



BHAGYANAGAR INDIA LIMITED

ISO-9001-2008 Certified Company

Registered Office :

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CIN No. : L27201TG1985PLC012449

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF BHAGYANAGAR INDIA LIMITED RECOMMENDING THE COMPOSITE SCHEME OF ARRANGEMENT BETWEEN BHAGYANAGAR INDIA LIMITED ("THE TRANSFeree COMPANY OR DEMERGED COMPANY ") AND BHAGYANAGAR COPPER PRIVATE LIMITED (THE "TRANSFOROR COMPANY") AND TIERA LIMITED ("THE RESULTING COMPANY) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

MEMBERS PRESENT

Ms. Chandra Shekhar Agrawal- Chairman
Mr. Sanjana Jain- Member
Mr. Venkata Murali Krishna Tripuraneni- Member

1. BACKGROUND

- 1.1 Independent Directors of Bhagyanagar India Limited (the "Transferee Company or Demerged Company") recommended Composite Scheme of Arrangement (the Scheme") between Bhagyanagar India Limited ("the Transferee Company or Demerged Company") and Bhagyanagar Copper Private Limited (the "transferor company") and Tiera Limited ("the resulting company") and their respective shareholders and creditors. The Directors took note of the Scheme placed before it.
- 1.2 The Demerged Company was incorporated under the provisions of the Companies Act, 1956. The equity shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited (the "Stock Exchanges").
- 1.3 This report is made in order to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (the "Listing Regulations") and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (the "SEBI Circular"), as amended from time to time, and after considering the following documents placed before the Directors:
 - a) Composite Scheme of Arrangement, duly initialled by the Managing Director of the Demerged Company for the purpose of identification; and
 - b) The certificate issued by M/s. Luharuka & Associates., Chartered Accountants, the statutory auditors of the Demerged Company, to the effect that the accounting treatment contained in the Scheme is in compliance with the applicable Accounting

Sanjana Jain



Standards notified by Central Government under Section 133 of the Act and Indian Accounting Standards as prescribed from time to time;

- c) Audited financial statements of the Transferor Company and the Demerged Company for the year ended March 31, 2025, March 31, 2024 and March 31, 2023.

2. PROPOSED COMPOSITE SCHEME OF ARRANGEMENT:

2.1 Need and Rationale of the Composite Scheme of Arrangement:

This Composite Scheme of Arrangement, contemplating amalgamation of i) Bhagyanagar Copper Private Limited (BCPL or Transferor Company) with Bhagyanagar India Limited (BIL or Transferee Company or Demerged Company) and ii) the demerger of the identified business undertaking of Bhagyanagar India Limited (Demerged Company) and vesting of the same with and into Tieramet Limited (Resulting Company), on a going concern basis will enable :

- (a) reorganizing the corporate structure by way of amalgamation of a closely held entity, having huge business potential, into a widely held listed entity and further by way of hiving off the business undertaking through demerger into a separate entity comprising of same shareholders as that of the listed entity;
- (b) unlocking the value in business for shareholders by attracting distinct strategic and financial investors, making it easier to access growth capital for the respective companies, and providing investors with the flexibility to invest in relevant business according to their strategies and risk profiles;
- (c) and augment funds infusion options in view of availability of wider base of investors and market determined price for securities, as in case of listed entities.
- (d) creation of a new age entity focusing on Extended Producers Responsibility (EPR), Environmental, Social, and Governance (ESG) and other globally accepted norms and standards in view of significant global demand for copper, which is on an increasing trend by the day.
- (e) streamlining the corporate structure, resulting in greater operational efficiency and implementing smoother and effective controls and processes.
- (f) better administrative efficiency, enhanced managerial and board focus, costs rationalisation and achieving business integration and economies of scale.

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Further, the nature of risk and competition involved in each of these businesses are distinct and consequently nature of considerations, factors and commercial parameters applicable to the business of power generation are also different and divergent in nature in comparison to that of copper recycling business. With an endeavor to enhance shareholders value and insulate both the businesses from the risks of each other, it is proposed to reorganize and segregate, by way of demerger.

2.2 The Synergies/Cost benefits analysis of the Scheme are as under:

The Committee considered the rationale for the proposed scheme, and also included in the clause 2.1 above. The said rationale elaborates the synergies which will be developed by combining the uniform business of the group. Therefore, it is perceived by the committee that the said restructuring of the business will lead to the management to focus on its core business activities and therefore result in effectively carrying out its business operations.

The Committee also considered that the demerger of the Demerged Undertaking will result in the Demerged Company to focus and enhance its core business performance by streamlining operations and cutting costs and lead to long term benefit to the shareholders.

2.3 Impact of the Scheme on the shareholders is as under:

Upon the sanction of this Scheme by the Tribunal and in consideration of transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company in terms of provisions of this Scheme, the Resulting Company shall, without any further application or deed, issue and allot Equity Share(s) to the members of the Demerged Company whose names appear in the Register of members as on Record Date, in the following ratio:

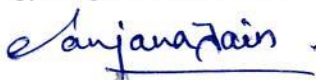
1(one) Equity Share of face value of Rs.2/- (Rupees Two only) each fully paid up of the Resulting Company shall be issued and allotted by the Resulting Company for every 1(one) fully paid-up equity share of the face value of Rs.2/- (Rupees Two only) each held in the Demerged Company.

3. Recommendation of the Directors

Taking into consideration the Composite Scheme of Arrangement, Accounting Treatment Certificate and other documents, as placed, the Independent Directors recommends the Composite Scheme of Arrangement for approval by the Board of Directors of the Transferee Company or Demerged Company, Stock Exchanges and the Securities Exchange Board of India and other appropriate authorities.

For and on behalf of the Audit Committee

of Bhagyanagar India Limited


Sanjana Jain
(DIN: 08532420)



Date: 20.09.2025

Place: Hyderabad