

REPORT OF THE BOARD OF DIRECTORS OF KOTHARI PETROCHEMICALS LIMITED (“COMPANY” OR “TRANSFEREE COMPANY”) AT ITS MEETING HELD ON TUESDAY, 19TH MAY 2026 APPROVING THE DRAFT SCHEME OF AMALGAMATION BETWEEN THE COMPANY AND KOTHARI SUGARS AND CHEMICALS LIMITED (“TRANSFEROR COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Directors Present:

(i)	Mrs. Nina B Kothari	:	Chairperson
(ii)	Mr. Arjun B Kothari	:	Managing Director
(iii)	Mr. M Rajavel	:	Wholetime Director
(iv)	Mr. S. Sundarraman	:	Independent Director
(v)	Mr. Brij Mohan Bansal	:	Independent Director
(vi)	Mr. Gautam Roy	:	Independent Director
(vii)	Mr. V. V. SuryaRau	:	Independent Director

1. Background

1.1 A meeting of the Board of Directors (“**Board**”) of the Company was held on May 19, 2026, to, *inter alia*, consider and if thought fit, approve the proposed draft Scheme of Amalgamation between Kothari Sugars and Chemicals Limited (“**KSCL**”/“**Transferor Company**”) and Kothari Petrochemicals Limited (“**KPL**”/“**Transferee Company**”) (together referred to as “**Companies**”) and their respective shareholders and Creditors (“**Draft Scheme**”), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”) and the rules made thereunder (including any statutory modification(s) or re-enactment(s) or other amendment(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), and other applicable laws, including the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (as amended from time to time) (“**SEBI Master Circular**”) or any other circulars issued by the Securities and Exchange Board of India (“**SEBI**”) applicable to schemes of arrangement from time to time.

1.2 The draft Scheme was recommended for the final consideration and approval of the Board by the Audit Committee and the Committee of Independent Directors at their separate meetings held on 19th May 2026.

1.3 As per Section 232(2)(c) of the Act, a report is required to be adopted by the Board of Directors of the Company explaining the effect of the Scheme explaining the effect of the Scheme on each class of Shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties.

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1.4 The following documents were, inter alia, placed before the Board for its consideration:

- (i) Draft Scheme of Amalgamation, duly initialled by Company Secretary of the Company for the purpose of identification;
- (ii) Joint valuation report dated 19th May 2026 issued by Mr. Mahek Vikamsey, Partner, KPMG Valuation Services LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/05/2019/11313 and Mr. S. Sundar Raman, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/11185 recommending the Share exchange Ratios (as defined hereunder) for the draft Scheme (**“Valuation Report”**);
- (iii) Fairness opinion report dated 19th May 2026, issued by M/s. Saffron Capital Advisors Private Limited, an Independent SEBI registered Category I Merchant Banker (SEBI Regn. No. INM000011211), confirming that the Share Exchange Ratio in the Valuation Report are fair to the Companies and their respective shareholders (**“Fairness Opinion”**);
- (iv) Certificate dated 19th May 2026 issued by M/s. P. Chandrasekar LLP, (Firm Regn. No: 000580S/S200066), the Statutory Auditor of the Company, certifying that the accounting treatment contained in the draft Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Act, read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles;
- (v) Report of the Audit Committee of the Company and Report of the Independent Directors Committee recommending the draft Scheme of Amalgamation; and
- (vi) Other presentations, documents and information made to/furnished before the Committee pertaining to the draft Scheme.

2. Need for the Scheme

Part C of the Scheme provides for the amalgamation of Kothari Sugars and Chemicals Limited (**“Transferor Company”**) with Kothari Petrochemicals Limited (**“Transferee Company”**) with a view to simplifying the overall group structure and consolidating the businesses of the Transferor and Transferee Companies under a single corporate entity.

2.1 The Scheme is expected to streamline the corporate structure, reduce duplication of administrative and regulatory compliances and enable more efficient management of the combined business operations.

2.2 The merged entity is expected to benefit from economies of scale through pooling of resources and diversifying its revenue streams.



- 2.3 The amalgamation will also combine the operational, financial and managerial strengths of the Transferor and Transferee Companies and enable the combined entity to leverage synergies.

Accordingly, the proposed Scheme is expected to enhance operational efficiency, reduce administrative and compliance costs and create long term value for the shareholders of the Transferor and Transferee Companies.

3. Rationale for the Scheme

The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

- 3.1 The Transferor Company and the Transferee Company are part of the same group and operate under common control. The proposed amalgamation will simplify and rationalise the existing group structure. The Scheme will consolidate the businesses of the Transferor Company with the Transferee Company, thereby eliminating multiple corporate entities within the group;
- 3.2 The amalgamation will eliminate duplication of administrative, operational, regulatory, compliance related and corporate overhead costs associated with maintaining separate legal entities, and will further facilitate unified management, streamlined governance and strategic planning for the combined businesses;
- 3.3 Result in a Transferee Company that is expected to have improved financial strength. Particularly, the Companies believe the combined business will augment revenue growth and profitability. Further, the Companies expect that their combined balance sheet will provide diverse strategic options arising from cost efficiencies and synergies and improve overall financial flexibility;
- 3.4 The consolidation of the operations of the Companies is expected to generate economies of scale. Integration of managerial expertise, technical capabilities and operational infrastructure will enable better utilization of resources and improved productivity;
- 3.5 A stronger integrated entity will be better positioned to pursue strategic growth initiatives, technological upgrades and expansion opportunities in both domestic and international markets;
- 3.6 The Scheme will enable a stronger organisational base and enhance the capacity of the combined entity to pursue future growth opportunities and improve long-term value creation for its stakeholders;

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- 3.7 Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

4. Valuation Methods Evaluated for the Share Exchange Ratios

The Board noted that the Valuation Report, *inter-alia*, recommended the Share exchange ratio for the Amalgamation of Transferor Company with the Transferee Company.

The Board noted the share exchange ratio as under:

Share exchange ratio determined as per Joint Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

“1 (One) fully paid-up equity share of Rs.10/- each of Kothari Petrochemicals Limited, (Transferee Company) shall be issued and allotted for every 5 (Five) fully paid-up equity shares of Rs.10/- each held in Kothari Sugars and Chemicals Limited (Transferor Company), (“Share Exchange Ratio”)”.

5. Salient Features of the Scheme

The Board considered and observed the following salient features in relation to the draft Scheme:

- 5.1 The draft Scheme provides for the Amalgamation of the Transferor Company with and into Transferee Company.
- 5.2 The Appointed Date for the scheme shall be 1st April 2026, or such other date as may be fixed or approved by the jurisdictional National Company Law Tribunal(s), (“NCLT”/ “Tribunal”), being the date with effect from which this Scheme shall be deemed to be operative and effective.
- 5.3 The effectiveness of this Scheme is conditional upon and subject to the following:
- (a) Receipt of approval of the Scheme by the National Stock Exchange and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.
 - (b) The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Company and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.



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- (c) The scheme is conditional upon approval by the respective public shareholders of the Transferor and Transferee Companies through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the respective public shareholders of the Transferor and Transferee Companies in favour of the proposal are more than the number of votes cast by the respective public shareholders of the Transferor and Transferee Companies against it.
- (d) The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.
- (e) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

5.4 Upon the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, amalgamation of the Transferor Company with and into Transferee Company shall be accounted for in the books of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles.

5.5 The following share exchange ratio have been determined as per Joint Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

"1 (One) fully paid-up equity share of Rs.10/- each of Kothari Petrochemicals Limited, (Transferee Company) shall be issued and allotted for every 5 (Five) fully paid-up equity shares of Rs.10/- each held in Kothari Sugars and Chemicals Limited (Transferor Company), ("Share Exchange Ratio")".

5.6 Further, M/s. P. Chandrasekar LLP, Chartered Accountants, Statutory Auditors of the Company, vide their Certificate dated 19th May, 2026 have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

5.7 Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Company shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules;

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5.8 Upon the Scheme becoming operative on the Effective Date, the authorised share capital of the Transferee Company shall stand revised to Rs. 100 Crores (Rs.94 Crores of Equity Share capital and Rs.6 Crores of Preference Share capital), and the filing fees and stamp duty, *if any*, paid by the Transferor Company on its authorised share capital / got waived by the Authority shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital.

6. Effect of the Scheme on Equity Shareholders (Promoters and Non-Promoter shareholders)

The Board reviewed the Valuation Report and the Fairness Opinion for determination of the share exchange ratio under the draft Scheme. The impact of the proposed Scheme on the shareholders of the Transferor and Transferee Companies is set out below:

6.1 There is only one class of Shareholders viz., Equity Shareholders.

6.2 The Promoters and Non-Promoters of the Transferor Company may be affected only to the extent of their shareholding in the Company. Promoters and Non-Promoters of the Company holding shares in Transferor Company would receive shares in the Transferee Company based on share exchange ratio in the Scheme, in respect of their shareholding in the Transferor Companies.

6.3 Any fractional entitlements arising pursuant to the share exchange ratio shall be settled in cash in accordance with the provisions of the Scheme and the SEBI Master Circular dated June 20, 2023.

6.4 The existing equity share capital of the Transferee Company held by the Transferor Company, if any, shall stand cancelled in accordance with the provisions of the Scheme.

6.5 The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme shall rank pari passu in all respects with the existing equity shares of the Transferee Company.

6.6 Upon the Scheme becoming effective, in addition to the existing Promoters of the Transferee Company, NBK Real Estates Private Limited being one of the Promoters of the Transferor Company shall become a Promoter of the Transferee Company.

7. Effect of the Scheme on Directors and Key Managerial Personnel (KMP)

There shall be no change or effect of the Scheme on the Directors and KMPs of the Transferee Company. The effect of the Scheme on the interests of the Directors, 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



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there shall be no change in the management of the Transferee Company by virtue of the Scheme becoming effect. Further, upon the Scheme becoming effective, the Directors of the Transferor Company other than the common Directors shall be inducted as Directors of the Transferee Company. The Roles / Functions/ Responsibilities of the KMPs of Transferor Company may undergo change pursuant to business and organisation requirements.

8. Effect of the Scheme on Creditors

There is no impact of the Scheme on creditors of the Company as the Scheme does not envisage any arrangement with creditors. The liability of the creditors of the Transferee Company, under the Scheme, is neither being reduced nor being extinguished. As provided in the Scheme, upon the Scheme coming into effect all the liabilities of the Transferor Companies stand transferred and vested with Transferee Company.

9. Effect of the Scheme on Employees

As envisaged in the Scheme, all staff and employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. Further, the employees engaged in the Transferee Company will continue to be employees of the Transferee Company on the same terms and conditions as before.

10. Effect of the Scheme on Depositors, Deposit Trustee, Debenture Holders and Debenture Trustee

As there are no depositors, deposit trustee, debenture holders and debenture trustee in the Transferor and Transferee Companies, the effect of the Scheme on them do not arise.

11. Adoption of the Reports by the Board of Directors

11.1 For the purpose of arriving at the Share Exchange Ratios, the Joint valuation report dated 19th May 2026 issued by Mr. Mahek Vikamsey, Partner, KPMG Valuation Services LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/05/2019/11313 and Mr. S. Sundar Raman, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/11185, describing the methodology was adopted by the Board.

11.2 The Valuation Report recommends the Share Exchange Ratios as stated in Point No. 4 above, considering that the proposed amalgamation will not have any adverse impact on the economic and beneficial interest of the shareholders of the Company. The valuer appointed to recommend Share Exchange Ratios for the amalgamation, has not expressed any difficulty while determining the same.

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11.3 The Fairness Opinion dated 19th May 2026 issued by M/s. Saffron Capital Advisors Private Limited, an Independent SEBI registered Category I Merchant Banker (SEBI Regn. No. INM000011211), has opined that the proposed Share Exchange Ratios recommended by the valuer are fair and reasonable from a financial point of view to the shareholders of the Company. The merchant banker also has not indicated any special difficulties in providing their fairness opinion.

11.4 The Share Exchange Ratios for the amalgamation have been recommended by the valuers as being fair and reasonable and the merchant banker has opined that the recommended Share Exchange Ratios are fair and reasonable. Both these reports have been accepted and taken on record by the Board of the Company.

Based on the Reports of the Audit Committee and Independent Directors Committee, Joint Valuation Report and Fairness Opinion, the Board has considered the impact of the Scheme on each of the shareholders, KMPs, staff and employees of the Company. After noting and taking into consideration the information set forth in this Report, the Board has arrived at the conclusion that the Scheme is fair, reasonable and not detrimental to the shareholders, KMPs, staff and employees of the Company and that there shall be no prejudice caused to them in any manner by the Scheme. Accordingly, the Board has adopted this Report.

for and on behalf of the Board of Directors of
Kothari Petrochemicals Limited



Date : 19th May 2026
Place: Chennai

Arjun B Kothari
Managing Director
DIN: 07117816

REPORT OF THE BOARD OF DIRECTORS OF KOTHARI SUGARS AND CHEMICALS LIMITED (“COMPANY” OR “TRANSFEROR COMPANY”) AT ITS MEETING HELD ON TUESDAY, 19TH MAY 2026 APPROVING THE DRAFT SCHEME OF AMALGAMATION BETWEEN THE COMPANY AND KOTHARI PETROCHEMICALS LIMITED (“TRANSFeree COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Directors Present:

(i)	Mrs. Nina B Kothari	:	Chairperson
(ii)	Mr. Arjun B Kothari	:	Managing Director
(iii)	Mr. M Silvester Golwin	:	Wholetime Director
(iv)	Mr. S. Sundarraman	:	Independent Director
(v)	Mr. M. R. Mohan	:	Independent Director
(vi)	Mr. Abdul Kareem Sait	:	Independent Director

1. Background

1.1 A meeting of the Board of Directors (“**Board**”) of the Company was held on May 19, 2026, to, *inter alia*, consider and if thought fit, approve the proposed draft Scheme of Amalgamation between Kothari Sugars and Chemicals Limited (“**KSCL**”/“**Transferor Company**”) and Kothari Petrochemicals Limited (“**KPL**”/“**Transferee Company**”) (together referred to as “**Companies**”) and their respective shareholders and Creditors (“**Draft Scheme**”), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”) and the rules made thereunder (including any statutory modification(s) or re-enactment(s) or other amendment(s) thereof for the time being in force), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), and other applicable laws, including the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (as amended from time to time) (“**SEBI Master Circular**”) or any other circulars issued by the Securities and Exchange Board of India (“**SEBI**”) applicable to schemes of arrangement from time to time.

1.2 The draft Scheme was recommended for the final consideration and approval of the Board by the Audit Committee and the Committee of Independent Directors at their separate meetings held on 19th May 2026.

1.3 As per Section 232(2)(c) of the Act, a report is required to be adopted by the Board of Directors of the Company explaining the effect of the Scheme explaining the effect of the Scheme on each class of Shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties.

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1.4 The following documents were, inter alia, placed before the Board for its consideration:

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- (v) Report of the Audit Committee of the Company and Report of the Independent Directors Committee recommending the draft Scheme of Amalgamation; and
- (vi) Other presentations, documents and information made to/furnished before the Committee pertaining to the draft Scheme.

2. Need for the Scheme

Part C of the Scheme provides for the amalgamation of Kothari Sugars and Chemicals Limited (“Transferor Company”) with Kothari Petrochemicals Limited (“Transferee Company”) with a view to simplifying the overall group structure and consolidating the businesses of the Transferor and Transferee Companies under a single corporate entity.

2.1 The Scheme is expected to streamline the corporate structure, reduce duplication of administrative and regulatory compliances and enable more efficient management of the combined business operations.

2.2 The merged entity is expected to benefit from economies of scale through pooling of resources and diversifying its revenue streams.

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- 2.3 The amalgamation will also combine the operational, financial and managerial strengths of the Transferor and Transferee Companies and enable the combined entity to leverage synergies.

Accordingly, the proposed Scheme is expected to enhance operational efficiency, reduce administrative and compliance costs and create long term value for the shareholders of the Transferor and Transferee Companies.

3. Rationale for the Scheme

The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

- 3.1 The Transferor Company and the Transferee Company are part of the same group and operate under common control. The proposed amalgamation will simplify and rationalise the existing group structure. The Scheme will consolidate the businesses of the Transferor Company with the Transferee Company, thereby eliminating multiple corporate entities within the group;
- 3.2 The amalgamation will eliminate duplication of administrative, operational, regulatory, compliance related and corporate overhead costs associated with maintaining separate legal entities, and will further facilitate unified management, streamlined governance and strategic planning for the combined businesses;
- 3.3 Result in a Transferee Company that is expected to have improved financial strength. Particularly, the Companies believe the combined business will augment revenue growth and profitability. Further, the Companies expect that their combined balance sheet will provide diverse strategic options arising from cost efficiencies and synergies and improve overall financial flexibility;
- 3.4 The consolidation of the operations of the Companies is expected to generate economies of scale. Integration of managerial expertise, technical capabilities and operational infrastructure will enable better utilization of resources and improved productivity;
- 3.5 A stronger integrated entity will be better positioned to pursue strategic growth initiatives, technological upgrades and expansion opportunities in both domestic and international markets;
- 3.6 The Scheme will enable a stronger organisational base and enhance the capacity of the combined entity to pursue future growth opportunities and improve long-term value creation for its stakeholders;

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- 3.7 Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

4. Valuation Methods Evaluated for the Share Exchange Ratios

The Board noted that the Valuation Report, *inter-alia*, recommended the Share exchange ratio for the Amalgamation of Transferor Company with the Transferee Company.

The Board noted the share exchange ratio as under:

Share exchange ratio determined as per Joint Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

"1 (One) fully paid-up equity share of Rs.10/- each of Kothari Petrochemicals Limited, (Transferee Company) shall be issued and allotted for every 5 (Five) fully paid-up equity shares of Rs.10/- each held in Kothari Sugars and Chemicals Limited (Transferor Company), ("Share Exchange Ratio")".

5. Salient Features of the Scheme

The Board considered and observed the following salient features in relation to the draft Scheme:

- 5.1 The draft Scheme provides for the Amalgamation of the Transferor Company with and into Transferee Company.
- 5.2 The Appointed Date for the scheme shall be 1st April 2026, or such other date as may be fixed or approved by the jurisdictional National Company Law Tribunal(s), ("NCLT"/ "Tribunal"), being the date with effect from which this Scheme shall be deemed to be operative and effective.
- 5.3 The effectiveness of this Scheme is conditional upon and subject to the following:
- (a) Receipt of approval of the Scheme by the National Stock Exchange and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.
 - (b) The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Company and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.



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- (c) The scheme is conditional upon approval by the respective public shareholders of the Transferor and Transferee Companies through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the respective public shareholders of the Transferor and Transferee Companies in favour of the proposal are more than the number of votes cast by the respective public shareholders of the Transferor and Transferee Companies against it.
- (d) The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.
- (e) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

5.4 Upon the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, amalgamation of the Transferor Company with and into Transferee Company shall be accounted for in the books of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles.

5.5 The following share exchange ratio have been determined as per Joint Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

“1 (One) fully paid-up equity share of Rs.10/- each of Kothari Petrochemicals Limited, (Transferee Company) shall be issued and allotted for every 5 (Five) fully paid-up equity shares of Rs.10/- each held in Kothari Sugars and Chemicals Limited (Transferor Company), (“Share Exchange Ratio”)”.

5.6 Further, M/s. P. Chandrasekar LLP, Chartered Accountants, Statutory Auditors of the Company, vide their Certificate dated 19th May, 2026 have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

5.7 Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Company shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules;

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5.8 Upon the Scheme becoming operative on the Effective Date, the authorised share capital of the Transferee Company shall stand revised to Rs. 100 Crores (Rs.94 Crores of Equity Share capital and Rs.6 Crores of Preference Share capital), and the filing fees and stamp duty, *if any*, paid by the Transferor Company on its authorised share capital / got waived by the Authority shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital.

6. Effect of the Scheme on Equity Shareholders (Promoters and Non-Promoter shareholders)

The Board reviewed the Valuation Report and the Fairness Opinion for determination of the share exchange ratio under the draft Scheme. The impact of the proposed Scheme on the shareholders of the Transferor and Transferee Companies is set out below:

6.1 There is only one class of Shareholders viz., Equity Shareholders.

6.2 The Promoters and Non-Promoters of the Transferor Company may be affected only to the extent of their shareholding in the Company. Promoters and Non-Promoters of the Company holding shares in Transferor Company would receive shares in the Transferee Company based on share exchange ratio in the Scheme, in respect of their shareholding in the Transferor Companies.

6.3 Any fractional entitlements arising pursuant to the share exchange ratio shall be settled in cash in accordance with the provisions of the Scheme and the SEBI Master Circular dated June 20, 2023.

6.4 The existing equity share capital of the Transferee Company held by the Transferor Company, if any, shall stand cancelled in accordance with the provisions of the Scheme.

6.5 The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme shall rank pari passu in all respects with the existing equity shares of the Transferee Company.

6.6 Upon the Scheme becoming effective, in addition to the existing Promoters of the Transferee Company, NBK Real Estates Private Limited being one of the Promoters of the Transferor Company shall become a Promoter of the Transferee Company.

7. Effect of the Scheme on Directors and Key Managerial Personnel (KMP)

The effect of the Scheme on the interests of the Directors, KMPs and their relatives holding shares in the Transferor Company, is not different from the effect of the Scheme on other shareholders of the Transferor Company. Further, upon the Scheme becoming effective, the Directors of the Transferor Company other than the common Directors shall be



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inducted as Directors of the Transferee Company. The Roles / Functions / responsibilities of the KMPs of the Transferor Company may undergo change pursuant to business and organisation requirements.

8. Effect of the Scheme on Creditors

There is no impact of the Scheme on creditors of the Company as the Scheme does not envisage any arrangement with creditors. The liability of the creditors of the Transferee Company, under the Scheme, is neither being reduced nor being extinguished. As provided in the Scheme, upon the Scheme coming into effect all the liabilities of the Transferor Companies stand transferred and vested with Transferee Company.

9. Effect of the Scheme on Employees

As envisaged in the Scheme, all staff and employees of the Transferor Company shall become employees of the Transferee Company, without any interruption in service, on terms and conditions no less favourable than those on which they are engaged by the Transferor Company. Further, the employees engaged in the Transferee Company will continue to be employees of the Transferee Company on the same terms and conditions as before.

10. Effect of the Scheme on Depositors, Deposit Trustee, Debenture Holders and Debenture Trustee

As there are no depositors, deposit trustee, debenture holders and debenture trustee in the Transferor and Transferee Companies, the effect of the Scheme on them do not arise.

11. Adoption of the Reports by the Board of Directors

- 11.1 For the purpose of arriving at the Share Exchange Ratios, the Joint valuation report dated 19th May 2026 issued by Mr. Mahek Vikamsey, Partner, KPMG Valuation Services LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/05/2019/11313 and Mr. S. Sundar Raman, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. IBBI/RV/06/2019/11185, describing the methodology was adopted by the Board.
- 11.2 The Valuation Report recommends the Share Exchange Ratios as stated in Point No. 4 above, considering that the proposed amalgamation will not have any adverse impact on the economic and beneficial interest of the shareholders of the Company. The valuer appointed to recommend Share Exchange Ratios for the amalgamation, has not expressed any difficulty while determining the same.

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- 11.3 The Fairness Opinion dated 19th May 2026 issued by M/s. Saffron Capital Advisors Private Limited, an Independent SEBI registered Category I Merchant Banker (SEBI Regn. No. INM000011211), has opined that the proposed Share Exchange Ratios recommended by the valuer are fair and reasonable from a financial point of view to the shareholders of the Company. The merchant banker also has not indicated any special difficulties in providing their fairness opinion.
- 11.4 The Share Exchange Ratios for the amalgamation have been recommended by the valuers as being fair and reasonable and the merchant banker has opined that the recommended Share Exchange Ratios are fair and reasonable. Both these reports have been accepted and taken on record by the Board of the Company.

Based on the Reports of the Audit Committee and Independent Directors Committee, Joint Valuation Report and Fairness Opinion, the Board has considered the impact of the Scheme on each of the shareholders, KMPs, staff and employees of the Company. After noting and taking into consideration the information set forth in this Report, the Board has arrived at the conclusion that the Scheme is fair, reasonable and not detrimental to the shareholders, KMPs, staff and employees of the Company and that there shall be no prejudice caused to them in any manner by the Scheme. Accordingly, the Board has adopted this Report.

for and on behalf of the Board of Directors of
Kothari Sugars and Chemicals Limited

Date : 19th May 2026
Place: Chennai




Arjun B Kothari
Managing Director
DIN: 07117816