



LASA SUPERGENERICS LIMITED

CORPORATE OFFICE: B/207, City Point, Near Kohinoor Hotel, J B Nagar (Chakala) Metro Station, Andheri (E), Mumbai – 400059, Maharashtra, India.
Tel: 022-4970 1092, Email: mail@lasalabs.com, Website: www.lasalabs.com

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| To, Corporate Services Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. BSE CODE –540702 | To, Corporate Services Department National Stock Exchange of India Limited “Exchange Plaza”, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. NSE CODE: LASA |
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Report of the Audit Committee

DIRECTORS PRESENT PHYSICALLY:

1. CA. Hardesh R. Tolani (Chair Person)
2. CA. Ekta A. Gurnasinghani (Member)
3. Mr. Omkar P. Herlekar (Member)

BACKGROUND

The Company Placed before the Audit Committee the Scheme of Amalgamation (The Scheme) for the merger of Harishree Aromatics and Chemicals Pvt Ltd (HACPL or Transferor company) with Lasa Supergenerics Ltd (LSL or Transferee Company) for recommendation of Scheme by Audit Committee to the Board

SEBI has vide their circular no CIR/CFD/DIL3/CIR/2017/21 dated March 10,2017 sough a report from Audit Committee of the listed entity recommending the draft scheme of amalgamation.

This report of the Audit Committee is made in order to comply with the requirements of the circular after considering the draft Scheme of Amalgamation.

In the light of the above circular, The ACM at its meeting held on February 25, 2020 approved the scheme of draft scheme and has made this report after pursuing the following documents:

- 1) Draft Scheme of Amalgamation
- 2) Valuation report dated February 25,2020
- 3) Fairness Opinion dated February 25,2020



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Rationale of Scheme

The Transferor Company is engaged in the business of organic and inorganic chemicals, chemical compounds and other preparations including undertaking job work for manufacturing and processing of all kinds of chemicals, drugs, intermediates, pharmaceutical, fine chemicals, reagents, laboratory grade chemicals etc. The promoter of the Transferee Company is major shareholder, holding 96.21 % of the issued, subscribed and paid up equity share capital of the Transferor Company. The Transferee Company is engaged in the business as manufacturers of organic and inorganic chemicals and their by-products, pharmaceuticals, drugs, intermediates, fine chemicals reagents, laboratory grade chemicals, dye stuffs, dyes and colours, enzymes, derivatives, formulations, plastics, pesticides, pigments, varnishes, paints, agro-chemicals, petrochemicals, compound industrial and other preparations, processing of all kinds of chemicals, drugs, intermediates, pharmaceuticals, fine chemicals, reagents, laboratory grade chemicals and to provide consultancy services, contract research, feasibility studies, working out of process details and equipment specification, plant erection and commencement of new project on turn-key basis. The amalgamation of the Transferor Company with the Transferee Company will provide significant synergistic benefits, economies of scale, consolidation of finances and operational efficiencies as well as forward integration of the business of the Transferee Company, amalgamation shall also add into the top line of the transferee company ultimately increasing the shareholder's value.

The Amalgamated Company (defined below) will have greater efficiency in overall business including economies of scale, cash flow management of the amalgamated entity and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the companies and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances, etc. resulting in maximisation of shareholders value.

Amalgamation will result in cost saving for the Transferor Company and the Transferee Company as they are engaged in the related and interdependent activity which is expected to result in higher net worth and cost savings for the Amalgamated Company.



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The Amalgamated Company will have the benefit of the combined resources of the Transferor Company and the Transferee Company i.e., market share, scale, efficiency, combined net-worth, combined employee base, reserves, investments, and other assets, manpower, consolidated pool of finances, including optimization of borrowing costs and administrative compliances related thereto, larger size, consolidation of operations, mitigating competition, future opportunities, etc. The Amalgamated Company would be in a position to carry on consolidated operations through optimum utilization of its resources and integrated production facilities.

Recommendation

The Audit Committee recommends the draft scheme for favorable consideration.

This report of audit Committee is made in order to comply with the requirements of aforesaid circulars.

Date : Mumbai

Place : February 25,2020



Hardesh Tolani

Chairman of Audit Committee





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Report of the Audit Committee

DIRECTORS PRESENT PHYSICALLY:

1. CA. Hardesh R. Tolani (Chair Person)
2. CA. Ekta A. Gurnasinghani (Member)
3. Mr. Omkar P. Herlekar (Member)

BACKGROUND

The Company placed before the Audit Committee the all documents and additional requirements with respect to Scheme of Amalgamation (The Scheme) for the merger of Harishree Aromatics and Chemicals Pvt Ltd (HACPL or Transferor company) with Lasa Supergenerics Ltd (LSL or Transferee Company) for recommendation of Scheme by Audit Committee to the Board

SEBI has vide their circular no CIR/CFD/DIL3/CIR/2017/21 dated March 10,2017 sough a report from Audit Committee of the listed entity recommending the draft scheme of amalgamation.

This report of the Audit Committee is made in order to comply with the requirements of the circular after considering the draft Scheme of Amalgamation.

In the light of the above circular, The ACM at its meeting held on February 25, 2020 approved draft scheme and also took note of other additional documents as below on May 20th ,2020

- 1) Clause 21 (b) of draft Scheme Of Amalgamation.
- 2) Valuation report dated February 25,2020 and addendum dated May 19,2020.
- 3) Fairness Opinion dated February 25,2020 and addendum dated May 19,2020.

Rationale of Scheme

The Transferor Company is engaged in the business of organic and inorganic chemicals, chemical compounds and other preparations including undertaking job work for manufacturing and processing of all kinds of chemicals, drugs, intermediates, pharmaceutical, fine chemicals, reagents, laboratory



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grade chemicals etc. The promoter of the Transferee Company is major shareholder, holding 96.21 % of the issued, subscribed and paid up equity share capital of the Transferor Company. The Transferee Company is engaged in the business as manufacturers of organic and inorganic chemicals and their by-products, pharmaceuticals, drugs, intermediates, fine chemicals reagents, laboratory grade chemicals, dye stuffs, dyes and colours, enzymes, derivatives, formulations, plastics, pesticides, pigments, varnishes, paints, agro-chemicals, petrochemicals, compound industrial and other preparations, processing of all kinds of chemicals, drugs, intermediates, pharmaceuticals, fine chemicals, reagents, laboratory grade chemicals and to provide consultancy services, contract research, feasibility studies, working out of process details and equipment specification, plant erection and commencement of new project on turn-key basis. The amalgamation of the Transferor Company with the Transferee Company will provide significant synergistic benefits, economies of scale, consolidation of finances and operational efficiencies as well as forward integration of the business of the Transferee Company, amalgamation shall also add into the top line of the transferee company ultimately increasing the shareholder's value.

The Amalgamated Company (defined below) will have greater efficiency in overall business including economies of scale, cash flow management of the amalgamated entity and unfettered access to cash flow generated by the combined business which can be deployed more efficiently for the purpose of development of businesses of the companies and their growth opportunities, eliminate inter corporate dependencies, minimize the administrative compliances, etc. resulting in maximisation of shareholders value.

Amalgamation will result in cost saving for the Transferor Company and the Transferee Company as they are engaged in the related and interdependent activity which is expected to result in higher net worth and cost savings for the Amalgamated Company.

The Amalgamated Company will have the benefit of the combined resources of the Transferor Company and the Transferee Company i.e., market share, scale, efficiency, combined net-worth, combined employee base, reserves, investments, and other assets, manpower, consolidated pool of finances, including optimization of borrowing costs and administrative compliances related thereto, larger size, consolidation of operations, mitigating competition, future opportunities, etc. The Amalgamated Company would be in a position to carry on consolidated operations through optimum utilization of its resources and integrated production facilities.



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Recommendation

The Audit Committee recommends the draft scheme for favorable consideration.

This report of audit Committee is made in order to comply with the requirements of aforesaid circulars.



Date : Mumbai
Place : May 20,2020

Hardesh Tolani
Chairman of Audit Committee