



NOCIL LIMITED

Regd. Office : Mafatlal House, 3rd Floor, H. T. Parekh Marg,
Backbay Reclamation, Churchgate, Mumbai - 400 020, India.
Tel.: +91 22 6657 6100, 6636 4062 Fax +91 22 6636 4060
Website: www.nocil.com CIN No. L99999MH1961PLC012003
Email: investorcare@nocil.com



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Report of Audit Committee

REPORT OF THE AUDIT COMMITTEE OF NOCIL LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF SUREMI TRADING PRIVATE LIMITED AND SUSHRIPADA INVESTMENTS PRIVATE LIMITED WITH NOCIL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS.

Date of the Audit Committee meeting : 30th January, 2020
Venue : Mafatlal House, H.T. Parekh Marg,
Backbay Reclamation, Mumbai 400 020

Present – Members

Mr. D.N. Mungale : Chairman
Mr. Vilas R. Gupte : Member
Mr. P. V. Bhide : Member
Mr. D. Bhattacharya : Member

1. Background

1.1 A draft Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, as may be applicable, of Suremi Trading Private Limited ('Suremi' or 'the Transferor Company 1') and Sushripada Investments Private Limited ('Sushripada' or 'the Transferor Company 2') with NOCIL Limited ('NOCIL' or 'the Transferee Company' or 'the Company') and their respective Shareholders ("Scheme") has been placed before the Audit Committee by the management for it to consider recommending the said draft Scheme to the Board of Directors.

1.2 The Scheme inter-alia provides for amalgamation of Suremi and Sushripada with the Company.

The Equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The Company will be filing the Scheme along with necessary information / documents with both the mentioned exchanges.



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- 1.3 The report of Audit Committee is made in order to comply with the requirements of the SEBI circular No CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after considering the following:
- Draft Scheme, duly initialed by Company Secretary of the Company for the purpose of identification;
 - Valuation report dated 30th January 2020 issued by M/s R V Shah & Associates, Chartered Accountants (Registered Valuers);
 - Valuation report dated 30th January 2020 issued M/s SSPA & Co., Chartered Accountants;
 - Fairness Opinion Report dated 30th January 2020 issued by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker providing the fairness opinion on the share entitlement recommended in the valuation report prepared by M/s SSPA & Co., Chartered Accountants; and
 - Certificate obtained from the Statutory Auditors of the Company i.e. M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants to the effect that the Scheme is in compliance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013

2. Proposed Scheme

- 2.1 The Audit Committee reviewed the valuation report and noted the report and recommended the following:

In consideration for the amalgamation of Suremi and Sushripada with NOCIL in terms of the Scheme and based on valuation report issued by M/s R V Shah & Associates, Chartered Accountants, (Registered Valuers) , M/s SSPA & Co., Chartered Accountants and fairness opinion provided by M/s. Keynote Corporate Services Limited, a Category I Merchant Banker, NOCIL will issue and allot in aggregate 2,97,33,050 (Two Crores Ninety Seven Lacs Thirty Three Thousand And Fifty) fully paid-up equity shares of the face value Rs. 10/- (Rupee Ten) each, in the following manner:

- 2,07,72,170 equity shares of the face value of Rs. 10 each fully paid-up, to the equity shareholders and compulsorily convertible preference shareholders of Suremi, as on the Record Date as defined in the Draft Scheme, in the proportion of their holding in Suremi;





- 89,60,880 equity shares of the face value of Rs. 10 each fully paid-up, to the equity shareholders and compulsorily convertible preference shareholders of Sushripada, as on the Record Date as defined in the Draft Scheme, in the proportion of their holding in Sushripada.

In case Suremi and Sushripada acquire additional equity shares of NOCIL before the Appointed Date without incurring any additional liability, such additional number of equity shares of NOCIL shall also be issued and allotted to the shareholders of Suremi and Sushripada in proportion of their holdings in Suremi and Sushripada respectively.

- 2.2 Further, the Fairness Opinion confirmed that the share entitlement in the valuation report is fair to the Company, Suremi, Sushripada and their respective shareholders.
- 2.3 Further, the existing equity shares held by the Transferor Companies (i.e. 2,97,33,050 equity shares of the face value of Rs. 10 each fully paid-up) in the share capital of the Company shall stand cancelled, without any further act or deed, upon this Scheme becoming effective.
- 2.4 Further, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountant, Statutory Auditors of the Company have confirmed that the accounting treatment as specified in the Scheme is in accordance with applicable Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013.
- 2.5 The proposed Appointed Date for the amalgamation will be 1st October, 2020 or such other date fixed by the National Company Law Tribunal, Mumbai Bench.
- 2.6 Under the proposed Scheme, all assets and liabilities, pertaining to Suremi and Sushripada, of whatsoever nature and where so ever situated, shall without any further act or deed be transferred to and vested in the Company as a going concern with effect from the Appointed Date.
- 2.7 The equity shares of NOCIL to be issued and allotted to all the shareholders of Suremi and Sushripada pursuant to the Scheme shall be listed on BSE Limited and National Stock Exchange of India Limited (subject to trading permission being granted by the stock exchanges).





3. Recommendations of the Audit Committee

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

By Order of the Audit Committee

For and on behalf of

NOCIL LIMITED

A handwritten signature in blue ink, appearing to read "D. N. Mungale", is written over the printed name.

D. N. Mungale
DIN: 00007563



Chairperson of the Audit Committee

Date:30/01/2020

Place: Mumbai