MKH with MAL;
- c) Fairness Opinion Report (“Fairness Opinion”) dated May 5, 2021 issued by Sundae Capital Advisors Private Limited (SEBI Regn. No.: INM000012494) providing fairness opinion on the share entitlement recommended in the Amalgamation Share Entitlement Report prepared by KPMG Valuation Services LLP, Registered Valuer (IBBI Registration No. IBBI/RV-E//06/2020/115);
- d) Certificate dated May 5, 2021 obtained from the Statutory Auditors of the Company (“Statutory Auditor’s Certificate”) i.e. M Choudhary & Co, Chartered Accountants (Firm’s Registration No. 302186E) to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Act;
- e) Annual Report of MKH and MAL for the year 2019-2020, unaudited Balance Sheet and Statement of Profit and Loss as on 31st March, 2021 and Certificate of Incorporation dated 22nd April, 2021 of ALAPL;
- f) List of shareholders of MKH, ALAPL and MAL as on 30th April, 2021;
- g) Other presentations reports, documents and information made to/ furnished before the ID Committee pertaining to the draft Scheme.

3. Rationale of the Proposed Scheme:

The ID Committee noted the rationale of the Scheme, which *inter-alia* is as follows:



Key rationale for the Amalgamation of the Transferor Company with the Transferee Company

- a) The Amalgamation would lead to simplification of the existing holding structure of the Transferee Company and reduction of shareholding tiers to remove impediments, if any, in facilitating future expansion plans;
- b) The Scheme is not detrimental to the interests of the minority shareholders in any way;
- c) There would be no change in aggregate Promoters (as defined under the Scheme) holding in the Transferee Company. The Promoters would continue to hold the same number of equity shares in the Transferee Company, pre and post the Amalgamation of the Transferor Company with the Transferee Company and there will be no change in the aggregate shareholding of the Promoter Group (as defined under the Scheme).
- d) All costs and charges arising out of the Scheme shall be borne/ reimbursed by the Promoters/ Promoter Group/ entities owned and controlled by the Promoters or Promoter Group of the Transferee Company.
- e) The Scheme also provides that the Promoters of the Transferee Company will jointly and severally indemnify, defend and hold harmless the Transferee Company, its directors, employees, officers, representatives, or any other person authorized by the Transferee Company (excluding the Promoters) for any liability, claim or demand, which may devolve upon the Transferee Company on account of the amalgamation.

4. Salient Features of the Proposed Scheme:

The ID Committee noted the salient features of the Scheme, which *inter-alia* are as under:

- a) Part III of the Scheme which involves Amalgamation of MKH with MAL will take effect and be operative immediately after coming into effect of Part II of the Scheme which involves Demerger of REAB from MKH into ALAPL.
- b) The transfer and vesting of MKH into the MAL, the consideration of which shall be discharged by the Transferee Company by issuing same number of equity shares as is held by the Transferor Company in the Transferee Company in the following manner :
"1,72,70,176 (One Crore Seventy Two Lakh Seventy Thousand One Hundred Seventy Six) fully paid up equity shares of the face value of INR 10/- (Rupees Ten only) each credited as fully paid up in the share capital of the Transferee Company in the proportion of the number of equity shares held by the shareholders in the Transferor Company".
- c) That there would be no change in the total Promoter's (as defined under the Scheme) shareholding in the Company and the promoters would continue to hold the same percentage of shares of the Company, pre and post the Amalgamation;

d) That the Appointed Date of Scheme shall be same as the Effective Date or such other date as may be approved by National Company Law Tribunal and/or the Appropriate Authority (as defined under the Scheme);

5. Scheme not detrimental to the shareholders of the Company

The ID Committee discussed upon the rationale and expected benefits of the Scheme. In view of various documents presented before the ID Committee including Amalgamation Share Entitlement Report (as defined under the Scheme), Fairness Opinion, Statutory Auditor's Certificate etc., it is observed that the Amalgamation will lead to simplification of the existing holding structure of the Transferee Company and reduction of shareholding tiers to remove impediments, if any, in facilitating future expansion plans. There would be no change in aggregate Promoters holding in the Transferee Company. The Promoters would continue to hold the same number of equity shares in the Transferee Company, pre and post the Amalgamation of the Transferor Company with the Transferee Company and there will be no change in the aggregate shareholding (both in terms of number and percentage) of the Promoter Group. Basis this, ID Committee was of the view that the Scheme is expected to be in best interests of all the shareholders of Company.

6. Recommendation of the ID Committee

In view of the above, the ID Committee recommends the draft Scheme, *inter-alia*, taking into consideration impact of the Scheme on the shareholders and other stakeholders to the Board of Directors of the Company, stock exchange (s) and SEBI for its approval.

By the order of the ID Committee

For Maithan Alloys Limited

(Ashok Bhattacharya)

Chairman of the ID Committee



Date: May 5, 2021

Place: Kolkata