



**NILA
INFRASTRUCTURES
LIMITED**

Report of the Audit Committee Meeting of Nila Infrastructures Limited held on 17.10.2017 at 09:00 a.m. at the registered office of the Company recommending the Draft Composite Scheme of Arrangement between Nila Infrastructures Limited and Parmananday Superstructure Limited and their respective shareholders and creditors ('the Scheme')

Members Present:

Mr. Shyamal S. Joshi – Chairman
Mr. Kiran B. Vadodaria – Member
Mr. Hiren G. Pandit – Member

In Attendance:

Mr. Prashant Sarkhedi : CFO
Mr. Deep S. Vadodaria : COO
Mr. Himanshu Bavishi : President Finance
Mr. Dipen Parikh : CS

The Securities and Exchange Board of India vide its circular no. CFD/DIL3/CIR/2017/21 dated 10th March 2017 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 Nila Infrastructures Limited and Parmananday Superstructure Limited and their respective Shareholders and Creditors ('the Scheme') under the provisions of Section 230 to 232 read with section 66 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and corresponding sections under the Companies Act, 1956, 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 Nila Infrastructures Limited and Parmananday Superstructure Limited and their Respective Shareholders and Creditors ('the Scheme');
- ii. Share Issue report dated 14.10.2017, issued by MBD & CO LLP (Independent Chartered Accountant);



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- iii. Fairness Opinion dated 16.10.2017, issued by Tipsons Consultancy Services Pvt. Ltd. a SEBI Registered Merchant Banker; and
- iv. Certificate dated 17.10.2017 from the Statutory Auditor of the Company, M/s B S R & Associates LLP, Chartered Accountants regarding compliance of the Accounting Treatment.

The Committee perused the provisions in the draft scheme which, inter alia, contains the rationale for the Proposed Scheme of Arrangement.


The Audit Committee noted that the proposed 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 of Infrastructure Business and Real Estate Business into different entities will enable the respective companies to pursue different business strategies and raise resources for meeting their respective growth requirements;
- 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 draft Scheme, the members of the Audit Committee formed an opinion that the implementation of the Proposed Scheme is in the best interest of the Company and its shareholders, creditors and stakeholders.

The Audit Committee hereby approves and recommends the draft Scheme and share issue 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 NILA INFRASTRUCTURES LIMITED,**


CHAIRMAN
DATE: 17.10.2017
PLACE: AHMEDABAD



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