

**REPORT OF THE AUDIT COMMITTEE OF TREJHARA SOLUTIONS LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF LP LOGISTICS PLUS CHEMICAL SCM PRIVATE LIMITED WITH TREJHARA SOLUTIONS LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON TUESDAY, MARCH 26, 2024**

Date of the Audit Committee meeting: March 26, 2024  
Venue

Unit No. 601, Sigma IT Park, Plot No. R-203, R-204 T.T.C.  
Industrial Estate, Rabale, Navi Mumbai - 400701. MH- INDIA.

Members Present

Dr. Mahendra Mehta, Chairman  
Mr. Tushar Ranpara, Member  
Mr. Amit Sheth, Member

1. Background:

- I. LP Logistics Plus Chemical SCM Private Limited (hereinafter referred to as 'Transferor Company') is a private company, limited by shares, incorporated on November 13, 2018 under the Companies Act, 2013 under corporate identity number U74999MH2018PTC317013 and having its registered office at Centrum Office No.709, 7<sup>th</sup> Floor, Opp. TMC Majiwade Prabhag Samiti Office, Wagle Indl Estate, Thane- 400604. (hereinafter referred to as the "Transferor Company"). The Transferor Company is a freight forwarding company in the logistics sector. It acts as Freight and Forwarding agent for various companies in different industries.
- II. Trejhara Solutions Limited (hereinafter referred to as 'Transferee Company') is a listed public company, limited by shares, incorporated on March 10, 2017 under the Companies Act, 2013 under corporate identity number L72900MH2017PLC292340 and having its registered office at Unit No. 601, Sigma IT Park, Plot No. R-203, R-204 T.T.C. Industrial Estate, Rabale, Thane, Navi Mumbai-400701. (hereinafter referred to as the "Transferee Company"). The Transferee Company is a logistics solutions provider that helps enterprises to accelerate digital innovation, securely and efficiently. The Transferee Company provides service and solutions in different segments such as warehousing, freight forwarding, project logistics, etc. The logistics solutions of the Transferee Company helps distributors to maximize efficiency across warehousing and distribution operations. The Company's Supply Chain Management product provides end-to-end integrated logistics solutions to its key customers across the globe. The Company also offers IT consulting to its clients.
- III. The Transferee Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited.
- IV. This Scheme of Amalgamation provides for the amalgamation of the Transferor Company with the Transferee Company pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

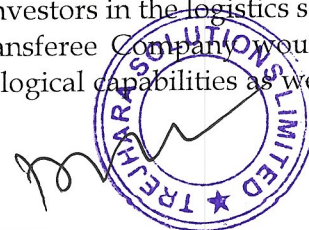


- V. This report of the Audit Committee is made in order to comply with the requirements of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Clause 2 (c) of Para A of Part I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (“SEBI Master Circular”) and as amended from time to time.
- VI. The following documents were presented by the Company Secretary before the Audit Committee:
- Draft Scheme of Amalgamation;
  - The Valuation Report on the Share Exchange/Entitlement Ratio dated March 26, 2024 of Mr. Dhawal Mehta, Registered Valuer (Registration No. IBBI/RV/06/2023/15462) (“Registered Valuer”) in relation to the shares to be issued by the Transferee Company to the Shareholders of the Transferor Company pursuant to the Scheme (“Share Exchange Ratio Report”);
  - Fairness Opinion Report dated March 26, 2024 issued by Kunvarji Finstock Private Ltd, a SEBI Registered Merchant Banker on the said Valuation Report (“Fairness Opinion”);
  - Certificate issued by M/s. Banshi Khandelwal & Co., Chartered Accountants, the Statutory Auditors of the Company, confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standard specified by the Central Government under section 133 of Companies Act, 2013 and other Generally accepted Accounting Principles;
2. The Audit Committee has perused the provisions in the Scheme and have noted as under:

I. Need for the Amalgamation and Rationale of the Scheme:

The proposed amalgamation is beneficial, advantageous and not prejudicial to the interest of the shareholders, creditors and other stakeholders. By amalgamation, the Transferor Company and the Transferee Company seek to diversify their market presence and product/service offerings in the logistics sector. This broader portfolio will enhance the ability to cross sell, navigate changing market dynamics and future growth potential for both the companies. The proposed Amalgamation of the Transferor Company into the Transferee Company also intends and seeks to achieve flexibility and integration of size, scale and financial strength. Therefore, the management of the Transferor Company and the Transferee Company believe that this Scheme shall benefit the respective companies and other stakeholders of respective companies, *inter-alia*, on account of the following reasons:

- The proposed amalgamation will enable the Transferee Company to acquire the rapidly growing logistics business of the Transferor Company, having large operations in India and Middle-East, with a consolidated revenue size and good margins of Transferor Company and Transferee Company which will result in achieving greater financial strength and flexibility and to maximize overall shareholders’ value.
- The Transferee Company being logistics solution provider, it’s new age technology will help Transferor Company’s logistic business to expand it’s digital footprint through innovation and analytical capabilities;
- Both the Transferor Company and the Transferee Company have potential expansion plans in near future and the integration of their diverse operations in logistics sector will enable them to achieve desired objective and also enable the structure for attracting strategic partners / investors in the logistics sector.
- The proposed amalgamation of the Transferor Company with the Transferee Company would make available to them - financial resources, technological upgradation, technological capabilities as well as the



- managerial, technical, distribution and marketing resources of each other in the interest of maximizing shareholder and stakeholder value.
- e) The amalgamation will result in better integration, financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity and reduction in operational costs and increase operational efficiency.
  - f) Improved organizational capability and leadership, arising from the pooling of human capital that has diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.
  - g) The amalgamation will result in significant reduction in multiplicity of legal and regulatory compliances which at present are required to be made separately by the Transferee Company and Transferor Company.
  - h) The amalgamation will lead to reduction in costs, pooling of business and strategic resources, greater cost-efficient services, enhanced support services, easy access/availment of all the services, economies of scale and the benefit of access to latest and advanced technologies.
  - i) Greater degree of operational efficiency and optimum utilization of resources.
  - j) The amalgamation will help in consolidating and improving the internal control systems and procedures which will bring greater management efficiency due to integration of various similar functions being carried out by the entities such as human resources, finance, legal, management, etc.

In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company have considered and proposed the amalgamation of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme for the transfer and vesting of the entire Undertaking and business of Transferor Company with the Transferee Company pursuant to the provisions of section 230 to section 232 and other relevant provisions of the Act.

## II. Synergies of Business of the Companies involved in the Scheme:

The background and information of the Transferor Company and the Transferee Company is, *inter-alia*, as under:

- a) The Transferee Company is a logistics solutions provider that helps enterprises to accelerate digital innovation, securely and efficiently. The Transferee Company provide services and solutions in different segments such as warehousing, freight forwarding, project logistics, etc. The logistics solutions of the Transferee Company helps distributors to maximize efficiency across warehousing and distribution operations. The Company's Supply Chain Management product provides end-to-end integrated logistics solutions to its key customers across the globe. The Company also offers IT consulting to its clients.
- b) The Transferor Company is a freight forwarding company in the logistics sector. It acts as Freight and Forwarding agent for various companies in different industries.
- c) Upon amalgamation, the benefits and synergies as mentioned in Para 2 (I) above shall be derived.

## III. Impact of the Scheme on the Shareholders of the Company:

- a) In consideration for the amalgamation of the Transferor Company with the Transferee Company, the shareholders of the Transferor Company as on the Record Date (as defined in the Scheme) shall receive equity shares of the Transferee Company.
- b) The share entitlement ratio determined by the Registered Valuers is fair to the shareholders of the Company.



- c) Further, there will be no change in the economic interest of the shareholders of the Company, before and after Scheme.
- d) After the effectiveness of the Scheme and subject to receipt of regulatory and other approvals, the equity shares of the Transferee Company issued as consideration pursuant to the Scheme, shall be listed on BSE and the NSE.

IV. Cost Benefit Analysis of the Scheme:

Although the Scheme would lead to incurring of some costs towards its implementation, however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Company.

3. Consideration / Share Exchange Ratio:


In respect of share exchange ratio, the Audit Committee noted, deliberated and confirmed that the report on recommendation of fair equity share entitlement ratio as recommended in the Share Exchange Ratio Report is fair to the shareholders. Upon scheme becoming effective, shares would be issued as under:

*"2 (Two) fully paid-up equity shares of face value of Rs.10/- each of the Transferee Company for every 1 (One) equity shares of face value of Rs.10/- each held in the Transferor Company."*

4. Recommendations of the Audit Committee:

The Audit Committee, after due deliberations and detailed discussions, and *inter alia* taking into consideration the presentations made, draft Scheme, Share Exchange Ratio Report, Fairness Opinion and certificates issued by Statutory Auditors of the Company, have noted the rationale, benefits and the impact of the Scheme on shareholders and other concerned. Based on the foregoing, the Audit Committee 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 Audit Committee  
For and on behalf of  
Trejhara Solutions Limited.

  
Dr. Mahendra Mehta  
Chairperson of the Audit Committee  
DIN: 00376396



Date: March 26, 2024  
Place: Mumbai