



INDIA GLYCOLS LIMITED

Plot No. 2-B, Sector - 126, NOIDA-201304, Dist. Gautam Budh Nagar (Uttar Pradesh), Tel. : +91 (120) 6860000, 3090100, 3090200
Fax : +91 (120) 3090111, 3090211, E-mail : iglho@indiaglycols.com, Website : www.indiaglycols.com

REPORT OF THE INDEPENDENT DIRECTORS OF INDIA GLYCOLS LIMITED RECOMMENDING THE SCHEME OF ARRANGEMENT AMONGST INDIA GLYCOLS LIMITED, ENNATURE BIO PHARMA LIMITED AND IGL SPIRITS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS, AS DISCUSSED AT THEIR MEETING HELD ON FRIDAY, 16th MAY 2025.

Members Present

- | | |
|----------------------------|------------------------------|
| 1. Smt. Shukla Wassan | - Chairperson of the Meeting |
| 2. Shri Ravi Kumar | - Member |
| 3. Shri Sushil Dutt Salwan | - Member |
| 4. Shri Samrat Banerjee | - Member |

1. Background

- 1.1. A meeting of the Independent Directors of India Glycols Limited was held on Friday, 16th May, 2025, *inter alia*, to consider and recommend the proposed draft Scheme of Arrangement amongst India Glycols Limited ("**Company**" or "**Demerged Company**"), Ennature Bio Pharma Limited ("**Resulting Company 1**") and IGL Spirits Limited ("**Resulting Company 2**"), the wholly owned subsidiary companies of the Demerged Company and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Scheme**").
- 1.2. The Demerged Company is a company incorporated under the provisions of the Companies Act, 1956. The equity shares of the Demerged Company are listed on the BSE Limited and the National Stock Exchange of India Limited.
- 1.3. The Resulting Company 1 and Resulting Company 2 are incorporated under the Companies Act, 2013 and they both are wholly-owned subsidiaries of the Demerged Company.
- 1.4. In terms of the Master Circular bearing no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 ("**SEBI Circular**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**LODR Regulations**"), the independent directors are required to provide its report on the impact of Scheme on the Demerged Company and its shareholders and that the Scheme is not detrimental to the Shareholders of the Company. This report is made in order to, *inter alia*, comply with the requirements of the Master Circular issued by SEBI pursuant to the LODR Regulations.
- 1.5. **Documents placed before the Independent Directors**

The following documents, duly initialed by the Company Secretary of the Company for the purpose of identification, were placed before the Independent Directors:

- (a) Draft Scheme;
- (b) Share Entitlement Report dated 16th May, 2025 issued by M/s. TRC Corporate Consulting Private Limited (through Shri Kshitij Goel,) (Registration No. IBB/RV/02/2024/15672), Registered Valuer ("**Share Entitlement Report**");

Corporate Office : 3A, Shakespeare Sarani, Kolkata - 700071, Phone : +91 33 22823585, 22823586
Works & Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur - 244713, Distt. Udham Singh Nagar (Uttarakhand)
Phone : +91 5947 269000 / 269500 Fax : +91 5947 275315, 269535
CIN : L24111UR1983PLC009097



INDIA GLYCOLS LIMITED

Plot No. 2-B, Sector - 126, NOIDA-201304, Distt. Gautam Budh Nagar (Uttar Pradesh), Tel. : +91 (120) 8860000, 3090100, 3090200
Fax : +91 (120) 3090111, 3090211, E-mail : iglh@indiaglycols.com, Website : www.indiaglycols.com

- (c) Fairness Opinion Report dated 16th May, 2025 issued by M/s. Corporate Professionals Capital Private Limited , (Registration No. **INM000011435**), an Independent SEBI registered Category – I Merchant Banker ("**Fairness Opinion**");
- (d) the certificates dated 16th May, 2025 issued by M/s. K.N. Gutgutia & Co., the Statutory Auditors of the Company certifying, *inter alia*, that the accounting treatment contained in the draft Scheme is in conformity with the accounting standards prescribed under Section 133 of the Act and non-applicability of requirements mentioned in para 10 (b) of Part- I-A of SEBI Circular ;

2. Salient Features of the Scheme

The Independent Directors noted the brief particulars of the Scheme as under:

- 2.1 The Scheme provides for the demerger, transfer and vesting of the Biopharma Undertaking and Spirits & Bio-fuel Undertaking from the Demerged Company to Resulting Company 1 and Resulting Company 2 (Collectively, "**Resulting Companies**"), respectively, on a going concern basis, and the consequent issue of shares by the Resulting Companies, the consequent reduction and cancellation of existing equity shares of the Resulting Companies held by the Demerged Company, and the consideration thereof in respect of such demerger.
- 2.2 The appointed date for the arrangement is 1st April, 2026 ("**Appointed Date**").
- 2.3 The Demerged Undertakings (*as defined in the Scheme*) shall stand demerged, transferred and vested into the Resulting Companies on a going concern basis subject to provisions of the Scheme.
- 2.4 From the Appointed Date and upto the effective date, all the Companies that are party to the Scheme shall carry on its business and activities with reasonable diligence and business prudence.
- 2.5 The effectiveness of the Scheme is contingent upon certain conditions as mentioned in the Scheme.

3. Synergies of the Companies involved in the Scheme

The Demerged Company is a leading green chemical company. It has grown manifold over a number of years and currently houses four segments, namely, bio-based specialties and performance chemicals, potable spirits, ennature biopharma and bio-fuel. Given its diversified business, it has become imperative for the Demerged Company to reorient and reorganize itself in a manner that allows imparting greater focus on each of its businesses. With this repositioning, the Demerged Company is desirous of enhancing its operational efficiency. It will continue with its bio-based specialties and performance chemicals business. While each of the above businesses may be subject to industry specific risks, business cycles and operate *inter alia* under different market dynamics, they have a significant potential for growth and profitability.

Corporate Office : 3A, Shakespeare Sarani, Kolkata - 700071, Phone : +91 33 22823585, 22823586
Works & Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur - 244713, Distt. Udham Singh Nagar (Uttarakhand)
Phone : +91 5947 269000 / 269500 Fax : +91 5947 275315, 269535
CIN : L24111UR1983PLC009097



INDIA GLYCOLS LIMITED

Plot No. 2-B, Sector - 126, NOIDA-201304, Distt. Gautam Budh Nagar (Uttar Pradesh), Tel. : +91 (120) 8860000, 3090100, 3090200
Fax : +91 (120) 3090111, 3090211, E-mail : lgkho@indiaglycols.com, Website : www.indiaglycols.com

The Scheme proposes to re-organise and segregate the shareholdings of Demerged Company in various businesses and thus proposes the demerger of Biopharma Undertaking (as defined in the Scheme) and Spirits & Biofuel Undertaking (as defined in the Scheme) from Demerged Company to the Resulting Companies. The demerger of the Demerged Undertakings from the Demerged Company to the Resulting Companies will result in the equity shares of the Resulting Companies (as defined in the Scheme) becoming listed on the National Stock Exchange Limited and BSE Limited, with the Resulting Companies focussing exclusively on their respective undertakings and capable of independent valuation and participation therein by any suitable investor interested in such businesses, in the future.

4. Need, Rationale and benefits of the Scheme

The proposed restructuring pursuant to this Scheme is expected, inter alia, to result in following benefits:

- (i) Segregation and unbundling of the Spirits and Biofuel Undertaking and Biopharma Undertaking of the Demerged Company into the Resulting Companies will offer the following benefits:
 - a. Each business will have a clear focus, leading to improved management and resource allocation for growth.
 - b. The demerger will enable independent growth for each business, attracting the right talent, offering better opportunities for employees
 - c. The demerger may create a potential to unlock value for all the stakeholders by drawing focused investors.
 - d. Each business will manage its capital, investments, and resources based on its specific needs, ensuring more efficient capital use.
 - e. Each business will adhere to regulations that are specific to its industry.
 - f. Separating the businesses will reduce the risk of one business affecting the others.

Accordingly, the Scheme is in the interest of all the companies involved and their respective stakeholders.

5. Impact of the Scheme on the Company and its Shareholders

- (a) The Resulting Companies are wholly owned subsidiaries of the Demerged Company. The Scheme is expected to be beneficial to the Demerged Company and its shareholders, leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders, achieving cost and operational efficiencies;
- (b) The rights and interests of the shareholders of the Demerged Company will not

Corporate Office : 3A, Shakespeare Sarani, Kolkata - 700071, Phone : +91 33 22823585, 22823586

Works & Registered Office : A-1, Industrial Area, Bazpur Road, Kashipur - 244713, Distt. Udham Singh Nagar (Uttarakhand)

Phone : +91 5947 269000 / 269500 Fax : +91 5947 275315, 269535

CIN : L24111UR1983PLC009097



INDIA GLYCOLS LIMITED

Plot No. 2-B, Sector - 126, NOIDA-201304, Dist. Gautam Budh Nagar (Uttar Pradesh), Tel. : +91 (120) 8860000, 3090100, 3090200
Fax : +91 (120) 3090111, 3090211, E-mail : lgih@india glycols.com, Website : www.india glycols.com

be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of the Company, before and after the Scheme rather they will get economic interest in the Resulting Companies; and

- (c) The shareholders of the Demerged Company will continue to be the shareholders of the Demerged Company, without any change in the shareholding pattern.

6. Cost benefit analysis of the Scheme

The Scheme is expected to provide an opportunity to improve the economic value for the companies involved in the Scheme and their stakeholders, in view of the demerger of the businesses. This is primarily on account of various cost and operational synergies which are expected to accrue to the Company on account of the Scheme and more particularly detailed out in above paragraphs . While the Scheme would lead to incurring some costs towards its implementation, however, the benefits of the Scheme over a longer period would far outweigh such costs for all the stakeholders of the Company.

7. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

The Independent Directors have taken on record the Share Entitlement Report and the Fairness Opinion and the recommendations made therein.

Taking into consideration the draft Scheme, Share Entitlement Report, Fairness Opinion and Certificates issued by Statutory Auditors of the Companies, need and rationale of the Scheme, synergies of the business of the companies, impact of the Scheme on the Companies and its shareholders, cost benefit analysis of the Scheme and other documents placed before the Independent Directors and after deliberations, the Independent Directors recommends the draft Scheme for the favorable consideration and approval by the Board of Directors of the Company as the effects of the Scheme are not detrimental to the shareholders of the listed entity.

For India Glycols Limited

Shukla Wassan
Chairperson – Meeting of Independent Directors
DIN: 02770898
Place: Noida
Date: 16th May, 2025