



TEMBO
Powering Ahead

REPORT OF THE MEETING OF AUDIT COMMITTEE OF TEMBO GLOBAL INDUSTRIES LIMITED FOR RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION BETWEEN TEMBO GLOBAL INFRA LIMITED AND TEMBO GLOBAL INDUSTRIES LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AT ITS MEETING HELD ON FRIDAY, DECEMBER 26, 2025 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO - PAP D- 146 / 147, TTC MIDC, TURBHE, NAVI MUMBAI, MAHARASHTRA, INDIA, 400705 AT 02:20 P.M.

MEMBERS PRESENT:

1. Mr. Ajay Madan (Holding DIN- 07191447)
2. Mr. Nikunj Barot (Holding DIN- 11034775)
3. Mrs. Fatema Shabbir Kachwala (Holding DIN- 06982324)

In Attendance of

Ms. Priya Dua (Company Secretary)

1. Background

- 1.1. The Proposal to consider and recommend draft Scheme of Amalgamation between Tembo Global Infra Limited ('Transferor Company' / 'Tembo Infra') and Tembo Global Industries Limited ('Transferee Company' / 'Tembo Industries') and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 read with applicable rules made thereunder ("Scheme") was placed before and considered by members of the Audit Committee at its meeting held on December 26, 2025.
- 1.2. The Equity Shares of **Tembo Industries** are listed on National Stock Exchange of India Limited ("NSE"). The Company will be filing the Scheme along with the necessary documents / information with the NSE for their No Objection or No Observation Letter pursuant to Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and applicable statutory provisions.
- 1.3. The Report of the Audit Committee is made to comply with the requirements of the Companies Act, 2013 and SEBI LODR Regulations and master circular in relation to scheme of arrangement issued by SEBI having No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 covering all circulars issued by SEBI in relation to scheme of arrangement including any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of SEBI LODR Regulations ("SEBI Master Circular") in relation to scheme of amalgamation including any amendments or modifications thereof, considering following:

Tembo Global Industries Ltd.

- a. Valuation Report dated 26th December, 2025 issued by KKCA Valuers LLP, an Independent Registered Valuer, (Firm IBBI Registration No. IBBI/RV-E/07/2023/185) ("Registered Valuer") appointed for recommending the fair share exchange ratio for the purpose of this Scheme;
- b. Fairness Opinion Report dated 26th December, 2025 issued by M/s. Navigant Corporate Advisors Limited, SEBI Registered category-I merchant banker providing fairness opinion ("Fairness Opinion") on the share exchange ratio recommended in the Valuation Report issued by Registered Valuer.
- c. Draft of the Certificate issued by M/s. Karta & Company, Statutory Auditors of the Company certifying the accounting treatment contained in the draft Scheme is in compliance with all accounting standards.
- d. Pricing Certificate dated 26th December, 2025 submitted by M/s. Karta & Company, Statutory Auditors of the Company certifying the minimum issue price for the proposed allotment of shares of Tembo Global Industries Limited pursuant to the proposed merger of Tembo Global Infra Limited with the Company, based on the pricing formula as prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- e. Draft of the Certificate issued by M/s. Karta & Company, Statutory Auditors of the Company certifies that as per SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, the provision regarding approval of public shareholders to Scheme through e-voting is applicable to the Company and the scheme shall be only acted upon if the votes cast by the public shareholders of the Company in favour of the proposal are more than the number of votes cast by the public shareholders against it.

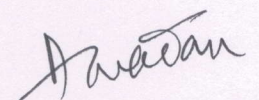
2. Proposed Scheme:

2.1. The Scheme, inter-alia, provides the following:

- a. Merger of Tembo Global Infra Limited with Tembo Global Industries Limited and
- b. Various other matters consequential or otherwise integrally connected herewith.

2.2. Appointed Date of the Scheme is Effective Date.

2.3. The Effective Date for the Scheme means the day on which last of the conditions specified in Clause 19 of the Scheme are complied with.



2.4. The Scheme would be subject to the sanction or approval of the National Company Law Tribunal, SEBI, Stock Exchanges, Shareholders, Creditors and other Appropriate Authorities (as defined in the Scheme).

3. Need for the Merger, Rationale of the Scheme and Synergies of business of the entities involved

3.1. The Transferor Company is engaged into manufacturing of ERW pipes, EPC Business.

3.2. The Transferee Company has a varied product portfolio and a wide scope including jobbing, machining, manufacturing and fabrication of various engineering goods, steel products, nuts, bolts, various types of clamps, saddle hose clamps, various types of hangers, various types of Bolts etc. Further our product portfolio includes all types of bathroom pipes, fittings, bathroom accessories and sanitary wares. These products are used in the applications for Firefighting, Plumbing, HVAC, Mechanical and Electrical Installations.

3.3. The Audit Committee noted the need for proposed merger of Tembo Global Infra Limited in light of the various synergies and value creation on account of multiple factors as outlined in the Scheme. Further, it was noted that merger by way of a Scheme approved by NCLT under provisions of the Companies Act, 2013 would be the most efficient mechanism for consolidation of the businesses.

3.4. The Transferor Company and the Transferee Company are ultimately owned and controlled by same Promoter and Promoter Group. The proposed amalgamation of Transferor Company with the Transferee Company would result in the following benefits:

- (a) Economies of scale, greater integration, greater flexibility, most effective network and greater market reach for the amalgamated entity will improve the competitive position of the combined entity;
- (b) Providing an opportunity to leverage combined assets, capabilities, experience, expertise of both companies enabling optimum utilization of existing resources;
- (c) Improved cash flows and more efficient utilization of capital, human resources and infrastructure to create a stronger base for future growth, enhance future business potential, and achieve greater efficiencies, productivity gains and advantages by pooling of resources of the group companies thereby significantly contributing to the future growth and maximizing shareholder's value

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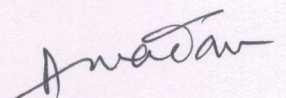
- (d) Synergies arising out of consolidation of resources which will lead to efficiency in operations and other functions related to the businesses of the Companies;
- (e) Achieve simplified corporate structure, by way of reducing the number of entities in the group.
- (f) Elimination of duplication of administrative expenses and enabling cost savings.
- (g) Carrying on and conducting the business more efficiently and advantageously, ensuring more productive and optimum utilization of various resources.
- (h) Elimination of potential conflicts of interest and alignment of business objectives by consolidating group operations under a single listed entity, thereby enhancing transparency and focus in decision-making.
- (i) Enhancement of scale, net worth and overall financial strength of the Transferee Company, resulting in improved balance sheet metrics, credit profile and long-term sustainability of the combined entity.
- (j) Creation of long-term value for public shareholders of the Transferee Company through operational efficiencies, improved financial performance, simplified governance structure and enhanced strategic flexibility.
- (k) Establishment of a simplified and robust regulatory and governance framework by reducing the number of group entities, leading to better compliance, reporting efficiency and corporate governance practices.

3.5. Thus, with the intent to achieve aforesaid objectives and further in order to consolidate, streamline and effectively merge the Transferor Company and Transferee Company in a single entity it is intended that the Transferor Company be merged with the Transferee Company.

4. Impact of the Scheme on the shareholders of the Company

4.1 Pursuant to the Scheme, shares of the Transferee Company are proposed to be issued to the shareholders of the Transferor Company, other than the shares already held by the Transferee Company, on the basis of share exchange ratio, as recommended by the Registered Valuer. Further, the Fairness Opinion report from Merchant Banker has confirmed that the share exchange ratio as recommended by the Registered Valuer is fair for both the Companies and their respective shareholders.

4.2 The proposed merger will create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from large entity having consolidated business operations with increased ability to



growth opportunities, improvement in productivity and operational efficiencies amongst others;

- 4.3 Greater efficiency in cash management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to maximise shareholder value;
- 4.4 The Scheme has been drafted keeping in mind the provisions of section 2(1B) of the Income Tax Act, 1961 and therefore it may not have any adverse tax implications.
- 4.5 The Scheme is expected to be beneficial to the Companies and its shareholders and all other stakeholders in large and is not detrimental to any of the shareholders of the Company.

5. 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. Further, keeping in view of synergies and the cost benefits expected, the Audit Committee is of the view that the proposed Scheme of Amalgamation will provide reduction of cost in the long term.

6. Recommendations of the Audit Committee

6.1 Pursuant to the above, the Audit Committee has perused the following documents:

- a. Draft Scheme of Amalgamation between Tembo Global Infra Limited (**'Transferor Company'/'Tembo Infra'**) and Tembo Global Industries Limited (**'Transferee Company'/'Tembo Industries'**) and their respective shareholders.
- b. Valuation Report dated 26th December, 2025 issued by KKCA Valuers LLP, an Independent Registered Valuer, (Firm IBBI Registration No. IBBI/RV-E/07/2023/185) ("Registered Valuer") appointed for recommending the fair share exchange ratio for the purpose of this Scheme.
- c. Fairness Opinion recommended to the Board that the Share Exchange Ratio is fair to the shareholders (including the minority shareholders) of Tembo Global Industries Limited, dated 26th December, 2025 issued by M/s. Navigant Corporate Advisors Limited, SEBI Registered category-I merchant banker.
- d. Draft of the Certificate issued by M/s. Karta & Company, Statutory Auditors of the Company certifying the accounting treatment contained in the draft Scheme is in compliance with all accounting standards.
- e. Pricing Certificate dated 26th December, 2025 submitted by M/s. Karta & Company, Statutory Auditors of the Company certifying the minimum issue price for the proposed allotment of shares of Tembo Global Industries Limited pursuant to the proposed merger of Tembo Global Infra Limited with the Company, based

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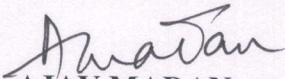
on the pricing formula as prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- f. Draft of the Certificate issued by M/s. Karta & Company, Statutory Auditors of the Company certifying, the provision regarding approval of public shareholders to Scheme through e-voting is applicable to the Company and the scheme shall be only acted upon if the votes cast by the public shareholders of the Company in favour of the proposal are more than the number of votes cast by the public shareholders against it.

6.2 The Audit Committee having considered and noted the above, recommends the draft Scheme to the Board, in its present form for favourable consideration by the Board, National Company Law Tribunal, and such other regulatory authorities, as may be applicable;

6.3 In the opinion of the members of the Audit Committee present at the Meeting, draft Scheme is in the best interest of all the stakeholders of Tembo Global Industries Limited including shareholders, customers, lenders and employees and the Share Exchange Ratio as mentioned in the Valuation Report is fair and reasonable.

By Order of the Audit Committee



AJAY MADAN

**Chairman of the Audit Committee
(Holding DIN: 07191447)**

Place: Navi Mumbai

Date: 08-01-2026