

Wadala Commodities Ltd.
 L. M. Nadkarni Marg,
 Near M.b.P.T. Hospital, Wadala (E),
 Mumbai- 400 037, India
 Tel: (91-22)2411 3458, 3295 2315
 Fax: (91-22)24146204

**Report of Audit Committee of Wadala Commodities Limited recommending the draft
 Scheme of Amalgamation of Wadala Commodities Limited with Godrej Industries Limited dated
 7th February, 2014**

Members

Mr. Clement Pinto, Chairman
 Mr. N.S. Nabar
 Mr. A.B. Choudhury
 Mr. K.G. Mudaliar

In attendance

Mr. Pravin Patil, Company Secretary
 Mr. D.A. Frazer, Statutory Auditor

1. Background:

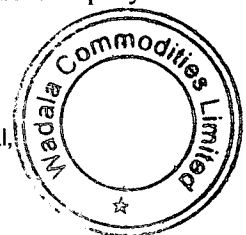
- 1.1. A draft Scheme of Amalgamation of Wadala Commodities Limited ('the Company') with Godrej Industries Limited has been placed before the Audit Committee by the management for the recommendation of the aforesaid draft Scheme by the Audit Committee to the Board of Directors of the Company in accordance with the requirement of the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 read with SEBI Circular dated 21st May 2013 ('Circular');
- 1.2. In view of the above, members of the Audit Committee of the Company have discussed and approved the draft Scheme vide a resolution passed at its meeting held on 7th February, 2014 and have made this report, after perusing the following necessary documents:
- (a) Draft Scheme of Amalgamation;
 - (b) Valuation Report dated February 7, 2014 issued by SSPA & Co;
 - (c) Fairness Opinion Report dated February 7, 2014 issued by Dalmia Securities Private Limited;

This report of the Audit Committee is issued in terms of the Circular.

1.3. The salient features of the draft Scheme are, *inter alia*, as under:

- (a) The draft Scheme provides for the amalgamation of the Company with Godrej Industries Limited;
- (b) The Appointed Date for the amalgamation of the Company with Godrej Industries Limited is fixed as 1st April, 2014;
- (c) The draft Scheme provides for transfer and vesting of the entire undertaking of the Company with its assets and liabilities to Godrej Industries Limited as a going concern;

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 Indore - 452001, Madhya Pradesh



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- (d) In consideration for the amalgamation of the Company with Godrej Industries Limited in terms of the draft Scheme and based on the share swap ratio recommended by the Independent Chartered Accountant and fairness opinion provided by the Merchant Banker, Godrej Industries Limited will issue 1 (One) fully paid up equity share of Re.1/- (Rupee One only) each of Godrej Industries Limited to the equity shareholders of the Company whose name is registered in the Register of Members of the Company on the Record Date (as may be determined in terms of the Scheme) for every 108 (One hundred and eight) fully paid-up equity shares of Re. 1/- (Rupee One Only) each of the Company held by the equity shareholders of the Company and 10 (Ten) fully paid up equity share of Re.1/- (Rupee One only) each of Godrej Industries Limited to the preference shareholder(s) whose name is registered in the Register of Members of the Company on the Record Date (as may be determined in terms of the Scheme) against 50,00,000, 0.01% Redeemable Cumulative Preference Shares of Rs. 10/- each (Rs. 9/- called and paid up) held by the preference shareholder(s) of the Company;
- (e) The new equity shares of Godrej Industries Limited, issued pursuant to this Scheme shall be listed and/or admitted to trading on the BSE Limited and National Stock Exchange of India Limited where the equity shares of Godrej Industries Limited are listed and/ or admitted to trading;
- (f) Upon the Scheme coming into effect, the Company will be dissolved without being wound up.

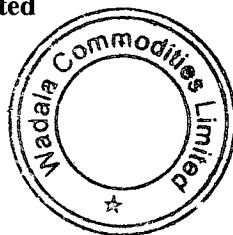
2. Recommendation of the Audit Committee

- 2.1. The Audit Committee has considered and noted the aforementioned documents and recommends the Draft Scheme to the Board of Directors of the Company for their approval, inter alia taking into consideration the said Valuation Report dated February 7, 2014 issued by SSPA & Co and the Fairness Opinion Report dated February 7, 2014 issued by Dalmia Securities Private Limited.

For Wadala Commodities Limited

Clement Pinto

Clement Pinto
 Chairman, Audit Committee



Date: 7th February, 2014
Place: Mumbai