

Annexure - III

DHUNSERI INVESTMENTS LIMITED

REGISTERED OFFICE : DHUNSERI HOUSE, 4A, WOODBURN PARK, KOLKATA - 700 020

Report of Audit Committee recommending draft Scheme of Amalgamation

13th November 2014

1. Draft of the Scheme of Amalgamation of Plenty Valley Intra Limited ("the Transferor Company") with Dhunseri Investments Limited ("the Transferee Company") with effect from 1st April 2014 ("the Appointed Date") was considered by the Audit Committee in its meeting held on 13th November 2014. The Scheme is subject to approval of the same by the requisite majorities of the members of the Transferor Company and the Transferee Company and sanction by the Hon'ble High Court at Calcutta. Accordingly, the Scheme although operative from the Appointed Date shall 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 Amalgamation for demerger and reorganisation prepared by Messrs. Khaitan & Co, Advocates;
- b. Report dated 12th November 2014 of Messrs. D. K. Chhajer & Co., Chartered Accountants on the exchange ratio of shares in consideration of the amalgamation;
- c. Fairness Opinion dated 13th November 2014 of Microsec Capital Limited, Merchant Bankers, on the consideration recommended by Messrs. D. K. Chhajer & Co., Chartered Accountants;

The exchange ratio of shares in consideration of the amalgamation has been suggested as under:-

- (a) In consideration of the amalgamation, the Transferee Company, in the share exchange ratio 1:8, will issue and allot to the shareholders of the Transferor Company, 1 (One) Equity Share of Rs.10/- each in the Transferee Company credited as fully paid up for every 8 (Eight) Equity Shares of Rs.10/- each fully paid up held by them in the capital of the Transferor Company. As a result, the Transferee Company will issue and allot 6,25,000 Equity Shares to the shareholders of the Transferor Company;
- (b) 3,83,270 Equity Shares in the Transferee Company constituting 6.55 % of the total Issued Equity Share Capital held by the Transferor Company shall stand cancelled, without any further act or deed, upon the Scheme becoming effective.



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3. The Committee has reviewed the Report dated 12th November 2014 of Independent Chartered Accountants, Messrs. D. K. Chhajer & Co. on the exchange ratio of shares in consideration of the amalgamation. After appraisal of the methodology and basis followed by the said Chartered Accountants and going through the workings in detail, the Committee is satisfied with the report and suggested consideration for the demerger and reorganisation as being 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.

By order of the Audit Committee


