

REPORT ON RECOMMENDATIONS OF THE AUDIT COMMITTEE ON DRAFT SCHEME OF MERGER BY ABSORPTION BETWEEN LA RELIANT ALUMINIUM LIMITED ("La Reliant" OR "TRANSFEROR COMPANY") WITH AESTHETIK ENGINEERS LIMITED ("AEL" OR "TRANSFeree COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME") AT ITS MEETING HELD ON FRIDAY, MAY 30, 2025 AT 10:30 A.M.

The Securities and Exchange Board of India ("SEBI") vide its Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 as further clarified by Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, Circular No. CIR/IMD/DF/50/2017 dated May 26, 2017, Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018, master circular bearing reference no. SEBI /HO/ POD-2/ P/ CIR /2023 /93 dated June 20, 2023 (hereinafter collectively referred to as "Circulars") has amongst other requirements, sought a report from Audit Committee of Listed Companies recommending the draft scheme under section 230-232 of the Companies Act, 2013 (Including any statutory modification(s) or re-enactment(s) thereof) ("Act").

Member Present:

Mr. Sanjeev Kumar Agarwal	: Chairperson
Mr. Ramesh Kumar Chokhani	: Member
Mr. Arvind Kumar Agarwal	: Member

In Attendance:

Ms. Priyanka Gupta	: Company Secretary & Compliance Officer
Mr. Vivek Gupta Representative of Maroti & Associates	: Statutory Auditor
Mr. Vivek Rawal Representative of Rawal & Co.	: Secretarial Auditor
Mr. Jai Kishan Ojha	: Chief Financial Officer
Mr. Avinash Agarwal	: Managing Director

Background:

A meeting of the Audit Committee was held on 30th May, 2025, to consider and, if thought fit, recommend the proposed Scheme of Merger by Absorption ("Scheme") between LA Reliant Aluminium Limited ("Transferor Company" / "La Reliant"), Aesthetik Engineers Limited ("Transferee Company" / "AEL"), and their respective shareholders wherein the Transferor Company would stand transferred to and vested in Transferee Company and Transferor Company Stands Dissolved without being winding up with effect from the appointed date i.e. 1st April, 2025 in accordance with the terms of the Scheme and pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules and regulations made thereunder, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and regulation 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("SEBI LODR Regulations"), the Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and master circular dated June 20, 2023 bearing reference no. SEBI /HO/ POD-2/ P/ CIR /2023 /93 issued by the Securities and Exchange Board of India ("SEBI Circular"), as amended from time to time.

Registered Address :

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1858/1, Rajdanga Main Road, Kolkata-700107
P : 033 46002255
E : backoffice@aesthetik.in

Works :

Hanuman Complex, Plot No. 3108
Ranihati Amta Road,
P.O.-Islampur, Howrah-711401
W : www.aesthetik.in

AESTHETIK ENGINEERS LIMITED

Sanjeev Agarwal
Director

CIN No. : L74210WB2008PLC124716

The Company is incorporated under the provisions of the Companies Act, 2013. The equity shares of the Company are listed on National Stock Exchange of India Ltd (referred as "Stock Exchange/ NSE").

This report of the Audit Committee is made in order to comply with the requirements of SEBI LODR Regulations and SEBI Circular.

The following documents were placed before the Audit Committee:

Draft Scheme of Merger by Absorption;

Valuation Report dated 30th May, 2025 issued by M/s SPA Valuation Advisors Private Limited, Registered Valuer (SEBI Registration No: [INM 000010825] for determination of Share Entitlement Ratios under the Scheme ("Valuation Report");

Fairness Opinion dated 30th May 2025 prepared by **Ekadarshit Capital Private Limited**, an Independent SEBI registered Category 1 Merchant Banker, (SEBI Registration No: [MB/INM000013040], providing a fairness opinion on the valuation of the shares and the share entitlement ratio as recommended in the Valuation Report. ("**Fairness Opinion**");

Certificate dated 30th May 2025 issued by M/s. Prakash Chandra & Associates, Chartered Accountants, Statutory Auditors of Transferor and M/s. Maroti & Associates, Chartered Accountants, Statutory Auditors of Transferee Company confirming that the accounting treatment contained in the Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of Companies Act, 2013 and other generally accepted accounting principles; and

Audited financial statements of the Transferee Company for the year ending 31st March, 2025, and. Audited financial statements of the Transferor Company for the year ending 31st March, 2025.

Proposed Scheme

Salient Features

The Audit Committee considered and observed that the draft Scheme provides for the following:

i) The rationale of the scheme is as under:

- a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core profitable business of the Transferor Company.
- b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value.
- c) The proposed amalgamation will improve organizational capability arising from the pooling of human capital that has diverse skills, talent, vast experience and goodwill.
- d) Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.

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- e) To optimally leverage the larger assets base and cash flow of the amalgamated entity; and amalgamation will result in the Transferee Company directly controlling and managing the business of the Transferor Companies which would lead to simplification of the shareholding structure and reduction of shareholding tiers.
- f) There is no likelihood that any shareholder or creditor or employee of the Transferor Companies and Transferee Companies would be prejudiced as a result of the Scheme. Thus, the amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or public at large.
- g) The Promoter of La Reliant Aluminium Limited ("Transferor Company" "La Reliant") and Aesthetik Engineers Limited ("Transferee Company" "AEL") will jointly become the promoter of Aesthetik Engineers Limited ("Transferee Company" "AEL").

In view of the aforesaid, the Board of Directors of the Transferor Company as well as the Board of Directors of the Transferee Company have considered and proposed the amalgamation of the entire undertaking and business of the Transferor Company with the Transferee Company in order to benefit the stakeholders of the said Companies. Accordingly, the Board of Directors of both Transferor Company and Transferee Company have formulated this Scheme for the transfer and vesting of the Undertakings of the Transferor Company (as defined hereinafter) with and into the Transferee Company pursuant to the provisions of Section 230 to Section 232 and other relevant provisions of the Act.

- ii) The appointed date for the Scheme shall be 1st April, 2025.
- iii) In consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot to the equity shareholders of the Transferor Company (whose names are registered in the Register of Members of the Transferor Company /register of beneficial owner with depository on the Record Date, or his /her/its legal heirs, executors or administrators or, as the case may be, successors) ("**Share Exchange Ratio**"):

La Reliant shall be issued and allotted 161 fully paid Equity Shares of Rs. 10/- each for every 1 Equity Shares of Rs. 10/- each held in La Reliant, in consideration of the proposed Scheme, the Transferee Company will issue and allot equity shares, to each shareholder of the Transferor Company, whose names appear in the register of members of Transferor Company on the record date as may be fixed for the purpose by the Board of Transferee Company in consultation with the Transferor Company (hereinafter referred to as "the **Record Date**"), in the following manner:

The equity shares proposed to be allotted by the Transferee Company will be listed on NSE Limited recognized stock exchange having a nationwide trading platform.

The Transferor Company and the Transferee Company shall follow the method of accounting as per the applicable accounting principles as prescribed under the Companies (Indian Accounting standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Act, as may be amended from time to time and relevant clarifications issued by Institute of Chartered Accountants of India.

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This Scheme is and shall be conditional upon and subject to:

- The requisite consents, no-objections and approvals of the Stock Exchange and SEBI to the Scheme in terms of the SEBI Circular.
- The approval of the Scheme by the respective requisite majorities in number and value of the shareholders of the Companies in accordance with section 230 to 232 of the Act;
- The Scheme being sanctioned by the Tribunal in terms of sections 230 to 232 and other relevant provisions of the Act and the requisite orders of the Tribunal and
- Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the relevant Registrar of Companies by Transferor Company and Transferee Company as per the provisions of the Companies Act.

Need and Rationale of the Scheme

The Audit Committee noted the rationale and need for the merger of the Transferor Company into Transferee Company, as provided in the draft scheme of merger by absorption, and which is reproduced hereunder:

- a) Amalgamation to be value accretive to the shareholders of the Transferee Company as the shareholders would have direct access to the core profitable business of the Transferor Company.
- b) Greater integration and greater financial strength and flexibility for the amalgamated entity, which would result in maximizing overall shareholder value.
- c) The proposed amalgamation will improve organizational capability arising from the pooling of human capital that has diverse skills, talent, vast experience and goodwill.
- d) Greater efficiency in cash management of the Transferee Company and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- e) To optimally leverage the larger assets base and cash flow of the amalgamated entity; and amalgamation will result in the Transferee Company directly controlling and managing the business of the Transferor Companies which would lead to simplification of the shareholding structure and reduction of shareholding tiers.
- f) There is no likelihood that any shareholder or creditor or employee of the Transferor Companies and Transferee Companies would be prejudiced as a result of the Scheme. Thus, the amalgamation is in the interest of the shareholders, creditors and all other stakeholders of the companies and is not prejudicial to the interests of the concerned shareholders, creditors or public at large.
- g) The Promoter of La Reliant Aluminium Limited ("Transferor Company" "La Reliant") and Aesthetik Engineers Limited ("Transferee Company" "AEL") will jointly become the promoter of Aesthetik Engineers Limited ("Transferee Company" "AEL").

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The merger is in the interest of both the companies, their shareholders and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders or the public at large.

Synergies of business of the entities involved in the Scheme:

The merger of La Reliant Aluminium Ltd. and Aesthetik Engineers Ltd. brings together two complementary strengths—advanced aluminium extrusion manufacturing and end-to-end architectural facade solutions. This integration enables a vertically aligned value chain, where La Reliant's in-house production of high-quality aluminium profiles can directly supply Aesthetik's facade and window systems, ensuring cost efficiency, better inventory control, and seamless quality assurance from raw material to final installation.

Together, the merged entity can offer comprehensive turnkey facade solutions with enhanced speed, innovation, and customization. Leveraging La Reliant's technological capabilities and Aesthetik's executional expertise, the group can cater to large-scale infrastructure and real estate projects across India and beyond, strengthening market positioning, expanding profit margins, and unlocking new business opportunities in both public and private sectors.

The impact of the Scheme on the shareholders is as under:

- a) The shareholders of the Transferor Company as on the Record Date shall be entitled to equity shares in the Transferee Company basis the share entitlement ratio determined SPA Valuation Advisors Private Limited, Registered Valuer (SEBI Registration No: INM 000010825), in the valuation report submitted to this Committee;
- b) The Scheme will not adversely affect the rights or interest of any shareholder of the Transferor and Transferee Company or their respective shareholders, in any manner whatsoever;
- c) It is expected that the combined business will augment revenue growth and profitability. The combined entity will have vastly improved financial strength and the larger bouquet of offerings will result in accelerated revenue growth and profitability;
- d) The combined balance sheet will provide diverse strategic options and flexibility;
- e) The scheme will result in significant cost efficiencies and synergies such as optimization of sales, general and administration costs as well as consolidation of delivery operations in domestic as well as overseas markets.

Cost benefits analysis of the Scheme is as under:

There are no social or environmental impacts of the proposed restructuring. Except for the transaction cost, there are no additional costs involved for the proposed restructuring. The Scheme will significantly enhance the value of the Company primarily on account of the benefits and synergies detailed above.

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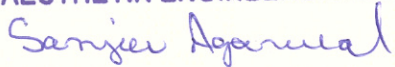
The Committee is of the opinion that the expected synergies and benefits resulting from the restructuring would far outweigh the impact of such costs for the Company and its stakeholders.

Recommendation of the Audit Committee:

Taking into consideration the Scheme, Valuation Report, Fairness Opinion, Accounting Treatment Certificate, Audited Financial statements of the Transferor and Transferee Company and other documents, as placed, the Audit Committee recommends the draft Scheme for favourable consideration by the Board of Directors of the Company, Stock Exchange and The Securities Exchange Board of India.

For and Behalf of the Audit Committee, Aesthetik Engineers Limited

AESTHETIK ENGINEERS LIMITED



Director

Sanjeev Kumar Agarwal
Chairperson of the Committee
Date: 30th May, 2025
Place: Kolkata

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