

**Report of the Committee of Independent Directors of Gabriel India Limited (the “Company”) recommending the draft Composite Scheme of Arrangement between Anchemco India Private Limited (formerly known as Andasia Private Limited) (“Transferor Company”) and Asia Investments Private Limited (“Transferee Company” for Part C of the Scheme and “Demerged company” for Part D of the Scheme) and Gabriel India Limited (“Resulting Company” or “Company”) and their respective shareholders under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules thereunder (“Scheme”)**

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**Members Present:**

1. Mr. B.V.R. Subbu, Chairman
2. Mrs. Pallavi Joshi Bakhru
3. Ms. Mahua Acharya

**1. Background**

- 1.1 The Committee of Independent Directors of Gabriel India Limited (the “Company”) at its meeting held on 30<sup>th</sup> June 2025 considered a Draft of the Scheme of Arrangement (“Scheme”) under Section 230-232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder between **Anchemco India Private Limited (formerly known as Andasia Private Limited) (“Transferor Company”), Asia Investments Private Limited (“Transferee Company” for Part C of the Scheme and “Demerged Company” for Part D of the Scheme) and Gabriel India Limited (“Resulting Company”) and their respective shareholders**, has been placed before the Independent Directors for them to consider and recommend the said draft Scheme to the Board of Directors of the Company.

- 1.2 The Scheme would be subject to the sanction and approval of the National Company Law Tribunal ("NCLT"), the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited ("NSE"), BSE Limited ("BSE"), shareholders and creditors of respective Companies and other appropriate authorities, as may be applicable.
- 1.3 The equity shares of the Company are listed on NSE and BSE. The Company will be filing the Scheme along with the necessary information / documents with the NSE and BSE under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- 1.4 The report of the Committee of Independent Directors is made in order to comply with the requirements of the circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular"), including any amendment(s) or modifications(s) thereto issued by the Securities and Exchange Board of India ("SEBI"). The following documents were considered by the Committee of Independent Directors:
- a. Draft Composite Scheme of Arrangement;
  - b. Share exchange ratio report dated June 30, 2025, issued by KPMG Valuation Services LLP, IBBI Regn No. IBBI/RV-E/06/2020/115 and share exchange ratio report dated June 30, 2025 issued by BDO Valuation Advisory LLP, IBBI Regn No. IBBI/RV-E/02/2019/103, independent registered valuers, and their recommendation of the share exchange ratio ("Share Exchange Ratio Reports");
  - c. Pricing Certificate dated June 28, 2025 as required under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 prepared and submitted by Arch and Associates, Chartered Accountants;

- d. Fairness Opinion dated June 30, 2025, issued by ICICI Securities Ltd., a SEBI registered Merchant Banker (SEBI Regn No. MB/INM000011179), providing the Fairness Opinion on the Share Exchange Ratio Reports;
- e. Shareholding Pattern of the Transferor Company, Transferee Company / Demerged Company and the Resulting Company as at March 31, 2025;
- f. Certificate dated June 30, 2025 by the Statutory Auditor, Price Waterhouse Chartered Accountants LLP, Chartered Accountants, of the Company confirming that the Scheme is in compliance with the applicable Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013;

**2. Proposed Composite Scheme of Arrangement.**

**2.1** The Scheme inter-alia provides for the following:

- a. Amalgamation of Transferor Company with and into the Transferee Company; and
- b. Demerger of Demerged Undertaking or the Automotive Undertaking of Demerged Company into the Company.

**2.2** The proposed appointed date of the Scheme is:

- a. Appointed Date 1 is April 1, 2025 for amalgamation of Transferor Company with and into Transferee Company; and
- b. Appointed Date 2 is April 1, 2026 for the demerger of Demerged Undertaking or Automotive Undertaking of Demerged Company into the Company.

**3. Need for the Scheme**

The Committee of Independent Directors has carefully reviewed and considered the need

for the Scheme as outlined in the rationale of the Scheme, as mentioned below. After a thorough examination of the relevant information and discussions with the management, the Committee of Independent Directors concurs that the reasons for the Scheme remain consistent with those stated in the Scheme's rationale, as mentioned below.

#### **4. Rationale for the Scheme**

The Transferor Company is fully held by the Transferee Company / Demerged Company and its wholly owned subsidiary. Further, the Resulting Company is the subsidiary of the Transferee Company / Demerged Company. The Scheme is designed to strategically reposition the Resulting Company as a diversified mobility solutions provider by rationalising the corporate structure and, in the process, enhance stakeholder value. The amalgamation of the Transferor Company with and into the Transferee Company and subsequent demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company is, inter-alia, expected to yield the following benefits:

- Consolidate the business of the Demerged Undertaking of the Demerged Company in automotive components and products like drive train products including transmissions for EVs, Body in White and NVH Products and solutions, brass and steel synchroniser rings, aluminium forgings, brake fluids, radiator coolants and diesel exhaust fluids (DEF) / Ad-Blue for 2W, 3W and 4W vehicles and trucks and PU and PVC based adhesives in the Resulting Company, thereby transforming the Resulting Company from a mono-product suspension company into a diversified, technology-driven mobility solutions provider, and reducing the dependency on a single product line by expansion into new segments, geographies, the aftermarket product range and railways product range;



- Optimize the Resulting Company's supply chain, enhance marketing strategies and strengthen customer relationships, establishing a robust foundation for growth;
- Enables the Resulting Company to position as a preferred global OEM partner, delivering platform flexibility and ensuring alignment with future industry needs;
- Enhancing the Resulting Company to project as a preferred partner for future foreign collaborations in the automotive components space, and enhancing its presence in foreign markets, specifically the US and European market, ensuring its potential to attract capital for future growth and fostering the development of new technologies;
- Eliminate intra-group transactions and consequent cash flow blockages which shall result in streamlined cash flow management and efficient utilization of capital;
- Assist in rationalizing the corporate structure and reduction of shareholding tiers;
- Create substantial value for stakeholders through EPS accretion; and
- Achieve cost efficiencies through economies of scale and savings of administration and other costs associated with managing separate entities.

Accordingly, the Management of respective companies, have formulated this Scheme pursuant to the provisions of Sections 230-232 and other applicable provisions of the

Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof).

The Demerged Company, being the holding company of the Resulting Company, shall indemnify the Resulting Company and keep the Resulting Company indemnified for any liability, claim and demand, if any, relating to any period prior to the Effective Date (as defined hereinafter) which may devolve on the Resulting Company on account of the Demerger as per Part D of the Scheme.

There is no likelihood that interests of any shareholder(s) or creditor(s) of the respective companies would be prejudiced as a result of the Scheme. The Scheme does not affect the rights of the creditors of the respective companies. There will not be any reduction in amounts payable to the creditors, nor shall there be any change in terms with creditors which is averse to their interests, pursuant to the sanctioning of this Scheme. Without prejudice to the above, the Scheme is an arrangement between the respective companies and their respective shareholders, as contemplated under Section 230(1)(b) of the Companies Act, 2013 and not a Scheme envisaged under Section 230(1)(a) of the Companies Act, 2013.

**5. Synergies of the Business of the entities:**

As mentioned above, the implementation of the Scheme would result in the following synergies:

- 5.1 The proposed Scheme will enable the integration of the business activities of automotive components and products like drive train products including transmissions for EVs, Body in White and NVH Products and solutions, brass and steel synchroniser rings, aluminium forgings, brake fluids, radiator coolants and diesel exhaust fluids



(DEF) / Ad-Blue for 2W, 3W and 4W vehicles and trucks and PU and PVC based adhesives within the Company;

- 5.2 Economies of scale will play a bigger role as the consolidated entity's operational efficiency will increase, which will in turn allow the Company to compete on a larger scale in the industry, including better access to export markets and leveraging international customer relationships, thus benefiting the Company and its shareholders including public shareholders at large;
- 5.3 Rationalization of operations with a greater degree of operational efficiency and optimum utilization of resources;
- 5.4 It would result in the consolidation of business activities and will facilitate effective management of investment and synergies in operations;
- 5.5 The Scheme would facilitate the simplification of group structures and reducing administrative redundancies; and
- 5.6 Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial and other costs amongst all.

Thus, the re-structuring is proposed to result in enhanced development and growth of the business of the Company with productive utilization of resources which would be beneficial for all stakeholders.



**6. Impact of the Scheme on the Company and its shareholders:**

- 6.1 The Scheme will result in consolidation of identified business of automotive components and other products like Drive Train products including transmissions for EVs, Body in White and NVH Products and solutions, brass and steel synchroniser rings, aluminium forgings, brake fluids, radiator coolants and diesel exhaust fluids (DEF) / Ad-Blue for 2W, 3W and 4W vehicles and trucks and PU and PVC based adhesives in the Company. The said consolidation will be in the interest of stakeholders of the Company and will provide an increased capability for running this business and pursue growth opportunities.
- 6.2 The Committee of Independent Directors also noted that the Scheme is subject to the approval of shareholders of the Company. The Committee of Independent Directors was of the opinion that the Scheme is not detrimental to the interest of the shareholders of the Company, including public at large.

**7. Consideration / Share Exchange Ratio**

In respect of share exchange ratio, the Committee of Independent Directors noted, deliberated and confirmed that the reports on recommendation of share entitlement ratio as recommended for Part D of the Scheme is fair to the shareholders.

- 7.1 Upon Part C of the scheme becoming effective, since the Transferor Company is fully held by the Transferee Company and its wholly owned subsidiary, there shall be no issue of shares as a consideration for the amalgamation of the Transferor Company with and into the Transferee Company.

  




- 7.2 Upon Part D of the scheme coming into effect, in consideration for the transfer and vesting of the Demerged Undertaking by the Demerged Company into the Resulting Company, the equity shareholders of the Demerged Company or their respective heirs, executors, administrators or other legal representatives or other successors in title, whose names appear in the Register of Members of the Demerged Company on Record Date 2, shall, without any further act, deed or thing be issued and allotted as under:

*"1158 fully paid equity shares of Rs. 1 each of Resulting Company, for every 1000 equity shares of Rs. 10 each held in the Demerged Company"*

**8. Cost benefit analysis of the Scheme:**

The Scheme is expected to provide the long-term benefits such as integration of business activities, economies of scale, operational efficiency, optimum utilization of resources, unlocking growth opportunities, effective management of investments, simplification of group structure thus reducing redundancies, etc., which cannot be quantified. While the Scheme would lead to incurring some costs towards its implementation, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Company.



**9. Recommendation of the Committee**

The Committee of Independent Directors after due deliberations and due consideration, and inter alia taking into consideration the draft Scheme, Share Exchange Ratio Reports, Fairness Opinion, Pricing Certificate and draft certificate of the Statutory Auditors of the Transferee Company and Resulting Company, have noted the need and rationale of the Scheme, synergies of the business of the company, impact of the Scheme, cost benefit analysis of the Scheme and other documents placed before the Committee of Independent Directors. Based on the foregoing, the Committee of Independent Directors is of the view that the Scheme is in the interest of the Company and all the stakeholders and hereby recommends the Scheme to the Board of Directors of the company for its consideration and approval.

By Order of the Committee of Independent Directors

**For Gabriel India Limited**



**B.V.R. Subbu**  
**Chairperson**  
**Committee of Independent Directors**

**Date:** 30.06.2025

**Place:** New Delhi