



Corporate Office :  
"Gokul House", 43-Shreemali Co-op. Housing Society Ltd.  
Opp. Shikhar Building, Navrangpura,  
Ahmedabad-380 009. Gujarat (India)  
Ph. : +91-79-66304555, 66615253/54/55  
Fax : +91-79-66304543 Email : [grsl@gokulgroup.com](mailto:grsl@gokulgroup.com)

**Report of the Audit Committee of Gokul Refoils and Solvents Limited**

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**Members Present in Meeting Held on 4<sup>th</sup> July, 2014.**

Mr. Piyushchandra Vyas	Chairman
Mr. Kanubhai Thakkar	Member
Mr. Karansinhji Mahida	Member
Dr. Dipoooba Devada	Member

**1. Background**

We have been informed that the Board of Directors of Gokul Refoils and Solvent Limited ('the Company') is proposing to consider a "Composite Scheme of Arrangement between Gokul Refoils and Solvent Limited and Gokul Agro Resources Limited and Gokul Agri International Limited and their respective shareholders and creditors" ("Scheme").

The Scheme comprises of the following arrangements:

- (a) Demerger of Gandhidham Undertaking and Gandhidham Windmill Undertaking (collectively referred to as 'Gandhidham Undertakings') to Gokul Agro Resources Limited; and
- (b) Transfer of Sidhpur Undertaking and Sidhpur Windmill Undertaking (collectively referred to as 'Sidhpur Undertakings') to Gokul Agri International Limited

All the abovementioned companies are part of the Gokul Group ('the Group').

As required under clause 24(f) of the Listing Agreement, the Company will be filing the Scheme along with other necessary information / documents with BSE-Limited and NSE Limited.

The Securities and Exchange Board of India (SEBI) vide its circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 read with Circular No. CIR/CFD/DIL/8/2013 dated 21st May 2013 ('Circulars'), has, amongst other requirements, sought a report from the Audit Committee of the listed entity recommending the Draft Scheme.

**Regd. Office & Works** : State Highway No-41, Nr. Sujapur Patia, Sidhpur-384 151. Dist. Patan, Gujarat (India)  
Phone : +91-2767 - 222075, 220975 Fax : +91-2767-223475 E-mail : [grsl@gokulgroup.com](mailto:grsl@gokulgroup.com)

**Gandhidham Unit** : 89, Meghpar-Borichi, Galpadar Road, Nr. Sharma Resort, Ta-Anjar, Dist. Kutch-370 110 Gujarat (India)  
Phone : +91-2836-247075 / 76 / 77 / 78 / 79 Fax : +91-2836-247080

**Surat Unit** : N.H. No-8, Nr. Kamrej Sugar Factory, At : Navi Pardi, Ta. : Kamrej, Dist : Surat, Gujarat (India). E-mail : [grsl@gokulgroup.com](mailto:grsl@gokulgroup.com)

**Haldia Refinery Unit** : J.L.N. 149 Plot No Near Essar Petrol pump, HPL Link Road, P.O. Debhog City Centre,  
P.S. Bhabanipur, Haldia Purba - Medanipur -721657 (West Bengal) Phone : 03224 252839





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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 4th day of July 2014 and have made this report, after perusing the following necessary documents:

- 1) Draft Scheme; and
- 2) Valuation Report of M/s SSPA & Co, Chartered Accountants

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

### 2. Rationale of the Scheme

It is proposed to transfer Gandhidham Undertakings and Sidhpur Undertakings of Gokul Refoils and Solvent Limited to Gokul Agro Resources Limited and Gokul Agri International Limited respectively.

The transfer and vesting of the Gandhidham Undertaking and Sidhpur Undertakings to Gokul Agro Resources Limited and Gokul Agri International Limited respectively pursuant to this Scheme is with a view to geographical operational efficiencies, adopting the best management practices, establishing highest operational standards and also to unlock the economic value of the Gandhidham Undertakings and Sidhpur Undertakings.

The re-organization exercise would, *inter-alia*, achieve the following:

- a. Restructuring would result in two independent listed companies, which would provide opportunities to the respective businesses to attract different set of investors, strategic partners, lenders and other stakeholders thereby unlocking value of respective business and existing shareholders.
- b. Restructuring of businesses would enable respective management(s) to concentrate on core businesses and strengthen competencies and provide independent opportunities to increase scale of operations, etc.;
- c. Restructuring would result in focused management attention to the respective businesses and segregation of businesses with distinct risk-reward profiles.

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### 3. Consideration of the Scheme

- For demerger of Gandhidham Undertakings into Gokul Agro Resources Limited:

*1 (One) fully paid up Equity Share of INR 2 (Rupees Two Only) each of GARL shall be issued and allotted for every 1 (One) fully paid up Equity Share of INR 2 (Rupees Two Only) each held in GRSL*

- For transfer of Sidhpur Undertakings to Gokul Agri International Limited

*GAIL shall issue such number of shares to GRSL equivalent to the value as may be determined and mutually agreed between the Board of Directors of GRSL and GAIL in respect of the assets and liabilities being transferred pertaining to Sidhpur Undertakings.*

### 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: 4<sup>th</sup> July, 2014

Place: Ahmedabad



*[Signature]*  
Chairman

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