

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF MACROTECH DEVELOPERS LIMITED ('THE COMPANY') RECOMMENDING THE SCHEME OF MERGER BY ABSORPTION OF ROSELABS FINANCE LIMITED ('FIRST TRANSFEROR COMPANY'), NATIONAL STANDARD (INDIA) LIMITED ('SECOND TRANSFEROR COMPANY'), SANATHNAGAR ENTERPRISES LIMITED ('THIRD TRANSFEROR COMPANY') WITH MACROTECH DEVELOPERS LIMITED ('TRANSFEEE COMPANY') AND THEIR RESPECTIVE SHAREHOLDERS ('SCHEME')

Members Present:

Mr. Mukund Chitale
Mr. Lee Polisano
Mr. Rajeev Bakshi
Ms. Harita Gupta

1. Background

Meeting of the Committee of Independent Directors of Macrotech Developers Limited was held on Friday, July 30, 2024, to consider and recommend the proposed Scheme of Merger by Absorption of Roselabs Finance Limited ('First Transferor Company'), National Standard (India) Limited ('Second Transferor Company'), Sanathnagar Enterprises Limited ('Third Transferor Company') with Macrotech Developers Limited ('Transferee Company') and their respective shareholders ('Scheme') under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

The Equity shares of the Transferee Company are listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). The Transferee Company will be filing the Scheme along with necessary information/documents with both the mentioned Stock Exchanges. BSE Ltd will be the designated Stock exchange for the scheme.

This report of the ID Committee is made in order to comply with the requirements of SEBI Master Circular ref. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and other circulars, if any, issued by SEBI, applicable to scheme of mergers and amendments thereto ("**SEBI Circulars**"), where the ID committee after taking into consideration the Draft Scheme of Merger by Absorption is required *inter-alia* to confirm that the Scheme is not detrimental to the shareholders of the listed entity.

The following documents were placed before the Committee:

- Draft of the Scheme of Merger by Absorption
- Valuation Report dated July 30, 2024 prepared by Banshi S. Mehta Valuer LLP, registered valuer, IBBI Registration No IBBI/RV/06/2019/10666 ("Valuers");
- Fairness Opinion dated July 30, 2024 with regard to the above mentioned Valuation Report issued by Kotak Mahindra Capital Company Limited, Category I SEBI Registered Merchant Banker
- Fairness Opinion dated July 30, 2024 on Debt Securities issued by Kunvarji Finstock Private Limited, Category I SEBI Registered Merchant Banker
- Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para (A)(5) of Part I of SEBI Master Circular

The objects/ rationale of the proposed Scheme is as under:

- (a) Streamlining, rationalization and simplification of the group holding structure by way of reduction in the number of entities, resulting in ease of management for the Transferee Company.
- (b) Reduction in overheads including administrative, managerial and other expenditure, and optimal utilization of resources by elimination of duplication of activities and related costs.
- (c) Reduction in the multiplicity of legal and regulatory compliances at present carried out separately by the Transferor Companies and the Transferee Company and promote organizational efficiencies with the achievement of greater economies of scale.
- (d) Free up management bandwidth, especially of senior management, towards more productive and value generating activities.
- (e) As the Transferor Companies neither have any ongoing projects nor is any further business opportunity envisaged, the proposed Scheme of merger with the Transferee Company would be in the best interest of the Transferor Companies and their shareholders.

(f) Public shareholders of the Transferor Companies will receive shares in the Transferee Company which is one of the biggest real estate developers in India

2. The Appointed date of the Scheme is 1st July, 2024.
3. The Independent Directors reviewed the Valuation Report and noted the recommendations made therein. The Valuation report states the Share Exchange Ratio to be:

For equity shareholders of Roselabs Finance Limited (First Transferor Company)

"7 fully paid up equity shares of Rs. 10/- each of Transferee Company for every 1000 fully paid up equity share of Rs. 10/- each held in First Transferor Company"

For equity shareholders of National Standard (India) Limited (Second Transferor Company)

"92 fully paid up equity shares of Rs. 10/- each of Transferee Company for every 1,000 fully paid up equity share of Rs. 10/- each held in Second Transferor Company"

For equity shareholders of Sanathnagar Enterprises Limited (Third Transferor Company)

"7 fully paid up equity shares of Rs. 10/- each of Transferee Company for every 1,000 fully paid up equity share of Rs. 10/- each held in Third Transferor Company"

4. Further, the Fairness Opinion confirms that the Share Exchange Ratio in the Valuation Report is fair to the shareholders of the Company.
5. Further, MSKA & Associates, Chartered Accountants, Statutory Auditors of the Company have certified and confirmed that the accounting treatment as specified in the Scheme is in accordance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
6. **Impact of the Scheme on shareholders**

The Transferee Company shall issue 5,03,542 equity shares to the shareholders of the First Transferor Company, Second Transferor Company and Third Transferor Company based on the Share Exchange Ratio as mentioned above.

The ID Committee is of the opinion that the Scheme is not detrimental to the interests of the shareholders of Macrotech Developers Limited.

7. Recommendation of the Committee of Independent Directors

In light of the aforesaid, the ID Committee, after due deliberation and after taking into consideration the impact of the Scheme on the shareholders of the Company, recommends the draft Scheme to the Board of Directors of the Company for approval.

For and on behalf of the Committee of Independent Directors
of **Macrotech Developers Limited**


Mukund Chitale
Chairman



Place: Mumbai
Date: July 30, 2024