



**REPORT OF THE INDEPENDENT DIRECTORS OF DABUR INDIA LIMITED  
RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF SESA CARE PRIVATE  
LIMITED WITH AND INTO DABUR INDIA LIMITED AND THEIR RESPECTIVE  
SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 TO 232 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 CONSIDERED AND  
APPROVED AT THEIR MEETING HELD ON MONDAY, MAY 26, 2025 AT 03.30 P.M. AT 5<sup>th</sup>  
FLOOR, PUNJABI BHAWAN, 10 ROUSE AVENUE, NEW DELHI – 110002**

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**Independent Directors Present (through video conference)**

Mr. Mukesh Hari Butani	- Chairman
Mr. Ajit Mohan Sharan	- Member
Mr. Rajiv Mehrishi	- Member
Mr. Ravi Kapoor	- Member
Mr. Romesh Sobti	- Member
Mrs. Satyavati Berera	- Member

**In attendance**

Mr. Saket Gupta	- Company Secretary
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**Invitees**

Mr. A. K. Jain	- E.V.P. (Finance), Group Company Secretary & Chief Compliance Officer
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**1. Background:**

- 1.1. A meeting of the Independent Directors Dabur India Limited ("**Transferee Company**" or "**Company**") was held on May 26, 2025 to inter-alia, consider and recommend the draft Scheme of Amalgamation of Sesa Care Private Limited ("**Transferor Company**") with and into the Company and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), and other applicable provisions, if any ("**Scheme**").
- 1.2. The Company was incorporated under the provisions of the Companies Act, 1956. The equity shares of the Transferee Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). Further, the non-convertible debentures (NCD) are listed on the NSE.
- 1.3. The Transferor Company was incorporated under the provisions of the Companies Act, 2013.
- 1.4. The Scheme, inter alia, provides for the amalgamation of the Transferor Company with the Transferee Company and dissolution of the Transferor Company without winding-up and consequent issuance of shares of Transferee Company to the shareholders of the Transferor Company as consideration of amalgamation in accordance with the Share Exchange Ratios as stipulated in Clause 14 of the





Scheme. The Share Exchange Ratios as recommended in the Valuation Report are as follows:

*"10 (Ten) equity shares of the Transferee Company of INR 1/- (Rupee One) each fully paid up for every 1,46,779 (One Lakh Forty Six Thousand Seven Hundred and Seventy Nine) Class A equity shares of Transferor Company of INR 10/- (Rupees Ten) each fully paid up;*

*"10 (Ten) equity shares of the Transferee Company of INR 1/- (Rupee One) each fully paid up for every 2,44,860 (Two Lakhs Forty Four Thousand Eight Hundred and Sixty) Class B equity shares of Transferor Company of INR 6/- (Rupees Six) each fully paid up; and*

*"10 (Ten) equity shares of the Transferee Company of INR 1/- (Rupee One) each fully paid up for every 433 (Four Hundred and Thirty Three) 0.001% cumulative redeemable preference shares of Transferor Company of INR 10 (Rupees Ten) each fully paid up"*

- 1.5. The Appointed Date means April 01, 2026 or such other date as may be approved by the Hon'ble National Company Law Tribunal, New Delhi Bench ("Tribunal").
- 1.6. This report of Independent Directors is made in order to comply with the requirements of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 ("SEBI Master Circular"), and SEBI Debt Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/108 dated July 29, 2022 (updated as on June 30, 2023) ("SEBI Debt Circular") including amendments thereto.
- 1.7. While deliberating on the Scheme, the Independent Directors, inter-alia, considered and took record of the following documents:
  - a) Draft Scheme;
  - b) Share Exchange Ratios report ("**Valuation Report**") dated May 24, 2025 issued by Finvox Analytics, (Registration No. IBBI/RV-E/06/2020/120), registered valuer, describing the methodology adopted by them in determining the consideration;
  - c) Fairness Opinions dated May 26, 2025 issued by Sundae Capital Advisors Pvt. Ltd., Independent SEBI registered merchant banker ("**Fairness Opinion**"), providing an opinion on the fairness of the consideration specified in the report of the registered valuer;
  - d) Certificate dated May 26, 2025 issued by M/s. G. Basu & Co., Chartered Accountants (Firm Registration No. 301174E), the Statutory Auditors of the Company, confirming (i) the payment/ repayment capability of the Company against outstanding listed non-convertible debentures of the Company as prescribed under the SEBI Debt Circular, and (ii) the accounting treatment stated in the Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the





applicable accounting standards notified by the Central Government under section 133 of the Act read with relevant rules thereunder and other Generally Accepted Accounting Principles and MCA circular;

- e) Undertaking given by the Company dated May 26, 2025 confirming the approval of majority of public shareholders as prescribed under Paragraph (A)(10)(b) of Part I of the SEBI Master Circular is not applicable to the Company along with certificate of the Statutory Auditors of the Company of the even date, certifying the said undertaking; and
- f) Other presentations, reports, documents and information furnished before the Independent Directors.

## 2. Salient Features of the Scheme:

The Independent Directors noted the brief particulars of the Scheme as under:

- a) This Scheme is presented inter alia under Sections 230 to 232 and other applicable provisions of the Act, SEBI Master Circular, SEBI Debt Circular read with Section 2(1B) and other applicable provisions of the IT Act and other applicable law, if any. The Scheme provides for the amalgamation by way of absorption of the Transferor Company with the Transferee Company and dissolution of the Transferor Company without winding up and also provides for various other matters consequent and incidental thereto or otherwise integrally connected thereto.
- b) The appointed date for the amalgamation is April 1, 2026. Pursuant to the sanction of the Scheme by the Tribunal and upon the fulfilment of conditions for the Scheme, the Scheme shall become effective from the last of the dates on which the conditions specified in Clause 29 of the Scheme are satisfied or complied with or the requirement of which has been waived (i.e. "**Effective Date**")
- c) With effect from the Appointed Date and upon the Scheme becoming effective, the Transferor Company along with all its assets, liabilities, contracts, employees, records etc. being its integral part shall stand transferred to the Transferee Company as a going concern subject to the provisions of the Scheme.
- d) From the Appointed Date and upto the Effective Date (as defined in the Scheme), the Transferor Company and Transferee Company shall carry on its business and activities with reasonable diligence and business prudence.
- e) The shareholders of the Transferor Company will be allotted shares of the Transferee Company and will therefore become shareholders of a larger free public float of the combined listed company with multiple growth avenues.
- f) The entire paid-up share capital of the Transferor Company including the shares held by the Transferee Company in the Transferor Company shall stand cancelled in its entirety without any further act or deed upon the Scheme becoming effective.
- g) Allotment of equity shares of the Transferee Company to the shareholders of the Transferor Company (other than the Transferee Company) in accordance with the





Share Exchange Ratios, as set out in Valuation Report. No shares shall be issued and allotted by the Transferee Company in respect of the shares held by the Company itself in the Transferor Company.

- h) Transfer of the authorized share capital of the Transferor Company to the Transferee Company and consequential increase in the authorized share capital of the Transferee Company as provided in the Scheme.
- i) The Transferor Company shall stand dissolved without being wound up.
- j) The effectiveness of the Scheme is contingent upon certain conditions as mentioned in the Scheme, which inter alia include:
  - (i) Obtaining No objection letter(s), approvals, consents from lenders, the Stock Exchanges in relation to the Scheme under Regulation 37 of SEBI LODR, SEBI Master Circular and SEBI Debt Circular;
  - (ii) Approval of the Scheme by the requisite majority in number and value of such classes of persons including the respective shareholders and / or creditors of the Transferee Company and / or Transferor Company, as may be required or directed by the Tribunal;
  - (iii) Obtaining the sanction of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act;
  - (iv) Fulfilment of any compliance(s), condition(s) etc., if any, stipulated by the Stock Exchanges and/or any other Appropriate Authority prior to effectiveness of this Scheme;
  - (v) The certified copy of the order of the Tribunal under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company;

### **3. The proposed Scheme of Amalgamation:**

#### **3.1. NEED AND SYNERGIES OF THE AMALGAMATION AND RATIONALE OF THE SCHEME:**

The reasons and circumstances leading to and justifying the proposed Scheme (as defined hereinafter) of the Transferor Company with the Transferee Company, which makes it beneficial for all the concerned stakeholders, including shareholders, creditors, and employees of the Transferor Company and Transferee Company, are as follows:

- (i) Dabur is a market leader in the hair oil category while Sesa is a leading brand with strong recall and 3<sup>rd</sup> position in the ayurvedic hair oil category. The proposed amalgamation presents a strategic opportunity for Dabur to bring a premium brand with strong credentials around ayurveda to its product portfolio – a key whitespace in its current hair oil portfolio. This will strengthen Dabur's presence in the hair care





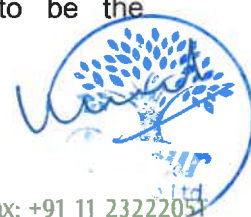


category and present an opportunity to bring Sesa's range of ayurvedic hair care products to a wider consumer base, both domestically and internationally.

- (ii) The amalgamation will enhance the growth potential of the combined entity in the hair oil segment which is expected to benefit from Dabur's experience and expertise in, advanced supply chain capabilities, extensive distribution network, deep category knowledge, market research abilities, technical engineering and access to key international markets. This strategic combination is expected to deliver long-term value to all stakeholders.
- (iii) The amalgamation will result in synergies between their businesses including by pooling their financial, managerial, technical, distribution, marketing and other resources.
- (iv) The amalgamation will result in greater efficiency with better control in cash and debt management of the combined entity and unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently and therefore lead to a more efficient utilization of capital for enhanced development and growth of the consolidated business in one entity.
- (v) The amalgamation is expected to result in optimisation of costs, coordination and streamlining of day-to-day operations of the business of the Transferor Company and Transferee Company.

### 3.2. IMPACT OF THE SCHEME ON THE COMPANY AND EACH CLASS OF SHAREHOLDERS (PROMOTER/ NON-PROMOTER SHAREHOLDERS)

- (i) The Scheme is expected to be beneficial to the shareholders (promoter and non-promoter shareholders) of the Transferee Company leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders, achieving cost and operational efficiencies;
- (ii) In consideration for the amalgamation of the Transferor Company with the Transferee Company, the shareholders of the Transferor Company, as on the Record Date (as defined in the Scheme) shall receive equity shares of the Transferee Company (as per Clause 14 of the Scheme). Further, the rights and interests of the shareholders of the Transferee Company will not be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of the Transferee Company, before and after the Scheme. The equity shares to be issued by the Transferee Company to the shareholders of the Transferor Company pursuant to the Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company. The Fairness Opinion issued above opines that the Share Exchange Ratios, as proposed by the registered valuer, are fair to the shareholders of the Transferee Company from a financial point of view;
- (iii) The shareholders of the Transferee Company will continue to be the shareholders of the Transferee Company;





- (iv) Upon the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up and the shareholders of the Transferor Company shall become shareholders of the Transferee Company.

3.3. EFFECT OF THE SCHEME ON DIRECTORS AND KEY MANAGERIAL PERSON ("KMP") OF THE COMPANY

There shall be no change or effect of the Scheme on the directors and KMPs of the Transferee Company. However, their role(s)/function(s)/ responsibilities may undergo change pursuant to business and organization requirements/needs. The effect of the Scheme on the interests of the directors and KMPs and their relatives holding shares in the Transferee Company, is not different from the effect of the Scheme on other shareholders of the Transferee Company. It is clarified that there shall be no change in the management of the Company by virtue of the Scheme coming into effect.

3.4. EFFECT ON THE CREDITORS

Under the Scheme, no arrangement or compromise is being proposed with the creditors (secured or unsecured) of the Transferee Company. The liability of the creditors of the Transferee Company, under the Scheme, is neither being reduced nor being extinguished.

3.5. EFFECT ON THE NCDs

- (a) Impact on the NCD holders and safeguards for the protection of the NCD holders:

- (i) The terms of the NCDs issued by the Company will remain the same and such NCDs will continue to be listed on NSE.
- (ii) Accordingly, the Scheme will have no adverse effect on the holders of the NCDs issued by the Company and thus adequately safeguards interests of the holders of the NCDs.

- (b) Exit offer to the dissenting holders of the NCDs of the Company:

Given that the Scheme will have no adverse effect on the holders of the NCDs issued by the Company, no exit offer is required.

3.6. EFFECT OF THE SCHEME ON STAFF OR EMPLOYEES

Under the Scheme, no rights of the staff and employees (who are on payroll) of the Transferee Company are being affected. The services of the staff and employees of the Transferee Company shall continue on the same terms and conditions applicable prior to the proposed Scheme.

Further, upon the Scheme becoming effective, the employees on the payroll of the Transferor Company ("**Employees**") will be deemed to have become Employees of the Transferee Company pursuant to the Scheme with effect from the Effective Date.

All such Employees shall be deemed to have become employees of the Transferee Company, without any break in their service and on the basis of continuity of service.





and the terms and conditions of their employment with the Transferee Company, shall not be less favourable than those applicable to them with reference to their employment in the Transferor Company as on the Effective Date.

#### **4. SCHEME NOT DETRIMENTAL TO THE SHAREHOLDERS OF THE COMPANY**

The Independent Directors discussed the rationale, salient features and expected benefits of the Scheme and noted that on account of the aforesaid, the proposed Scheme is in the best interest of the shareholders of the Transferee Company and is not detrimental to the shareholders of the Transferee 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 Transferee Company and lead to operational efficiency and cost savings through rationalization/consolidation of support functions and business processes.

#### **6. VALUATION REPORT**

The Independent Directors noted that the Share Exchange Ratios are as recommended in the Valuation Report. No special valuation difficulties were identified.

#### **7. RECOMMENDATION OF THE INDEPENDENT DIRECTORS**

The Independent Directors after due deliberations and detailed discussions, and, inter alia, taking into consideration the draft Scheme, Valuation Report, Fairness Opinion and certificates issued by the Statutory Auditors of the Company, have noted the rationale, benefits and the impact of the Scheme on shareholders and others concerned, and have noted that the Scheme is not detrimental to the shareholders and NCD holders of the Company. Accordingly, the Independent Directors hereby recommends the Scheme to the Board of Directors of the Company for its consideration, approval and for favourable consideration by BSE, NSE, SEBI and other appropriate authorities.

**For and on behalf of the  
Independent Directors of Dabur India Limited**

  
  
**Mukesh Hari Butani**  
**Lead Independent Director**  
**DIN: 01452839**

**Place:** New Delhi  
**Date:** May 26, 2025