

**VISA STEEL**

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**Report of the Audit Committee of VISA Steel Limited recommending the draft Scheme of Amalgamation between VISA BAO Limited with VISA Steel Limited and their respective shareholder and creditors**

The Audit Committee vide resolution passed on 21 August 2015, had considered and recommended the proposed Amalgamation of VISA BAO Limited (VBL) with VISA Steel Limited (VSL or the Company) and their respective shareholders implemented in terms of a Scheme of Amalgamation (the Scheme) under section 391 – 394 and other applicable provisions, if any, of the Companies Act, 1956 and other enabling provisions of the Companies Act, 2013.

The Audit Committee members noted that in terms of the Securities and Exchange Board of India Circular No. CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 (hereinafter collectively referred as "the Circular(s)"), the scheme is required to be considered and recommended by the Audit Committee of the Board of Directors of the Company.

The following documents were provided to the Audit Committee:

- a. the Draft Scheme of Amalgamation.
- b. the Valuation Report dated 21 August 2015 of M/s. Rajesh Choudhury & Associates, Chartered Accountants, Kolkata, and
- c. the Fairness Opinion dated 21 August 2015 prepared by M/s. Intelligent Money Managers Private Limited, Merchant Banker, Kolkata.

**Recommendation of the Audit Committee**

The Audit Committee after reviewing the Valuation Report of M/s. Rajesh Choudhury & Associates, Chartered Accountant, the fairness opinion of M/s. Intelligent Money Managers Private Limited, Merchant Banker and the methodology and basis followed by the Valuer, considered and recommended share exchange ratio to be fair and reasonable.

The Audit Committee accordingly recommended the following for favorable consideration by the Stock Exchanges and the Securities and Exchange Board of India:

- a. the Draft Scheme of Amalgamation, and
- b. Share Exchange Ratio as recommended under the Valuation Report as stated above.

Date: 21 August 2015  
Place: Kolkata

Certified True Copy  
For VISA STEEL LIMITED

  
Company Secretary

  
Shiv Dayal Kapoor  
Chairman of the Audit Committee