CIN : L17120MH1984PLC033553

REPORT OF THE AUDIT COMMITEE DATED THURSDAY, 14TH AUGUST, 2025 OF GB GLOBAL LIMITED ("TRANSFEROR COMPANY") RECOMMENDING THE DRAFT SCHEME OF MERGER BY WAY OF ABSORPTION BETWEEN GB GLOBAL LIMITED ("TRANSFEROR COMPANY") AND DEV LAND & HOUSING PRIVATE LIMITED ('TRASNFEREE COMPANY") AND THEIR SHAREHOLDERS

The following members of the Audit Committee were present:

a. Mr. Paresh Jain - Chairperson & Independent Director
b. Mr. Aayush Prashant Agrawal - Member & Independent Director
c. Mr. Dev Thakkar - Member

1. Background

1.1 The draft scheme of merger by way of absorption (**"Scheme")** **between GB GLOBAL LIMITED ("TRANSFEROR COMPANY") and DEV LAND & HOUSING PRIVATE LIMITED ("TRANSFEREE COMPANY")** and their respective shareholders, under section 230 to 232 and other applicable provisions of the Companies Act, 2013 **("Act)** was presented to the members of the Committee at their meeting held on Thursday, 14th August, 2025 for its consideration and making recommendation to the shareholders of the Company.

1.2 **GB Global Limited (" GB Global")** is a public limited Company, limited by shares incorporated under the provisions of the Companies Act, 1956, under corporate identification number L17120MH1984PLC033553 and having its registered office situated at 10th Floor, Dev Plaza, Opp Andheri Fire Station, S V Road, Andheri (West), Mumbai , 400 058 (hereinafter referred to as the or "Transferor Company"). The equity shares of the Transferor Company are listed on the BSE Limited and National Stock Exchange of India Limited (together the "Stock Exchanges"). The Transferor Company is engaged in the business of manufacture of textile and sale of garments and infrastructure business on consolidation basis.

1.3 **Dev Land & Housing Private Limited ("DLH")** is a private limited Company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under corporate identification number U70100MH2006PTC161220 and having its registered office situated at 10th Floor, Dev Plaza, Opp. Andheri Fire Station, S. V. Road Andheri

West, Mumbai, Maharashtra, India – 400 058 (hereinafter referred to as the or "Transferee Company"). The Transferee Company is involved in the business of real estate activities with own or leased property. The business includes buying, selling, renting and operating of self-owned or leased real estate such as apartment building and dwellings, non-residential buildings, developing and subdividing real estate into lots etc.

The Chairperson placed before the Audit Committee the draft scheme for the purpose of identification, considering and if thought fit recommending the draft scheme to the Board in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and **SEBI Master Circular No.SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended ("SEBI Circular").**

The Audit Committee noted the background, rationale and the benefits of the proposed scheme as place before it.

2. **Following documents were considered by the Audit Committee:**

   i. A Draft of the proposed Scheme

   ii. Independent Valuation Report issued by Mr. Pinakin Shah, Registered Valuer (Shares and Securities) (Reg No. IBBI/RV/05/2019/10728) ("Valuation Report");

   iii. Fairness Opinion providing fairness opinion on the draft scheme ("Fairness Opinion")

   iv. Auditor's Certificate pursuant to para I(A)(5) of Annexure I of the SEBI Scheme Circular in the prescribed format to the effect that the accounting treatment contained in the Scheme is in compliance with all the Accounting Standards specified by the Central Government under Section 133 of the Act, read with applicable rules and / or the accounting standards and principles.

   v. Pre and post amalgamation shareholding pattern of unlisted entity;

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vi. Audited financials of last 3 years (financials not being more than 6 months old) of unlisted entity;

vii. other presentations, reports, documents and information made to/ furnished before the Audit Committee pertaining to the draft scheme.

3. Salient Features of the Scheme

3.1 This Scheme (as defined hereunder) provides, inter alia, for:

i. the Merger of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up in accordance with this Scheme;

ii. various other matters incidental, consequential or otherwise integrally connected therewith, including the increase in the share capital of the Transferee Company;

iii. pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the IT Act (as defined hereunder).

3.2 The merger of the Transferor Company into the Transferee Company shall be in full compliance with the conditions relating to "amalgamation" as provided under Section 2(1B) and other related provisions of the IT Act such that, inter alia:

i. all the properties of the Transferor Company, immediately before the Amalgamation, shall become the properties of the Transferee Company, by virtue of the Amalgamation;

ii. all the liabilities of the Transferor Company, immediately before the Amalgamation, shall become the liabilities of the Transferee Company, by virtue of the Amalgamation; and

iii. shareholders holding at least three fourths in value of the shares in the Transferor Company, will become shareholders of the Transferee Company by virtue of the Amalgamation.

iv. Upon the Scheme becoming effective and pursuant to the reclassification/ reorganization of the resultant authorized share capital of the Transferor Company as set out in the Scheme but prior to the issuance of the issuance and allotment of Transferee Company Shares ,the resultant authorized share capital of the Transferor Company, shall be deemed to be added to the authorized share capital of the Transferee Company without any requirement of a further act or deed on the part of the Transferee Company (including payment of stamp duty and/ or fees payable to the relevant Registrar of Companies).

v. The Appointed Date for the Scheme is 01st April, 2024.

vi. The Effective Date for the Scheme is the date on which the meetings of the Board of the Transferor Company and the Transferee Company are held to declare this Scheme effective, which will be no later than 5 (Five) days (unless extended by mutual written agreement between the Transferor Company and the Transferee Company), following satisfaction or waiver (to the extent possible under Applicable Law) of the conditions set out in Clause 25 (other than those conditions that by their nature are to be satisfied on the Effective Date);

vii. The Scheme is subject to necessary statutory / regulatory approvals under applicable laws including approvals of respective shareholders and creditors, approval of the Stock Exchanges, Securities and Exchange Board of India, Reserve Bank of India, the National Company Law Tribunal and all other regulators/authorities as may be required.

4. Comments of the Audit Committee on the Scheme

4.1 <u>Need for the Merger and Rationale of the Scheme</u>

The Committee noted the following rationale and benefits that will accrue pursuant to the Scheme:

i. To reduce administrative and compliance cost and improve corporate governance;
ii. To achieve operational and management efficiency by virtue of centralized control;
iii. To streamline of organizational structure for eliminating inefficiencies in operations;
iv. Improve cash management, and provide access to increased cash flow generated by the combined business which will enable the Transferee Company to fund business

opportunities thereby growing into a larger and stronger entity;

v. The absorption will result in creation of a single larger unified entity in place of separate entities thus resulting in increased profitability and efficient synergies of operations.

vi. Consolidation of the business, leading to synergies of operations and resulting in the expansion and long-term sustainable growth, which will enhance value for various stakeholders of the Transferee Company;

vii. Seamless implementation of policy changes, reduction in the multiplicity of legal and regulatory compliances and costs rationalization resulting in improvement in shareholder returns;

viii. Pooling of knowledge and expertise of both the parties and align with the business plans to meet long-term objectives.

ix. To ensure effective revival of the Transferor Company which is marred by various procedural and technical difficulties in the implementation of the resolution plan faced by the company with the stock exchanges and this merger will enable optimization of business of the Transferor Company.

5. Synergies of business of the entities involved in the scheme

The Committee reviewed the scheme and noted the following synergies

i. Multiple entities will be replaced by a single, larger, consolidated organization, increasing operational efficiencies and fostering effective operational synergies.

ii. This merger will enable faster revival of the Transferor Company and enhanced cost efficiency.

iii. Consolidation of the business leading to growth and long-term sustainable expansion, which will increase value for all parties involved in the transferee company.

iv. The smooth execution of policy modifications, the reduction of numerous legal and regulatory requirements, and the simplification of expenses that enhance shareholders returns.

v. As a result of the absorption, the business's activities will be emerged, which will lead to the growth of the combined business and the production of more value for all stakeholders, including shareholders.

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vi. Following the scheme's implementation, all employees on contractual and / or permanent basis of the Transferor Company who were employed on the Effective Date will be considered to have joined the Transferee Company, subject to terms of the provisions hereof without any interruption in their employment and on the basis of continuity of service and, on terms and conditions and shall in no event be less favourable than those applicable to them on which they are engaged by the Transferor Company as on Effective Date and without any interruption of service as a result of Merger.

vii. This will enable the Transferee Company to implement better decision-making processes and give significant exit opportunities to minor shareholders of the Transferor Company

6. Impact of the Scheme on the Shareholders

i. Since the Transferor Company is a subsidiary of the Transferee Company, no consideration shall be payable pursuant to the Merger of the Transferor Company with the Transferee Company and therefore no equity shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company (held directly and jointly with the nominee shareholders), and the shares held by the Transferee Company in the Transferor Company shall stand cancelled on the Effective Date without any further act, application or deed.

ii. Upon this Scheme becoming effective, the Transferee Company will provide an exit opportunity to all the shareholders of the Transferor Company, other than the Transferee Company, against the shares held by them, as per the Applicable Laws. Further, the Transferee Company shall issue 1 (One) Redeemable Preference Shares at a face value of INR 10/- (Indian Rupees Ten Only) each as fully paid up to the Eligible Members of the Transferor Company except the Transferee Company, against 1 (One) Equity Share at a face value of INR 10/- (Indian Rupees Ten Only) each held by them in the Transferor Company.

iii. As per the valuation determined by the Registered Valuer, the per Equity share value of the Transferor Company is as mentioned in the Valuation Report.

iv. This open offer, as mentioned above, shall form an integral part of the consideration. The unpaid amount of consideration payable to the shareholders of the Transferor Company to whom this offer is made, shall be treated in accordance with the applicable provisions of the Act and other applicable laws.

7. Cost Benefit Analysis of the Scheme

Although the Scheme involves certain costs such as transaction cost, implementation cost, regulatory fees, stamp duties, etc., the Scheme would entail the benefits.

8. Recommendations of the Audit Committee

In view of the above and after taking into consideration the Share Entitlement Ratio Report and the Fairness Opinions, terms and conditions of the Scheme, and its impact on the stakeholders, the Committee recommends the Scheme to the Board of Directors for its consideration and approval.

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