

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 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

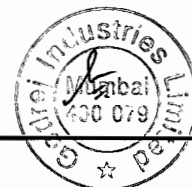
DEFINITIONS AND SHARE CAPITAL

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.

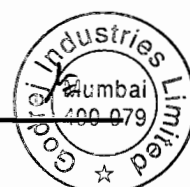
3. SHARE CAPITAL

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)
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 & 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)
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



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 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 Scheme being approved by a shareholders' resolution of GIL and WCL passed by way of postal ballot/e-voting in terms of para 5.16 of Circular Number CIR/CFD/DIL/5/2013 dated February 4th, 2013 issued by Securities and Exchange Board of India read with para 7 of Circular Number CIR/CFD/DIL/8/2013 dated May 21st, 2013 issued by Securities and Exchange Board of India; provided that the said resolution shall be acted upon only if the votes cast by the public shareholders of the respective company in favor of the proposal are more than the number of votes cast by the public shareholders against it;
- 15.4 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;
- 15.5 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.
- 15.6 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.

