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Annex- D

ASI
INDUSTRIES LIMITED

Audit Committee Report dated 16th June, 2018

REPORT OF THE AUDIT COMMITTEE OF ASI INDUSTRIES LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF DEEJAY MINING AND EXPORTS PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS.

1.Background

1.1 A draft Scheme of Amalgamation under section 230 to 234 of Companeis Act, 2013 and othre applicable peovisions, if any, of the Companies Act, as may be applicable, of Deejay Mining and Exports Private Limited ("Transferor Co. or DMEPL") with ASI Industies Limited ("Transferee Co. or ASI") and their respective shareholders and creditors ("Scheme") has been placed before the Audit Committee by the management for it to consider and recommending the said draft Scheme to the Board of Directors.

1.2 The Scheme inter alia provides for amalgamatin of DMEPL with the Company. The Equity shares of the Company is Listed on BSE Limited. The Company will be filing the Scheme of Amalgamation along with necessary information/documents to the BSE Limited.

1.3 The report of Audit Committee is made in order to comply with the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 read with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 after considering the following:

a) Draft Scheme duly initialed by the Company Secretary of the Company for purpose of identification;

b) Valuation Report Dated 15th June, 2018 issued by the **Suresh R Mehta & Associates**, Chartered Accountants;

c) Fairness Opinion Report dated 15th June, 2018 issued by **Keynote Corporate Services Ltd**, Category-1 Merchant Banker registred with SEBI providing the fairness opinion on the share entitlement recommended in the valuation report prepared by M/s **Suresh R Mehta & Associates** , Chartered Accountants and;

d) Certificate dated 16th Jne, 2018 obtained from the Statutory Auditors of the Company i.e. M/s S.C.bandi & Co. Chartered Accountants to the efect that the scheme is in compliance with applicable Accounting Standard specified by the Cenrtral Government in section 133 of Companies Act, 2013.

2.Proposed Scheme

2.1 The Audit Committee reviewed the Valuation Report and noted the report and recommended the following:-

ASI INDUSTRIES LIMITED
Company Secretary

ASI INDUSTRIES LIMITED

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Formerly known as Associated Stone Industries (kotah) Limited

REGISTERED OFFICE
Marathon Innova, A Wing, 7th Floor
Off Ganpatrao Kadam Marg, Lower Parel
Mumbai - 400 013, India
CIN: L14101MH1945PLC256122

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In consideration for the Amalgamation of DMEPL with ASI in term of the Scheme and based on the Valuation Rpeort issued by the M/ **Suresh R Mehta & Associates,** Chartered Accountants and fairness opinion provided by **Keynote Corporate Services Ltd** Category-1 Merchant Banker, ASI will issue and allotted an agreegating of 47935009 (Four Crores Seventy Nine Lacs Thirty Five Thousand Nine) fully paid up Equity Share of Face Value of Re.1/- each to the equity shareholders of DMEPL as on the Record date defined in the Scheme in the proportionof their holding in DMEPL.

2.2 Furthre the Fairness Opinion confirmed that the share entitlement in the valuation report is fair to the Company, DMEPL and their respective sharehlders.

2.3 Furthre, M/s S.C.Bandi and Co. Chartered Accountants, Statutory Auditors of the Company have confirmend that the accounting treatment as specified in the Scheme are in accordence with the applicable Accounting Standard specified by the Central Government under section 133 of the Companies Act, 2013.

2.4 The Appointed Date of the Scheme is 1st April, 2018 and Effective date is the date on which the Certified True Copy of the order of NCLT sanctioned this Scheme of Amalgamatio fiiled by the Transferor and Transfereree Co to Registrar of Companies, Mumbai.

2.5 Under the propsoed Scheme, all assets and liabilities, pertaining to DMEPL of whatsoever nature and wheresoever situated , shall without any furthre act or deeds be trnsfered to and vested in the Company with effect from the Appointed Date.

2.6 The Equity share of ASI to be issued and alloted to the equity shareholder of DMEPL pursuant to the Scheme of Amalgamation shall be listed on BSE Limited (subject to trading approval being granted by the BSE Limited)

3. Recommendition of Audit Committee

3.1 the Audit Committee after due deliberation and due consideration of all the trerms of the draft scheme, valuation report, fairness opinion and the specific points mentioned above, recommended the Scheme for favourable consideration by the Board of Directors of the Company, the BSE Limited and Securities Exchange Board ofIndia.

By Order of Audit Committee
By and Behlaf of **ASI Industies Limited**

Gaurang Gandhi
Chairman of Audit Committee

ASI INDUSTRIES LIMITED

Dated: 16.06.2018

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Company Secretary

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