

**REPORT OF AUDIT COMMITTEE OF LESHA INDUSTRIES LIMITED
ON THE PROPOSED SCHEME OF ARRANGEMENT**

A meeting of the Audit Committee of the Board of Directors of Lesha Industries Limited (the Company) was held on February 19, 2016 at 12 p.m. at 7th floor, Ashoka Chambers, Mithakali Six Roads, Ahmedabad, Gujarat – 380 006 to consider, and if thought fit, to approve revised share exchange ratio and Scheme of Demerger proposed by the Company pursuant to Bombay Stock Exchange's Remark, together with the Valuation Report of Independent Chartered Accountant and Fairness Opinion Report of Merchant Banker availed by the Company in connection with the said Scheme.

The following members were present at the Meeting:

1. Mr. Hitesh Donga, Chairman
2. Mrs. Daksha Bhatt, Member
3. Mr. Shalin A. Shah, Member
4. Mr. Naimish Shah, Chartered Accountant – by Invitation.

The draft Scheme of Demerger was placed before the Meeting and the same was signed by the Chairman of the Committee for the purpose of identification. The members of the Committee carefully studied the entire Scheme and discussed in detail various provisions of the Scheme. After a prolonged discussion, the Committee unanimously formed opinion that the proposed Scheme was in the best interest of the Company and its shareholders.

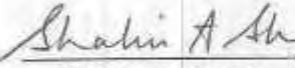
Thereafter a copy of the Valuation Report availed by the Company from M/s. Naimish Shah & Co., Chartered Accountants, Ahmedabad was placed before the Meeting and the same was signed by the Chairman of the Committee for the purpose of identification. The members of the Committee also studied the same and discussed with Mr. Naimish Shah who had furnished the Report and was invited at the Meeting. After some discussion, the Committee unanimously agreed to the recommendation of Mr. Naimish Shah for the Demerger of the Trading and Investment business of the Company.

Thereafter, the Committee unanimously approved the Scheme together with the Valuation Report.

Ahmedabad
19.02.2016



(Hitesh Donga)
Chairman



(Shalin A. Shah)
Member

