

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF BRAND CONCEPTS LIMITED DATED 9TH NOVEMBER, 2023 CONSIDERING THE DRAFT SCHEME OF AMALGAMATION UNDER SECTION 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT 2013 BETWEEN IFF OVERSEAS PRIVATE LIMITED ("TRANSFEROR COMPANY") WITH BRAND CONCEPTS LIMITED ("TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("THE SCHEME").**

**Members Present:**

1. Mr. Manish Saksena	(DIN: 08014657)
2. Mr. Govind Shridhar Shrikhande	(DIN: 00029419)
3. Mr. Narendra Tulsidas Kabra	(DIN: 06851212)
4. Mr. Kushagra Praveen Toshniwal	(DIN: 07117429)

**1. Background:**

A meeting of the Committee of Independent Directors ("ID Committee" ) was held on 9th November, 2023, inter alia, to consider and if thought fit, recommend to the Board of the Directors the proposed Scheme of Amalgamation under Section 230 to 232 of the Companies Act, 2013 ('the Act' ) and the other applicable provisions of the Act between IFF Overseas Private Limited ("Transferor Company") with Brand Concepts Limited ("Transferee Company") and their Respective Shareholders and Creditors ('the Scheme').

The Appointed Date for the Amalgamation under the Scheme is 1<sup>st</sup> April, 2024 or such other date as may be mutually agreed between the Transferor Company and Transferee Company, and approved by the NCLT and shall be operative from the Effective Date (as defined in the Scheme).

The Scheme will be presented before the NCLT (as defined in the Scheme) under Section 230 to 232 of the Companies Act 2013 and other applicable provisions of the Act, the rules and regulation made thereunder, and will also be in compliance of Section 2(1B) of the Income Tax Act, 1961 and Master Circular of SEBI vide no. SEBI/HO/CFD/POD-2/CIR/2023/93 dated 20<sup>th</sup> June 2023, issued by SEBI ("Scheme Circular") and other applicable circulars, if any.

In terms of the Scheme 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 Company.

This Report of the ID Committee is made in order to comply with the requirements of the Scheme Circular.



## **2. Salient features of the Scheme:**

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

- a) Upon this Scheme becoming effective and in consideration of the amalgamation of the Transferor Company into the Transferee Company in terms of the Scheme, the Transferee Company shall, without any application or deed, issue and allot 12,04,077 (Twelve Lakh Four Thousand Seventy-Seven) equity shares of face value of Rs. 10/- (Rupees Ten only), credited as fully paid-up, to the shareholders of the Transferor Company whose names appear in the register of members as member of the Transferor Company, including records of beneficial owners maintained by a depository or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognised by the Board of the Transferee Company, on the Record Date in the following share exchange ratio:

100 (One Hundred) equity shares of Transferee Company of Rs. 10/- (Rupees Ten only), each as fully paid-up to be issued and allotted for every 353 (Three Hundred Fifty Three) equity shares of the face value of Rs. 10 (Rupees ten only) each held by the in the Transferor Company;

- b) The Appointed Date for the Amalgamation under the Scheme is 1st April, 2024 or such other date as may be mutually agreed between the Transferor Company and Transferee Company, and approved by the NCLT and shall be operative from the Effective Date (as defined in the Scheme);
- c) The Scheme shall be effective subject to following:
  - i. Approval of the Scheme by the stock exchanges and SEBI pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Scheme Circular;
  - ii. Approval of the Scheme by the requisite majority of the Shareholders and or Creditors of the Transferor Company and the Transferee Company as may be directed by NCLT;
  - iii. Approval by the Public Shareholders through e-voting in terms of part 1 (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June, 2023 or any other relevant circular and the Scheme shall be acted upon only if votes cast by the Public Shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.



- iv. Sanction of the Scheme by NCLT having jurisdiction over the Transferor Company and the Transferee Company;
- v. The Certified true copy of the NCLT Order(s) (as defined in the Scheme) sanctioning the Scheme being filed with the jurisdictional Registrar of Companies by the Transferor Company and the Transferee Company.

- d) Dissolution of Transferor Company without winding up.
- e) Equity shares to be issued by the Transferee Company to the shareholders of Transferor Company will be listed on BSE Limited and National Stock Exchange of India Limited.

### **3. Documents pursued by the ID Committee:**

The Report of the ID Committee is made after considering the following:

- a) The Scheme;
- b) Share Exchange ratio mentioned in Valuation Report dated 9<sup>th</sup> November, 2023 issued by RV FCS Abhinav Agarwal, Registered Valuer (SFA) (IBBI Membership No.: IBBI/RV/06/2019/12564), Independent Registered Valuer, providing, inter alia, the methodology adopted and the valuation arrived at for share exchange ratio ("Valuation Report");
- c) Fairness opinion dated 9<sup>th</sup> November, 2023 issued by Sundae Capital Advisors Private Limited, an Independent SEBI registered Category I Merchant Banker, providing its opinion on the fairness of the Equity Share Exchange Ratio ("Fairness Opinion");
- d) Auditor's Certificate pursuant to paragraph 5(a) of Part I of the SEBI Scheme Circular to the effect that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules framed thereunder and other generally accepted accounting principles; and

### **4. Scheme not detrimental to the Shareholders of the Company:**

The ID Committee discussed and deliberated upon the rationale and expected benefits of the Scheme and took note of the Scheme, Share exchange ratio/ Valuation Report, Fairness Opinion and other documents as placed in the meeting and formed a view that the Scheme is expected to consolidate the Transferor Company and the Transferee Company into a single entity to enhance business, improve synergies, improve the competitive position of the combined entity, increase operational efficiency and focus on long term value creation.

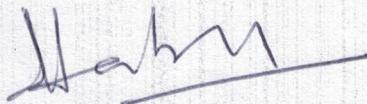


Thus, the ID Committee is of the opinion that the Scheme is not detrimental to the interest of the Shareholders of the Transferee Company.

#### **5. Recommendation of the ID Committee**

In light of the aforesaid, the ID Committee recommends the Scheme for favorable consideration by the Board of Directors of the Company, the Stock Exchanges, SEBI and other appropriate authorities.

By Order of the Committee of Independent Directors of **BRAND CONCEPTS LIMITED**



Mr. Narender Kabra  
Chairman of the Independent Director Committee  
DIN-06851212

Date- 09-11-2023  
Place- Indore

