



apcotex industries limited



REPORT OF THE AUDIT COMMITTEE OF APCOTEX INDUSTRIES LTD ("THE COMPANY") RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION U/S 391 TO 394 OF THE COMPANIES ACT, 1956 IN THEIR MEETING HELD ON 22ND APRIL 2016

Members Present at the Meeting

Manubhai Patel	Chairman
Kamlesh Vikamsey	Member
Girish Choksey	Member
Priyamvada Bhumkar	Member

In attendance

Abhiraj Choksey – Managing Director
Anand Kumashi – Company Secretary

Background:

The Committee was provided with a draft scheme of amalgamation for its review and consideration. The Scheme is with regard to Proposed Amalgamation of Apcotex Solutions India Private Limited ('Apcotex Solutions') (earlier known as OMNOVA Solutions India Private Limited) a wholly owned subsidiary of Apcotex Industries Limited ('Apcotex') with Apcotex under Sections 391 to 394 of the Companies Act, 1956 and the rules made thereunder or any other section for the time being in force.

Pursuant to the amalgamation of Apcotex Solutions with Apcotex and in consideration thereof, all the equity shares of Apcotex Solutions held by Apcotex (either directly or through its nominees) and corresponding investment of Apcotex in Apcotex Solutions shall stand cancelled without any further act or deed. Hence no shares will be issued by Apcotex, and there will be thus no change in its shareholding pattern.

The report is made in order to comply with the requirements of the SEBI circular No CIR/CFD/CMD/16/2015, dated November 30, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 after considering inter alia the following:

- i) Draft Scheme of Amalgamation



PLEASE REPLY TO

REGD. OFFICE & PLANT : Plot No 3/1, MIDC Industrial Area, Taloja - 410 299, Tal. (022) 27403500 • Fax: (022) 2741 2052
CORPORATE OFFICE : N. K. M. International House, 17B, Backbay Reclamation, Babubhai M. Chinai Marg, Mumbai - 400 020, Maharashtra, India.
Tel (022) 2283 8302 / 2283 8304 • Fax (022) 2283 8291 • Email: info@apcotex.com
Website: www.apcotex.com
CIN NO. L99999MH1986PLC038199



apcotex industries limited



- ii) Draft of the Certificate of M/s Kalyaniwalla & Mistry, Chartered Accountants, Statutory Auditors of the Company regarding the Accounting treatment as specified under Para 5 of the aforesaid Circular
- iii) Certificate from M B Vora & Co., an Independent Chartered Accountant with respect to non-applicability of valuation report.

Proposed Scheme of Amalgamation:

- It is proposed to amalgamate Apcotex Solutions with Apcotex in order to ensure better management of the Company as a single unit and the proposed amalgamation will be for the benefit of both Apcotex and Apcotex Solutions for the following reasons:
 - (i) Reducing the multiple layer inefficiencies
 - (ii) Consolidation and synergies of operations
 - (iii) Administrative convenience
 - (iv) Reduction in administrative cost and overheads
- The Audit Committee took note of the fact that Valuation Report is not applicable, since the Scheme is for the amalgamation of the wholly owned subsidiary i.e. Apcotex Solutions with Apcotex resulting in no issue of shares by Apcotex and hence no change in its shareholding pattern.

Recommendation of the Audit Committee:

The Audit Committee after due deliberations and due consideration of all terms of the draft Scheme, the benefits and the rationale as mentioned above and further considering the fact that the proposed Scheme is not prejudicial to the interest of any shareholder or creditors of the Company, approves the proposed Scheme of Amalgamation and recommends the draft Scheme for consideration by the Board of Directors of the Company, Stock Exchange and SEBI.

For and on behalf of the Audit Committee

M. J. Gals

Chairman of the Audit Committee
Apcotex Industries Limited

Date: 22/04/2016
Place: Mumbai

**Certified True Copy
For Apcotex Industries Limited**



Authorised Signatory

PLEASE REPLY TO

REGD. OFFICE & PLANT : Plot No 3/1, MIDC Industrial Area, Talaja - 410 208, Dist. Raigad, Maharashtra, India
Tel : (022) 27403500 • Fax : (022) 2741 2052

CORPORATE OFFICE : N. K. M. International House, 17B, Backbay Reclamation, Babubhai M. Chinai Marg, Mumbai - 400 020, Maharashtra, India
Tel (022) 2283 8302 / 2283 8304 • Fax (022) 2283 8291 • Email info@apcotex.com
Website : www.apcotex.com
CIN NO. L99999MH1986PLC039199