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ANNEX:5

STEADFAST

Corporation Limited

Registered Office:

H.No. 8-2-293/82/J/B-60,
Journalist Colony, Jubilee Hills,
Hyderabad - 500033, Telangana
Phone No : +91 40 23559550
E-mail: steadfastcorp@gmail.com
CIN: L74999TG1995PLC037139
www.steadfastcorp.in

**REPORT OF THE AUDIT COMMITTEE OF STEADFAST CORPORATION LIMITED
RECOMMENDING THE SCHEME OF AMALGAMATION BETWEEN BAPIREDDY
NAGIREDDY GOLD AND DIAMONDS PRIVATE LIMITED ("BNGDPL / TRANSFEROR
COMPANY") WITH STEADFAST CORPORATION LIMITED ("SCL / TRANSFEREE
COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
PURSUANT TO SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 TO THE BOARD OF DIRECTORS**

PRESENT:

Mr. Venkata Srinivasan Kodakalla : Chairman
Mrs. Savithri Penumarthi : Member
Mr. Vankineni Sai Sudhakar : Member

IN ATTENDANCE:

Ms. Dolly Lakhichand Mandhan : Company Secretary

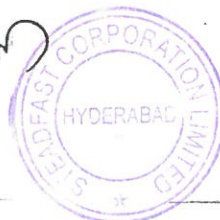
BY INVITATION:

Mr. Murali Krishna Reddy Talluri : Representative of M/s. Ramasamy Koteswara Rao &
Co.
LLP, Statutory Auditors
Mrs. N. Vanitha : Practicing Company Secretary

1. BACKGROUND:

- 1.1. The proposal to consider and recommend the draft Scheme of Arrangement and Amalgamation of Bapireddy Nagireddy Gold And Diamonds Private Limited ("BNGDPL / Transferor Company") with Steadfast Corporation Limited ("SCL/ Transferee Company") and their respective shareholders and creditors ("the Scheme of Amalgamation"/ "the Scheme") was presented to and considered by the members of the Committee at its Meeting held on 12th January, 2026 at the registered office of the Company.
- 1.2. The Transferor Company is a private company incorporated under the provisions of the Companies Act, 2013 bearing the Corporate Identification Number U47733AP2023PTC113352 engaged in the business of dealing with gold, diamond, silver and imitation Jewellery, that the Transferor Company or its subsidiaries own or operate from time to time.
- 1.3. The Transferee Company is a Public listed company incorporated under the provisions of the Companies Act, 2013 bearing the Corporate Identification Number L74999TG1995PLC037139. Transferee Company is presently engaged in the business of, inter alia, in the business of dealing with gold, diamond, silver and imitation Jewellery and also in construction and allied activities.

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1.4. BNGDPL and SCL are collectively be referred to as the Companies.

1.5. The Transferee Company will be filing the Scheme along with necessary information/documents with the respective stock exchange i.e., Metropolitan Stock Exchange of India Limited (MSE).

1.6. The Report of the Committee is made in order to comply with the requirements of Master Circular No. SEBI/HO/CFD /POD-2/P/CIR/2023/93 dated June 20, 2023 (SEBI Circular), as issued by the Securities and Exchange Board of India ("SEBI") read with the Securities and Exchange Board of India (Listing Obligations and Requirements) Regulations, 2015 (SEBI Listing Regulations) after considering the following:

1.6.1. Draft Scheme;

1.6.2. Valuation report dated 12th January, 2026 issued by Mr. V Gangadhara Rao N, IBBI Registration No. IBBI/RV/06/2019/10709 being registered valuer appointed for the purpose of the Scheme ("Valuation Report");

1.6.3. Fairness opinion report dated 12th January, 2026 issued by Akasam Consulting Private Limited, Category I SEBI Registered Independent Merchant Banker (Registration No.: INM000011658 providing the fairness opinion on the share entitlement recommended in the Valuation Report ("Fairness Opinion"); and

1.6.4. Draft certificate dated 12th January, 2026 obtained from the Statutory Auditors of the Company i.e. Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (FRN: 010396S/S200084) to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 ("Statutory Auditors Certificate").

2. PROPOSED SCHEME:

The Scheme provides for Amalgamation of the Transferor Company with the Transferee Company and consequent issue of New Equity Shares (as defined in the Scheme) by the Transferee Company to the shareholders of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any.

2.1. Consideration/Share Exchange Ratio:

In terms of the Scheme and based on Valuation Report and Fairness Opinion, following would be the share entitlement ratio:

"25 (Twenty Five) fully paid up equity shares of face value of INR 10/- (Rupees Ten only) each of the Transferee Company shall be issued and allotted for every 10 (Ten) fully paid up equity share of face value of INR 10/- (Rupees Ten only) each held by shareholders in the Transferor Company".

V. Gangadhara Rao N



- 2.2. The "Appointed Date" for the Scheme means 1st October, 2025 or such other date as may be agreed by the Board of Transferor Company and Transferee Company or as the Hon'ble NCLT may decide/approve, being the date with effect from which this Scheme shall become operative and/or be deemed to have become operative.
- 2.3. The "Effective Date" for the Scheme shall mean the date on which the certified or authenticated copies of the order sanctioning this Scheme, passed by the National Company Law Tribunal are filed with the Registrar of Companies.
- 2.4. The Scheme would be subject to the sanction or approval of the Hon'ble National Company Law Tribunal, SEBI, Stock Exchange i.e., MSE / BSE Limited, shareholders, creditors and other appropriate authorities.

3. NEED AND RATIONALE OF THE SCHEME OF AMALGAMATION:

As a part of the restructuring exercise, it is proposed to merge the Transferor Company into and with the Transferee Company would inter alia have the following benefits for both the Parties and their respective shareholders, employees, creditors and other stakeholders:

- i. The Transferor Company is engaged in the business of retail sale of jewellery, including gold, silver and diamond ornaments. The Transferee Company is also engaged in the business of gold, diamond, silver and imitation jewellery, along with construction and allied activities. The amalgamation will bring together their complementary strengths, product portfolios, and market presence, enabling the combined entity to operate more efficiently and competitively.
- ii. The Amalgamation will enable access to a larger customer base, a wider retail network, and a diversified product portfolio, thereby allowing the merged entity to enhance its presence in existing markets and explore new business opportunities.
- iii. The Amalgamation will consolidate the business of the Transferor Company and the Transferee Company, which would make the business activities more sustainable in the long term as well as help them to grow faster.
- iv. The Amalgamation will Create value for stakeholders including respective shareholders, customers, lenders and employees as the combined business would benefit from increased scale, expanded reach, higher cross selling opportunities to a larger base of customers, improvement in productivity amongst others;
- v. Greater integration and flexibility to Transferee Company and strengthen its position in terms of asset base, revenues and service range;
- vi. The restructuring proposed under the Scheme will not affect the normal business operations of the Transferee Company, but would improve the same.
- vii. Pursuant to the implementation of the Scheme, the objects of the Transferor Company and the Transferee Company can be conveniently, advantageously and economically carried on by a single entity.
- viii. The Amalgamation is expected to yield substantial operational synergies. These include cost savings through the sharing of administrative and support functions, economies of scale in the bulk procurement of raw materials and packaging, and consolidated spending on marketing and advertising. Such efficiencies will contribute directly to improved profitability.

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- ix. As a result of the Amalgamation, the newly formed entity becomes a stronger and more diversified organization, capable of competing more effectively in both domestic and international markets. Additionally, it will be well-positioned to capitalize on the growing consumer demand, enhancing its brand credibility and market appeal.

Further, it would also not in any way adversely affect the ordinary operations of the Transferee Company

4. SYNERGIES OF BUSINESS OF THE ENTITIES INVOLVED IN THE SCHEME:

1. The amalgamation will result in achieving business and administrative synergies for the group. Considering the business prospects in future, this consolidation would result in enhancement of scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of various resources by avoiding duplication of efforts.
2. The amalgamation will result in financial, managerial and technical resources being pooled in and will lead to increased competitive strength, cost reduction and efficiencies, productivity gains and logistic advantages to the business operations.
3. The consolidation will also result in optimizing working capital usage, which is very critical for operations considering the circumstances for availing working capital credit.
4. Strengthened leadership in the Industry, in terms of the asset base, revenues, product range, production volumes and market share of the combined entity.

5. IMPACT OF THE SCHEME ON THE SHAREHOLDERS:

- 5.1. The scheme does not entail any discharge of consideration by the Transferee company in form of cash, shares or otherwise. Hence the interest of Shareholders is not adversely affected. The Transferee Company's Shareholding pattern (before giving effect to proposed amalgamation) subsequent to the reduction of Capital will remain unchanged
- 5.2. Upon the Scheme becoming effective, entire undertaking including all properties, rights and powers and all debts, liabilities, duties and obligations of Transferor Company shall be transferred to and vested with the Transferee Company on going concern basis.
- 5.3. Further, pursuant to the Scheme, in consideration for the Amalgamation, the Transferee company will issue its equity shares to the shareholders of the Transferor Company based on the Valuation Report,
- 5.4. The provisions of the part C of the scheme have also been drawn up to comply with the conditions relating to 'Amalgamation' as defined under section 2(1B) of the Income Tax Act, 1961 and therefore, it may not have any tax implications.
- 5.5. Based on the above and as there is a proposed change in the shareholding pattern of the company pursuant to the scheme to the extent of issuance of new equity Shares based on the share exchange ratio. The committee is of the informed opinion that the proposed Scheme is



in the best interests of the shareholders of the Company and not detrimental to the interest of the shareholders, including the minority shareholders of the Company

Further, the Fairness Opinion confirmed that the share entitlement in the valuation Report is fair to the Transferor Company, the Transferee Company and their respective shareholders.

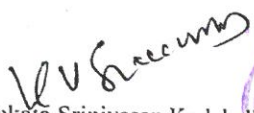
6. COST BENEFIT ANALYSIS:

The committee is of the opinion that the expected benefits of the scheme, as described herein above which are not quantifiable, would offset the impact of transaction costs. Further, the committee is of the informed opinion that the Scheme is in best interests of the companies and their respective shareholders. The impact of the scheme on the shareholders including the public shareholders would be same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

7. RECOMMENDATION:

The committee, after due deliberations and consideration of all the terms of the draft scheme, valuation Report, Fairness opinion, Draft statutory Auditors certificate and the specific points mentioned above recommends the draft Scheme for favourable consideration by the Board of Directors of the Company, MSE/ BSE and SEBI.

This Report of the committee is made after considering the necessary documents and the same shall be treated as compliance under the applicable provisions of the SEBI Listing Regulations, SEBI circular and other applicable provisions, if any. The committee is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.


Venkata Srinivasan Kodakalla
Chairman
DIN: 10254552



Place: Hyderabad
Date : 12th January, 2026