

Report of the Audit Committee Meeting of Sintex Industries Limited held on 29th September 2016 at 7th floor, Abhijeet Building, Mithakhali Six Roads, Ellisbridge, Ahmedabad – 380 006 recommending the draft Composite Scheme of Arrangement between Sintex Industries Limited and Sintex Plastics Technology Limited and Sintex-BAPL Limited and Sintex Infra Projects Limited and their respective shareholders and creditors ('the Scheme')

Members Present:

- | | |
|----------------------------|----------|
| 1) Mr. Ashwin Lalbhai Shah | Chairman |
| 2) Smt. Indira Parikh | Member |
| 3) Shri Amit D. Patel | Member |

In Attendance:

- | | |
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| 1) Mr. Prashant Shah | Head – Accounts & Audit and CFO |
| 2) Mr. H. T. Mehta | Company Secretary |
| 3) Mr. Nimish Shah | Partner of M/s Shah & Shah Associates,
Chartered Accountants - Statutory Auditors |
| 4) Mr. Vasant Tanna | Partner of M/s Shah & Shah Associates,
Chartered Accountants - Statutory Auditors |

The Securities and Exchange Board of India vide its circular no. CIR/CFD/CMD/16/2015 dated 30th November 2015 has, amongst other requirements, sought a report from the Audit Committee of the listed companies recommending the Scheme.

The Company placed before the Audit Committee, the draft Composite Scheme of Arrangement between Sintex Industries Limited, Sintex Plastics Technology Limited, Sintex-BAPL Limited and Sintex Infra Projects Limited and their respective Shareholders and Creditors under the provisions of Section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 1956 and corresponding sections under the Companies Act, 2013, pursuant to above SEBI Circular.

This report of the Audit Committee is made in order to comply with the requirement of the aforesaid Circular(s) after considering the following necessary documents:

- i. Draft Composite Scheme of Arrangement between Sintex Industries Limited, Sintex Plastics Technology Limited, Sintex-BAPL Limited and Sintex Infra Projects Limited and their respective Shareholders and Creditors ('the Scheme');

SINTEX INDUSTRIES LIMITED

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CIN: L17110GJ1931PLC000454



- ii. Valuation report dated 29th September 2016, issued by **B S R and Associates LLP** (Independent Chartered Accountant);
- iii. Fairness Opinion dated 29th September 2016, issued by **M/s Investec Capital Services (India) Private Limited**, a Merchant Banker; and
- iv. Certificate dated 29th September 2016, from the Statutory Auditor of the Company, **M/s. Shah & Shah**, Chartered Accountants, Ahmedabad regarding compliance of the Accounting Treatment.

The Committee perused the provisions in the Scheme which, inter alia, contains the rationale for the Scheme.

The Audit Committee noted that the Scheme would result in the following benefits:

- 1 Re-alignment of business operations so that the value for the shareholders can be maximized;
- 2 Re-alignment the Custom Moulding Business and Prefab Business into different entities will enable the respective companies to pursue different business strategies and raise resources for meeting their respective growth requirements; and
- 3 The Scheme lead to creation of separate companies for each business and each companies would attract different set of investors like strategic partners, lenders etc. thereby unlocking value of respective businesses and existing Shareholders

After consideration of the Scheme, the members of the Audit Committee formed an opinion that the implementation of the Scheme is in the best interest of the Company and its Shareholders, Creditors and Stakeholders.

The Audit Committee hereby approves and recommends the Scheme and share exchange ratio for favorable consideration by the Board of Directors, Stock Exchange(s), Securities and Exchange Board of India and other appropriate authorities.

BY ORDER OF THE AUDIT COMMITTEE,

FOR AND ON BEHALF OF SINTEX INDUSTRIES LIMITED

CHAIRMAN

DATE: 29TH SEPTEMBER 2016

PLACE - AHMEDABAD



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