



Dhunseri Petrochem Limited

(Formerly Dhunseri Petrochem & Tea Limited) CIN : L15492WB1916PLC002697
Registered Office : Dhunseri House, 4A Woodburn Park, Kolkata 700020

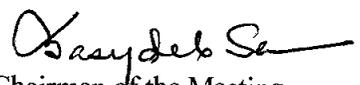
Report of Audit Committee recommending draft Scheme of Arrangement

29th February 2016

1. Draft of the Scheme of Arrangement between Dhunseri Petrochem Limited ("DPL") and Dhunseri Petglobal Limited ("DPGL") and their respective shareholders for reconstruction by transfer of the polyethylene terephthalate ("PET Resin") business of DPL in India ("Transferred Business") to DPGL with effect from 1st April, 2016 was considered by the Audit Committee in its meeting held on 29th February, 2016. The Scheme is subject to and conditional upon the requisite approvals being received therefor, including approval of the same by the requisite majorities of the members of DPL and DPGL and sanction by the Hon'ble High Court at Calcutta. Accordingly, the Scheme although operative from the Appointed Date would 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 Arrangement for reconstruction prepared by Messrs. Khaitan & Co, Advocates.
 - b. Report dated 29th February, 2016 of Messrs. Bansi S. Mehta & Co., Chartered Accountants on the consideration for the reconstruction.
 - c. Fairness Opinion dated 29th February, 2016 of Messrs. Microsec Capital Limited, Merchant Bankers, on the report on consideration of Bansi S. Mehta & Co., Chartered Accountants.
 - d. Draft of the Investment Agreement between DPL, Indorama Ventures Global Services Limited ("IVGS"), Indorama Ventures Public Company Limited ("IVL") and DPGL;
3. The consideration for the reconstruction has been proposed as under:-

In consideration of the proposed reconstruction by transfer of the Transferred Business to DPGL, 2,84,75,000 Optionally Convertible Debentures of ₹100/- each credited as fully paid up in DPGL be issued and allotted by DPGL to DPL.
4. The terms of the Scheme, inter alia, provide for redemption of the Debentures at par in cash upon Indorama Ventures Global Services Ltd ("IVGS"), a subsidiary of Indorama Ventures Public Company Limited ("IVL") or any other affiliate of IVL subscribing to 2,00,00,000 Equity Shares of ₹10/- each in DPGL for a total price of ₹418.76 crores (Rupees Four hundred Eighteen crores and Seventy Six lakhs).
5. The Committee has reviewed the Report dated 29th February 2016 of independent Chartered Accountants, Messrs. Bansi S. Mehta & Co. on the consideration for the reconstruction. 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. The Committee also finds the draft Scheme as placed before it to be in order.
6. The Committee hereby approves and recommends the draft Scheme.

By order of the Audit Committee


Chairman of the Meeting

