

**Report on recommendations of the Audit Committee on the Draft Scheme of Amalgamation of Clear Mipak Packaging Solutions Ltd. ('CMPSL' or 'the Transferor Company') with Hitech Plast Ltd ('HPL' or 'the Transferee Company').**

The Company had placed before the Audit Committee, the Draft Scheme of Amalgamation between Clear Mipak Packaging Solutions Ltd. ('CMPSL' or 'the Transferor Company') with Hitech Plast Ltd ('HPL' or 'the Transferee Company') and their respective Shareholders and Creditors for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/DIL/05/2013 dated February 4, 2013 read with SEBI Circular No. CIR/CFD/DIL/08/2013 dated May 21, 2013 (which provides clarifications with respect to above Circular) ('Circulars').

In view to comply with the said Circular, Members of the Audit Committee at its Meeting held on 12<sup>th</sup> November, 2014, discussed and recommended the Draft Scheme after considering the following documents:

- a. Draft Scheme of Amalgamation between CMPSL and HPL
- b. Valuation Report from M/s SSPA & Co., Independent Chartered Accountants;
- c. Fairness Opinion issued by Inga Capital Pvt. Ltd., on the valuation carried out by M/s SSPA & Co., Chartered Accountants; and
- d. Draft certificate obtained from the Statutory Auditors of the Company viz. M/s Manubhai & Shah, Chartered Accountants, on the accounting treatment prescribed in the Scheme

Below are the Recommendations of the Audit Committee on the Draft Scheme of Arrangement:

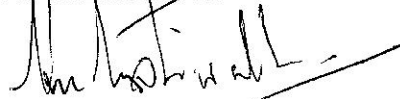
1.	Date	12 <sup>th</sup> November, 2014
2.	Name of the Transferor Company	Clear Mipak Packaging Solutions Ltd. ('CMPSL')
3.	Name of the Transferee Company	Hitech Plast Ltd ('HPL')
4.	Salient Features of the Scheme	Clear Mipak Packaging Solutions Ltd. ('Transferor Company') will be merged with Hitech Plast Ltd ('Transferee Company'). The appointed date for the Scheme shall be 1 <sup>st</sup> April, 2014. In consideration of the transfer of and vesting of the assets and said liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed, issue and allot: a) 173 (One Hundred and Seventy Three) fully paid up preference shares of Rs.10/- (Rupees Ten only) for every 10 (Ten) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each, held by two Shareholders in the Transferor Company namely Geetanjali Trading and Investments Pvt. Ltd. & Coating Specialities (India) Ltd.
5.	Name of the Independent Chartered Accountant	M/s SSPA & Co., Chartered Accountants



6.	Details of Audit Committee	<p>The composition of the Audit Committee, is as follows:</p> <ul style="list-style-type: none"> <li>i. Mr. Harish N. Motiwalla – Chairman (Independent Director)</li> <li>ii. Mr. – Jayendra R. Shah -Member (Independent Director)</li> <li>iii. Mr. Ashwin R. Nagarwadia– Member (Non-Executive Director)</li> </ul> <p>Secretary of the Company acts as Secretary to the Committee.</p>
7.	Recommendation on the Draft Scheme of amalgamation and Exchange Ratio taking into consideration the Joint Valuation Report	<p>Based on review of the draft Scheme of Amalgamation between Clear Mipak Packaging Solutions Ltd. ('Transferor Company') and Hitech Plast Ltd.(Transferee Company), Joint Valuation Report dated 12<sup>th</sup> November, 2014, issued by M/s SSPA &amp; Co., Independent Chartered Accountants and the Fairness Opinion issued by Inga Capital Pvt. Ltd, on the joint Valuation Report, the Audit Committee believes that the Scheme of Amalgamation and Exchange Ratio of 173(One Hundred and Seventy Three) fully paid up 9% Non Convertible, Redeemable, Cumulative Preference Shares of Rs.10/- (Rupees Ten only) of HPL, for every 10(Ten) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each, held by two shareholders in the Transferor Company (CMPSL) namely Geetanjali Trading and Investments Pvt. Ltd. &amp; Coating Specialities (India) Ltd., is fair and reasonable and therefore the Scheme is recommended.</p>
8.	Summary of reasons for recommendations	<p>The Fair Exchange Ratio that has been arrived on the basis of relative equity valuation of CMPSL and HPL, based on methods explained, in the Valuation Report taking into consideration the various qualitative factors relevant to each company and the business dynamics and growth potentials of the business of the Companies.</p> <p>In the above circumstances, the Exchange ratio as mentioned in Draft Scheme of Amalgamation is fair and reasonable and hence scheme is recommended.</p>

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission or any information or otherwise.

For Hitech Plast Ltd.



Harish N. Motiwalla

Chairman, "Audit Committee"

Date: 12.11.2014

Place: Mumbai

