

REPORT OF THE AUDIT COMMITTEE ("COMMITTEE") OF BN HOLDINGS LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF A1 AGRI GLOBAL LIMITED ("TRANSFEROR COMPANY 1"), B.N. AGRITECH LIMITED ("TRANSFEROR COMPANY 2"), SALASAR BALAJI OVERSEAS PRIVATE LIMITED ("TRANSFEROR COMPANY 3") WITH BN HOLDINGS LIMITED ("TRANSFeree COMPANY" OR "COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 CONSIDERED AND APPROVED AT THE MEETING OF COMMITTEE HELD ON SATURDAY, JUNE 28, 2025 AT 04:00 P.M. THROUGH AUDIO VISUAL MEANS.

Members Present:

Mr. Rakesh Kumar – Chairperson
Mr. Rakesh Kumar Verma - Member
Mrs. Shalu Saraf - Member
Mr. Chintan Ajaykumar Shah- Member

In Attendance:

Mrs. Reetika Mahendra– Company Secretary and Compliance Officer
Mrs. Manisha-Chief Financial Officer

1. Background:

- 1.1. A meeting of the Audit Committee ("**Committee**") of BN Holdings Limited ("**Transferee Company**" or "**Company**") was held on June 28, 2025 to inter-alia, consider and recommend the draft Scheme of Amalgamation of A1 Agri Global Limited ("**Transferor Company 1**"), B.N. Agritech Limited ("**Transferor Company 2**"), Salasar Balaji Overseas Private Limited ("**Transferor Company 3**") with the Transferee Company and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and other applicable provisions, if any ("**Scheme**").
- 1.2. The Transferee Company is incorporated under the provisions of the Companies Act, 1956. The equity shares of the Transferee Company are listed on BSE Limited ("**BSE**").
- 1.3. The Transferor Company 2 is incorporated under the provisions of the Companies Act, 1956. The Transferor Company 1 and 3 are incorporated under the provisions of the Companies Act, 2013. The Transferor Company 1, Transferor Company 2 and Transferor Company 3 shall hereinafter collectively be referred to as ("**Transferor Companies**").

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- 1.4. The Scheme, inter alia, provides for the amalgamation of the Transferor Companies with the Transferee Company and dissolution of the Transferor Companies without winding-up and consequent issuance of shares of Transferee Company to the shareholders of the Transferor Companies as consideration of amalgamation in accordance with the share exchange ratio as stipulated in Clause 14 of the Scheme. The swap ratio as recommended in the share exchange ratio report is as follows:

"122 (One Hundred and Twenty Two) equity share of the Transferee Company of INR 10/- (Rupees Ten) each fully paid up for every 100 (One Hundred) equity shares of the Transferor Company 1 of INR 10/- (Rupees ten) each fully paid up".

"164 (One Hundred and Sixty Four) equity share of the Transferee Company of INR 10/- (Rupees Ten) each fully paid up for every 100 (One Hundred) equity shares of the Transferor Company 2 of INR 10/- (Rupees ten) each fully paid up".

"301 (Three Hundred and One) equity share of the Transferee Company of INR 10/- (Rupees Ten) each fully paid up for every 100 (One Hundred) equity shares of the Transferor Company 3 of INR 10/- (Rupees ten) each fully paid up".

- 1.5. The Appointed Date for the purpose of this Scheme and for Income Tax Act, 1961 ("IT Act"), means **April 01, 2025**, or such other date as may be approved by the Hon'ble National Company Law Tribunal ("Tribunal").
- 1.6. This report of Committee is made in order to comply with the requirements of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("**SEBI Master Circular**") including amendments thereto.
- 1.7. While deliberating on the Scheme, the Committee, inter-alia, considered and took record of the following documents:
- Draft Scheme;
 - Share exchange ratio report ("**Valuation Report**") dated June 28, 2025 issued by Finvox Analytics, (Registration No. IBBI/RV-E/06/2020/120), registered valuer, describing the methodology adopted by them in determining the consideration;
 - Fairness Opinions dated June 28, 2025 issued by 3Dimension Capital Services Limited, (SEBI Registration No. IMN000012528), Independent SEBI registered merchant banker ("**Fairness Opinion**"), providing an opinion on the fairness of the consideration specified in the report of the registered valuer;
 - Certificate dated June 28, 2025, issued by M/s J S M G & Associates (Firm Registration No. 025006C), the Statutory Auditors of the Transferee Company, confirming the accounting treatment stated in the Scheme is in compliance with

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SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under section 133 of the Act read with relevant rules thereunder and other Generally Accepted Accounting Principles and MCA circular;

- e) Other presentations, reports, documents and information furnished before the Committee.

2. Salient Features of the Scheme:

The Audit Committee noted the brief particulars of the Scheme as under:

- a) This Scheme is presented inter alia under Sections 230 to 232 and other applicable provisions of the Act, SEBI Master Circular read with Section 2(1B) and other applicable provisions of the IT Act and other applicable law, if any. The Scheme provides for the amalgamation by way of absorption of the Transferor Companies with the Transferee Company and dissolution of the Transferor Companies without winding up and also provides for various other matters consequent and incidental thereto or otherwise integrally connected thereto.
- b) The appointed date for the amalgamation is April 1, 2025. Pursuant to the sanction of the Scheme by the Tribunal and upon the fulfilment of conditions for the Scheme, the Scheme shall become effective from the last of the dates on which the conditions specified in Clause 28 of the Scheme are satisfied or complied with or the requirement of which has been waived (i.e. “**Effective Date**”)
- c) With effect from the Appointed Date and upon the Scheme becoming effective, the Transferor Companies along with all its assets, liabilities, contracts, employees, records etc. being its integral part shall stand transferred to the Transferee Company as a going concern subject to the provisions of the Scheme.
- d) From the Appointed Date and upto the Effective Date (as defined in the Scheme), the Transferor Companies and Transferee Company shall carry on its business and activities with reasonable diligence and business prudence.
- e) The shareholders of the Transferor Companies will be allotted shares of the Transferee Company and will therefore become shareholders of a larger free public float of the combined listed company with multiple growth avenues.
- f) The entire paid-up share capital of the Transferor Companies shall stand cancelled in its entirety without any further act or deed upon the Scheme becoming effective.

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- g) Allotment of equity shares of the Transferee Company to the shareholders of the Transferor Companies in accordance with the share exchange ratio, as set out in Valuation Report.
- h) Transfer of the authorized share capital of the Transferor Companies to the Transferee Company and consequential increase in the authorized share capital of the Transferee Company as provided in the Scheme.
- i) The Transferor Companies shall stand dissolved without being wound up.
- j) The effectiveness of the Scheme is contingent upon certain conditions as mentioned in the Scheme, which inter alia include:
 - (i) Obtaining No objection letter(s), approvals, consents from lenders, customers, vendors, the Stock Exchanges in relation to the Scheme under Regulation 37 of SEBI LODR and SEBI Master Circular;
 - (ii) Approval of the Scheme by the requisite majority in number and value of such classes of persons including the respective shareholders and / or creditors of the Transferee Company and / or Transferor Companies, as may be required or directed by the Tribunal;
 - (iii) Obtaining the sanction of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act;
 - (iv) Obtaining approval of Competition Commission of India under the Competition Act, 2002;
 - (v) The certified copy of the order of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Companies and the Transferee Company.

3. The proposed Scheme of Amalgamation:

3.1. NEED FOR THE AMALGAMATION, SYNERGIES OF BUSINESS AND RATIONALE OF THE SCHEME:

The reasons and circumstances leading to and justifying the proposed Scheme of the Transferor Companies with the Transferee Company, which make it beneficial for all the concerned stakeholders, including the members of the Transferor Companies and Transferee Company, are as follows:



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- (i) **Operational integration and better facility utilisation:** The amalgamation will provide an opportunity for reduction of operational costs through pooling of orders, improved sales and production planning. Further, culture of sharing of best practices, cross-functional learnings, will be fostered which will promote greater systemic efficiency. Also, pooling of resources of the Transferor Companies with the resources of the Transferee Company which will lead to synergy of operations, seamless access to the assets of the Transferor Companies.
- (ii) **Centralized procurement and Inventory management:** Inventory management and sourcing of stores, spares, and services can be managed centrally which will increase scale of operations thereby improving negotiating power, reducing sourcing and inventory management cost.
- (iii) **Efficiency in customer approach:** The combined entity i.e. the Transferee Company will have a broader portfolio of services targeted at a wider array of customers spread across various locations. This will also enable the Transferee Company to address newer solutions and services to its customers and enhance its marketing capabilities.
- (iv) **Efficiency in management of business:** Rationalization and standardization of the business processes, economies of scale, corporate and administrative efficiencies, and streamlining of operations to enable more efficient management, control and day to day operations, eliminating duplicative communication and burdensome coordination efforts across multiple entities. Amalgamation will help in achievement of greater management focus and control over the combined business operations leading to value creation for all the stakeholders.
- (v) **Efficiency in working capital and cash flow management:** Greater efficiency in management of cash balances presently available with the Companies and access to cash flows generated by the combined business. Further, efficiency in cash management will improve substantially enabling the entities to have unfettered access to cash flow generated which can be deployed for growth and sustenance.



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Accordingly, the Scheme is commercially and economically viable, feasible, fair and reasonable and would be in the interest of the Transferor Companies and the Transferee Company, and their respective shareholders, creditors and all other stakeholders concerned (including Employees) and will not be prejudicial to the interests of any concerned shareholders or creditors or general public at large.

3.2: IMPACT OF THE SCHEME ON THE TRANSFEE COMPANY AND EACH CLASS OF SHAREHOLDERS (PROMOTER/ NON-PROMOTER SHAREHOLDERS)

- (i) The Scheme is expected to be beneficial to the shareholders (promoter and non-promoter shareholders) of the Transferee Company leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders, achieving cost and operational efficiencies;
- (ii) In consideration for the amalgamation of the Transferor Companies with the Transferee Company, the shareholders of the Transferor Companies, as on the Record Date (as defined in the Scheme) shall receive equity shares of the Transferee Company (as per Clause 14 of the Scheme). Further, the rights and interests of the shareholders of the Transferee Company will not be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of the Transferee Company, before and after the Scheme. The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Companies pursuant to the Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company. The Fairness Opinion issued above opines that the share exchange ratio, as proposed by the registered valuer, is fair to the shareholders of the Transferee Company from a financial point of view;
- (iii) The shareholders of the Transferee Company will continue to be the shareholders of the Transferee Company;
- (iv) Upon the Scheme becoming effective, the Transferor Companies shall be dissolved without being wound up and the shareholders of the Transferor Companies shall become shareholders of the Transferee Company.



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3.3. EFFECT OF THE SCHEME ON DIRECTORS AND KEY MANAGERIAL PERSON ("KMP") OF THE TRANSFEREE COMPANY

There shall be no change or effect of the Scheme on the directors and KMPs of the Transferee Company. However, their role(s)/function(s)/ responsibilities may undergo change pursuant to business and organization requirements /needs. The effect of the Scheme on the interests of the directors and KMPs and their relatives holding shares in the Transferee Company, is not different from the effect of the Scheme on other shareholders of the Transferee Company. It is clarified that there shall be no change in the management of the Company by virtue of the Scheme coming into effect.

3.4. EFFECT ON THE CREDITORS

Under the Scheme, no arrangement or compromise is being proposed with the creditors (secured or unsecured, including debenture holders) of the Transferee Company. The liability of the creditors of the Transferee Company, under the Scheme, is neither being reduced nor being extinguished.

3.5. EFFECT OF THE SCHEME ON STAFF OR EMPLOYEES

Under the Scheme, no rights of the staff and employees (who are on payroll) of the Transferee Company are being affected. The services of the staff and employees of the Transferee Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.

Further, upon the Scheme becoming effective, the employees of the Transferor Companies ("**Employees**") will be deemed to have become Employees of the Transferee Company pursuant to the Scheme with effect from the Effective Date.

All such Employees shall be deemed to have become employees of the Transferee Company, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Transferee Company, shall not be less favourable than those applicable to them with reference to their employment in the Transferor Companies as on the Effective Date.

4. **SCHEME NOT DETRIMENTAL TO THE SHAREHOLDERS OF THE TRANSFEREE COMPANY**

The Committee discussed the rationale, salient features and expected benefits of the Scheme and noted that on account of the aforesaid, the proposed Scheme is in the best



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interest of the shareholders of the Transferee Company and is not detrimental to the shareholders of the Transferee Company.

5. COST BENEFIT ANALYSIS OF THE SCHEME:

Although the Scheme would lead to incurring of some costs towards its implementation, however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Transferee Company and lead to operational efficiency and cost savings through rationalization / consolidation of support functions and business processes.

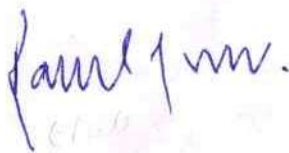
6. VALUATION REPORT

The Committee noted that the share exchange ratio is as recommended in the Valuation Report. No special valuation difficulties were identified.

7. RECOMMENDATION OF THE AUDIT COMMITTEE

The Committee after due deliberations and detailed discussions, and, inter alia, taking into consideration the draft Scheme, Valuation Report, Fairness Opinion and certificates issued by the Statutory Auditors of the Transferee Company, have noted the rationale, benefits and the impact of the Scheme on shareholders and others concerned, and have noted that the Scheme is not detrimental to the shareholders of the Company. Accordingly, the Committee hereby recommends the Scheme to the Board of Directors of the Transferee Company for its consideration, approval and for favourable consideration by BSE, SEBI and other appropriate authorities.

**For and on behalf of the Audit Committee of
BN Holdings Limited**



Name: Rakesh Kumar
Designation: Chairperson
DIN: 08531595
Place: Faridabad
Date: June 28, 2025

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