

॥ श्री बालाजी नमः ॥



■ **Flour Division & Regd. Off.** : 332/4/2, R.D. Udyog Nagar, Palda, Nemawar Road, Indore - 452 001 (M.P.)
Tel : +91-731-2439901-930 Fax : +91-731-4068448
■ **Soya Division** : Khasra No. 5/1, Gram Barfai Jagir, Post-Kshipra Tah. Sanwer, Dist. Indore - 453 771 (M.P.)
Tel : +91-731-6639930 to 35
Website : www.sitashri.com, E-mail : info@sitashri.com

Manufacturer of : Wheat, Pulses & Soya Products. Importer & Exporter of all kind of Agro Commodities.

REPORT OF AUDIT COMMITTEE OF SITASHREE FOOD PRODUCTS LIMITED

MEMBERS:

Shri Ganesh Prasad Sharma (Chairman, Independent Director)
Shri Suresh Narayan Wagh (Independent Director)
Shri Santosh Kumar Gupta (Independent Director)

1. Background:

The Company has placed before the Audit Committee a Scheme of Amalgamation ("Scheme") for the merger of GG Real Estate Private Limited ("GG Real Estate") (a 100% subsidiary of the Company) with Sitashree Food Products Limited ("Company") for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 ('Circular').

This report of the Audit Committee is made in order to comply with the requirements of the circular after considering the draft scheme of amalgamation.

Since GG Real Estate is a wholly owned subsidiary of the Company and as a result of the amalgamation, the shares of GG Real Estate Private Limited held by the Company will stand cancelled, with no issuance of shares or payment of other consideration by the company, no valuation process is applicable.

2. Proposed Scheme of Amalgamation:

The Salient Features of the Scheme are as under :

- The Scheme provides for merger of GG Real Estate Private Limited with the Company.
- The appointed date for the Scheme is fixed on 1st April, 2012.
- The scheme provides for transfer of assets and liabilities pertaining to GG Real Estate Private Limited on going concern basis.
- Upon the Scheme coming into effect, all equity shares of GG Real Estate, held by the Company shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Company in lieu of such shares of the GG Real Estate.



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- In terms of the Scheme of amalgamation, GG Real Estate will be amalgamated with Company, followed by the dissolution without winding up of GG Real Estate.

3. Recommendations of the Audit committee:

The Audit Committee recommends the Draft Scheme, inter-alia taking into consideration that no valuation is required, for favorable consideration by the Committee of the Board, Stock Exchange(s) and SEBI.

Date : May 17, 2013
Place : Indore

Ganesh Prasad Sharma
Chairman, Audit Committee
Sitashree Food Products Ltd.

