Annexure - E

Sunteck Realty Ltd.

Sunteck

Report of Audit Committee of Board of Directors of Sunteck Realty Limited recommending the draft Scheme of Amalgamation of Advaith Infraprojects Private Limited ("AIPL" or "the Transferor Company 1") and Satguru Corporate Services Private Limited ("SCSPL" or "the Transferor Company 2") with Sunteck Realty Limited ("the Company" or "SRL" or "the Transferee Company"), dated 5th October, 2016

To,
The Board of Directors
SUNTECK REALTY LIMITED
5TH Floor, Sunteck Centre,
Subhash Road, Vile Parle (East),
Mumbai - 400 057, India

A. Background:

a) A draft Scheme of Amalgamation ('Scheme') of Advaith Infraprojects Private Limited ("AIPL" or "the Transferor Company 1") and Satguru Corporate Services Private Limited ("SCSPL" or "the Transferor Company 2") with Sunteck Realty Limited ("the Company" or "SRL" or "the Transferee Company") and their respective shareholders has been placed before the Audit Committee by the management for the recommendation of the aforesaid draft Scheme by the Audit Committee to the Board of Directors of the Company in accordance with the requirement of the SEBI Circular No CIR/CFD/CMD/16/2015, dated November 30, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Circular');

b) In view of the above, members of the Audit Committee of the Company have discussed and approved the draft Scheme vide a resolution passed at its meeting held on October 5, 2016 and have made this report, after perusing the following necessary documents:

i. Draft Scheme of Amalgamation;
ii. Valuation Report dated October 5, 2016; issued by M/s. N. P. Rajput & Co., Chartered Accountants;
iii. Fairness Opinion Report dated October 5, 2016; issued by M/s. Saffron Capital Advisors Private Limited;
iv. A certificate issued by M/s. Lodha & Co., Chartered Accountants, the Statutory Auditors dated October 5, 2016; to the effect that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards.
v. An undertaking dated October 4, 2016; issued by M/s. Lodha & Co., Chartered Accountants, the Statutory Auditors in relation to non-applicability of Para 1(A)(9)(a) of the Circular.

For Sunteck Realty Limited

Company Secretary

This report of the Audit Committee is issued in terms of the Circular.

c) The salient features of the draft Scheme are, inter alia, as under:

i. The draft Scheme provides for the amalgamation of AIPL and SCSPL with the Company;

ii. The draft Scheme provides for transfer and vesting of the entire undertaking of AIPL and SCSPL with its assets and liabilities to the Company as a going concern;

iii. As the entire issued, subscribed and paid-up share capital of AIPL and SCSPL is held by the Company (either directly or indirectly), upon the Scheme becoming effective, no shares of the Company shall be issued or allotted in lieu or exchange of its holding in AIPL and SCSPL and the share capital of AIPL, as on Effective Date, shall stand cancelled. Since, no shares will be issued by SRL, there will be no change in its shareholding pattern of SRL.

iv. Upon the Scheme coming into effect, AIPL and SCSPL will be dissolved without being wound up.

Recommendation of the Audit Committee:

The Audit Committee has considered and noted the aforementioned documents and recommends the Draft Scheme to the Board of Directors of the Company for its approval.

For **SUNTECK REALTY LIMITED**

Mahadevan Kalahasthi
Chairman of the Audit Committee Meeting

Date: October 5, 2016

Place: Mumbai

SUNTECK REALTY LIMITED MUMBAI