

Annexure - 12



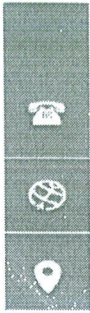
**INTEGRA  
ESSENTIA  
LIMITED**

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To,  
The Board of Directors  
Integra Essentia Limited

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

A meeting of Independent Director Committee of Integra Essentia Limited was held on 5<sup>th</sup> 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. This report of Independent Director Committee of the Company is being made in order to comply with the requirements of SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. The Independent Director committee has considered and reviewed the said Scheme of Arrangement and drawn out the following major points:

**Background of the Companies involved in the proposed scheme:**

- A. 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. The Transferor Company is listed on the bourses of BSE Limited.
- B. 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 Height - II, Netaji Subhash Place, Maurya Enclave, Northwest Delhi, New Delhi - 110034. The Transferee

For Integra

Authorised Signatory/Director

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. The Transferee Company is listed on the bourses of BSE Limited and the National Stock Exchange of India Limited.

**Following documents were placed before the Independent Director 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;

**Salient features of Scheme of Arrangement:**

The committee noted the following salient features of the scheme:

- The scheme provides for Amalgamation of G G Engineering Limited ('Transferor Company') with Integra Essentia Limited ('Transferee Company') with effect from the Appointed Date i.e., 1<sup>st</sup> July, 2024 or such other date as may be approved by the Hon'ble National Company Law Tribunal of relevant jurisdiction or by such other competent authority having jurisdiction over the Transferor Company and the Transferee Company;
- The amalgamation of Transferor Company with Transferee Company is expected to enable better realization of potential of business and yield beneficial results. It will result in enhanced value creation for the companies involved in Scheme, their respective Shareholders and Creditors.

**Need and Rationale of Scheme of Arrangement:**

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:

- **Consolidating strengths:**



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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.

- **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.

- **Focused management, synergies, and growth prospects:**

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.

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.

**Scheme Not Detrimental to the Shareholders of the Company:**



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The Committee members discussed and deliberated upon the rationale and salient features of the scheme, the valuation report and fairness opinion presented before the Committee. As per the valuation report issued by Independent Registered Valuer Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBB/RV-E/05/2023/201), the value per share of the Transferor Company and Transferee Company was arrived at INR 2.10/- and INR 4.41/- respectively.

Accordingly, share exchange ratio for issuance of new shares of the Transferee Company to the shareholders of the Transferor Company in consideration to the proposed Scheme will be based upon their respective value per share as mentioned above i.e.,

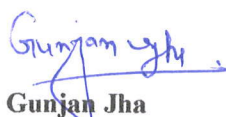
*“Integra Essentia Limited” (Transferee Company) shall issue and allot 48 (Forty-Eight) Equity Shares of Face Value of INR 1/- (Rupees One Each) each to Equity Shareholders of “G G Engineering Limited” (Transferor Company) for every 100 (One Hundred) Equity Share of Face Value of INR 1/- (Rupees One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

The Committee is of the informed opinion that the proposed Scheme is in the best interests of the Shareholders of the Company and not detrimental to the interest of the Shareholders, including the minority shareholders of the Company.

**Recommendation of the Independent Director Committee:**

Having considered the documents, Valuation Report and Fairness Opinion, the Independent Director Committee hereby unanimously recommends that the aforesaid Scheme of Arrangement for Amalgamation is not detrimental to the interest of the Shareholders of the Company.

**For and on behalf of the Committee of Independent Director of  
Integra Essentia Limited**

  
Gunjan Jha

DIN: 09270389

(Chairman of the meeting)

**For Integra Essentia Limited**

Authorised Signatory/Director

Place: New Delhi

Date: 05.07.2024