

Godrej Industries Ltd.
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**REPORT OF THE AUDIT COMMITTEE OF GODREJ INDUSTRIES LIMITED
RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF VORA
SOAPS LIMITED WITH GODREJ INDUSTRIES LIMITED AND THEIR
RESPECTIVE SHAREHOLDERS.**

Present – Members

Mr. K K Dastur, Chairman (Audit Committee)
Mr. S A Ahmadullah
Mr. K N Petigara
Mr. A B Choudhury

In attendance

Mr. A D Cooper, Independent Director
Mr. K M Elavia, Independent Director
Mr. N S Nabar, Executive Director & President (Chemicals)
Mr. Clement Pinto, Chief Financial Officer
Ms. Nilufer Shekhawat, Company Secretary
Mr. H R Jani, Associate Vice President (Finance)

1. Background

- 1.1 A draft Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, as may be applicable, of Vora Soaps Limited ("Transferor Company" or "VSL") with Godrej Industries Limited ("Transferee Company" or "GIL" or "the Company") and their respective Shareholders ("Scheme") has been placed before the Audit Committee by the management for it to consider recommending the said draft Scheme to the Board of Directors.
- 1.2 The Scheme inter-alia provides for amalgamation of VSL with the Company. The Equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company will be filing the Scheme along with necessary information / documents with both the mentioned exchanges.

Certified True Copy

N. Janani

Godrej

- 1.3 The report of Audit Committee is made in order to comply with the requirements of the SEBI circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after considering the following:
- a) Draft Scheme, duly initialed by Company Secretary of the Company for the purpose of identification;
 - b) Valuation report dated 14th December, 2017 issued by M/s Price Waterhouse & Co. LLP, Chartered Accountants;
 - c) Fairness Opinion Report dated 14th December, 2017 issued by M/s. Kotak Mahindra Capital Company Limited, Category I Merchant Banker providing the fairness opinion on the share entitlement recommended in the valuation report prepared by M/s Price Waterhouse & Co. LLP, Chartered Accountants; and
 - d) Certificate obtained from the Statutory Auditors of the Company i.e. M/s. BSR & Co. LLP, Chartered Accountants to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013

2. Proposed Scheme

- 2.1 The Audit Committee reviewed the valuation report and noted the report and recommended the following:
In consideration for the amalgamation of VSL with GIL in terms of the Scheme and based on valuation report issued by M/s Price Waterhouse & Co. LLP, Chartered Accountants and fairness opinion provided by Kotak Mahindra Capital Company Limited, Category I Merchant Banker, GIL will issue and allot an aggregate of 19,39,04,681 (Nineteen Crore Thirty Nine Lacs Four Thousand Six Hundred and Eighty One) fully paid-up equity shares of the face value Re. 1/- (Rupee One) each to the equity shareholders of the Transferor Company and compulsorily convertible preference shareholders of the Transferor Company as on the Record Date, as defined in the Draft Scheme, in the proportion of their holding in VSL.
- 2.2 Further, the Fairness Opinion confirmed that the share entitlement in the valuation report is fair to the Company, VSL and their respective shareholders.
- 2.3 Further, M/s. BSR & Co. LLP, Chartered Accountant, Statutory Auditors of the Company have confirmed that the accounting treatment as specified in the Scheme are in accordance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.



- 2.4 The Appointed Date of this Scheme shall be the Effective Date. Effective Date is the date on which the certified copy of the order of NCLT sanctioning this Scheme of Amalgamation, is filed by VSL, the Transferor Company and GIL, the Transferee Company with the Registrar of Companies, Mumbai;
- 2.5 Under the proposed Scheme, all assets and liabilities, pertaining to VSL, of whatsoever nature and where so ever situated, shall without any further act or deed be transferred to and vested in the Company with effect from the Appointed Date.
- 2.6 The equity shares of GIL to be issued and allotted to the equity shareholders of VSL and compulsorily convertible preference shareholders of VSL pursuant to the Scheme shall be listed on BSE Limited and National Stock Exchange of India Limited (subject to trading permission being granted by the stock exchanges).

3. Recommendations of the Audit Committee

- 3.1 The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme, Valuation report, Fairness Opinion Report and the specific points mentioned above, recommends the draft Scheme for favorable consideration by the Board of Directors of the Company, the BSE, the NSE and Securities Exchange Board of India.

By Order of the Audit Committee
For and on behalf of
GODREJ INDUSTRIES LIMITED



Mr. K. K. Dastur
Chairperson of the Audit Committee
Date: 14th December 2017
Place: Mumbai

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