

SAGAR SOYA PRODUCTS LIMITED

CIN: L15141MH1982PLC267176

Regd. Office: 32, Vyapar Bhavan, 49, P.D. Mello Road, Mumbai, Maharashtra-400009
Visit us at: www.sagarsoyaproducts.com, Email: compliance.ssp@gmail.com

Report of Audit Committee of Sagar Soya Products Limited

Members:

Mr. Arun Kumar Sharma	Chairman
Mr. Chandrakant Patel	Member
Mrs. Renu Singh	Member

1. Background

The Company has placed before the Audit Committee a Scheme of Reduction ("Scheme") for Reduction of share Capital of the Company for recommendation by the Committee of Directors as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ("Circular") read with SEBI Circular no. CFD/DIL3/CIR/2018/2 dated 03rd January, 2018.

This report of the Audit Committee is made in order to comply with the requirements of the SEBI (LODR), 2015 regulations after considering draft for Scheme of Reduction for reduction of Share capital of the Company.

The subscribed and paid up equity share capital of the Company is proposed to be reduced from 58,51,689 Equity Shares of Rs. 10/- Each aggregating to Rs. 5,85,16,890 /-(Rupees Five Crores Eighty-Five Lacs Sixteen Thousand Eight Hundred and Ninety) to 2,92,584 Equity Shares of Rs. 10/- each aggregating to 29,25,840.

2. Report

This report of Audit Committee is being issued to comply with the requirements SEBI (LODR), 2015 guidelines.

The members of Audit Committee of the Company has discussed and made this report after perusing the following documents:

- I. The Draft Scheme of Reduction for reduction of Share capital of the Company.
- II. The valuation report dated 21st February, 2018 issued by Ravindra Dhakar & Associates, Chartered Accountants.
- III. Fairness opinion Report dated 14th March, 2018 issued by Corporate Capital Ventures Pvt. Ltd.

Plant location/Corporate office: C.J. Complex, M.G.Road, Sagar - 470 002, Madhya Pradesh
Contact No: OFF- 0091-8699197884, 0091-8080487884



SAGAR SOYA PRODUCTS LIMITED

CIN: L15141MH1982PLC267176

Regd. Office: 32, Vyapar Bhavan, 49, P.D. Mello Road, Mumbai, Maharashtra-400009

Visit us at: www.sagarsoyaproducts.com, Email: compliance.ssp@gmail.com

The presentation was also made to Audit Committee setting out the rationale and benefits of the proposed Reduction of share capital of the Company,

The salient features of the scheme are as under:

- i. Reduction of Paid-up Share Capital of the Company to the extent of 95%;
- ii. The Proposed Scheme of Amalgamation would be beneficial to all the Shareholders as it would improve earnings per share and also enhance shareholders value;
- iii. The proposed capital reduction will not have any adverse impact on the Creditors of the Company.
- iv. The Appointed Date for the Scheme is fixed as opening of business hours on 01st April 2017;
- v. Upon effectiveness of the Scheme the balance of Accumulated losses will get substantially reduced.

The Valuation Report handed over by the representative of Ravindra Dhakar & Associates, valuer appointed by the Company, containing a copy of valuation report was then placed before the Committee and the details therein were read out to the Committee. The Representative of the Valuer then made a presentation to the Audit Committee explaining the methodology adopted by them in arriving at the Final report.

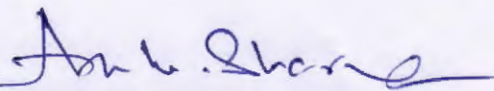
Thereafter, the representatives of Corporate Capital Ventures Pvt. Ltd., the merchant banker for the Company made a presentation and confirmed that in their opinion, the capital reduction is fair, from a financial point of view, to the Equity Shareholders and Creditors of the Company.

3. Recommendations of Audit Committee:

The Audit Committee has considered and noted the aforementioned documents, presentations made by the representatives of Ravindra Dhakar & Associates and Corporate Capital Ventures Pvt. Ltd. and the Draft Scheme of Reduction and recommends the Draft Scheme of Reduction of Capital to the Board of Directors through Capital Reduction and Action Committee for their approval.

Date: 25th March, 2018
Place: Mumbai




Mr. Arun Kumar Sharma
Chairman, Audit Committee

Plant location/Corporate office: C.J.Complex, M.G.Road, Sagar - 470 002, Madhya Pradesh
Contact No: OFF- 0091-9699197884, 0091-8080487884