

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MACROTECH DEVELOPERS LIMITED ('THE COMPANY') ON JULY 30, 2024 ON THE SCHEME OF MERGER BY ABSORPTION OF ROSELABS FINANCE LIMITED ('FIRST TRANSFEROR COMPANY'), NATIONAL STANDARD (INDIA) LIMITED ('SECOND TRANSFEROR COMPANY'), SANATHNAGAR ENTERPRISES LIMITED ('THIRD TRANSFEROR COMPANY') WITH MACROTECH DEVELOPERS LIMITED ('TRANSFEE COMPANY') AND THEIR RESPECTIVE SHAREHOLDERS ('PROPOSED SCHEME')

Background

- i. The Board of the Company at its meeting held on July 30, 2024 had considered and approved the Scheme of Merger by Absorption of Roselabs Finance Limited ('First Transferor Company'), National Standard (India) Limited ('Second Transferor Company'), Sanathnagar Enterprises Limited ('Third Transferor Company') (hereinafter together referred to as 'Transferor Companies') with Macrotech Developers Limited ('Transferee Company' or 'the Company') and their respective shareholders. ('Proposed Scheme').
- ii. As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the Board of Directors explaining effect of the Proposed Scheme on equity shareholders, key managerial personnel, promoters and non-promoter shareholders, depositors, creditors, debenture holders, deposit trustee and debenture trustees, and employees is required to be circulated to the shareholders along with the notice convening the meeting.
- iii. At the meeting of Board of Directors of the Company, the following documents were placed before the Board of Directors for their consideration:
 - a. Draft of the Proposed Scheme of Merger by Absorption;
 - b. Memorandum of Association and Articles of Association of the Transferor Companies and the Transferee Company;
 - c. Unaudited financial statements of the Transferor Companies and the Transferee Company as on June 30, 2024;
 - d. Valuation Report issued by Ms Drushti R. Desai, partner Bansi S. Mehta Valuers LLP, independent Registered Valuer ('Valuation Report'), providing the share exchange ratio
 - e. Fairness opinion issued by Kotak Mahindra Capital Company Limited, an independent SEBI Registered (Category I) Merchant Banker, on the fairness of the share exchange ratio ('Fairness Opinion');
 - f. Fairness opinion issued by Kunvarji Finstock Private Limited, an independent SEBI Registered (Category I) Merchant Banker, on the listed debt securities of the Company ('Debt Fairness Opinion');
 - g. Certificate of MSKA & Associates, Chartered Accountants, Statutory Auditors of the Company, confirming that the accounting treatment outlined in the Scheme is in compliance with the applicable Indian Accounting Standards prescribed under section 133 of the Act read with the rules framed thereunder and other generally accepted accounting principles and capability of the Company for payment of the interest and principal of the non convertible debentures ('NCDs');
 - h. Undertaking with regard to non-applicability of requirements prescribed in Part I(A) para (10)(b) of the SEBI circulars and certificate of M/s. MSKA & Associates, Chartered Accountants, Statutory Auditors of the Company thereon.
 - i. Reports of the Audit Committee and Independent Director's Committee dated July 30, 2024 recommending the Proposed Scheme to the Board for approval.



iv. **Benefits of the Scheme**

The objects/ rationale of the Proposed Scheme is as under:

- a. Streamlining, rationalization and simplification of the group holding structure by way of reduction in the number of entities, resulting in ease of management for the Transferee Company.
- b. Reduction in overheads including administrative, managerial and other expenditure, and optimal utilization of resources by elimination of duplication of activities and related costs.
- c. Reduction in the multiplicity of legal and regulatory compliances at present carried out separately by the Transferor Companies and the Transferee Company and promote organizational efficiencies with the achievement of greater economies of scale.
- d. Free up management bandwidth especially of senior management towards more productive and value generating activities.
- e. As the Transferor Companies neither have any ongoing projects nor is any further business opportunity envisaged, the Proposed Scheme of merger with the Transferee company would be in the best interest of the Transferor Companies and their shareholders.
- f. Public shareholders of the Transferor Companies will receive shares in the Transferee Company which is one of the biggest real estate developers in India.

v. **Valuation**

The report on valuation has been obtained from Bansri S. Mehta Valuers LLP. The Valuation Report states that Share Entitlement Ratio would be:

• **For Part II of the Scheme:**

For equity shareholders of the First Transferor Company

Upon this Scheme becoming effective and in consideration of the transfer and vesting of all the assets and liabilities of the First Transferor Company into the Transferee Company in accordance with this Scheme, the Transferee Company shall issue and allot to every member of First Transferor Company (other than to the Transferee Company and/ or its nominees holding shares in the First Transferor Company) holding fully paid up equity shares in First Transferor Company and whose names appear in the register of members of First Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title in the following manner :

“07 (Seven) fully paid-up equity shares of Rs. 10/- each of Transferee Company for every 1,000 (One Thousand) fully paid-up equity share of Rs.10/- each held in First Transferor Company”

• **For Part III of the Scheme:**

For equity shareholders of the Second Transferor Company

Upon this Scheme becoming effective and in consideration of the transfer and vesting of all the assets and liabilities of the Second Transferor Company into the Transferee Company in accordance with this Scheme, the Transferee Company shall issue and allot to every member of Second Transferor Company (other than to the Transferee Company and/ or its nominees holding shares in the Second Transferor Company) holding fully paid up equity shares in Second Transferor Company and whose names appear in the register of members of Second Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title in the following manner :

“92 (Ninety Two) fully paid-up equity shares of Rs. 10/- each of Transferee Company for every 1,000 (One Thousand) fully paid-up equity share of Rs.10/- each held in First Transferor Company”

• **For Part IV of the Scheme:**

For equity shareholders of the Third Transferor Company

Upon this Scheme becoming effective and in consideration of the transfer and vesting of all the assets and liabilities of the Third Transferor Company into the Transferee Company in accordance with this Scheme, the Transferee Company shall issue and allot to every member of Third Transferor Company (other than to the Transferee Company and/ or its nominees holding shares in the Third Transferor Company) holding fully paid up equity shares in Third Transferor Company and whose names appear in the register of members of Third Transferor Company on the Record Date or to such of their heirs, executors, administrators or the successors-in-title in the following manner :

“07 (Seven) fully paid-up equity shares of Rs. 10/- each of Transferee Company for every 1,000 (One Thousand) fully paid-up equity share of Rs.10/- each held in First Transferor Company”

Impact on key stakeholders


Effect of the arrangement on:	
(a) Key Managerial Personnel	No Effect
(b) Directors	No Effect
(c) Promoters	No Effect
(d) Non-promoter members	No Effect
(e) Depositors	No Effect
(f) Creditors	No Effect
(g) Debenture holders/ NCD holders*	No Effect
(h) Deposit trustee and Debenture trustee	No Effect
(i) Employees	No Effect

Safeguards for the protection of holders of NCDs: There will be no impact on the debenture holders of the Company pursuant to the Scheme. The current debenture holders will continue to be served by the Company on exactly same terms and conditions until they are fully repaid, thereby adequately safeguarding the NCD holders.

Exit offer to the dissenting holders of NCDs, if any: Since the Scheme does not impact the NCD holders, the current NCD holders will continue to be served by the Company on exactly same terms and conditions until they are fully repaid. Therefore, there is no need for an exit opportunity.

After taking on record the documents / confirmations referred above, the Board of the Company approved the Proposed Scheme.

**For and on behalf of the Board of Directors
Macrotech Developers Limited**



**Sanjot Rangnekar
Company Secretary and Compliance Officer
Membership No.: F4154**



Date: August 02, 2024