



# Valiant Organics Limited

Regd. Off. : 109, Udyog Kshetra, 1st Floor,  
Mulund Goregaon Link Road,  
Mulund (W), Mumbai - 400 080.

Tel. : 91-22-2591 3767 / 6

Tel. : 91-22-6797 6640 / 5

Fax : 91-22-2591 3765

E-mail : info@valiantorganics.com

Website : www.valiantorganics.com

CIN NO.: U24230MH2005PLC151348

## REPORT FROM THE AUDIT COMMITTEE OF VALIANT ORGANICS LIMITED.

### MEMBERS PRESENT:

SHRI DHIRAJLAL DAMJI GALA	(IN THE CHAIR)
SMT JEENAL KENIL SAVLA	Member
SHRI HEMCHAND LALJI GALA	Member

### IN ATTENDANCE:

SHRI ARVIND KANJI CHHEDA	Director And Chief Financial Officer
SHRI JATIN VORA	Statutory Auditors
SHRI PRASHANT GAIKWAD	Company Secretary

### 1. Background

We have been informed that the Board of Directors of Valiant Organics Limited ("VOL" or "Company") is proposing to consider a proposed Scheme of Amalgamation of Abhilasha Tex – Chem Limited with the Company.

The Securities and Exchange Board of India (SEBI) vide its circular No SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015 has, amongst other requirements, sought a report from the Audit Committee of the listed entity recommending the Draft scheme.

In view of the above Circular, members of the Audit Committee of the Company have discussed and approved the Draft Scheme vide a resolution passed at its meeting held on November 9, 2016 and have made this report, after perusing the following necessary documents:

- Draft Scheme of Amalgamation;
- Valuation Report dated 9<sup>th</sup> November, 2016 issued by GBCA and Associates, Chartered Accountants;
- Fairness Opinion Report dated 9<sup>th</sup> November, 2016 issued by Inga Capital private Limited.

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VALIANT ORGANICS LTD.

DIRECTOR

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This report of the Audit Committee is made in order to comply with the requirements of the Circular.

## 2. Rationale of the Scheme

- (i) Abhilasha and Valiant both are engaged in business of manufacturing, buying, selling and exporting of chemicals. Valiant is mainly engaged in business of manufacturing and marketing of different types of chlorophenol which is a chemical which has several applications mainly into agro-chemical industry with a single location manufacturing facility at Sarigam Industrial Estate. Abhilasha Tex-chem Limited is in the business of Specialty chemical intermediate which will help in diversification
- (ii) This Scheme will lead to consolidation of business and assets of the Company, synergy of operations and networks of both the Companies. This will help achieve better and more efficient utilization of available resources, benefits of internal economies, diversification and improving organizational efficiency;
- (iii) The merger of the Abhilasha with Valiant will result in an increase in the public float of Valiant, which will form part of public shareholding and not that of promoter group. That will in turn increase the trading stock of the shares of Valiant.
- (iv) Increase in the public float and trading stock of the shares of Valiant will positively impact the liquidity of the shares of Valiant.

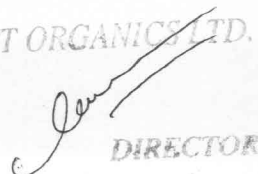
## 3. Consideration of the Scheme:

In consideration for the amalgamation of Abhilasha Tex – Chem Limited with the Company in terms of the draft Scheme and based on the share exchange ratio recommended by the Independent Chartered Accountant and fairness opinion provided by the Merchant Banker, the share Exchange ratio shall be as follows –

365 (Three Hundred and Sixty Five ) fully paid Equity Shares of Rs 10/- (Rupees 10 only) each of Valiant Organics Limited shall be issued and allotted for every 100 (Hundred) fully paid Equity Shares of Rs 100 /- (Rupees Hundred only) each held in Abhilasha Tex –Chem Limited.

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VALIANT ORGANICS LTD.

  
DIRECTOR





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#### 4. Recommendations of the Audit Committee

Based on the above, the Audit Committee recommends the Scheme, proposed to be considered by the Board of Directors of the Company, for favourable consideration.

Date : 9<sup>th</sup> November, 2016  
Place : Mumbai

Shri Dhirajlal Damji Gala  
Chairman, Audit Committee

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VALIANT ORGANICS LTD.

  
DIRECTOR