

ANNEXURE- D

REPORT OF THE AUDIT COMMITTEE OF CHORDIA FOOD PRODUCTS LIMITED
RECOMMENDING DRAFT SCHEME OF ARRANGEMENT

MEMBERS:

1. Mr. Vijaykumar Kankaliya- Chairman
2. Mr. Pradeep Chordia- Member
3. Mrs. Gargi Sharma- Member

IN ATTENDANCE:

1. Ms. Tejashree Bhalerao- Company Secretary

1. Background:

The Draft Scheme of Arrangement between Chordia Food-Park and Properties Limited and Pravin Foods Private Limited and Chordia Food Products Limited and their respective shareholders was placed before the Audit Committee for recommendation of the Scheme to the Board of Directors.

Pursuant to the SEBI Circular No.CIR/CFD/DIL/5/2013 dated 4th February, 2013, members of the Audit Committee of Chordia Food Products Limited discussed and approved the proposed Scheme of Arrangement at its meeting held on Wednesday, 3rd May, 2017 and have made this report after perusing the Draft Scheme of Arrangement.

This report of the Audit Committee is made to comply with the requirements of the Circular and after considering the following documents:

- (a) Valuation Report dated 2nd May 2017 issued by Haresh Upendra & Co Chartered Accountants; and
- (b) Fairness Opinion Report dated 2nd May 2017 issued by Navigant Corporate Advisors Limited Category- I Merchant Banker on the valuation done by Haresh Upendra & Co

CHORDIA FOOD PRODUCTS LTD
Chartered Accountants;

Office: Above S. K. Agencies, 38/39, Tarkar Compound, Hadapsar Industrial Estate, Hadapsar, Pune-411 013.
Tel.: 020-26871500 Email: fcd@chordiafoods.com Website: www.chordiafoods.com

Registered Office: 399/400, Sangavi (Shirwal), Tal. Khandala, Dist. Satara-412801
Tel.: 9922990065 CIN : L15995PN1982PLC026173



2. Proposed Scheme of Arrangement:

The Committee noted that salient features of the Scheme were as under:

Rationale of the Scheme:-

It is proposed to demerge Demerged Undertaking of Chordia Food – Park and Properties Limited (“CFPPL”) into Chordia Food Products Limited (“CFPL”) and amalgamate Pravin Foods Private Limited (“PFPL”) into Chordia Food Products Limited (“CFPL”) by this Scheme, as a result of which the following benefits shall, inter-alia, accrue to the shareholders and stakeholders of CFPL –

1. To acquire food product business including hand-made and machine-made papad sold under brand name “Suhana”.
2. CFPL will be able to scale up its current business as well as that of the demerged undertaking of CFPPL as it will be able to take advantage of adequate storage capacity available with CFPPL. The premises are adjacent to each other.
3. CFPL will be able to add new categories of food products and will be able to promote the authentic Indian flavors in various countries
4. Combining of total business functions and the related activities and operations will bring economy of scale and thus contribute to the profitability of CFPL.
5. CFPL is having established marketing capabilities whereas CFPPL is having only manufacturing facilities which are underutilized. After the Arrangement CFPL would be able to combine business operations and utilize the manufacturing infrastructure facilities effectively
6. CFPPL has several commercial activities/businesses which are distinct and diverse from each other, the demerger will ensure focused management attention and resources and skill set allocation.
7. The Arrangement will provide maximization of Shareholders value and will give better returns to all stakeholders



3. Recommendations of the Audit Committee:

The Audit Committee recommends the Draft Scheme, inter alia, taking into consideration the Valuation Report dated 2nd May, 2017 issued by Haresh Upendra & Co Chartered Accountants and fairness Report of Navigant Corporate Advisors Limited (Merchant Banker), for favorable consideration of the Board of Directors, Stock Exchange(s), SEBI and other appropriate authorities.

For Chordia Food Products Limited

Vijaykumar Kankaliya

(Vijaykumar Kankaliya)

Chairman of Audit Committee



Date: 3rd May, 2017.