

WADALA COMMODITIES LIMITED

CIN No.L15142MP1984PLC002382

Regd. Office: 107, Gold Arcade, 3/1 New Palasia, Opp. Curewell Hospital, Indore - 452001 Madhya Pradesh

Phone No.: (0731) 2535841, Website: www.wadalacommodities.co.in

Dear Member(s),

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 and applicable rules thereunder]

The Board of Directors of the Company has approved the following business, vide resolution passed on February 7, 2014, subject to the approval of the members of the Company through Postal Ballot:

To approve the Scheme of Amalgamation of Wadala Commodities Limited ("WCL") with Godrej Industries Limited ("GIL") and their respective shareholders ("the Scheme") which *inter-alia* includes issue of equity shares to the shareholders of WCL.

Accordingly, the proposed Resolution and the Explanatory Statement thereto is sent to you along with a Postal Ballot Form for your consideration. Mr. Bharat Shemlani, Practising Chartered Accountant and failing him Mr. Kalidas Vanjpe, Practising Company Secretary, has been appointed by the Board as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

With respect to above item of this Notice, the Company seeks the approval of the Members for amalgamation of WCL with GIL by way of postal ballot pursuant to the terms of para 5.16 of Circular Number CIR/CFD/DIL/5/2013 dated February 4, 2013 issued by Securities and Exchange Board of India read with para 7 of Circular Number CIR/CFD/DIL/8/2013 dated May 21, 2013 issued by Securities and Exchange Board of India ("SEBI Circular"), conditions laid down in the Observation Letter dated April 2, 2014 issued by BSE Limited pursuant to the SEBI Circular and the Listing Agreement and the relevant provisions of the applicable laws; provided that the said resolution shall be acted upon only if the votes cast by the public shareholders of Company in favor of the proposal are more than the number of votes cast by the public shareholders against it;

You are requested to read the instructions printed in the accompanying Postal Ballot Form and return the same along with assent (**FOR**) or dissent (**AGAINST**), in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer **before the close of working hours (5.30 p.m.) on July 21, 2014**. Please note that any Postal Ballot Form(s) received after the said date will be treated as not having been received. No other form or photocopy thereof is permitted. The Scrutinizer will submit his report to the Chairman / Board of Directors of your Company after completion of the scrutiny. Results of the Postal Ballot will be announced by the Chairman or any Director of the Company on **July 25, 2014**. The declaration/announcement of the results of the Postal Ballot by the Chairman as stated above shall be treated as declaration of results at a meeting of the members as per the provisions of the Companies Act, 2013 and applicable rules thereunder. After the above declaration, the results of the Postal Ballot will be posted on the Company's website viz., www.wadalacommodities.co.in and also communicated to the Stock Exchange, where the Company's shares are listed.

Members may note that as required under Clause 35B of the Listing Agreement, the Company has engaged the services of Central Depository Services (India) Limited to provide e-voting facility to members of the Company. Accordingly the Company is providing e-voting facility through Postal Ballot as an alternate, which would enable them to cast votes electronically, instead of dispatching Postal Ballot. Please read and follow the instructions on e-voting enumerated in the Notes to this Notice. Only members entitled to vote are entitled to fill in the Postal Ballot Form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company, and any other recipient of the Notice who has no voting rights should treat the Notice as an intimation only. Detailed instructions to use the facility are given separately.

PROPOSED RESOLUTION:

To consider and, if thought fit, to pass with or without modification(s), as an **ORDINARY RESOLUTION** the following:

To approve the Scheme of Amalgamation of Wadala Commodities Limited (“WCL”) with Godrej Industries Limited (“GIL”) and their respective shareholders which *inter-alia* includes issue of equity shares to the shareholders of WCL.

RESOLVED THAT pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 and enabling provisions in the Company’s Memorandum of Association and Articles of Association and subject to the sanction of the High Court of Judicature at Bombay and High Court of Judicature at Madhya Pradesh, Indore Bench (hereinafter jointly referred to as “High Courts” and individually as “High Court”), and other regulatory authorities, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Company, the proposed Scheme of amalgamation of Wadala Commodities Limited with Godrej Industries Limited and their respective shareholders be and is hereby approved;

RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Pravin Patil, Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things as are considered requisite or necessary to effectively implement the arrangement embodied in the Scheme and to accept such modification and / or conditions, if any, which may be required and / or imposed by the Hon’ble High Court of Judicature at Madhya Pradesh, Indore Bench while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in carrying out the Scheme.

By Order of the Board of Directors
For Wadala Commodities Limited

Sd/-

Pravin Patil
Company Secretary

Mumbai, June 7, 2014.

Registered Office:

107, Gold Arcade, 3/1 New Palasia,
Opp. Curewell Hospital Indore - 452001, Madhya Pradesh.

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.
2. The Notice is being sent to all the members, whose names appear in the Register of Members / Record of Depositories as on **May 30, 2014**.
3. Voting period commences on and from June 22, 2014 and ends on July 21, 2014.
4. Resolution passed by the members through Postal Ballot is deemed to have been passed at a General Meeting of the members.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

1. Background of Companies

A. Wadala Commodities Limited (“WCL” or “the Company” or “Transferor Company”)

- Wadala Commodities Limited was originally incorporated as Noble Soya House Private Limited on March 9, 1984 under the Companies Act, 1956. Subsequently the name of the Company was changed to Noble Soya House Limited on February 3, 1986. Thereafter the name of the Company was changed to Godrej Foods Limited on July 30, 1991. Thereafter the name was changed to Godrej Commodities Limited on July 24, 2006 and thereafter the name was changed to Wadala Commodities Limited on April 8, 2008;
- The Registered Office of Wadala Commodities Limited is situated at 107, Gold Arcade, 3/1 New Palasia, Opp. Curewell Hospital, Indore - 452001, Madhya Pradesh.
- The authorized, issued, subscribed and paid-up share capital of Wadala Commodities Limited as on March 31, 2014 was as under:

Share Capital	Amount in Rs. (in crore)
Authorized Share Capital	
350,000,000 Equity shares of Re. 1/- each	35.00
5,000,000, 0.01% Redeemable Non-Cumulative Preference Shares of Rs.10/- each	5.00
10,000,000 Unclassified Shares of Rs.10/ each	10.00
TOTAL	50.00
Issued, subscribed and paid-up Share Capital	
21,626,238 Equity shares of Re. 1/- each	2.16
5,000,000 0.01% Redeemable Non-Cumulative Preference Shares of Rs.10/- each	5.00
TOTAL	7.16
Called and Paid Up Share Capital	
21,626,238 Equity shares of Re. 1/- each	2.16
5,000,000, 0.01% Redeemable Non-Cumulative Preference Shares of Rs.10/- each (Rs. 9/- called and paid up)	4.50
TOTAL	6.66

- WCL is engaged into the business of bulk trading of vegetable oil.

B. Godrej Industries Limited (“GIL” or “Transferee Company”)

- Godrej Industries Limited was originally incorporated as Gujarat – Godrej Innovative Chemicals Limited on March 7, 1988 under the Companies Act, 1956. Subsequently the name of the Company was changed to Godrej Soaps Limited on January 6, 1995. The Registered Office of the Company was shifted from the State of Gujarat to Maharashtra on March 1, 1996. Subsequently on April 2, 2001, the name of the Company was changed to Godrej Industries Limited.
- The Registered Office of Godrej Industries Limited is situated at Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai – 400 079, Maharashtra.
- The authorised, issued, subscribed and paid-up share capital of Godrej Industries Limited as on March 31, 2014 is as under:

Particulars	Amount (in Crores)
Authorized Share Capital	
800,000,000 Equity Shares of Re. 1/- each	80.00
100,000,000 Unclassified Shares of Rs.10/- each	100.00
Total	180.00
Issued, Subscribed and Paid-up Share Capital	
33,54,55,260 Equity Shares of Re. 1/- each fully paid-up	33.55
Unclassified Shares of Rs.10/- each	–
Total	33.55

- d. Godrej Industries Limited is engaged in the business of Oleo-chemicals, Surfactants, Finance & Investments and Estate Management.

2. Salient features of the Scheme:

The proposed Scheme envisages the amalgamation of Wadala Commodities Limited with Godrej Industries Limited under Sections 391-394 and other applicable provisions of the Companies Act, 1956 with effect from the Appointed Date. The salient features of the Scheme are as under:

- (a) The Scheme provides for the amalgamation of Wadala Commodities Limited with Godrej Industries Limited;
- (b) The Appointed Date for the Scheme is fixed as 1st April, 2014;
- (c) The Scheme provides for transfer and vesting of the entire undertaking of Wadala Commodities Limited with its assets and liabilities to Godrej Industries Limited as a going concern;
- (d) In consideration for the amalgamation of Wadala Commodities Limited with Godrej Industries Limited in terms of the 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 Wadala Commodities Limited whose name is registered in the Register of Members of Wadala Commodities Limited 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 Wadala Commodities Limited held by the equity shareholders of Wadala Commodities Limited 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 Wadala Commodities Limited on the Record Date (as may be determined in terms of the Scheme) against 50,00,000, 0.01% Redeemable Non-Cumulative Preference Shares of Rs.10 each (Rs.9 called and paid up) held by the preference shareholder(s) of Wadala Commodities Limited;
- (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) Since the equity shares of Wadala Commodities Limited are not frequently traded on the stock exchange, the proposed amalgamation would provide better liquidity to the public shareholders of Wadala Commodities Limited;
- (g) Upon the Scheme coming into effect, Wadala Commodities Limited will be dissolved without being wound up.

N. B. - The features set out above being only the salient features of the Scheme of Amalgamation; the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

3. The Board of Directors of Wadala Commodities Limited and Godrej Industries Limited have at their respective meetings on February 7, 2014 by resolution passed, unanimously approved the Scheme.
4. Wadala Commodities Limited has obtained Valuation Report from Independent Chartered Accountant, SSPA & Co. and fairness opinion of an independent Merchant Banker, Dalmia Securities Private Limited. The Valuation Report and the fairness opinion were also placed before the Board of Directors and approved by them in the meeting held on February 7, 2014.

5. The shareholding pattern of Wadala Commodities Limited Pre Scheme is:

SN	Description	Pre – Scheme	
		Equity Shares	%
(A)	Shareholding of Promoter and Promoter Group		
	Indian		
	(1) Individuals / Hindu Undivided Family	–	–
	Bodies Corporate	11046635	51.08
	Sub Total	11046635	51.08
	(2) Foreign	–	–
	Total shareholding of Promoter and Promoter Group (A)	11046635	51.08
(B)	Public Shareholding		
	(1) Institutions		
	Mutual Funds / UTI	–	–
	Financial Institutions / Banks	–	–
	Insurance Companies	–	–
	Foreign Institutional Investors	–	–
	Sub Total	–	–
	(2) Non-Institutions		
	Bodies Corporate	571840	2.64
	Individuals		
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	8006388	37.02
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1673550	7.74
	Any Others (Specify)		
	Non Resident Indians	327825	1.52
	Sub Total	10579603	48.92
	Total Public shareholding (B)	10579603	48.92
	Total (A)+(B)	21626238	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
	(1) Promoter and Promoter Group	–	–
	(2) Public	–	–
	Sub Total	–	–
	Total (A)+(B)+(C)	21626238	100.00

6. The shareholding pattern of Godrej Industries Limited Pre and Post Scheme is given below:

SN	Description	Pre – Amalgamation		Post - Amalgamation	
		Equity Shares	%	Equity Shares	%
(A) Shareholding of Promoter and Promoter Group					
Indian					
(1)	Individuals / Hindu Undivided Family	64031786	19.09	64031786	19.09
	Bodies Corporate	187202388	55.80	187304682	55.79
	Sub Total	251234174	74.89	251336468	74.86
(2)	Foreign				
Total shareholding of Promoter and Promoter Group (A)		251234174	74.89	251336468	74.86
(B) Public Shareholding					
(1) Institutions					
	Mutual Funds / UTI	1483179	0.44	1484366	0.44
	Financial Institutions / Banks	250205	0.07	250405	0.07
	Insurance Companies	10614412	3.16	10622904	3.16
	Foreign Institutional Investors	35984491	10.73	36013279	10.73
	Sub Total	48332287	14.41	48370953	14.41
(2) Non-Institutions					
	Bodies Corporate	14437652	4.30	14454497	4.31
Individuals					
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	13700071	4.08	13785164	4.11
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6975767	2.08	6997146	2.08
Any Others (Specify)					
	Non Resident Indians	775309	0.23	778965	0.23
	Sub Total	35888799	10.70	36015772	10.73
Total Public shareholding (B)		84221086	25.11	84386725	25.14
Total (A)+(B)		335455260	100.00	335723193	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued					
(1)	Promoter and Promoter Group	0	0.00	0	0.00
(2)	Public	0	0.00	0	0.00
	Sub Total	0	0.00	0	0.00
Total (A)+(B)+(C)		335455260	100.00	335723193	100.00

7. In accordance with the Circular No. CIR/CFD/DIL/5/2013 issued by the Securities and Exchange Board of India ("SEBI") on February 4, 2013 as amended vide Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, the Audit Committee of the Board of Directors of the Wadala Commodities Limited had on February 7, 2014 recommended the proposed Scheme of Amalgamation for approval of the Board of Directors of the Company and the same was approved.
8. Wadala Commodities Limited has received, in terms of Clause 24 of the Listing Agreement, Observation Letter from BSE Limited conveying its no objection for filing the Scheme with the Madhya Pradesh High Court, Indore Bench, on April 2, 2014.
9. The Scheme is subject to the sanction of the Hon'ble Madhya Pradesh High Court, Indore Bench and the Hon'ble Bombay High Court.
10. Since the equity shares of Wadala Commodities Limited are not frequently traded on the stock exchange, the proposed amalgamation would provide better liquidity to the public shareholders of Wadala Commodities Limited.

11. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956, against the Transferee Company and against the Transferor Company.
12. No winding up petitions have been pending and/or admitted against the Transferee Company and against the Transferor Company.
13. The Directors and key managerial personnel of Wadala Commodities Limited and their relatives do not have any concern or material interest in the Scheme otherwise than that as shareholders in general. The extent of the shareholding of the Directors and key managerial personnel of Wadala Commodities Limited in Wadala Commodities Limited and in Godrej Industries Limited as on March 31, 2014 is as under:

Sr. No.	Name of the Directors/ Key Managerial Personnel	Designation	Equity shares held in WCL	Equity shares held in GIL
1	Mr. N. S. Nabar	Chairman	NIL	21,663
2	Mr. A. B. Choudhury	Director	NIL	NIL
3	Mr. Clement Pinto	Director	10	16,415
4	Mr. K. G. Mudaliar	Director	200	200
5	Mr. C. J. Shetty	Manager	NIL	NIL
6	Mr. Pravin Patil	Company Secretary	20	NIL

14. INSPECTION

The following documents will be open for inspection at the Registered Office of the Transferor and the Transferee Company on any working day except Saturdays, Sundays and Public holidays (between 11:00 am and 1:00 pm) prior to the date of the meeting:

- (a) Memorandum and Articles of Association of the Transferor Company and Transferee Company;
- (b) Scheme of Amalgamation
- (c) The Audited Financial Statements of the Transferee Company for last three financial years ended March 31, 2013, March 31, 2012 and March 31, 2011;
- (d) The Audited Financial Statements of the Transferor Company for last three financial years ended March 31, 2013, March 31, 2012 and March 31, 2011.
- (e) Certified copy of the Order passed by the Hon'ble High Court of Judicature at Madhya Pradesh, Indore Bench in Company Application No. 12 of 2014 for the Transferor Company;
- (f) Copies of the resolution passed by the Board of Directors of the Transferor Company and Transferee Company approving the Scheme.
- (g) Copy of the no objection certificate to the Scheme received from BSE Limited, its observation letter dated April 2, 2014.
- (h) Complaints Report dated March 6, 2014 submitted by the Company to BSE Limited and also uploaded on the Company website.
- (i) Copy of Net Worth Certificate dated February 7, 2014 issued by Kalyaniwalla & Mistry, Chartered Accountants certifying the Net Worth of Wadala Commodities Limited as on September 30, 2013.
- (j) Copy of the Valuation Report dated February 7, 2014 issued by SSPA & Co recommending share exchange ratio.
- (k) Copy of the Fairness Opinion dated February 7, 2014 issued by Dalmia Securities Private Limited on share exchange ratio.

The Board recommends the passing of the resolution.

By Order of the Board of Directors
For Wadala Commodities Limited

Sd/-

Pravin Patil
Company Secretary

Mumbai, June 7, 2014

Registered Office:

107, Gold Arcade, 3/1 New Palasia,

Opp. Curewell Hospital Indore - 452001, Madhya Pradesh.

SCHEME OF AMALGAMATION

UNDER SECTIONS 391-394 OF THE COMPANIES ACT, 1956

OF

WADALA COMMODITIES LIMITED ... THE TRANSFEROR COMPANY

WITH

GODREJ INDUSTRIES LIMITED ... THE TRANSFEREE COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS

(A) PREAMBLE

This Scheme of Amalgamation ('Scheme') is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for amalgamation of Wadala Commodities Limited ('WCL' or 'the Transferor Company') with Godrej Industries Limited ('GIL' or 'the Transferee Company'). This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

(B) BACKGROUND

1. WCL is engaged into the business of bulk trading of vegetable oil. The equity shares of WCL are listed on BSE Limited Promoter viz; Godrej & Boyce Manufacturing Company Limited ('G&B') holds 51.08% of the equity share capital of WCL whereas the balance 48.92% is held by Public; The preference share capital of WCL comprises of 0.01% 50,00,000, Redeemable Non-Cumulative Preference Shares of Rs. 10/- each (Rs. 9/- called and paid up) which is entirely held by G&B;
2. GIL is engaged into the business of oleo-chemicals, surfactants, finance and investments and estate management. The equity shares of GIL are listed on BSE Limited and National Stock Exchange of India Limited. Promoter holds 74.89% of the equity share capital of GIL whereas the balance 25.11% is held by Public. Out of the aforesaid Promoter shareholding of 74.89%, G&B holds 55.81% of the equity share capital of GIL.

(C) PARTS OF THE SCHEME:

This Scheme of Amalgamation is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with amalgamation of WCL with GIL;
- (iii) **PART III** deals with general clauses applicable to this Scheme;
- (iv) **PART IV** deals with other terms and conditions applicable to this Scheme.

PART I

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1. "**Act**" or "**The Act**" means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force;
- 1.2. "**Appointed Date**" means 1st April, 2014 or such other date as may be approved by the High Court of Judicature at Bombay and High Court of Judicature at Madhya Pradesh, Indore Bench or any other competent authority;
- 1.3. "**Board**" means the Board of Directors of WCL or GIL as the case may be and shall include a duly constituted committee thereof.
- 1.4. "**Court**" or "**High Court(s)**" means the High Court of Judicature at Bombay and High Court of Judicature at Madhya Pradesh, Indore Bench and shall include the National Company Law Tribunal, if and when applicable;
- 1.5. "**Effective Date**" means the later of the dates on which the certified copy of the Order sanctioning the Scheme, passed

by the High Court of Judicature at Bombay and High Court of Judicature at Madhya Pradesh, Indore Bench or such other competent authority, as may be applicable, is filed by GIL and WCL with the Registrar of Companies, Mumbai, Maharashtra and Registrar of Companies, Indore, Madhya Pradesh, respectively;

- 1.6. **“GIL” or “the Transferee Company”** means Godrej Industries Limited, a Company incorporated under the Companies Act, 1956, and having its Registered Office at Pirojshanagar, Eastern Express Highway, Vikhroli, Mumbai – 400 079, Maharashtra.
- 1.7. **“Record Date”** means the date to be fixed by the Board of Directors of GIL for the purpose of issuing equity shares of GIL to the shareholders of WCL and for the purpose of issuing bonus equity shares to the public shareholders of GIL in terms of this Scheme;
- 1.8. **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form as submitted to the Honorable High Court of Judicature at Bombay and Honorable High Court of Judicature at Madhya Pradesh, Indore Bench or this Scheme with such modification(s), if any made, as per Clause 15 of the Scheme;
- 1.9. **“WCL” or “the Transferor Company”** means Wadala Commodities Limited, a Company incorporated under the Companies Act, 1956, and having its Registered Office at 107, Gold Arcade, 3/1 New Palasia, Opp. Curewell Hospital, Indore – 452001, Madhya Pradesh.

Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme, set out herein in its present form or with any modifications(s) shall be effective from the Appointed Date.

3. SHARE CAPITAL

- 3.1 The authorized, issued, subscribed and paid-up share capital of WCL as on January 31st, 2014 is as follows:

Share Capital	Amount in Rs. (in crore)
<u>Authorized Share Capital</u>	
350,000,000 Equity shares of Re. 1/- each	35.00
5,000,000 0.01% Redeemable Non-Cumulative Preference Shares of Rs.10/- each	5.00
10,000,000 Unclassified Shares of Rs.10/ each	10.00
TOTAL	50.00
<u>Issued, subscribed and paid-up Share Capital</u>	
21,626,238 Equity shares of Re. 1/- each	2.16
5,000,000 0.01% Redeemable Non-Cumulative Preference Shares of Rs.10/- each	5.00
TOTAL	7.16
<u>Called and Paid Up Share Capital</u>	
21,626,238 Equity shares of Re. 1/- each	2.16
5,000,000 0.01% Redeemable Non-Cumulative Preference Shares of Rs.10/- each (Rs. 9/- called & paid up)	4.50
TOTAL	6.66

- 3.2 The authorized, issued, subscribed and paid-up share capital of Godrej Industries Limited as on January 31st, 2014 is as under:

Share Capital	Amount in (crore)
<u>Authorized Share Capital</u>	
800,000,000 Equity Shares of Re. 1/- each	80.00
100,000,000 Unclassified Shares of Rs.10/- each	100.00
Total	180.00
<u>Issued, Subscribed and Paid-up Share Capital</u>	
33,54,55,260 Equity Shares of Re. 1/- each fully paid-up	33.55
Unclassified Shares of Rs.10/- each	–
Total	33.55

PART II

AMALGAMATION OF WADALA COMMODITIES LIMITED WITH GODREJ INDUSTRIES LIMITED

4. TRANSFER AND VESTING OF UNDERTAKING

- 4.1 With effect from the Appointed Date, the whole of WCL comprising of assets, (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) investments, properties and liabilities of WCL shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and without any further act or deed shall stand transferred to and vested in and / or be deemed to be transferred to and vested in GIL so as to vest in GIL all rights, title and interest of WCL.
- 4.2 With effect from the Appointed Date, all debts, liabilities, duties and obligations of every kind, nature and description pertaining to WCL (including contingent liabilities pertaining to period on or before Appointed Date, if any) shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to GIL, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of GIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 4.3 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents relating to and or held by WCL shall stand vested in or transferred to GIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GIL. The benefit of all statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to GIL pursuant to the Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges granted by any Government body, local authority or by any other person, or enjoyed and availed of by WCL shall vest with and be available to GIL on the same terms and conditions;
- 4.4 All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by WCL after the Appointed Date, over the assets of WCL be transferred to GIL shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date;

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by WCL and GIL shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise

- 4.5 All taxes of any nature, duties, cess or any other like payments or deductions made by WCL to any statutory authorities such as Income Tax, Sales tax, Service Tax, Value Added Tax etc. or any tax deduction/ collection at source, relating to the period after the Appointed Date and upto the Effective Date shall be deemed to have been on account of and on behalf of GIL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to GIL upon the passing of the order on this Scheme by the High Court or any other appropriate authority and upon relevant proof and documents being provided to the said authorities.

5. ISSUE AND ALLOTMENT OF SHARES BY GIL

- 5.1 Upon the coming into effect of this Scheme and in consideration for amalgamation of WCL into GIL in terms of this Scheme, GIL shall, without any further application, act, instrument or deed, issue and allot the consideration to the shareholders of WCL or his/her/its legal heirs, executors or successors as the case may be in the following ratio:

1 (One) fully paid up equity share of Re.1/- (Rupee One only) each of GIL to the equity shareholders of WCL whose name is registered in the Register of Members of WCL on the Record Date for every 108 (One hundred and eight) fully paid-up equity shares of Re. 1/-(Rupee One Only) each of WCL held by the equity shareholders of WCL and

10 (Ten) fully paid up equity share of Re.1/- (Rupee One only) each of GIL to the preference shareholder(s) of WCL whose name is registered in the Register of Members of WCL on the Record Date against 50,00,000, 0.01% Redeemable Non-Cumulative Preference Shares of Rs. 10/- each (Rs. 9/- called and paid up) of WCL held by the preference shareholder(s) of WCL

- 5.2 Further in order to ensure that the interest of the public shareholders of GIL is not prejudiced and to ensure that there is no dilution of shareholding of the public shareholders of GIL pursuant to the amalgamation of WCL into GIL, GIL to issue bonus equity shares of Re.1/- (Rupee One) each of GIL, credited as fully paid-up Equity Shares to its shareholders

(except to the Promoters and Promoters group entities of GIL) whose name is registered in the Register of Members of GIL on the Record Date in the proportion of 1 (One) new fully paid up equity shares of Re. 1/- each in GIL for every 1,250 (One thousand two hundred and fifty only) fully paid-up equity shares of Re. 1/- held by them in GIL by way of capitalization of sum to the extent of Rs. 67,680 (Sixty seven thousand six hundred and eighty only) standing to the credit of the General Reserve Account of GIL; The aforementioned issue of bonus shares shall also include issue of bonus shares upon exercise of outstanding Stock Options (whether vested or unvested) in accordance with the Employee Stock Grant Scheme of GIL in the proportion mentioned in this clause;

- 5.3 GIL shall not issue any fractional certificates in respect of the fractional entitlements, if any arising out of Clause 5.1 and Clause 5.2 to which the shareholders of WCL and the eligible public shareholders of GIL may be entitled on issue and allotment of the equity shares of GIL. The Board of Directors shall instead consolidate all such fractional entitlement(s), if any, arising and thereupon issue and allot equity shares in lieu thereof to a Director or an Officer of GIL or Registrar & Share Transfer Agent of GIL or such other person, as the Board of Directors or Committee of the Board of Directors shall appoint in this behalf who shall hold the equity shares in trust on behalf of the eligible shareholders of WCL and the public shareholders of GIL entitled to fractional entitlements with the express understanding that such Director(s) or Officer(s) or Registrar & Share Transfer Agent of GIL or such other Person(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons as he / they may deem fit, and pay to GIL, the net sale proceeds thereof, whereupon GIL shall distribute such net sale proceeds, subject to taxes, if any, to the eligible shareholders of WCL & the public shareholders of GIL in proportion to their respective fractional entitlements. In case the aggregate of such shares to be allotted to the Director/Officer/Registrar & Share Transfer Agent of GIL/or such other Person by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in GIL to such Director/Officer/Registrar & Share Transfer Agent of the Company/or such other Person in lieu of such fraction amount; Further any money which remains unpaid or unclaimed for a period of 3 years from the date of receipt of net proceeds on sale of fractional entitlements by the Director/Officer/Registrar & Share Transfer Agent of GIL/or such other Person shall be to be transferred to the 'Investor Education and Protection Fund' set up by the Central Government or Prime Minister's National Relief Fund; Once the amount is so transferred, no claim shall lie against GIL in respect of such amount against fractional entitlements;
- 5.4 The equity shares to be issued to the shareholders of WCL and public shareholders of GIL as mentioned above in Clause 5.1 and 5.2 shall be subject to the Memorandum and Articles of Association of GIL and shall rank *pari passu* with the existing equity shares of GIL in all respects including dividends;
- 5.5 The equity shareholders of WCL and the public shareholders of GIL whose demat account details may be available with either of WCL and/or with GIL as the case maybe, or who may provide such details to GIL on or before such date as may be determined by the Board of Directors of GIL or Committee of the Board of Directors of GIL in this regard, shall be issued the equity shares of GIL (as they may be entitled to pursuant to the Scheme) in the dematerialized form, and the remaining equity shareholders of WCL and the public shareholders of GIL shall be issued physical equity share certificates with regard to the equity shares of GIL as per their entitlement mentioned in Clause 5.1 and Clause 5.2; Such physical equity share certificates (if any) shall be sent by GIL to the equity shareholders of WCL and the public shareholders of GIL at their respective registered addresses, as appearing in the register of members maintained by WCL and GIL as the case maybe as of Record Date with respect to their respective shareholders (or in the case of joint shareholders - to the address of that one of the joint shareholders whose name stands first in such register of members in respect of such joint shareholding) and GIL shall not be responsible for any loss in transit.;
- 5.6 The Board of Directors of GIL shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of equity shares to the shareholders of WCL and the public shareholders of GIL pursuant to clause 5.1 and 5.2 of the Scheme;
- 5.7 Approval of this Scheme by the shareholders of GIL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and applicable provisions of the Act and/or applicable provisions of any other law for the time being in force, for the issue and allotment of equity shares by GIL to the shareholders of WCL and the public shareholders of GIL, as provided in this Scheme;
- 5.8 The new equity shares of GIL, 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 GIL are listed and/ or admitted to trading;
- 5.9 The approval of this Scheme by the shareholders of both the companies shall be deemed to be approval under Sections 391 to 394 and other applicable provisions of the Act and any other consents and approvals required in this regard.

6. ACCOUNTING TREATMENT IN THE BOOKS OF GIL

Upon the Scheme becoming effective, GIL shall account for the amalgamation of WCL in its books of accounts with effect from the Appointed Date as follows:

- 6.1 All the assets and liabilities as on the Appointed Date, recorded in the books of WCL shall stand transferred to and vested in GIL pursuant to the Scheme and shall be recorded by GIL at their respective book values;
- 6.2 GIL shall credit in its books of account, face value of the equity shares issued to the shareholders of WCL pursuant to the Scheme to the Share Capital Account;
- 6.3 Inter-company loans, investments and other balances and obligations, if any, on the Appointed Date will stand cancelled;
- 6.4 The excess of the net assets of WCL acquired and recorded by GIL in terms of sub-clause 6.1 above over the amount credited as share capital and after making the adjustment as mentioned in sub-clauses 6.3 above, would be credited to Capital Reserve Account. In case of there being a deficit, the same shall be transferred by GIL to its Goodwill Account;
- 6.5 In case of any differences in accounting policies between WCL and GIL, impact of the same till the Appointed date will be quantified and the same shall be appropriately adjusted and reported in accordance with applicable accounting rules and principles so as to ensure that the financial statements of GIL reflect the financial position on the basis of consistent accounting principles;

7. WINDING UP

On the Scheme becoming effective, WCL shall stand dissolved without being wound up.

PART III

GENERAL CLAUSES

8. BUSINESS AND PROPERTY IN TRUST FOR GIL

During the period between the date of acceptance of this Scheme by the Board of Directors of WCL and GIL and till the Effective Date:

- 8.1 WCL shall carry on their business and activities with reasonable diligence and business prudence and shall not alter or diversify their respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of GIL or pursuant to any pre-existing obligation undertaken and disclosed to the Board of GIL prior to the date of acceptance of the Scheme by the respective Boards of Directors of WCL and GIL;
- 8.2 WCL shall not, without the prior written consent of GIL, make any capital reorganization, including issuance or allotment of any further securities, either by way of rights or bonus shares or otherwise; and
- 8.3 GIL shall be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, Union Territories and all other concerned agencies, departments and authorities (statutory or otherwise) as are necessary under any law for such consents, approvals and sanctions, which GIL may require to carry on the business of WCL;
- 8.4 In the event that GIL restructures its equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio (as provided in the Clause 5.1) shall be adjusted accordingly to take into account the effect of any such corporate actions.

9. STAFF, WORKMEN AND EMPLOYEES

- 9.1 On the Scheme becoming effective, permanent staff and employees of WCL in service on the Effective Date, shall be deemed to have become staff and employees of GIL on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting with reference to WCL as on the said date.

9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Pension Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of WCL, if any shall become trusts/funds of GIL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of WCL in relation to such Fund or Funds shall become those of GIL. It is clarified that the services of the staff and employees of WCL will be treated as having been continuous for the purpose of the said Fund or Funds.

10. LEGAL PROCEEDINGS

If any suit, appeal or other proceeding of whatever nature by or against the WCL is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the arrangement by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against GIL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against WCL as if this Scheme had not been made.

11. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

11.1 Subject to the other provisions of the Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements and other instruments of whatsoever nature to which WCL is a party, or the benefit to which WCL may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favor of GIL as the case may be and may be enforced as fully and effectively as if instead of WCL, GIL had been a party or beneficiary thereto.

11.2 GIL shall, if so required or becomes necessary, enter into and / or issue and / or execute deeds, writings or confirmation in order to give formal effect to the provisions of this Scheme. Further, GIL shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of WCL and to implement or carry out all formalities required on the part of WCL to give effect to the provisions of this Scheme.

12. SAVING OF CONCLUDED TRANSACTIONS

Subject to Clause 9.1, the transfer and vesting of the entire business and the undertaking of WCL to, or with, GIL shall not affect any transactions or proceedings already concluded by WCL on or before the Effective Date, to the end and intent that GIL accepts and adopts all acts, deeds, matters and things done and/or executed by WCL in regard thereto as having been done or executed on behalf of GIL.

PART IV

OTHER TERMS AND CONDITIONS

13. APPLICATION TO THE HIGH COURT

WCL and GIL shall, with all reasonable dispatch, make applications or petitions to the High Court of Judicature at Madhya Pradesh, Indore Bench and High Court of Judicature at Bombay respectively or any competent authority, as may be applicable for sanctioning this Scheme under sections 391 to 394 of the Act and for dissolution of WCL without being wound up.

14. MODIFICATION / AMENDMENTS TO THE SCHEME AND GENERAL POWER TO THE BOARD

14.1 WCL and GIL with approval of their respective Boards of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or limitations that the Hon'ble High Court(s) or any other authorities under law may deem fit to approve of, to direct and/or impose. The aforesaid powers of WCL and GIL to give effect to the modification/amendments to the Scheme may be exercised by their respective Boards of Directors subject to approval of the Hon'ble High Court(s) or any other authorities under applicable law.

15. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to:

- 15.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority including stock exchanges and/or Securities and Exchange Board of India, which by law or otherwise may be necessary for the implementation of this Scheme.
- 15.2 The approval by the requisite majority of the shareholders/creditors of WCL and GIL as may be directed by the High Court(s) or any other competent authority, as may be applicable.
- 15.3 The approval by the requisite majority of the such shareholders as required under the listing agreements entered in to by GIL with the Stock Exchanges;
- 15.4 The sanction of the Hon'ble High Court of Judicature at Madhya Pradesh, Indore Bench and High Court of Judicature at Bombay and being obtained under Sections 391 to 394 and other applicable provisions of the Act, on behalf of WCL and GIL respectively.
- 15.5 The certified or authenticated copies of the Order of the High Court under Section 391 to 394 of the Companies Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra, Mumbai and Registrar of Companies, Indore, Madhya Pradesh;

16. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 16.1 In the event of any of the said sanctions and approvals referred to in Clause 16 not being obtained and/or the Scheme not being sanctioned by the High Court(s) or such other competent authority and / or the Order not being passed as aforesaid before March 31, 2015 or such other date as the Board of Directors of GIL may determine, the Scheme shall become null and void, and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as specifically provided in the Scheme or as may otherwise arise in law and WCL and GIL shall bear the respective costs, charges and expenses in connection with the Scheme unless otherwise mutually agreed.
- 16.2 In the event of this scheme failing to take effect or it becomes null and void no rights and liabilities of whatsoever nature shall accrue to or be incurred *inter-se* to or by the parties to the Scheme or any of them.

17. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by WCL and/or GIL as maybe agreed between the Parties.

DCS/AMAL/NJ/24(f)/005/2014-15

April 2, 2014

The Company Secretary
Wadala Commodities Limited,
Plot No 5, New Industrial Area No 1,
Mandideep, 107, Gold Arcade,
3/1 New Palasia Opp Curewell Hospital ,
Indore ,
Madhya Pradesh ,462046

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Arrangement between Wadala Commodities Limited & Godrej Industries Limited.

We are in receipt of draft Scheme of Arrangement involving merger of Wadala Commodities Limited with Godrej Industries Limited.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated April 1, 2014 given the following comment(s) on the draft scheme of arrangement:

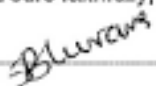
➤ ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further, you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,


Bhuvana Sriram
Deputy Manager


Pooja Sanghvi
Asst. Manager



STRICTLY PRIVATE & CONFIDENTIAL

February 7, 2014

The Board of Directors Godrej Industries Limited Phirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai - 400 079.	The Board of Directors Wadala Commodities Limited 107, Gold Arcade, 3/1 New Palasia, Opp. Curewell Hospital, Indore - 452001.
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Dear Sirs,

Fairness Opinion on the Equity share exchange ratio for the proposed amalgamation of Wadala Commodities Limited (WCL) with Godrej Industries Limited (GIL)

This has a reference to the engagement letter dated January 30, 2014 addressed to Godrej Industries Limited and Wadala Commodities Limited on the above subject.

We understand that the managements of WCL (Transferor Company) and GIL (Transferee Company) are proposing Scheme of Amalgamation between WCL, GIL and their respective shareholders pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956, (The Act) and other applicable provisions of the Act and/or Rules/Regulations made there under with effect from April 1, 2014 (hereinafter referred to as the "Scheme"). The Scheme is subject to approval by the High Courts of the respective jurisdictions. As a part of the Scheme, WCL will be amalgamated with GIL and cease to exist.

We understand from the management that the shareholders of WCL be issued shares of GIL as consideration for the proposed amalgamation of WCL with GIL. For the aforesaid purpose the managements of GIL and WCL have appointed SSPA & Co (SSPA) as valuer (referred to as Valuer) to prepare a valuation report on the fair exchange ratio for issue of GIL shares to the shareholders of WCL, to be placed before the respective Audit Committees of the Companies as per the requirement of SEBI circular CIR/CFD/DIL/5/2013 dated February 5, 2013. In this connection, we have been requested by GIL and WCL to render our professional services by way of a fairness opinion on the Swap Ratio from a financial point of view to the Board of Directors of the Company through the Audit Committee of the Board as to whether the Equity Share Exchange Ratio as recommended by the Valuer in their report dated February 7th, 2014 and based on the valuation analysis carried out by them, which forms the basis for the Amalgamation as per the aforesaid scheme is fair and reasonable. The fairness report is required as per clause 24(h) of the Listing Agreement.

1. Background

(A). Godrej Industries Limited (GIL)

GIL was originally incorporated in Gujarat on March 7, 1988 as Godrej Innovative Chemicals Limited, under the provisions of The Companies Act 1956, which was subsequently changed to Godrej Soaps Limited and the Registered Office was shifted from Gujarat to Vikhroli, Mumbai on March 1, 1996.



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NSDL IN300222 • CDSL 14500 • ARN 0284



Pursuant to corporate restructuring in April 2001, the name of the company was changed to Godrej Industries Limited. It is a part of Godrej Group of companies. It is mainly in the businesses of oleo chemicals, surfactants, finance & investments and estate management. It has substantial interests in several industries including property development, oil palm plantation, animal feeds and agro-products, poultry, personal care and household care, etc., through its subsidiaries and associate companies. Godrej & Boyce Manufacturing Company Limited (GBMCL) is one of the promoters of GIL and holds 55.81 % of the paid up capital of GIL. Accordingly, GIL is the subsidiary of GBMCL. GIL is listed on BSE and NSE. Shareholding pattern of GIL as on December 31, 2013 is as under:

Category	Shareholding of equity shares (%)
Promoters	74.89
Public	25.11

Summary of Financials of GIL on Standalone basis for last three financial years is as under:

Year ending / As at March 31	INR Cr		
Category	2011	2012	2013
Total Revenue	1254.54	1469.76	1499.46
Total Expenditure	1118.53	1362.08	1461.01
Profit Before Tax	136.01	201.05*	97.16*
Profit / After Tax	133.43	201.56	96.74
Equity share capital (fully paid up)	31.76	31.76	33.52
Reserves (net of revaluation reserves)	1046.90	1190.23	1582.88
Net Worth	1078.66	1221.99	1616.40

*including exceptional items

(Source: Annual reports)

(B). Wadala Commodities Limited (WCL)

WCL was incorporated as a private limited company on March 09, 1984 under the provisions of the Act, having its registered office in Indore. It is engaged in the business of bulk trading of vegetable oils.

Year ending / As at March 31	INR lakh		
Category	2011	2012	2013
Total Revenue	9.64	39.76	345.09
Total Expenditure	13.17	37.73	321.35
Profit Before Tax	(3.53)	2.03	23.74
Profit / After Tax	(3.53)	2.03	18.14
Equity share capital	216.26	216.26	216.26
Preference capital@	450.00	450.00	450.00
Reserves (net of revaluation)	(559.80)	(557.77)	(539.66)
Net worth	106.46	108.49	126.6

@ Coupon rate is 0.01% p.a (Face Value of Rs. 10/- per share out of which Rs. 9/- Called up and Paid Up). The Preference shares are entirely held by GBMCL.

2. Scheme of Amalgamation

The Salient features of the Draft Scheme are as under:

- a. All assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective book values as may be determined by the Board of Directors. The difference, between the book value of assets and the book value of liabilities transferred to the Transferee Company, in case of excess, shall be credited to Capital Reserve Account and in case of shortfall, be debited to Goodwill Account.
- b. As both the companies are listed in the exchange there will be a swap of shares of WCL with those of GIL. The shareholders of WCL will be allotted shares of GIL on a ratio based on the valuation.
- c. Further, in order to ensure that the interest of the non-promoters shareholders of GIL is not prejudiced and to ensure that there is no dilution of shareholding of the non-promoters of GIL pursuant to the amalgamation of WCL with GIL, the Scheme envisages issue of bonus shares to the non-promoter category shareholders of GIL.
- d. The scheme also envisages issue of 10 equity shares of GIL to the preference share holder of WCL.

3. Scope of Engagement

This report is intended only for the sole use of GIL and WCL and in connection with the proposed Scheme including for the purpose of obtaining judicial and regulatory approvals for the amalgamation.

4. Sources of Information:

We have relied on the following information in issuing this fairness opinion for the purpose of the amalgamation:

1. Draft Scheme of Amalgamation under section 391 to 394 of the Act with regard to the proposed amalgamation;
2. Copy of Memorandum of Association and Articles of Association of GIL and WCL;
3. Shareholding pattern of GIL and WCL as on December 31, 2013;
4. Audited financial statement of GIL and WCL for the years ended March 31, 2013, March 31, 2012 and March 31, 2011 and management certified provisional consolidated financial statements of GIL and stand alone financial statements of WCL for six months ended September 30, 2013.
5. Valuation Report dated February 7, 2014 issued by M/s SSPA&Co, Chartered Accountants, Mumbai; and
6. Such other information, documents, data, reports, discussions and verbal & written explanations from GIL and WCL as well as advisors for merger/amalgamation to GIL/ WCL, public domain websites, as were considered relevant for the purpose of the Fairness Opinion.



5. Basis for Valuation:

5.1. Approach:

5.1.1 The valuers M/s. SSPA&Co have adopted the following methodologies for valuation of GIL and WCL:

- (a) "Underlying Asset" approach;
- (b) "Income" approach; and
- (c) "Market Price" approach;

5.1.2 Under the underlying assets, the assets have been valued on "going concern" basis at the book value. The net asset value of the equity shares have been computed by adjusting the value of the net assets attributable to equity holders as appearing in the books of accounts as at September 30, 2013 for, inter alia, the contingent liabilities adjusted for probability for devolvement, appreciation/diminution in value of investments, estimated net profit for second half of FY 2013-14 and dividend, inflow on account of Employee Stock Grant Scheme and amount payable to preference shareholder, etc. after making adjustments for tax, wherever applicable.

5.1.3 Under the income approach, the valuation has been done based on the maintainable profits on post tax basis, which has been discounted at an appropriate rate of capitalization to arrive at the enterprise value. Requisite adjustments have been accounted for deferred tax liability (net), value of investments, loans and advances to related parties, inter-corporate deposits, contingent liabilities adjusted for probability of devolvement, inflow on account of Employee Stock Grant Scheme, after making adjustment of tax wherever applicable. This approach has not been adopted by the valuer for valuation of WCL, as the company is into trading business and has been incurring losses.

5.1.4 Under the market price approach, the volume weighted average market price for both the listed companies for the last six months have been taken by the valuer.

5.1.5 Based on the methodology adopted by the valuer, the value of equity shares of GIL are as under:

Approach	Value/share INR	Weight
Asset method	243.59	1
Income method (PECV)	273.64	2
Market price	271.28	2
Valuation of outstanding equity shares as on 31.01.2014 of GIL each of Face value of Re.1 each	266.69	

5.1.6 The Value of equity shares of WCL are as under:

Approach	Value/share INR	Weight
Asset method	0.65	1
Income method (PECV)	Not Applicable	
Market price	2.91	4
Valuation of outstanding equity shares as on 31.01.2014 of WCL each of Face value of Re.1 each	2.46	



5.1.7 Adjustments to retain the promoters' holding at same level post merger:

The shareholding pattern of GIL and WCL (Pre merger) are as under:

Particulars-GIL	Shares	%
Promoters	251,234,174	74.89
Non promoters	84,217,112	25.11
Total	335,451,236	100%
Particulars-WCL		
Promoters	11,046,635	51.08
Non promoters	10,579,603	48.92
Total	21,626,238	100%

As per the scheme, the promoters of WCL would receive 10 shares of GIL for the preference capital of Rs.450 lakh held by them.

Further, in order to ensure that the interest of the non-promoters shareholders of GIL is not prejudiced and to ensure that there is no dilution of shareholding of the non-promoters of GIL pursuant to the amalgamation of WCL with GIL, the Scheme envisages issue of bonus shares to the non-promoter category shareholders of GIL. Accordingly, the weighted average value of GIL would stand marginally modified to Rs. 266.63.

Based on the above premises, the valuer has recommended allotment of 1 (one) equity shares of GIL of Re. 1 each fully paid up for every 108 (One hundred and eight) equity shares of WCL of Re. 1 each fully paid up as part of the scheme of merger.

6. Exclusions and Limitations

Our report is subject to the scope limitations detailed hereinafter.

The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

6.1. In the course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.

6.2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.



- 6.3. Our work does not constitute an audit, due diligence or verification of historical financials including the working results of the Companies or their business referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 6.4. We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of GIL will trade following the announcement of the proposed Scheme or as to the financial performance of GIL following the consummation of the proposed Scheme
- 6.5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed transfer with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 6.6. No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of this fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for purpose of this report.
- 6.7. Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed merger, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 6.8. This report has been issued for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFID/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 and it shall not be valid for any other purpose.

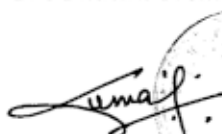
7. Opinion & Conclusions

With reference to above and based on information provided by the management of the entities forming part of the amalgamation and after analyzing the Draft Scheme, we understand that the present Scheme has been intended to merge WCL into GIL. There will be no change in the promoter and public shareholding pattern of the resulting public listed Company i.e. GIL.



In light of the forgoing and subject to the caveats as detailed hereinbefore, we as a Merchant Banker hereby certify that, in our opinion the exchange ratio of allotment of one equity share of Godrej Industries Limited of face value of Re.1/- share in exchange of 108 equity shares of Wadala Commodities Limited of face value of Re.1/- share to the equity shareholders of Wadala Commodities Limited as part of Scheme of Amalgamation is fair and reasonable.

For *Dalmia Securities Private Limited*



Jeyakumar S
COO- Investment Banking

INSTRUCTIONS FOR VOTING

Voting through Physical Postal Ballot Form

1. The members are requested to carefully read the instructions printed in the Postal Ballot form and return the Postal Ballot form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self addressed envelope, so as to reach the Scrutinizer, before July 21, 2014, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member.
2. The members are requested to exercise their voting rights by using the attached Postal Ballot form only. No other form or photocopy thereof is permitted.
3. Envelopes containing Postal Ballot form if deposited in person or sent by courier at the expense of the registered member will also be accepted.

E-voting Facility

Pursuant to Section 110 of the Companies Act, 2013 and applicable rules thereunder and Clause 35B of the Equity Listing Agreement, the Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. Members have option to vote either through e-voting or through the Postal Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-voting shall be treated as invalid. For this purpose, the Company has signed an agreement with the Central Depository Services (India) Limited (“**CDSL**”) for facilitating e-voting.

The instructions for members for voting electronically are as under:-

If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.

(A) In case of members receiving e-mail:

- i) Open the e-mail which contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on “Shareholders” tab to cast your votes.
- iv) Select the Electronic Voting Sequence Number (“EVSN”) along with “WADALA COMMODITIES LIMITED” from the drop down menu and click on Submit.
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User-ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
Password	Your unique password has been printed on the postal ballot form / mentioned in the e-mail vide which the Postal Ballot Notice has been emailed to you.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: 98765 in the PAN field or use physical Postal Ballot Form for voting.

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach ‘Password Change’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company

or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

- viii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.
- ix) For members holding shares in physical form, the password and default number can be used only for e-voting on the resolution contained in this Postal Ballot Notice.
- x) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Enter the number of equity shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the “Resolution File Link” if you wish to view the entire Postal Ballot Resolution.
- xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(B) In case of members receiving Postal Ballot Form by Post:

- i) Initial password and other details are provided as below at the bottom of Postal Ballot Form:

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD

- ii) Please follow all steps from sl. no. (ii) to sl. no. (xiii) above, to cast vote.

(C) The voting period ends on **5.30 p.m. on July 21, 2014**. The e-voting module will be disabled by CDSL for voting thereafter.

(D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Members have the option either to vote through the e-voting process or through the Postal Ballot Form. Members who have received the Postal Ballot Notice by email and who wish to vote through Postal Ballot Form can seek duplicate Postal Ballot Form from M/s. Computech Sharecap Limited, 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Fort, Mumbai – 400 001, fill in the requisite details and send the same to the Scrutinizer.