

**REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF GANESH HOUSING CORPORATION LIMITED (“COMPANY”) RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF SULABH REALTY PRIVATE LIMITED AND MALVIKA ESTATE PRIVATE LIMITED AND GITANJALI INFRASTRUCTURE PRIVATE LIMITED WITH THE COMPANY**

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**Present:** 1. Shri Ashish H. Modi – Chairman  
2. Dr. Tarang M. Desai  
3. Dr. Bharat J. Patel

## **1. Background**

- 1.1. A meeting of the Committee of Independent Directors (“**ID Committee**”) was held on 31<sup>st</sup> May 2021 to consider and, if thought fit, recommend the proposed scheme of amalgamation of Sulabh Realty Private Limited and Malvika Estate Private Limited and Gitanjali Infrastructure Private Limited (together referred to as the “**Transferor Companies**”) with Ganesh Housing Corporation Limited (“**Company**”) under Sections 230 – 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”), for the merger of the Transferor Companies with the Company (“**Scheme**”). The Scheme is proposed to be effective from the Appointed Date (*as defined in the Scheme*) and operative from the Effective Date (*as defined in the Scheme*).
- 1.2. The Scheme will be presented before the Competent Authority (*as defined in the Scheme*) under Sections 230 – 232 and other applicable provisions of the Act, the Rules and Regulations made thereunder, and will also be in compliance with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22<sup>nd</sup> December 2020 (“**Scheme Circular**”).
- 1.3. 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 listed entity. This report of the ID Committee is made in order to comply with the requirements of the Scheme Circular.
- 1.4. The following documents were placed before the ID Committee for its consideration:
- (a) The draft Scheme duly initialled by the Company Secretary of the Company for the purpose of identification;



- (b) Valuation Report dated 31<sup>st</sup> May 2021 issued by CA Jignesh D Shah, Registered Valuer (Valuer Registration No IBBI/RV/06/2019/11718), pursuant to Section 247 of the Act, stipulating, inter alia, the methodology adopted by them in arriving at the Share Swap Ratios (“**Valuation Report**”);
- (c) Fairness Opinion dated 31<sup>st</sup> May 2021 issued by Vivro Financial Services Private Limited, category I Merchant Banker (bearing registration number INM000010122), a SEBI registered Merchant Banker, providing its opinion on the Share Swap Ratios recommended by CA Jignesh D Shah, Registered Valuer (Valuer Registration No IBBI/RV/06/2019/11718) (“**Fairness Opinion**”);
- (d) Draft of the Auditors’ Certificate pursuant to paragraph A.5 of Part-I of the Scheme Circular in the prescribed format 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 and/or the accounting standards and principles.

## 2. Salient features of the Scheme

The ID Committee discussed and noted that rationale and the benefits of the proposed Scheme, key financial and other indicators, impact of the Scheme on the shareholders and cost benefit analysis of the Scheme as below:

- (a) The draft Scheme provides for the amalgamation of the Transferor Companies with the Company.
- (b) The Appointed Date (*as defined in the Scheme*) is 1<sup>st</sup> April 2021 and that the Effective Date (*as defined in the Scheme*) is subject to various conditions precedent specified in the Scheme and which are as follows:
- receipt of approval of the Scheme by the Stock Exchanges (*as defined in the Scheme*) and SEBI (*as defined in the Scheme*), pursuant to the Listing Regulations (*as defined in the Scheme*) and the Scheme Circular;
  - the Scheme being approved by the requisite majority of each classes of the members and/or creditors (where applicable) of the respective Companies (*as defined in the Scheme*) in accordance with the Act or dispensation having been received from the Competent Authority in

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- relation to obtaining such approval from the members and/or creditors or any Applicable Law (*as defined in the Scheme*) permitting the respective Companies not to convene the meetings of its members and/or its creditors;
- iii. the Scheme being approved by the public shareholders of the Transferee Company through e-voting pursuant to, and in accordance with, the Scheme Circular. The Scheme shall be acted upon only if the number of votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it in terms of the Scheme Circular;
- iv. the approval of the Scheme by the Competent Authority in terms of Sections 230-232 of the Act; and
- v. certified copies of the order(s) of the Competent Authority, sanctioning the Scheme, being filed with the RoC (*as defined in the Scheme*), by the Companies.
- (c) Upon effectiveness of the Scheme and with effect from the Appointed Date, the Transferor Companies shall be transferred to and vested in the Company, in accordance with the Scheme and in terms of the provisions of Section 230 – 232 of the Act.
- (d) **Rationale for the Scheme:**

The Scheme would, inter alia, result in the following benefits:

- 1) The amalgamation of the Transferor Companies with the Transferee Company will enable consolidation of the business and operations of the Transferor Companies and the Transferee Company which will provide impetus to growth, enable synergies and focused management control.
- 2) It is considered desirable and expedient to reorganise and amalgamate the business of the Transferor Companies with the Transferee Company so as to have a stronger asset base which will result in bolstering the asset/capital base and balance sheet of the Transferee Company.
- 3) The amalgamation will result in stability, better economic control, flexibility and enhance the ability of the amalgamated entity to undertake



large projects, thereby contributing to enhancement of future business potential.

- 4) The amalgamation will result in pooling of resources, integration and effective utilisation of resources, which is likely to result in optimising overall shareholders' value and improvement in competitive position of the Transferee Company in the real estate industry as a combined entity.
  - 5) There is no likelihood that any shareholder or creditor or any stakeholder of the Transferor Companies and the Transferee Company would be prejudiced as a result of the Scheme. Thus, the merger is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.
- (e) In consideration for the transfer of the Transferor Companies to the Company, the Company shall issue equity shares to the respective shareholders of the Transferor Companies as per the following Share Swap Ratios mentioned in the Valuation Report.

*761 (Seven Hundred Sixty One) Transferee Company Shares, credited as fully paid-up, for every 1 (One) equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held by such member in the First Transferor Company;*

*1344 (One Thousand Three Hundred Forty Four) Transferee Company Shares, credited as fully paid-up, for every 1 (One) equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held by such member in the Second Transferor Company; and*

*1065 (One Thousand Sixty Five) Transferee Company Shares, credited as fully paid-up, for every 1 (One) equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid-up held by such member in the Third Transferor Company*

### **3. Scheme not detrimental to the shareholders of the Company**

The ID Committee discussed and deliberated upon the rationale and salient features of the Scheme. In light of the same and the fair equity shares swap ratio reports, the Valuation Report, Fairness Opinion and other documents presented before the ID Committee, the ID Committee is of the informed opinion that the draft Scheme is in the best interest of the shareholders and not detrimental to their interest.





#### 4. Recommendation of the ID Committee

The ID Committee recommends the draft Scheme, the fair equity shares swap ratio reports, the Valuation Report, Fairness Opinion, rationale of the Scheme for favorable consideration and approval by the Board of Directors of the Company, Stock Exchanges and SEBI.

This report of the ID Committee is made in order to comply with the requirements of the Scheme Circular after considering the necessary documents.

**By order of the ID Committee of Ganesh Housing Corporation Limited**



**Ashish H. Modi**  
**Chairman of the ID Committee**  
**DIN: 02506019**



Place: Ahmedabad  
Date: 31.05.2021