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CIN No. : L27120WB1947PLC015767

HINDUSTHAN UDYOG LTD.

REPORT ON RECOMMENDATIONS OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF HINDUSTHAN UDYOG LIMITED ON THE DRAFT SCHEME OF AMALGAMATION OF ASUTOSH ENTERPRISES LIMITED AND HINDUSTHAN UDYOG AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

INDEPENDENT DIRECTORS PRESENT

Mr. S.K. Roychowdhury
Mr. B.K. Mawandia
Mrs. Kiran Darolia

The quorum was present at the Meeting and remained till the conclusion of the Meeting. Mr. S.K. Roychowdhury was appointed as the Chairman of the Meeting.

1. **Background**

1.1. A Meeting of the Committee of Independent Directors of Hindusthan Udyog Limited (**"Company"/"Transferee Company"**) was held on 29th July, 2022 to recommend the proposed Scheme of Amalgamation of Asutosh Enterprises Limited (**"Transferor Company"**) with the Company with effect from the Appointed Date, viz. 1st April, 2022 under the provisions of Sections 230 to 232 of the Companies Act, 2013.

1.2. This Report of the Committee of Independent Directors is made in order to comply with the requirements of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (**"SEBI Circular"**).

1.3. The following documents were placed before the Committee of Independent Directors:

- the draft Scheme, duly initialed by the Chairman of the Meeting for the purpose of identification;
- the Valuation Report dated 29th July, 2022 (**"Valuation Report"**) prepared by Ms. Vidhi Chandak, Registered Valuer; and
- Fairness Opinion dated 29th July, 2022 prepared by Finshore Management Services Limited, a SEBI Registered Merchant Banker, providing a Fairness Opinion on the Valuation Report (**"Fairness Opinion"**).

2. **Proposed Scheme of Amalgamation**

2.1. The Committee noted that the Scheme envisages merger of Asutosh Enterprises Limited with Hindusthan Udyog Limited on a going concern basis.

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2.2. The Committee noted the rationale and the benefits of the Scheme, which, *inter-alia*, were as follows:

(i) The Transferor Company and Transferee Company are under the control of common promoter group. The Transferee Company along with its promoter group of companies are in a position to and do exercise control over the Transferor Company. It would be advantageous to combine the activities and operations in a single company leading to strong capability in effectively meeting future challenges of competitive business environment.

(ii) The amalgamation will enable the companies to streamline their business activities into a single combined entity, thereby resulting in economies of scale and avoidance of undue duplication in work, reduction in common expenditure otherwise incurred by the two entities within common group, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency.

(iii) The Amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the companies.

(iv) The Amalgamation will result in simplification of the group structure and management structure leading to better administration and reduction in administrative and other costs from more focused operational efforts, rationalization, standardization and simplification of business processes.

(v) The Amalgamation will enable the combined entity to leverage their consolidated resources to improve alignment of debt repayments with cash flow and improved credit rating.

(vi) The synergies that exist between the two companies in terms of services and resources can be put to the best advantage of all stakeholders.

(vii) The Scheme is envisaged to be in the best interests of the shareholders, employees and the creditors of the Transferor Company and the Transferee Company.

Thus, the Scheme of Amalgamation, as envisaged, would enable seamless access to strong business relationships, closer and better focused attention being given to the businesses which would get integrated, aligned and streamlined, leading to achievement of their full business and growth potential.

2.3. The Committee also noted that the Scheme will lead to synergic growth of the businesses of both the companies. The Scheme does not have any adverse effect

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on either the shareholders or the employees or the creditors, as applicable, of the Transferor Company or the Transferee Company.

2.4. The Committee of Independent Directors reviewed the Valuation Report of the Registered Valuer as tabled at the Meeting and noted that such Report recommended Valuation (Share Entitlement Ratio) for the Scheme.

2.5. Further, a Fairness Opinion from the Category I SEBI registered Merchant Banker has confirmed the fairness of the Share Entitlement Ratio as provided by the Registered Valuer.

2.6. The Committee also noted that the Scheme is beneficial to the shareholders and other stakeholders of the Company as the Scheme will entail diversified businesses which will enable the merged entity to withstand cyclical recession.

3. **Recommendation of the Committee of Independent Directors**

The Committee of Independent Directors, upon discussion, recommended the draft Scheme to the Board of Directors of the Company for approval, being beneficial to its shareholders and for consideration by the Stock Exchange and Securities and Exchange Board of India.

By Order of the Committee of Independent Directors
For Hindusthan Udyog Limited

HINDUSTHAN UDYOG LTD. Kolkata

Chairman of Meeting

Date: Kolkata
Place: 29th July, 2022

ASUTOSH ENTERPRISES LIMITED

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CIN : L51109WB1981PLC034037

REPORT ON RECOMMENDATIONS OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF ASUTOSH ENTERPRISES LIMITED ON THE DRAFT SCHEME OF AMALGAMATION OF ASUTOSH ENTERPRISES LIMITED AND HINDUSTHAN UDYOG AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

INDEPENDENT DIRECTORS PRESENT

Mr. S.K. Roychowdhury
Mr. R.K. Agarwal

The quorum was present at the Meeting and remained till the conclusion of the Meeting. Mr. S.K. Roychowdhury was appointed as the Chairman of the Meeting.

1. **Background**

1.1. A Meeting of the Committee of Independent Directors of Asutosh Enterprises Limited (**"Company"/"Transferor Company"**) was held on 29th July, 2022 to recommend the proposed Scheme of Amalgamation of the Company with Hindusthan Udyog Limited (**"Transferee Company"**) with effect from the Appointed Date, viz. 1st April, 2022 under the provisions of Sections 230 to 232 of the Companies Act, 2013.

1.2. This Report of the Committee of Independent Directors is made in order to comply with the requirements of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (**"SEBI Circular"**).

1.3. The following documents were placed before the Committee of Independent Directors:

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- Fairness Opinion dated 29th July, 2022 prepared by Finshore Management Services Limited, a SEBI Registered Merchant Banker, providing a Fairness Opinion on the Valuation Report (**"Fairness Opinion"**).

2. **Proposed Scheme of Amalgamation**

2.1. The Committee noted that the Scheme envisages merger of Asutosh Enterprises Limited with Hindusthan Udyog Limited on a going concern basis.

ASUTOSH ENTERPRISES LTD. KOLKATA

2.2. The Committee noted the rationale and the benefits of the Scheme, which, *inter-alia*, were as follows:

(i) The Transferor Company and Transferee Company are under the control of common promoter group. The Transferee Company along with its promoter group of companies are in a position to and do exercise control over the Transferor Company. It would be advantageous to combine the activities and operations in a single company leading to strong capability in effectively meeting future challenges of competitive business environment.

(ii) The amalgamation will enable the companies to streamline their business activities into a single combined entity, thereby resulting in economies of scale and avoidance of undue duplication in work, reduction in common expenditure otherwise incurred by the two entities within common group, better and more productive utilization of financial, human and other resource and enhancement of overall business efficiency.

(iii) The Amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present is required to be made separately by the companies.

(iv) The Amalgamation will result in simplification of the group structure and management structure leading to better administration and reduction in administrative and other costs from more focused operational efforts, rationalization, standardization and simplification of business processes.

(v) The Amalgamation will enable the combined entity to leverage their consolidated resources to improve alignment of debt repayments with cash flow, and improved credit rating.

(vi) The synergies that exist between the two companies in terms of services and resources can be put to the best advantage of all stakeholders.

(vii) The Scheme is envisaged to be in the best interests of the shareholders, employees and the creditors of the Transferor Company and the Transferee Company.

Thus, the Scheme of Amalgamation, as envisaged, would enable seamless access to strong business relationships, closer and better focused attention being given to the businesses which would get integrated, aligned and streamlined, leading to achievement of their full business and growth potential.

2.3. The Committee also noted that the Scheme will lead to synergic growth of the businesses of both the companies. The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors, as applicable, of the Transferor Company or the Transferee Company.

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2.4. The Committee of Independent Directors reviewed the Valuation Report of the Registered Valuer as tabled at the Meeting and noted that such Report recommended Valuation (Share Entitlement Ratio) for the Scheme.

2.5. Further, a Fairness Opinion from the Category I SEBI registered Merchant Banker has confirmed the fairness of the Share Entitlement Ratio as provided by the Registered Valuer.

2.6. The Committee also noted that the Scheme is beneficial to the shareholders and other stakeholders of the Company as the Scheme will entail diversified businesses which will enable the merged entity to withstand cyclical recession.

3. **Recommendation of the Committee of Independent Directors**

The Committee of Independent Directors, upon discussion, recommended the draft Scheme to the Board of Directors of the Company for approval, being beneficial to its shareholders and for consideration by the Stock Exchange and Securities and Exchange Board of India.

By Order of the Committee of Independent Directors
Asutosh Enterprises Limited

ASUTOSH ENTERPRISES LTD. KOLKATA

Chairman of Meeting

Date: Kolkata
Place: 29th July, 2022