

**OMKAR OVERSEAS LIMITED***Registered Office- 212, New Cloth Market, O/S. Raipur Gate, Raipur, Ahmedabad – 380 002**Phone No.: 91-79-22132078*E - mail: [omkaroverseas212@gmail.com](mailto:omkaroverseas212@gmail.com)Website: [www.omkaroverseasltd.com](http://www.omkaroverseasltd.com)

CIN: L51909GJ1994PLC023680

**REPORT OF AUDIT COMMITTEE OF OMKAR OVERSEAS LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT IN NATURE OF AMALGAMATION OF SAANVI ADVISORS LIMITED (“SAL” OR “TRANSFEROR COMPANY”) AND OMKAR OVERSEAS LIMITED (“OOL” OR “TRANSFeree COMPANY”) AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AND REORGANIZATION OF CAPITAL OF OMKAR OVERSEAS LIMITED TO BE ADOPTED AT THE MEETING SCHEDULED TO BE HELD ON FRIDAY 13 AUGUST 2021 AT 05:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY.**

Where the following members of the Committee were present:

- |                             |          |
|-----------------------------|----------|
| 1. Mr. Shivbhagvan R. Bohra | Chairman |
| 2. Mr. Bhanwarlal Sharma    | Member   |
| 3. Ms. Chinar R. Jethwani   | Member   |

**1. BACKGROUND OF THE PROPOSED SCHEME OF ARRANGEMENT**

- 1.1** An application along with the Draft Scheme as approved by the Board of Director of both the transferor and transferee Company at meeting held on 12th February 2021, was made to BSE Limited (**Designated Stock Exchange**) vide application no. 127645 dated 19<sup>th</sup> March, 2021, for obtaining the in-principle approval / observation letter to the proposed Scheme.

Further in accordance to the query letter of BSE Limited dated 9<sup>th</sup> August, 2021, Company was advised to obtain Fresh Valuation Report along with Audit Committee recommendation, Fresh Fairness opinion, draft Revised scheme in case of change in share-exchange ratio and other related documents and was also advised to use financials not older than 3 months before filing the application to Stock Exchange, for the valuation purpose.

Therefore, in this regard a meeting of Audit Committee of **Omkar Overseas Limited** was held on Friday 13th August, 2021 to consider and recommend to the Board of Directors, draft Composite Scheme of Amalgamation between Saanvi Advisors Limited (“SAL” Or “Transferor Company”) and Omkar Overseas Limited (“OOL” Or “Transferee Company”) and their respective shareholders and Creditors and reorganization of capital of “OOL” (“Draft Scheme” or “Scheme”), in accordance with Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, and in compliance with the provisions of the Income Tax Act, 1961. The scheme is proposed to be effective from the Appointed Date i.e. 01.04.2021 (as defined in the scheme) and operative from effective Date (as defined in the scheme).



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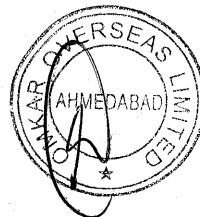
- 1.2 The Committee noted that as per SEBI Circular - CFD/DIL3/CIR/2017 /21 dated March 10, 2017, as amended ("SEBI Circular"), the Audit Committee of a listed Company is required to recommend to the Board of Directors the draft scheme taking into account, inter alia, the valuation Report and Fairness Opinion and also comment on the matters specified in the said SEBI circular. Accordingly, this report of Audit Committee is made in order to comply with the requirements of the SEBI Circular.
- 1.3 The following documents were placed before the Audit Committee:
- Query letter issued by BSE Limited dated 9<sup>th</sup> August, 2021.
  - Draft Composite Scheme of Amalgamation duly initialed by the Chairman of the Committee for the purpose of identification;
  - Valuation Report dated 13<sup>th</sup> August, 2021 issued by Shri Jainam Pragneshbhai Shah, Independent Chartered Accountants, being Registered Valuer ("**Registered Valuer**") describing the methodology adopted by him in arriving at and recommending the Share Exchange Ratios ("**Valuation Report**");
  - Fairness Opinion dated 13<sup>th</sup> August, 2021 issued by Kunvarji Finstock Private Limited, the SEBI registered Category-I, Merchant Banker, providing the Fairness Opinion on the Share Exchange Ratio recommended by the Registered Valuer ("**Fairness Opinion**");
  - Audited financial statements for the preceding three financial years along with unaudited limited reviewed Financials for the quarter ended 30.06.2021 of both the Transferor Companies and the Transferee Company.
  - A confirmation letter from the company inter alia highlighting the changes made in the scheme and also confirming that other than mentioned in said confirmation letter, there is no other change in the scheme which was earlier filed with the Exchange(s).

## 2. PROPOSED SCHEME OF AMALGAMATION AND ITS IMPACT:

### 2.1 SALIENT FEATURES:

The Audit Committee reviewed the draft Scheme and noted the following salient features of the Scheme:

- The Scheme ("Draft Scheme" or "Scheme") provides for amalgamation between Saanvi Advisors Limited ("SAL" Or "Transferor Company") and Omkar Overseas Limited ("OOL" Or "Transferee Company") and their respective shareholders and creditors and



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reorganization of the share capital of Omkar Overseas Limited on a going concern basis in the manner provided for in the Scheme in accordance with Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder and in compliance with the provisions of the Income Tax Act, 1961.

- b) The Scheme shall be effective from the Appointed Date i.e. 01.04.2021 (as defined in the scheme) and operative from effective Date (as defined in the scheme).
- c) The amalgamation of the Transferor Company into the Transferee Company, by way of merger by absorption and dissolution of the Transferor Company without winding up and consequent issuance of the New Shares (as defined hereunder) of the Transferee Company in accordance with the Share Exchange Ratio (as defined hereunder) to the respective members of the Transferor Company in respect of the share of each Transferor Company held by them, in accordance with this Scheme.

***“Twenty Seven (27) Equity Shares of Rs.10/- each at par fully paid of Omkar Overseas Limited will be issued in exchange of Seventeen (17) equity shares of Rs.10/- each of Saanvi Advisors Limited”.***

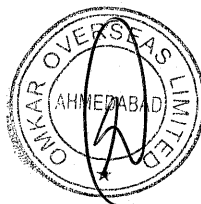
***In view of the average share holding in multiples of 100 shares each by share holders of Saanvi Advisors Ltd., the exchange ratio is simplified to “159 (one hundred fifty nine) shares of Equity Shares of Rs.10/- each at par fully paid of Omkar Overseas Limited be issued in exchange of 100 (hundred) equity shares of Rs.10/- each of Saanvi Advisors Limited”.***

***Any Fraction of shares would be rounded up to nearest integer.***

### **2.2 NEED AND RATIONALE FOR AMALGAMATION**

The Audit Committee noted that the Amalgamation pursuant to the scheme is proposed to the Board of Directors of the Transferor Companies and the Transferee Company with the following objectives and rationale:

- I. The merger of Saanvi Advisors Limited with Omkar Overseas Limited will enable significant consolidation of the activities of both the Companies into a single entity, which will provide more efficient utilization of capital, human resource and infrastructure to create a stronger base for future prospects
- II. Merger of Saanvi Advisors Limited into Omkar Overseas Limited pursuant to this Scheme would result in streamlining and help to realize operational synergies which would result in simplification of structure and operations.



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

### **2.3 SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME**

The Transferee Company as of today does not have any remarkable business. It is proposed that the resources in terms of contacts, manpower etc. is not being put to gainful use. Therefore the Amalgamation with other entity may provide better synergies and the resources at the Companies disposal can be put to better gainful use.

### **2.4 IMPACT OF THE SCHEME ON THE SHAREHOLDERS**

The Audit Committee noted that pursuant to the Scheme, the entire business and Undertakings (as defined in the Scheme) of the Transferor Company shall vest in the Transferee Company and accordingly, the shareholders of the Transferee Company will have share in return of larger business operations and asset base of the Transferee Company.

Considering the overall rationale and benefits of the Scheme, the Audit Committee is of the opinion that the Scheme is in the best interest of all stakeholders including the shareholders.

- 2.5 The Audit Committee reviewed the Valuation Report, concurred with the valuation methodologies adopted by the Registered Valuer and noted that Valuation Report recommended the following share exchange ratios for the Scheme:

*“Twenty Seven (27) Equity Shares of Rs.10/- each at par fully paid of Omkar Overseas Limited will be issued in exchange of Seventeen (17) equity shares of Rs.10/- each of Saanvi Advisors Limited”.*

*In view of the average share holding in multiples of 100 shares each by share holders of Saanvi Advisors Ltd., the exchange ratio is simplified to “159 (one hundred fifty nine) shares of Equity Shares of Rs.10/- each at par fully paid of Omkar Overseas Limited be issued in exchange of 100 (hundred) equity shares of Rs.10/- each of Saanvi Advisors Limited”.*

*Any Fraction of shares would be rounded up to nearest integer.*

- 2.6 The Audit Committee also noted that the Fairness Opinion which confirms that the Share Exchange Ratio recommended in the Valuation Report is Fair to the Transferor Companies, Transferee Company and their respective shareholders;



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## 2.7 COST BENEFIT ANALYSIS OF THE SCHEME


The amalgamation of the SAL with OOL would inter alia provide the following benefits:

- a. Stronger base for future growth, benefit of scale, translating into increased business opportunities and reduced expenses;
- b. Greater integration and greater financial strength and flexibility for the amalgamated entity;
- c. Improved organizational capability and leadership, arising from combination of human capital who collectively have diverse skills, talent and vast experience to compete successfully;
- d. Utilization of common pool of resources;
- e. The combination of both the businesses would increase long term value for all the stakeholders; and
- f. Rationalization of structure of both the Companies.

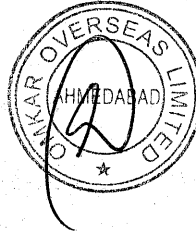
## 3. RECOMMENDATION OF THE AUDIT COMMITTEE

Having considered the draft Scheme and its rationale and benefits, Valuation Report, Fairness Opinion, other documents as placed and impact of the Scheme on all stakeholders, the Audit Committee hereby unanimously recommends the Draft Scheme to the Board of Directors of the Company, concerned Stock Exchanges, Securities and Exchange Board of India ("SEBI"), the shareholders and creditors of the Company and all other appropriate authorities for their favourable consideration and approval.

**FOR AND ON BEHALF OF THE AUDIT COMMITTEE OF  
OMKAR OVERSEAS LIMITED**



**SHIVBHAGWAN BOHRA  
CHAIRMAN OF AUDIT COMMITTEE  
(DIN: 00419134)**



**PLACE: AHMEDABAD  
DATE: 13.08.2021**