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Telefax : 044 - 26257121
 Web : www.wheelsindia.com

WHEELS INDIA LIMITED

Corporate Identity Number : L35921TN1960PLC004175

Registered Office :
 21, Patullos Road, Chennai - 600 002.

Factory :
 Padi, Chennai - 600 050.

REPORT OF THE INDEPENDENT DIRECTORS OF WHEELS INDIA LIMITED AT ITS MEETING HELD ON DECEMBER 07, 2021 RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF SUNDARAM HYDRAULICS LIMITED WITH WHEELS INDIA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

Members present through video conferencing:

Mr. S Prasad	-	Independent Director
Mr. Aroon Raman	-	Independent Director
Mr. R Raghuttama Rao	-	Independent Director
Mr. Rishiksha T Krishnan	-	Independent Director

Invitees present through video conferencing:

Mr. R Raghunathan	-	Chief Financial Officer
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In attendance through video conferencing:

Ms. K. V. Lakshmi	-	Company Secretary
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Background

A meeting of the Independent Directors of Wheels India Limited (Transferee Company) was held on December 07, 2021 to consider and recommend the proposed Scheme of Amalgamation (hereinafter referred as 'the Scheme') of Sundaram Hydraulics Limited ("Transferor Company") with Wheels India Limited ("Transferee Company") and their respective shareholders with effect from the appointed date i.e. October 01, 2021 in accordance with the terms of the Scheme and pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the Act) and the rules made thereunder, as amended from time to time, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and other relevant circulars issued by SEBI in this regard.

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The report of the Independent Directors is made in order to comply with the requirements of the SEBI Circular after considering the following documents:

1. The Scheme of Amalgamation of SHL with WIL and their respective shareholders;
2. A certificate dated December 6, 2021 issued by M/s. Brahmayya & Co., Chartered Accounts, Statutory Auditor of the Company to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in terms Section 133 of the Companies Act, 2013;
3. Valuation report dated December 7, 2021 issued by Mr. Niranjana Kumar, Registered Valuer; and
4. Fairness opinion dated December 7, 2021 issued by M/s. Kunvarji Finstock Private Limited.

Salient Features of the Scheme

The Independent Directors considered and observed the following salient features in relation to the draft Scheme:

1. Amalgamation of Transferor Company with Transferee Company, in the manner set out in the Scheme;
2. "Appointed Date" means the 01st October 2021 or such other date as may be determined by the Board of Directors of the Transferor Company and Transferee Company or such other date as may be fixed or approved by the Appropriate Authority, being the date with effect from which this Scheme shall be deemed to be effective;
3. Scheme will come into effect from the date on which the authenticated copies or certified copies of the Order of NCLT under Sections 230-232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Company and Transferee Company. References in this Scheme to date of "coming into effect of the Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date
4. Upon the Scheme coming into effect and in consideration of the transfer and vesting of Transferor Company in the Transferee Company pursuant to Part II of this Scheme and subject to the provisions of this Scheme, the Transferee Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, on a proportionate basis to each shareholder of the Transferor Company, whose name is recorded in the register of members as member of the Transferor Company as on the Record Date, as follows:

"151 (One Hundred Fifty-One) Equity shares in Transferee Company of the face value of Rs. 10/- (Rupees Ten only) each, credited as fully paid-up for every 15,000 (Fifteen Thousand) Equity shares of Rs. 10/- (Rupees Ten only) fully paid-up held in Transferor Company."



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The Independent Directors reviewed and noted that:

- The Fairness Opinion confirmed that the share exchange ratio in the Valuation Report is fair to the Transferor Company as well as Transferee Company and their respective shareholders.
- Further, M/s. Brahmayya & Co., Chartered Accounts, Statutory Auditor of the Transferee Company has confirmed that the accounting treatment as specified in the Scheme is in accordance with applicable Indian Accounting Standards ("IND AS") issued by The Institute of Chartered Accountants of India and as notified by the Ministry of Corporate Affairs read together with Section 133 and The Companies (Indian Accounting Standards) Rules, 2015 of the Companies Act, 2013.
- Based on the above, the Independent Directors are of the informed opinion that the proposed Scheme is for the best interests of the Shareholders of the Transferee Company and not detrimental to the interest of the Shareholders of the Transferee Company.

Recommendation of the Independent Directors

After detailed deliberation and considering the aforesaid documents, in the opinion of the Independent Directors, the Scheme is not detrimental to the shareholders of the Company and hereby favourably recommends the Scheme to the Board of Directors of Wheels India Limited for their approval.

For and on behalf of the Independent Directors of Wheels India Limited




Aroon Raman
Chairman of the Meeting
DIN: 00201205

December 07, 2021
Bengaluru

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