

FDC

FDC Limited

MANUFACTURERS & EXPORTERS OF FOODS, DRUGS & CHEMICALS

Members:

1. CA. Girish C. Sharedalal - Chairman
2. Dr. Rahim H. Muljiani - Director
3. CA. Vinod G. Yennemadi - Director
4. Mr. Mohan A. Chandavarkar - Managing Director

In Attendance:

1. Mr. Sanjay Jain - Chief Financial Officer
2. Ms. Varsharani Katre - Company Secretary
3. Mr. Ramnik Chhatbar - Internal Auditor

1. BACKGROUND:

The Company has placed before the Audit Committee, the Scheme of Amalgamation and Arrangement between Soven Trading & Investment Company Private Limited and Sudipta Trading & Investment Company Private Limited and Transgene Trading & Investment Company Private Limited and Anand Synthochem Limited (hereinafter collectively referred to as the 'Transferor Companies') and FDC Limited and consequent reduction of Equity Share Capital of the Company consequent to cancellation of the equity shares presently held by the Transferor Companies in the Company and issue of shares of FDC Limited to the shareholders of the Transferor Companies. The Scheme has been placed before the Audit Committee for its recommendation as required by Securities and Exchange Board of India (SEBI) vide Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

This report of the Audit Committee is made in order to comply with the requirements of the Circular after considering the following necessary documents.

- a. Draft Scheme of Amalgamation and Arrangement between Soven Trading & Investment Company Private Limited ("**First Transferor Company**" or "**Soven**") and Sudipta Trading & Investment Company Private Limited ("**Second Transferor Company**" or "**Sudipta**") and Transgene Trading & Investment Company Private Limited ("**Third Transferor Company**" or "**Transgene**") and Anand Synthochem Limited ("**Fourth Transferor Company**" or "**ASL**") and FDC Limited ("**FDC**" or "**Transferee Company**") and their respective shareholders under Sections 391 to 394 of Companies Act, 1956 read with Sections 66 and 55 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and rules made there under ("**the Scheme**").
- b. The opinion of Jyoti Ravindra & Co., Independent Chartered Accountants recommending the fair share exchange ratio for the said Scheme which is supported by the Fairness Opinion of RR Investor Capital Service Private Limited, Category I Merchant Banker, registered with SEBI.
- c. Certificate in accordance with Clause 24 (i) of the Listing Agreement obtained from M/s. S R B C & Co. LLP, Statutory Auditors, regarding the accounting treatment being followed in the Scheme is in compliance with all the applicable Accounting Standard as specified under the Companies Act, 1956 / the Companies Act, 2013.

**CERTIFIED TRUE COPY
For FDC LIMITED**



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FDC Limited

Proposed Scheme of Amalgamation

No.

The rationale of the amalgamation is as follows:

The proposed amalgamation of the Transferor Companies viz. Soven, Sudipta, Transgene and ASL into the Transferee Company would inter-alia result in the simplification of the Group structure and alignment of group businesses and consolidation of the group companies in one entity thereby resulting in rationalization and standardization of the business processes, economies of scale, reduction in overheads, administrative, managerial and other expenditure, organizational efficiency, and optimal utilization of resources which would be beneficial for all members and other stakeholders.

Some of the salient features of the Scheme are as under:-

1. The Appointed Date of the Scheme is September 1, 2014.
2. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the entire undertakings of the Transferor Companies including all its properties and assets, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.
3. With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Companies without any further act or deed be and stand also transferred and/or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company.
4. Any securities, debentures or notes issued by the Transferor Companies and held by the Transferee Company, and vice versa, at any time prior to the Effective Date, shall stand cancelled as on the Effective Date, and shall be of no effect and the Transferor Companies or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.
5. The scheme will be subject to the approval of the regulatory authorities such as BSE, NSE, Bombay High Court, and the shareholders/creditors of the respective company.

2. RECOMMENDATIONS OF THE AUDIT COMMITTEE

The Committee noted that, post issue of such number of equity shares, as per the swap ratio, by the Company to the shareholders of the Transferor Companies pursuant to the Scheme, there will be no adverse implication on the shareholding of the Company. Further the merger will not have any adverse financial implication on the Company. In view of the above, the Audit Committee recommends the Scheme for consideration by the Board of Directors of the Company, and subject to approval by the Board of Directors, for consideration by the BSE Limited, National Stock Exchange of India Limited and the SEBI.

For and on behalf of Audit Committee of FDC Limited

CA. Girish C. Shreedalal
Chairman

Date: September 06, 2014
Place: Mumbai

