



**Date 02.06.2017**

**REPORT ON RECOMMENDATION OF THE AUDIT COMMITTEE OF CORPORATE COURIER AND CARGO LIMITED ON THE COMPOSITE SCHEME OF ARRANGEMENT UNDER SECTIONS 230 OF THE COMPANIES ACT, 2013 FOR DEMERGER OF THE UNDERTAKINGS OF CORPORATE COURIER AND CARGO LIMITED TO HARISH TEXTILE ENGINEERS PRIVATE LIMITED AND MAHESH DEVELOPERS PRIVATE LIMITED**

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**Members:**

**Mr. Pratik Mehta: Chairman:**

**Ms. Meena Mistry: Member:**

**Mr. Akash Patel: Member:**

**1. Background**

Pursuant to the requirement of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 read with the Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, Circular CFD/DIL3/CIR/2017/21 dated March 10<sup>th</sup>, 2017 a draft Scheme of Arrangement between **Corporate Courier And Cargo Limited**, Harish Textile Engineers Private Limited and Mahesh Developers Private Limited with respect to Demerger of 2 Divisions i.e. Division 1 and Division 2 of **Corporate Courier And Cargo Limited (Transferor/Demerged Company)** into Harish Textile Engineers Private Limited and Mahesh Developers Private Limited (which are under the process of conversion from Private Limited Companies to Public Companies) (Transferee/Resulting Companies) respectively and their respective shareholders and creditors providing for the demerger of the demerged undertakings of the Demerged Company to the resulting Companies was placed before the Audit Committee at its meeting on June 2<sup>nd</sup> 2017 for its review, consideration and recommendation to the Board.

This report of the Audit Committee is made in order to comply with the requirements of the aforesaid Circular(s) after considering the following necessary documents:

- 1) Draft Composite Scheme of Arrangement;
- 2) Report for recommendation of share entitlement ratio dated issued by FCA Kiran Mehta Chartered Accountant.
- 3) Fairness Opinion dated 02.06.2017 issued by Aryaman Financial Services Limited Independent Merchant Banker registered with SEBI.
- 4) Certificate Dated 28.06.2017 of Auditors of the Company R. DEVARAJAN & CO. Chartered Accountants Chartered Accountants, on the Accounting Treatment prescribed in the Scheme.

**2. Proposed Scheme**

A.) The Audit Committee noted the rationale and the benefits of the scheme of the Arrangement

which include inter alia the following:

- a) The Transferor Company wants to enter into various sectors namely Textile Engineering, Steel Trading, Construction and Development of Real Estate, Garments Manufacturing and wants to grow in future in these sectors without making major investment currently.



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b) So the only option for the company is to associate with the major players in these business and get the first hand plans checked for future growth, hence the company has based on its future plans made 2 undertakings for association with Harish Textile Engineers Limited, Mahesh Developers Limited.

c) Demerging of Undertaking 1 into Harish Textile Engineers Limited will benefit to the shareholders of the transferor company hugely by getting the shares of already leading player in the Industry of manufacturing of Textile Machinery having a good facilities to manufacture the products and excellent brand in the market.

d) Demerging of Undertaking 2 into Mahesh Developers Limited, the shareholders of the transferor company will benefit to the shareholders of the transferor company hugely by getting the shares of already leading player in the real estate sector and allied business.

**B.) Salient features of the draft scheme are as follows:**

- The Scheme provides for (a) transfer of "2 Undertakings" (as defined in the Scheme) from Corporate Courier And Cargo Limited To Harish Textile Engineers Private Limited And Mahesh Developers Private Limited respectively.

- The Appointed Date is 01.04.2017.

- Equity shareholders of the Demerging Company whose names appear in the Register of Members as on the Record Date shall receive for every 100 (Hundred) equity share of nominal value of Rs.10/- each fully paid up in the Demerging Company additional ;

- a. 4 (Four) equity share of nominal value of Re. 10/- credited as fully paid up in HTEPL;
- b. 16 (Sixteen) equity share of nominal value of Re. 10/- credited as fully paid up in MDPL

**3. Recommendation of the Audit Committee**

The Audit Committee after extensive discussion on the various terms and features of the scheme recommends the draft Composite Scheme of Arrangement and the aforementioned documents including Share Entitlement Ratio Report and the Fairness Opinion for favourable consideration by the Board of Director, Stock Exchange(s), and SEBI. The Audit Committee has authorised the Board of Directors or any such person as authorised by the Board of Directors, to carry out such modifications, alterations and changes in the Scheme of Arrangement as may be expedient or necessary.

**By Order of the Audit Committee**

**For CORPORATE COURIER AND CARGO LIMITED**

**Darshit Parikh**  
**Director**  
**Din: 03492803**  
**Place: Mumbai**

