VMS TMT LIMITED

Registered office & Factory :
Survey No. 214, Near Water Tank, Bhayla, Bavla-382220.
Ahmedabad, Gujarat, India
Email : compliance@vmstmt.com • Website : www.vmstmt.com
Mob. 63575 85711 • CIN No.L27204GJ2013PLC074403

REPORT OF THE AUDIT COMMITTEE OF VMS TMT LIMITED AT ITS MEETING HELD ON SATURDAY, JUNE 27, 2026 RECOMMENDING THE SCHEME OF AMALGAMATION AMONGST ADITYA ULTRA STEEL LIMITED AND VMS TMT LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Members Present:

Sr. No.	Name of Audit Committee Members	Designation
1.	Vivek Dinesh Nathwani	Chairperson - Independent Director
2.	Vaishali Jain	Member - Independent Director
3.	Jasmin Jaykumar Doshi	Member - Independent Director
4.	Manojkumar Jain	Member – Director, Non Executive

1. **Background**

1.1 A meeting of the Audit Committee of VMS TMT Limited ("**Company**") was held on June 27, 2026, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("**Board**"), the draft Scheme of Arrangement amongst Aditya Ultra Steel Limited ("**Transferor Company**" or "**Amalgamating Company**") and VMS TMT Limited ("**Transferee Company**" / "**Amalgamated Company**") (together referred to as "**Companies**") and their respective shareholders and creditors ("**Scheme**"), which entails Amalgamation of Amalgamating Company into and with the Amalgamated Company in the manner set out in the 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 but not limited to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with Section 2(6) and other applicable provisions of the Income Tax Act, 2025.

1.2 This report of the Audit Committee is made in compliance with the requirement of the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023, as amended from time to time ("**SEBI Circular**"), issued by the Securities and Exchange Board of India ("**SEBI**"). In terms of the SEBI Circular, a report from the Audit Committee is required, recommending the draft Scheme, taking into consideration, *inter alia*, the Valuation Report (*as defined below*).

1.3 The following documents were placed before the Audit Committee for its consideration:

(i) draft Scheme, duly initialled by the Director / Company Secretary of the Company for the purpose of identification.

(ii) valuation report dated June 26, 2026, issued jointly by Procurve Valux Private Limited, a Registered Valuer Entity having IBBI Registration No. – IBBI/RV-E/02/2025/218 and Rajendra Sanghi, a Registered Valuer having IBBI Registration No. – IBBI/RV/06/2021/14418, for the determination of Share Entitlement Ratios (as defined hereunder) under the draft Scheme ("**Valuation Report**");

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(iii) fairness opinion dated June 26, 2026, prepared byFinaax Capital Advisors Private Limited, an Independent SEBI registered Category-I Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**"); and

(iv) Auditors' certificate dated June 26, 2026, confirming 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.

2. Observations of Audit Committee on the Scheme

2.1 Need and Rationale for the Scheme

(i) Consolidation of Business Operations:

Both the Transferor Company and Transferee Company are engaged in the manufacturing of TMT bars under the "Kamdhenu" brand. Under retail license agreements both dated November 7, 2022, with Kamdhenu Limited and its Group Companies, the Companies currently operate within distinct geographical territories within the State of Gujarat. The Amalgamated Company markets its TMT bars under the brand name "Kamdhenu NXT" on a non-exclusive basis across Gujarat, excluding the Saurashtra and Kutch districts. The Amalgamating Company, in turn, operates under the Kamdhenu brand specifically serving the Kutch and Saurashtra regions, and markets its TMT bars under the brand name of "KAY2" and "KAY2 XENOX".

The proposed Scheme of Amalgamation will consolidate these complementary business operations, bringing the entire State of Gujarat under a unified "Kamdhenu" brand presence. This integration will eliminate the current territorial fragmentation, enable a cohesive go-to-market strategy across Gujarat, and present a singular, stronger face to customers, distributors, and dealers. The combined distribution network - comprising VMS TMT's 3 distributors and 227 dealers and Aditya Ultra Steel's 73 dealers - will create a more robust and extensive market reach.

(ii) Mitigation of Key Business Risk:

Both Companies have entered into respective retail license agreements with Kamdhenu Limited (and its group companies), for the sale of TMT bars under the Kamdhenu Brand. These agreements impose certain restrictions and obligations, including achieving minimum sales quotas, branding guidelines, packaging requirements, and royalty payment obligations. By consolidating into a single entity, the combined company will be better positioned to meet these obligations, and ensure compliance with the license agreement.

(iii) Economies of Scale and Operational Synergies:

The combined entity will benefit from economies of scale in procurement of raw materials, production, logistics, and distribution, thereby reducing overall costs and improving profit

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margins. Furthermore, the consolidation will allow for the optimization of manufacturing capacities across both facilities – VMS TMT's facility at Bhayla Village, Ahmedabad, with an annual installed capacity of 200,000 tonnes per annum, and Aditya Ultra Steel's facility at Wankaner, Rajkot, with an annual installed capacity of 108,000 tonnes per annum.

(iv) Resource Optimization:

The Board of both the Companies propose to enter into this Scheme, to consolidate the service/ operational capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the holding structure.

2.2 **Cost-Benefit Analysis of the Scheme**

The proposed Scheme will result in consolidation of the businesses at Company level and would strengthen the position thereof in long run, by enabling it to harness and optimise the synergies.Accordingly, the Scheme would be in the best interest of the Companies and beneficial to their respective shareholders. Improved organizational capability and leadership, arising from the pooling of human capital, who have the diverse skills, talent and vast experience would enable the Company to compete successfully in an increasingly competitive industry.

The Company would issue its equity shares as consideration to the shareholders of the Amalgamating Company i.e., Aditya Ultra Steel Limited, as consideration and there will be no cash outflow of resources from VMS TMT Limited. Apart from the cost of implementation of the Scheme, including payment of stamp duty, there are no additional costs involved for the proposed Scheme.

The proposed Scheme will also benefit the shareholders directly, as the costs incurred towards theimplementation of the Scheme foreshadows the long-run benefit, to be derived by the shareholders, that can be derived by achieving strategic & operational synergies. The Audit Committee is of the opinion that the expected synergies and benefits, pursuant to the proposed Scheme, would offset the impact of such cost.

2.3 **Synergies of business of the entities involved in the Scheme**

The management of the respective companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

The Scheme would result into business and operational synergies as listed under:

(i) Consolidation of complementing strengths will enable the Transferee Company to offer diversified products on a single platform, including Transferee Company's "Kamdhenu NXT" brand and Transferor Company's "Kamdhenu," "KAY2," and "KAY2 XENOX" brands;

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(ii) Efficiency in management, control and running of businesses of the Companies concerned and create a financially strong Transferee Company;

(iii) Pooling of financial and other resources of both the Companies for optimum utilization of resources in the businesses and increased bargaining power;

(iv) The combined financial strength is expected to further accelerate the scaling up of the operations. Amongst others, the merger will enable the consolidated entity to have an extensive state and regional network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention;

(v) Rationalization, standardization and simplification of business processes and systems;

(vi) Minimization of compliances, compliance cost and elimination of duplication and rationalization of administrative cost of legal entities;

(vii) Increase long term value of all the stakeholders, by creating a standalone listed entity; and

(viii) Ability to pursue organic growth with consolidated financials and better operational control. The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.

2.4 **Salient Features of the Scheme**

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

(i) The draft Scheme provides for Amalgamation of Amalgamating Company into and with the Amalgamated Company in the manner set out in the draft Scheme.

(ii) The Appointed Date means the opening of business hours on April 01, 2026 or such other date as may be approved by the National Company Law Tribunal, Ahmedabad Bench (**"NCLT"** / **"Tribunal"**), with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme.

(iii) The effectiveness of this Scheme is conditional upon and subject to the following:

a) receipt of an 'observation letter' or a 'no-objection letter' from BSE Limited ("Stock Exchange") and NSE Limited ("Stock Exchange"), on the draft Scheme, as required under applicable laws, are in form and substance acceptable to the Company and Transferor Company;

b) approval from requisite majority of such classes of shareholders, secured creditors and unsecured creditors of each of the Transferor Company and Transferee Company which are part of the Scheme and such other persons/ authorities, as may be required under applicable laws or as may be directed by the National Company Law Tribunal, Ahmedabad Bench ("NCLT" / "Tribunal");

c) approval from the shareholders of the Company and Transferor Company / Amalgamating Company, provided that the number of votes cast by the public

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shareholders of the Company and Transferor Company / Amalgamating Company in favour of the Scheme are more than the number of votes cast by the public shareholders of the Company and Transferor Company / Amalgamating Company against the Scheme, through e-voting as required under the SEBI Circular;

d) the sanction to the Scheme by the NCLT under the relevant provisions of the Act;

e) compliance with such conditions as may be imposed by the NCLT;

f) the receipt of such other approvals including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant Part of the Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and

g) the certified copy of the order of the NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.

(iv) Upon the Scheme becoming operative on the Effective Date, with effect from the Appointment Date, the Company shall account for the amalgamation of Transferor Company in its books of accounts in accordance with principles as laid down in Appendix C to the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.

(v) The following share entitlement ratio has been determined for the allotment of the equity shares of the 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:

"75 (Seventy-Five) equity shares of the Transferee Company of INR 10.00/- each, fully paid-up, for every 100 (Hundred) equity shares of the Transferor Company of INR 10.00/- each, fully paid-up."

(vi) Upon the Scheme becoming operative on the Effective Date, Amalgamating Company shall stand automatically dissolved without being wound up, as an integral part of the Scheme;

(vii) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of Amalgamating Company as on the Effective Date shall stand transferred to and be merged/ amalgamated with the authorised share capital of the Company, and the fee, if any, paid by Amalgamating Company on their respective authorised share capital shall be set off against any fee payable by the Company on such increase in its authorised share capital, consequent to the amalgamation.

The Audit Committee reviewed and noted that -

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The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("**MCA**") since the same is subject to the sanction of the NCLT, and the provisions of Section 188 of the Act are not applicable.

Further, there are common promoters in the Company and Amalgamating Company. Promoter and Promoter Group holds, directly or indirectly67.18% and 68.76% respectively in the Company and Amalgamating Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company and Transferor Company / Amalgamating Companyin favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an "arm's length basis". The share entitlement ratios for the shares to be allotted pursuant to the Schemeare based on the Valuation Report and the Fairness Opinion. The aforementioned Valuation Report and Fairness Opinion have duly been considered by the Audit Committee.

Further, Suresh Chandra & Associates, Chartered Accountants, the statutory auditors of the Company 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 the MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

2.5 **Impact of the Scheme on the Shareholders**

The Audit Committee reviewed the Valuation Report and the Fairness Opinion for determination of share entitlement ratios under the draft Scheme.

The shareholders of the Amalgamating Company will receive equity shares in the Amalgamated Company in accordance with Clause 5 of the Scheme.

The Audit Committee is of the informed opinion that the draft Scheme is in the best interests of the Company and its shareholders. The impact of the draft Scheme on the shareholders, including, the public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would-serve the interest of all shareholders, creditors or any other stakeholders.

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3. **Recommendations of the Audit Committee**

Taking into consideration the draft Scheme and its rationale and benefits, the Valuation Report, the Fairness Opinion, and other documents, as placed before the Audit Committee, and the interest of the shareholders of the Company, the Audit Committee after due deliberation, unanimously recommends the draft Scheme to the Board of the Company, Stock Exchange, SEBI and other appropriate authorities for their favourable consideration and approval.

For and on behalf of Audit Committee of

VMS TMT Limited

Vivek Dinesh Nathwani
Independent Director DIN: 09791683

(Chairman of Audit Committee)

Place: Ahmedabad, Gujarat
Date: June 27, 2026

VMS TMT LIMITED

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Aditya Ultra Steel Limited

Aditya Ultra Steel Limited
CIN L27100GJ2011PLC066552
(Authorised Manufacturer of Kay2 Xenox Under Retail License User Agreement with Kamdhenu Metallic Industries Limited)
Office & Factory :
Survey No. 48, NH-8 A, Wankaner Boundary, Bhalgam, Dist. Rajkot, Gujarat - 363621.
Ph.: 6357585716 | Email : cs@aditya-ultra-steel.com | Web : www.aditya-ultra-steel.com

REPORT OF THE AUDIT COMMITTEE OF ADITYA ULTRA STEEL LIMITED AT ITS MEETING HELD ON SATURDAY, JUNE 27, 2026 RECOMMENDING THE SCHEME OF AMALGAMATION AMONGST ADITYA ULTRA STEEL LIMITED AND VMS TMT LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

Members Present:

Sr. No.	Name of Audit Committee Members	Designation
1.	Sapna Jain	Chairperson
2.	Piyush Ravishanker Bhatt	Member
3.	Varun Manojkumar Jain	Member

1. **Background**

1.1 A meeting of the Audit Committee of Aditya Ultra Steel Limited ("**Company**") was held on June 27, 2026, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("**Board**"), the draft Scheme of Amalgamation amongst Aditya Ultra Steel Limited ("**Transferor Company**" or "**Amalgamating Company**") and VMS TMT Limited ("**Transferee Company**" / "**Amalgamated Company**") (together referred to as "**Companies**") and their respective shareholders and creditors ("**Scheme**"), which entails Amalgamation of Amalgamating Company into and with the Amalgamated Company in the manner set out in the 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 but not limited to the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, read with Section 2(6) and other applicable provisions of the Income Tax Act, 2025.

1.2 This report of the Audit Committee is made in compliance with the requirement of the Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/P/2023/93 dated June 20, 2023, as amended from time to time ("**SEBI Circular**"), issued by the Securities and Exchange Board of India ("**SEBI**"). In terms of the SEBI Circular, a report from the Audit Committee is required, recommending the draft Scheme, taking into consideration, *inter alia*, the Valuation Report (*as defined below*).

1.3 The following documents were placed before the Audit Committee for its consideration:

(a) draft Scheme, duly initialled by the Director / Company Secretary of the Company for the purpose of identification.

(b) valuation report dated June 26, 2026, issued jointly by Procurve Valux Private Limited, a Registered Valuer Entity having IBBI Registration No. – IBBI/RV-E/02/2025/218 and Rajendra Sanghi, a Registered Valuer having IBBI Registration No. – IBBI/RV/06/2021/14418, for the determination of Share Entitlement Ratios (as defined hereunder) under the draft Scheme ("**Valuation Report**");

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(c) fairness opinion dated June 26, 2026, prepared by Finaax Capital Advisors Private Limited, an Independent SEBI registered Category-I Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**"); and

(d) Auditors' certificate dated June 26, 2026, confirming 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.

2. Observations of Audit Committee on the Scheme

2.1 Need and Rationale for the Scheme

(i) Synergies and Consolidation of Business Operations:

Both the Transferor Company and Transferee Company are engaged in the manufacturing of TMT bars under the "Kamdhenu" brand. Under retail license agreements both dated November 7, 2022, with Kamdhenu Limited and its Group Companies, the Companies currently operate within distinct geographical territories within the State of Gujarat. The Amalgamated Company markets its TMT bars under the brand name "Kamdhenu NXT" on a non-exclusive basis across Gujarat, excluding the Saurashtra and Kutch districts. The Amalgamating Company, in turn, operates under the Kamdhenu brand specifically serving the Kutch and Saurashtra regions, and markets its TMT bars under the brand name of "KAY2" and "KAY2 XENOX".

The proposed Scheme of Amalgamation will consolidate these complementary business operations, bringing the entire State of Gujarat under a unified "Kamdhenu" brand presence. This integration will eliminate the current territorial fragmentation, enable a cohesive go-to-market strategy across Gujarat, and present a singular, stronger face to customers, distributors, and dealers. The combined distribution network - comprising VMS TMT's 3 distributors and 227 dealers and Aditya Ultra Steel's 73 dealers - will create a more robust and extensive market reach.

(ii) Mitigation of Key Business Risk:

Both Companies have entered into respective retail license agreements with Kamdhenu Limited (and its group companies), for the sale of TMT bars under the Kamdhenu Brand. These agreements impose certain restrictions and obligations, including achieving minimum sales quotas, branding guidelines, packaging requirements, and royalty payment obligations. By consolidating into a single entity,

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the combined company will be better positioned to meet these obligations, and ensure compliance with the license agreement.

(iii) Economies of Scale and Operational Synergies:

The combined entity will benefit from economies of scale in procurement of raw materials, production, logistics, and distribution, thereby reducing overall costs and improving profit margins. Furthermore, the consolidation will allow for the optimization of manufacturing capacities across both facilities – VMS TMT's facility at Bhayla Village, Ahmedabad, with an annual installed capacity of 200,000 tonnes per annum, and Aditya Ultra Steel's facility at Wankaner, Rajkot, with an annual installed capacity of 108,000 tonnes per annum.

(iv) Resource Optimization:

The Board of both the Companies propose to enter into this Scheme, to consolidate the service/ operational capabilities thereby increasing efficiencies in operations and use of resources for improving overall customer satisfaction, optimization of working capital utilization, to pool their human resource talent for optimal utilization of their expertise, to integrate the marketing and distribution channels for better efficiency, to have a larger market footprint domestically, and furthermore, to simplify and streamline the holding structure.

2.2 Cost-Benefit Analysis of the Scheme

The proposed Scheme will result in consolidation of the businesses at Transferee Company level and would strengthen the position thereof in long run, by enabling it to harness and optimise the synergies. Accordingly, the Scheme would be in the best interest of the Companies and beneficial to their respective shareholders. Improved organizational capability and leadership, arising from the pooling of human capital, who have the diverse skills, talent and vast experience would enable the Transferee Company to compete successfully in an increasingly competitive industry.

The Transferee Company i.e., VMS TMT Limited would issue its equity shares as consideration to the shareholders of the Company i.e., Aditya Ultra Steel Limited, as consideration and there will be no cash outflow of resources from VMS TMT Limited. Apart from the cost of implementation of the Scheme, including payment of stamp duty, there are no additional costs involved for the proposed Scheme.

The proposed Scheme will also benefit the shareholders directly, as the costs incurred towards the implementation of the Scheme foreshadows the long-run benefit, to be derived by the shareholders, that can be derived by achieving strategic & operational synergies. The Audit Committee is of the opinion that the expected synergies and benefits, pursuant to the proposed Scheme, would offset the impact of such cost.

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2.3 **Synergies of business of the entities involved in the Scheme**

The management of the respective companies is of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective companies. Furthermore, the Scheme will enable the synergies that exist between the businesses carried out by the Companies in terms of services and resources to be used optimally for the benefit of their stakeholders.

The Scheme would result into business and operational synergies as listed under:

a. Consolidation of complementing strengths will enable the Transferee Company to offer diversified products on a single platform, including Transferee Company's "Kamdhenu NXT" brand and Transferor Company's "Kamdhenu," "KAY2," and "KAY2 XENOX" brands;

b. Efficiency in management, control and running of businesses of the Companies concerned and create a financially strong Transferee Company;

c. Pooling of financial and other resources of both the Companies for optimum utilization of resources in the businesses and increased bargaining power;

d. The combined financial strength is expected to further accelerate the scaling up of the operations. Amongst others, the merger will enable the consolidated entity to have an extensive state and regional level network for deeper market penetration and enhancement of the overall customer satisfaction, engagement and retention;

e. Rationalization, standardization and simplification of business processes and systems;

f. Minimization of compliances, compliance cost and elimination of duplication and rationalization of administrative cost of legal entities;

g. Increase long term value of all the stakeholders, by creating a standalone listed entity; and

h. Ability to pursue organic growth with consolidated financials and better operational control. The consolidation of funds and resources will lead to optimization of working capital utilization and stronger financial leverage, improved balance sheet, and consolidation of cross location talent pool.

2.4 **Salient Features of the Scheme**

The Audit Committee considered and observed the following salient features in relation to the draft Scheme –

(i) The draft Scheme provides for Amalgamation of Amalgamating Company into and with the Amalgamated Company in the manner set out in the draft Scheme.

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(ii) The Appointed Date means the opening of business hours on April 01, 2026 or such other date as may be approved by the National Company Law Tribunal, Ahmedabad Bench ("**NCLT**" / "**Tribunal**"), with effect from which the Scheme will be deemed to be effective in the manner described in the Scheme.

(iii) The effectiveness of this Scheme is conditional upon and subject to the following:

a) receipt of an 'observation letter' or a 'no-objection letter' from BSE Limited and National Stock Exchange of India Limited (**"Stock Exchanges"**), on the draft Scheme, as required under applicable laws, are in form and substance acceptable to the Company and Transferee Company;

b) approval from requisite majority of such classes of shareholders, secured creditors and unsecured creditors of each of the Transferor Company and Transferee Company which are part of the Scheme and such other persons/ authorities, as may be required under applicable laws or as may be directed by the National Company Law Tribunal, Ahmedabad Bench (**"NCLT"** / **"Tribunal"**);

c) approval from the shareholders of the Company and Transferee Company / Amalgamated Company, provided that the number of votes cast by the public shareholders of the Company and Transferee Company / Amalgamated Company in favour of the Scheme are more than the number of votes cast by the public shareholders of the Company and Transferee Company / Amalgamated Company against the Scheme, through e-voting as required under the SEBI Circular;

d) the sanction to the Scheme by the NCLT under the relevant provisions of the Act;

e) compliance with such conditions as may be imposed by the NCLT;

f) the receipt of such other approvals including, approvals of any governmental authority as may be necessary under applicable laws or under any material contract to make the Scheme or the relevant Part of the Scheme effective or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and

g) the certified copy of the order of the NCLT sanctioning the Scheme (wholly or partially) being filed with the Registrar of Companies by each of the Companies.

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(iv) Upon the Scheme becoming operative on the Effective Date, with effect from the Appointment Date, the Transferee Company shall account for the amalgamation of Transferor Company in its books of accounts in accordance with principles as laid down in Appendix C to the Indian Accounting Standards 103 (Business Combinations) notified under Section 133 of the Act and under the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time.

(v) Upon the Scheme becoming operative on the Effective Date, Amalgamating Company shall stand automatically dissolved without being wound up, as an integral part of the Scheme;

(vi) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of Amalgamating Company as on the Effective Date shall stand transferred to and be merged/ amalgamated with the authorised share capital of the Amalgamated Company, and the fee, if any, paid by Amalgamating Company on their respective authorised share capital shall be set off against any fee payable by the Company on such increase in its authorised share capital, consequent to the amalgamation.

The Audit Committee reviewed and noted that -

The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("**MCA**") since the same is subject to the sanction of the NCLT, and the provisions of Section 188 of the Act are not applicable.

Further, there are common promoters in the Company and Amalgamated Company. Promoter and Promoter Group holds, directly or indirectly 68.76% and 67.18% respectively in the Company and Amalgamated Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company and Transferee Company / Amalgamated Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an "arm's length basis". The share entitlement ratios for the shares to be allotted pursuant to the Scheme are based on the Valuation Report and the Fairness Opinion. The aforementioned Valuation Report and Fairness Opinion have duly been considered by the Audit Committee.

Further, S N D K & Associates LLP, Chartered Accountants, the statutory auditors of the Company 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 the MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

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Aditya Ultra Steel Limited
CIN L27100GJ2011PLC066552
(Authorised Manufacturer of Kay2 Xenox Under Retail License User Agreement with Kamdhenu Metallic Industries Limited)
Office & Factory :
Survey No. 48, NH-8 A, Wankaner Boundary, Bhalgam, Dist. Rajkot, Gujarat - 363621.
Ph.: 6357585716 | Email : cs@aditya-ultra-steel.com | Web : www.aditya-ultra-steel.com

2.5 **Impact of the Scheme on the Shareholders**

The Audit Committee reviewed the Valuation Report and the Fairness Opinion for determination of share entitlement ratios under the draft Scheme.

The shareholders of the Amalgamating Company will receive equity shares in the Amalgamated Company in accordance with Clause 5 of the Scheme.

The Audit Committee is of the informed opinion that the draft Scheme is in the best interests of the Company and its shareholders. The impact of the draft Scheme on the shareholders, including, the public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would-serve the interest of all shareholders, creditors or any other stakeholders.

3. **Recommendations of the Audit Committee**

Taking into consideration the draft Scheme and its rationale and benefits, the Valuation Report, the Fairness Opinion, and other documents, as placed before the Audit Committee, and the interest of the shareholders of the Company, the Audit Committee after due deliberation, unanimously recommends the draft Scheme to the Board of the Company, Stock Exchange, SEBI and other appropriate authorities for their favourable consideration and approval.

For and on behalf of Audit Committee of
Aditya Ultra Steel Limited

SAPNA

SAPNA JAIN DIN: 09298942

(Chairman of Audit Committee)

Aditya Ultra Steel Limited

Place: Rajkot, Gujarat
Date: June 27, 2026

VMS TMT LIMITED