



**Report of Audit Committee recommending draft Scheme of Arrangement**

1. Draft of the Scheme of Arrangement between Gillanders Arbuthnot And Company Limited ("GACL") and Barfani Builder Limited ("BBL") and their respective shareholders for reconstruction by transfer of the Chemical (Waldies) Division of GACL in India ("Chemical Division") to BBL with effect from 1<sup>st</sup> April, 2015 was considered by the Audit Committee in its meeting held on 31<sup>st</sup> March, 2016. The Scheme is subject to and conditional upon the requisite approvals being received therefor, including approval of the same by the requisite majorities of the members of GACL and BBL and sanction by the Hon'ble High Court at Calcutta. Accordingly, the Scheme although operative from the Appointed Date would become effective on the Effective Date, being the date or last of the dates on which certified copies of the order of the Hon'ble High Court at Calcutta sanctioning the Scheme are filed with the Registrar of Companies.

2. The following documents were placed before the Audit Committee:

- a. Draft of the Scheme of Arrangement for reconstruction prepared by Messrs. Khaitan & Co, Advocates.
- b. Report dated 31<sup>st</sup> March, 2016 of Messrs. N. K. Chakravarty & Company, Chartered Surveyors & Govt. Regd. Valuers, on Market Value of the fixed assets of the Chemical Division of GACL.
- c. Report dated 31<sup>st</sup> March, 2016 of Messrs. ARSK & Associates, Chartered Accountants on valuation of the Chemical Division and consideration for the reconstruction taking into account, inter alia, the report of Messrs. N. K. Chakravarty & Company, Chartered Surveyors & Govt. Regd. Valuers, on Market Value of the fixed assets of the Chemical Division.
- d. Fairness Opinion dated 31<sup>st</sup> March, 2016 of Messrs. Sumedha Fiscal Services Limited, Merchant Bankers, on the said valuations and recommended consideration.

2. The consideration for the reconstruction has been recommended as under:-

In consideration of the proposed reconstruction by transfer of the Chemical Division to BBL, 1,46,80,000 Equity Shares of Rs.10/- each credited as fully paid up in BBL be issued and allotted by BBL to GACL.

3. The Committee has reviewed the Report dated 31<sup>st</sup> March, 2016 of Messrs. N. K. Chakravarty & Company, Chartered Surveyors & Govt. Regd. Valuers on Market Value of the fixed assets of the Chemical Division of GACL and Report dated 31<sup>st</sup> March, 2016 of Messrs. ARSK & Associates, Chartered Accountants on valuation of the Chemical Division and consideration for the reconstruction taking into account, inter alia, the said report of Messrs. N. K. Chakravarty & Company, Chartered Surveyors & Govt. Regd. Valuers. After appraisal of the methodology and basis followed by the said valuers and going through the workings in detail, the Committee is satisfied with the said reports and finds the recommended consideration to be fair and reasonable. The Committee also finds the draft Scheme as placed before it to be in order.

4. The Committee hereby approves and recommends the draft Scheme.

**CERTIFIED TRUE COPY**

For Gillanders Arbuthnot & Co. Ltd.

31<sup>st</sup> March, 2016.

*Shanmugam Karmala*  
Company Secretary



By order of the Audit Committee

*[Signature]*  
Chairman