Kulkarni and Company

Chartered Accountants

Flat No.3, First Floor, Shree Vishnu Complex, S.No. 120A/120B, Plot No. 545/6, Sinhgad Road, Pune - 411030

Contact: +91 9850898715 email: nmk@kulkarnico.com

Date: 04 January, 2019

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First Floor, e Vishnu Complex No. 120A/120B Plot No. 545/6

Auditor's Certificate

To, The Board of Directors, Gujarat Fluorochemicals Limited Survey No 16/3 26 27 Ranjitnagar, Ghoghamba Taluka Panchmahal Gujarat - 389380 India

Certificate in terms of Para I(A)(9)(c) of Annexure I of SEBI Circular No. CFD/DIL3/2017/21 dated March 10, 2017 ("SEBI Circular") read with SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 03, 2018 in respect of Proposed Scheme of Arrangement

- 1. At the request of Gujarat Fluorochemicals Limited (the "Company"), we have examined the books of account, the Proposed Scheme and other relevant records and documents maintained by the Company in the usual course of its business with reference to applicability or otherwise of Para I(A)(9)(a) read with Para I(A)(9)(b) of Annexure I of SEBI Circular in relation to the Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL 1") and INOX Fluorochemicals Limited ("the Resulting Company" or "GFL 2") and their respective shareholders ("the Scheme") in terms of the provisions of Section 230 to 232 and other relevant provisions of the Companies Act 2013 which has been initialed by us for identification purposes. This certificate is further and in continuation to our previously issued certificate dated November 13, 2018.
- 2. In connection with requirement as stated in Para 1 above in terms of Para I(A)(9)(c) of Annexure I of SEBI Circular, we have been provided relevant confirmations and undertakings by the Board of Directors of GFL 1. We have relied on the said undertakings and confirmations for the purpose of issuing this certificate.
- 3. The attached undertaking and compliance with SEBI Circular is the responsibility of the Company's management. Our responsibility is to provide a certificate in terms of Para I(A)(9)(c) of Annexure I of SEBI Circular on the said Undertaking to certify whether the requirements set out in Para I(A)(9)(a) read with the conditions mentioned in Para I(A)(9)(b) of Annexure I of SEBI Circular (in relation to voting by public shareholders) are applicable to the Company or not.

- 4. We have conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for the Special Purposes' issued by The Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of legal or propriety nature in the aforesaid Scheme other than matters referred to in the said certificate.
- 5. Based on our examination of the Undertakings and confirmations given by the management and the Scheme and according to the information and explanations given to us and specific representations received by us from the management, we certify that the conditions prescribed in Para I(A)(9)(a) read with Para I(A)(9)(b) of Annexure I of SEBI Circular (in relation to the voting by public shareholders) are not applicable to the Scheme for the reasons stated in the accompanying Undertaking.
- 6. This Certificate is intended solely for purpose of submission to the Stock Exchanges in connection with the approval for the Scheme under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and should not be used for any other purpose or distributed to any party.

For Kulkarni and Company, Chartered Accountants

Firm Registration No.: 140959W

Aditya Talavlikar

Partner

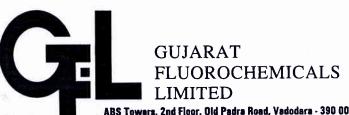
Membership Number: 130432

Place: Pune

Date: 4 January 2019

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Encl.: Undertaking as per SEBI Circular and Scheme of Arrangement duly certified by Management of the Company as initialed by us for identification purposes.



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Undertaking in relation to non-applicability of requirements prescribed in Para I(A)(9)(a) read with conditions prescribed in Para I(A)(9)(b) of Annexure I of SEBI Circular No. CFD/DIL3/2017/21 dated March 10, 2017 ("SEBI Circular") in respect of Scheme of Arrangement

This is in connection of the Scheme of Arrangement between Gujarat Fluorochemicals Limited ("the Demerged Company" or "GFL 1") and INOX Fluorochemicals Limited ("Resulting Company" or "GFL 2") and their respective shareholders under Section 230-232 of the Companies Act, 2013 and other applicable provisions thereunder.

Pursuant to Para I(A)(9)(c) of Annexure I of the SEBI Circular, the Company is required to provide an undertaking for the non-applicability of the requirements set out in Para I(A)(9)(a) of Annexure I to the SEBI Circular, if the conditions prescribed in Para I(A)(9)(b) of Annexure I of SEBI Circular are not applicable. Accordingly, the Company hereby undertakes that the following provisions of the SEBI Circular are not applicable for the reasons mentioned below:

1. Para I(A)(9)(b)(i)

Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity

Reasons for non-applicability

This clause is not applicable in our fact pattern as upon scheme coming into effect the following has been envisaged:

Issue of shares by GFL 2 to the existing shareholders of GFL 1

GFL 2 shall issue and allot equity shares at par on a proportionate basis to each member of GFL 1 whose name is recorded in the register of members of GFL 1 as holding equity shares

on Record Date in the following ratio:

No. 120A/120B Plot No. 545/6

: Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telefax : +91 (2678) 248153

: Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel.: +91 (120) 6149600 Fax: +91 (120) 6149610

Mumbai Office: 68, Jolly Maker Chambers II, Nariman Point, Mumbai - 400 021, Tel.: +91 (22) 22026314, Fax: +91 (22) 22025588



"1 (One) fully paid up Equity Share of Re. 1 each of GFL 2 shall be issued and allotted as fully paid up for every 1 (One) Equity Share of Re. 1 each fully paid up and held in GFL 1."

Cancellation of the existing share capital of GFL 2

Simultaneous with the issuance of equity shares by GFL 2 to the shareholders of GFL1, the existing equity share capital of GFL 2 will be cancelled.

This will ensure that shareholding pattern of GFL 2 is identical to and mirror image of that of GFL 1.

Accordingly, it is evident from the above that all the shareholders of GFL 1 would get shares in GFL 2 in proportion to their entitlement and there would be no allotment to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity.

2. Para I(A)(9)(b)(ii)

Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group

Reasons for non-applicability

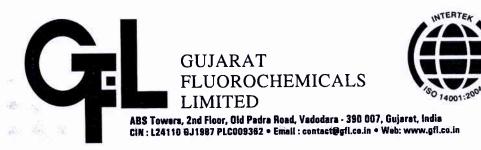
This clause is not applicable in our fact pattern as the Scheme is envisaged between GFL 1 and its wholly owned subsidiary and thus it does not involve any arrangement between GFL 1 and any other entity / entities involving the Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group.

First Floor, Shree Vishnu Complex S. No. 120A/120B Plot No. 545/6

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3. Para I(A)(9)(b)(iii)

Where the parent listed entity, has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity company, and if that subsidiary is being merged with the parent listed company under the Scheme of arrangement.

Reasons for non-applicability

This clause is not applicable as the GFL 1 (being the parent listed company) has not acquired any equity shares of Resulting Company by paying consideration in cash or in kind in the past to any of the shareholders of Resulting Company who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter/Promoter Group of the parent listed entity company i.e. GFL 1.

4. Para I(A)(9)(b)(iv)

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity;

Reasons for non-applicability

This clause is not applicable as the Scheme is not for the purpose of merger of an unlisted entity company with the parent listed company and hence there would be no change in the share capital of GFL 1.

5. Para I(A)(9)(b)(v)

e Vishnu Complex

Where the scheme involves transfer of whole or substantially the whole of the undertaking of the Visted entity and the consideration for such transfer is not in the form of listed equity

No. 120A/120B Plot No. 545/6 SirRegift Office Survey No. 16/3,26,27, Ranjitnagar - 389 380, Taluka Ghoghamba, Dist. Panchmahals, Gujarat. Telepax : Publin 1346 : Inox Tower, 17 Sector 16A, Noida - 201 301, IP Tel. : +91 (120) 6149600 Fax : +91 (120) 6149600

ice : 68, Jolly Maker Chambers II, Nariman Point, Mumbai · 400 021, Tel. : +91 (22) 22026314, Fax : +91 (22) 22025588

8) 248153



Reasons for non-applicability

This clause is not applicable on demerger of Chemical Business Undertaking from GFL 1, since on demerger, the Resulting Company would issue shares to the shareholders of GFL 1 in proportion of their shareholding in GFL 1, pursuant to which the shares of the Resulting Company would get listed on the Stock Exchanges where shares of GFL 1 are listed.

In the light of the above reasons, we submit that the requirement of the Scheme being acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it as prescribed in Para I(A)(9)(a) read with Para I(A)(9)(b) of Annexure I of the SEBI Circular are not applicable in the proposed Scheme of Arrangement.

Flat No.3,

First Floor, ree Vishnu Comple S. No. 120A/120B Plot No. 545/6 Sinhoad Road,

For Gujarat Fluorochemicals Limited

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Bhavin Desai

Company Secretary

Date: 04.01.2019

Place: Vadodara

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