

REPORT OF THE MEETING OF INDEPENDENT DIRECTORS OF JHAVERI CREDITS AND CAPITAL LIMITED DATED MARCH 30, 2024 FOR RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION BETWEEN U R ENERGY (INDIA) PRIVATE LIMITED AND JHAVERI CREDITS AND CAPITAL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMMITTEE MEMBERS PRESENT: (PHYSICALLY)

1. Mr. Pranav Patel (Chairman) (DIN: 07226291)
2. Mr. Keyoor Bakshi (DIN: 00133588)
3. Mr. Paresh Patel (DIN: 02352677)

1. Background:

- 1.1 A meeting of the committee of Independent Directors ("**Committee**") was held on 30-03-2024, inter-alia, to consider and if thought fit, recommend to the Board of Directors ("**Board**") of **Jhaveri Credits and Capital Limited** (the "**Company**"), the draft Scheme of Amalgamation in the nature of merger / amalgamation between **U R Energy (India) Private Limited** ("**Transferor Company**" / "**U R Energy**") and Jhaveri Credits and Capital Limited ("**Transferee Company**" / "**Jhaveri**") and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 read with applicable rules made thereunder ("**Scheme**").
- 1.2 The draft Scheme will be presented to the jurisdictional National Company Law Tribunal ("**NCLT**") under section 230 of the Companies Act, 2013 (the "**Act**"), the rules and regulations made thereunder and will be in compliance with the Securities and Exchange Board of India having No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 covering all circulars issued by SEBI in relation to scheme of arrangement including any amendments or modifications thereof ("**SEBI Master Circular**").

2. Requirement of the Master Circular.

- 2.1 The Committee noted that in terms of the SEBI Master Circular, the Committee of Independent Directors of listed company is required to recommend the draft Scheme to the Board, after taking into consideration, *inter-alia*, that the Scheme is not detrimental to the shareholders of the listed entity and any other matters specified by SEBI Master Circular.
- 2.2 The Report of the Audit Committee is made to comply with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("**SEBI LODR Regulations**") and the SEBI Master Circular.

3. Documents placed before the Committee:

This report of the Committee is being issued in compliance with the SEBI Master Circular. The Committee has made this report after perusing the following documents:

- A. Draft Scheme, initialled by the Company Secretary, for the purpose of identification;
- B. Valuation report dated 28-03-2024 issued by Mr. Sagar Shah, an Independent Registered Valuer (Registration No. IBBI/RV/06/2020/13744) ("**Registered Valuer**") appointed for recommending the fair share exchange ratio for the purpose of this Scheme.
- C. Fairness Opinion Report dated 29-09-2024 issued by 3Dimension Capital Services Limited, SEBI Registered Merchant Banker (having INM000012528), providing fairness opinion ("**Fairness Opinion**") on the share exchange ratio recommended in the Valuation Report issued by Registered Valuer; and
- D. Audited financial statements of the Company for last 3 Financial Years;
- E. other presentations, reports, documents, and information furnished before the Committee by the management.

4. Need and rationale for the Scheme:

- 4.1 The Independent Committee noted the need for proposed merger of U R Energy (India) Private Limited with Jhaveri Credits and Capital Limited in light of the various synergies and value creation on account of multiple factors as outlined in the Scheme. Further, it was noted that merger by way of a Scheme approved by NCLT under provisions of the Companies Act, 2013 would be the most efficient mechanism for consolidation of the businesses.
- 4.2 The proposed merger would be in the best interest of both the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed merger will yield advantages as set out inter alia below:
 - The Transferor Company and Transferee Company being in the same business of renewable energy and trading of related parts, it is decided to amalgamate the Transferor Company with Transferee Company because of the business line which presently compliments the business of each other;
 - The amalgamation is in line with the Transferee and Transferor Company's strategy to build a sustainable and profitable business in India;
 - It would be advantageous to combine the activities and operations of the Transferor Company with Transferee Company (i.e., into a single company) for synergistic linkages and benefit of combined financial resources;
 - Amalgamation of the Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, merger will enable optimal utilisation of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, expertise and infrastructure of both the companies. The merged entity

will also have sufficient funds required for meeting its working capital needs and other purposes;

- Greater scale of economy and greater financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value and will improve the competitive position of the combined entity;
- The Scheme will result in cost saving for both the companies as they are capitalising each other's core competency and market which is expected to result in higher profitability levels and cost savings for the Transferee Company;
- Transferor as well as Transferee Company share common fundamental philosophies viz. corporate transparency and better governance. The Companies also share common corporate values;

4.3 Thus, with the intent to achieve aforesaid objectives and further in order to consolidate, streamline and effectively merge the Transferor Company and Transferee Company in a single entity it is intended that the Transferor Company be merged with the Transferee Company.

5. Key features of the Scheme:

5.1 The Scheme, *inter-alia*, provides the following:

- a. merger of U R Energy (India) Private Limited with Jhaveri Credits and Capital Limited; and
- b. various other matters consequential or otherwise integrally connected herewith.

5.2 Appointed Date of the Scheme is **01st April 2024**.

5.3 The Effective Date for the Scheme means the last date on which the certified copies of the orders of National Company Law Tribunal sanctioning this Scheme, is filed by Transferor and Transferee Company with the jurisdictional Registrar of Companies ("ROC").

5.4 On Scheme being effective **253 (Two hundred fifty three)** equity share of the Transferee Company of the face value of Rs. 10/- each (Indian Rupees Ten) each credited as fully paid-up for every **500 (Five Hundred)** equity share of INR 10/- (Indian Rupees Ten) each fully paid-up held by such member in the Transferor Company as on the Record Date.

5.5 Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with "Acquisition Method" of accounting as prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

5.6 The Scheme would be subject to the sanction or approval of the National Company Law Tribunal, SEBI, Stock Exchanges, Shareholders, Creditors and other Appropriate Authorities (as defined in the Scheme).

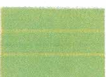


6. Benefits of the Scheme:

- 6.1 After a careful evaluation of the business of the Company, the Company believes that this amalgamation would result in improving the potential for further expansion of businesses by way of consolidation of capital base, optimal utilisation of resources creation of asset base and facilitating access to better financial resources; and greater size, scale, financial strength and flexibility for the merged Transferee Company.
- 6.2 The proposed merger will create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, product diversification and expanded reach with increased ability to growth opportunities, higher cross selling opportunities to a larger base of customers, improvement in productivity and operational efficiencies amongst others.
- 6.3 Greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximise shareholder value.

7. View of the Independent Directors- Scheme not detrimental to the shareholders of the Company

- 7.1 The proposal to undertake the Scheme under Sections 230-232 of the Act and other applicable provisions was placed before the Committee at its meeting held on 30-03-2024. The Committee was informed that under the Scheme, it was proposed to merge both the Companies.
- 7.2 The Scheme does not fall within the purview of the Related Party Transactions in terms of General Circulars issued by the Ministry of Corporate Affairs ("MCA") since the same is subject to the sanction of the NCLT and the provisions of the Section 188 of the Act are not applicable.
- 7.3 The equity shares to be issued by the Company to the shareholders of the Transferor Company pursuant to the Scheme shall rank *pari-passu* in all respects with the then existing equity shareholders of the Transferee Company.
- 7.4 The Committee noted the background, salient features, rationale and the benefits to the Company and its shareholders, as set out above, of the proposed Scheme as placed before it.
- 7.5 In view of the fact that would be in the best interests of the Company and their respective shareholders and creditors as the proposed amalgamation will yield advantages of unlocking of shareholder value, the Committee after due deliberations and due consideration of all the terms of the draft Scheme and other documents presented before the Committee, hereby unanimously notes and is of the opinion that the Scheme is not detrimental to the interests of the Company and its shareholders.



8. Recommendation of the Committee:

- 8.1 The Committee of the Independent Directors after due deliberations and due consideration of all the terms of the draft Scheme, Valuation Report, Fairness Opinion and the specific points mentioned above including that the Scheme is not detrimental to the shareholders of the Transferor Company, recommends the draft Scheme for favourable consideration and approval of the Board of the Company, the Stock Exchanges, the Securities and Exchange Board of India and other statutory/ regulatory authorities including the NCLT.
- 8.2 In order for the Company to comply with the requirements of the extant regulations applicable to the listed companies undertaking any Scheme of Amalgamation under the Companies Act, 2013 and SEBI Master Circular, this report of the Committee of Independent Directors may please be taken on record by the Board of Directors of the Company while considering the Scheme for approval and further authorization.

**For and behalf of the Independent Directors of
Jhaveri Credits and Capital Limited**



Pranav Patel

DIN: 07226291

Chairman of the Committee of Independent Directors



Place : Ahmedabad

Date : 30-03-2024