



**INTEGRA
ESSENTIA
LIMITED**

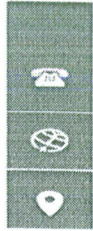
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Annexure 4



To

The Board of Directors

Integra Essentia Limited

607, 6th Floor, Pearls Best Height -II,
Netaji Subhash Place, Maurya Enclave,
North West, Delhi – 110034

Report of Audit Committee of Integra Essentia Limited on the Scheme of Arrangement for Amalgamation of G G Engineering Limited ('Transferor Company') with Integra Essentia Limited ('Transferee Company'/'The Company')

A meeting of Audit Committee of Integra Essentia Limited was held on 5th July 2024, to consider and recommend the proposed Scheme of Arrangement for Amalgamation of G G Engineering Limited ('Transferor Company') with Integra Essentia Limited ('Transferee Company') under Sections 230 to 232 of the Companies Act, 2013, in accordance with the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (SEBI Master Circular). The report of the Company is being made in order to comply with the requirements of the aforesaid SEBI Master Circular. The audit committee has considered and reviewed the scheme and drawn out the following major points:

1. Background:

1.1 Transferor Company:

G G Engineering Limited (hereinafter also referred to as 'GGEL' or 'Transferor Company'), bearing CIN L28900MH2006PLC159174 was incorporated on 23rd January 2006, under the provisions of Companies Act 1956, having its registered office at Office No. 203, 2nd Floor, Shivam Chambers Coop Soc Ltd. S.V Road, Goregaon West, Near Sahara Apartment, Mumbai, Maharashtra - 400104. The Transferor Company is engaged in the business of superior infrastructure Infrastructural & Structural Steel, and Engineering products which are used for diverse applications in various industries, like infrastructure, construction, mega projects, modern buildings, high-rise residential and commercial projects, engineering set-ups among others.

1.2 Transferee Company:

Integra Essentia Limited (hereinafter also referred to as 'IEL' or 'Transferee Company') bearing CIN L74110DL2007PLC396238 was incorporated on 06th August 2007, under the provisions of Companies Act 1956, having its registered office at 607, 6th Floor, Pearls Best

For Integra Essentia Limited

Authorised Signatory/Director

Height -II, Netaji Subhash Place, Maurya Enclave, Northwest Delhi, New Delhi - 110034. The Transferee Company operates in four business segments namely agro products, clothing, infrastructure, and energy. It is mainly engaged in the business of trading agricultural commodities, life necessities, items of basic human needs, organic and natural products, and processed foods etc. and other essential goods, infrastructural products among others.

1.3 The following documents were tabled at the meeting and reviewed by the Audit Committee:

- Draft Scheme on the proposed Scheme of Arrangement for Amalgamation of G G Engineering Limited ('Transferor Company') with Integra Essentia Limited ('Transferee Company');
- Valuation Report containing the Share Exchange Ratio dated 29th June 2024, issued by Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201);
- Fairness opinion dated 29th June 2024, obtained from Corporate Professional Capital Private Limited, SEBI Registered, Category-I, Merchant Banker;

2. Need and rationale of the Scheme is as follows:

The committee noted the following salient features of the Scheme:

This Scheme of Amalgamation would result, inter-alia, in the following synergies for both the Transferor and Transferee companies and thereby preserving and creating value for its shareholders, creditors and various other stakeholders:

2.1 Consolidating strengths:

The Transferor Company is in the business of superior infrastructure Infrastructural & Structural Steel, and Engineering products which are used for diverse applications in various industries, like infrastructure, construction, mega projects, modern buildings, high-rise residential and commercial projects, engineering set-ups among others. The merger will enhance and strengthen the Transferee Company's infrastructure division, improving its operational capabilities and market competitiveness. It aims to enrich the combined product offerings and expand the customer base both locally and globally.

2.2 Value creation for shareholders:

The proposed amalgamation is expected to create economic value for both the Transferor and Transferee companies. Shareholders of the Transferor company will benefit from reduced finance costs, improved profitability, and additional resources to fund business growth. Shareholders of the Transferee company are expected to benefit from business expansion. Shareholders of both companies are also likely to benefit from increased value created through business synergies, cost savings, reduced administrative/operating costs, and improved financial performance of the merged entity.

2.3 Focused management, synergies, and growth prospects:



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The Proposed Amalgamation would not only create economies of scale but also simplify management and strategic focus, leading to improved long-term performance. It will facilitate better and more efficient control over the business and financial conduct of the merged company, allowing for a more streamlined and coordinated approach to governance and strategic decision-making.

- 2.4 The combined entity, on the back of its financial stability is likely to attract more opportunities for organic and inorganic growth viz., partnerships, acquisitions, and market expansion, translating into enhanced financial prospects.

In summary, the amalgamation of the Transferor Company with the Transferee Company is driven by strategic business objectives of preserving businesses of both companies, build strong foundation and achieve market competitiveness by combing the collective strength of both the companies, achieving business and operational synergies & efficiencies, improved financial stability and performance, and thereby preserving and creating long-term value for its various stakeholders.

3. Synergies of Business of the entities involved in the Scheme:

- 3.1 Pooling of managerial and technical expertise of the Transferor Company. Thus, enabling better management and focus on growing the businesses.
- 3.2 The combined scale and customer reach of the merged entity will enable it to compete effectively in the market;
- 3.3 The proposed amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources.
- 3.4 Synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
- 3.5 A larger growing Company will mean enhanced financial and growth prospects for the people and organisation connected therewith, along with the public interest. The amalgamation will be conducive to more efficient and economical control over the business and better market reach.

4. Cost Benefit Analysis of the Scheme:

The Transferor and Transferee Company belongs to the same industry and the proposed amalgamation would enable the Companies to achieve operational efficiency and economies of scale by consolidating their respective resources thereby providing the benefits of cost reduction that can improve financial efficiencies in the long run.

5. Impact of the Scheme on the Shareholders:



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The Audit Committee discussed and deliberated upon the rationale and expected benefits of the Scheme. The Audit Committee also reviewed the aforesaid Valuation Report in which share exchange ratio has been determined on the basis of financials of Transferor Company and Transferee Company as on 29th June 2024, and Fairness Opinion obtained from the Independent Merchant Bankers. The Committee noted the followings:

- 5.1 As per the valuation report, value per share of the Transferor Company is arrived at INR 2.10/- and that of the Company is INR 4.41/-. Based on this, the share exchange ratio is as follows:

"Integra Essentia Limited" (Transferee Company) shall issue and allot 48 (Forty Eight) Equity Shares of Face Value of INR 1/- (Rupees One Each) each to Equity Shareholders of "G G Engineering Limited" (Transferor Company) for every 100 (One Hundred) Equity Share of Face Value of INR 1/- (Rupees One Each) each held by them in the Transferor Company.

- 5.2 Upon approval of the Scheme by the National Company Law Tribunal, the Shareholders of Transferor Company as on record date shall be entitled to equity shares in the Transferee Company basis the share exchange ratio determined as per the aforementioned valuation report submitted to this committee, the shareholders of Transferor Company shall be allotted shares in the Transferee Company.

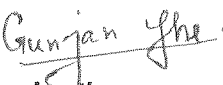
In light of the above, the Scheme will not adversely affect the rights or interest of any stakeholder of the Transferee Company including its shareholders or creditors.

6. Recommendations of the Audit Committee

Having considered the documents, Valuation Report, Fairness Opinion, the Audit Committee hereby unanimously recommends the draft Scheme for favorable consideration of the Board of Directors of the Company, Stock Exchanges, and Securities and Exchange Board of India and such other Authorities, as applicable.

By the order of Audit Committee

For Integra Essentia Limited


Gunjan Jha
Independent Director
DIN: 09270389

For Integra Essentia Limited

Authorised Signatory/Director

Date: 5 July 2024

Place: New Delhi