GODREJ FINANCE

Godrej

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF GODREJ FINANCE LIMITED AT ITS MEETING HELD ON FRIDAY, JULY 3, 2026 IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 AND MASTER CIRCULAR NO. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated JULY 11, 2025, AS AMENDED FROM TIME TO TIME, ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI MASTER CIRCULAR), IN CONNECTION WITH THE DRAFT SCHEME OF AMALGAMATION OF GODREJ FINANCE LIMITED WITH GODREJ CAPITAL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

1. **Background**

1.1. The Board of Directors of Godrej Finance Limited ("**Board**") at its meeting held on **July 3, 2026** have approved the draft Scheme of Amalgamation of Godrej Finance Limited ("**Company**" or "**Transferor Company**") with Godrej Capital Limited ("**Transferee Company**") and their respective shareholders under Section 233 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Scheme**").

1.2. The Transferor Company is a wholly owned subsidiary of Transferee Company.

1.3. Pursuant to Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel ("**KMPs**"), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) of the shareholders and creditors (if any) to be held for the purpose of approving the Scheme.

1.4. Pursuant to Paragraph 2(d) of Part I (A) of Annexure XII-A of the SEBI Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025, as amended from time to time ("**SEBI Master Circular**"), the Board of the Company is required to recommend the draft Scheme, taking into consideration, inter-alia, the valuation report and ensuring that the Scheme is not detrimental to the holders of the Non-Convertible Debentures ("**NCDs**") and also required to comment on impact of the Scheme on the holder of NCDs, safeguards for the protection of the holders of NCDs and exit offer to the dissenting holders of NCDs, if any.

1.5. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act and SEBI Master Circular.

1.6. The Scheme, *inter alia*, provides for the amalgamation of the Company with the Transferee Company with effect from the Appointed Date (*as defined under the Scheme*) under the provisions of Section 233 and other applicable provisions of the Act (*as defined in the Scheme*) and for various other matters consequential thereto or otherwise integrally connected therewith.

1.7. The following documents were, *inter alia*, placed before the Board:

(a) Draft Scheme;

(b) Shareholding pattern of the Company;

(c) Valuation Report dated June 30, 2026 issued by D and P India Advisory Services LLP (IBBI/RV-E/05/2020/131) Registered Valuer ("**Valuation Report**"), in connection with the listed non-convertible debentures ("**NCDs**") of the Company;

(d) Fairness Opinion dated June 30, 2026 issued by Expert Global Consultants Private Limited (SEBI Registration No. INM000012874), an Independent SEBI registered Category-I Merchant Banker ("**Fairness Opinion**"), in connection with the listed NCDs of the Company; and

(e) Certificate dated July 3, 2026 issued by M/s Batliboi & Purohit, Chartered Accountants [Firm Registration No. 101048W], the Statutory Auditors of the Company certifying the accounting treatment certificate for compliance with the applicable accounting standards prescribed under Section 133 of the Act and payment/ repayment capability of the Transferee Company against outstanding listed NCDs of the Company.

(f) Report dated July 3, 2026 of the Audit Committee of the Company recommending the Scheme.

2. **Rationale of the Scheme**

With the objective of simplifying the group structure, it is proposed to consolidate the assets and liabilities of the Transferor Company with the Transferee Company, its holding company. The rationale and the benefits of the amalgamation of the Transferor Company with the Transferee Company, are as follows:

(i) Streamlining of the corporate structure and consolidation of assets and liabilities of the Transferor Company with the Transferee Company, leading to synergies of operations and resulting in the expansion and long-term sustainable growth, which will enhance value for various stakeholders of the Transferee Company;

(ii) Simplification of corporate structure by reducing the multiplicity of legal and regulatory compliances through rationalization;

(iii) Reduction of administrative responsibilities, multiplicity of records and legal and regulatory compliances, cost savings and elimination of duplicate expenses; and

(iv) Achieve optimal and efficient utilization of capital, enhance operational and management efficiencies.

Accordingly, the Scheme is in the interest of the Parties involved and their respective stakeholders.

3. **Valuation Report**

3.1 Since the Company is a wholly owned subsidiary of the Transferee Company, upon amalgamation of the Company with the Transferee Company, no consideration shall be issued by the Transferee Company.

3.2 Accordingly, no valuation report is required. However, the Valuation Report dated June 30, 2026 issued by D and P India Advisory Services LLP (IBBI/RV-E/05/2020/131), Registered Valuer, in connection with the NCDs of the Company as required in terms of Master Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000103 dated July 11, 2025, as amended from time to time has been placed before the Board of Directors of the Company.

4. **Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company**

4.1 Since the Company is a wholly owned subsidiary of the Transferee Company, upon the Scheme becoming effective, the shares held by the Transferee Company in the Company will stand cancelled and no consideration shall be issued by the Transferee Company.

4.2 The rights and interests of the shareholders of the Transferee Company will not be prejudicially affected by the Scheme, and there will be no change in the economic interest of the shareholders of the Transferee Company, before and after the Scheme.

4.3 The shareholders of the Transferee Company will continue to be the shareholders of the Transferee Company, without any change in the shareholding pattern.

4.4 Upon the Scheme becoming effective, the Company shall be dissolved without being wound up.

4.5 The Scheme is expected to be beneficial to the shareholders of the Company and the Transferee Company leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders, achieving cost and operational efficiencies.

5. **Impact of the Scheme on the NCDs, safeguards for the protection of the NCD holders and exit offer to NCDs holders**

5.1. Pursuant to the Scheme, the holders of the NCDs of the Company as on the Effective Date (*as defined in the Scheme*) will continue to hold the NCDs, without any interruption and on the same terms including the coupon rate, the tenure, the redemption price, quantum, and the nature of security, ISIN etc. Pursuant to the Scheme, there will be no change in the terms and conditions of the NCDs of the Company as set out in Schedule 1 of the Scheme, and the NCDs will stand transferred to the Transferee Company.

5.2. Upon the Scheme becoming effective, the listed NCDs will continue to be freely tradeable and listed on NSE, thereby providing liquidity to the holders of the NCDs and accordingly, no exit offer is provided to holders of NCDs of the

Company. Accordingly, this Scheme will have no adverse impact on the holders of the NCDs of the Company.

5.3. A certificate dated July 3, 2026 issued by M/s Batliboi & Purohit, Chartered Accountants [Firm Registration No. 101048W], the Statutory Auditors of the Company certifying the accounting treatment certificate for compliance with the applicable accounting standards prescribed under Section 133 of the Act and payment/ repayment capability of the Transferee Company against outstanding listed NCDs of the Company as placed before the Board is duly noted and accepted.

6. Effect of the Scheme on the Key Managerial Personnel ("KMPs") of the Company

6.1. The KMPs of the Company shall become employees of the Transferee Company on effectiveness of the Scheme.

6.2. Further none of the KMPs of the Company have any interest in the Scheme except to the extent of the equity shares held by them, if any, in the Company.

7. Adoption of the Report by the Directors

7.1. The Board has come to the conclusion that the Scheme is fair and not detrimental to the NCD holders and other stakeholders of the Company.

7.2. In the opinion of the Board, Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders.

The Board or any duly authorized committee/person authorized by the Board is entitled to make relevant modifications to this Report, if required and such modifications or amendments shall have deemed to form part of the report.

By Order of the Board of Directors

For and on Behalf of
Godrej Finance Limited

GODREJ FINANCE LIMITED

Mr. Pankaj Gupta
Managing Director and Chief Executive Officer
DIN: 10891578

Place: Mumbai
Date: July 3, 2026