

## INFORMATION MEMORANDUM

# AGRI-TECH (INDIA) LIMITED

(Incorporated as Public Limited company on 13<sup>th</sup> September, 2000)

Incorporated initially as a Private Limited Company on 2<sup>nd</sup> August, 1993 in the name and style of "SOMNATH FARMS PVT.LTD." and converted into Public Limited Company on 5<sup>th</sup> day of September 2000 under the name and style of "SOMNATH FARMS LTD." under the provisions of the Companies Act, 1956 in the state of Maharashtra, and later changed the name as AGRI-TECH (INDIA) LTD., on 5<sup>th</sup> March, 2001.

**Registered Office:** Nath House, Nath Road, Aurangabad – 431 005

**Phone :** 0240-2376314, 2376315, **Fax:**

**INFORMATION MEMORANDUM FOR LISTING OF 59,40,000 EQUITY SHARES OF RS.10 EACH**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED  
PURSUANT TO THIS INFORMATION MEMORANDUM**

### GENERAL RISKS

Investors in equity and equity related securities involve a degree of risk and investors should not invest in the equity shares of Agri-Tech (India) Ltd., unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Agri-Tech (India) Ltd. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

### ABSOLUTE RESPONSIBILITY OF AGRI-TECH (INDIA) LTD.

Agri-Tech (India) Ltd., having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Agri-Tech (India) Ltd., which is material, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such Information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares of Agri-Tech (India) Ltd., are proposed to be listed on the Stock Exchange, Mumbai and the Ahmedabad Stock Exchange. The Securities and Exchange Board of India (SEBI) vide its Letter No. CFD/DIL/UR/41173/2005 dated 25th May, 2005 has granted relaxation from the strict enforcement of the requirements of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 for the purpose of listing of shares of Agri-Tech (India) Ltd., subject to the transferee company viz. Nath Seeds Limited complying with all the provisions of Clause 8.3.5 of the SEBI (DIP) Guidelines, 2000

### SHARE TRANSFER AGENT

M/s.Bigshare Services Pvt.Ltd.,  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road,  
Saki Naka, Andheri (East),  
MUMBAI – 400 072

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## GLOSSARY OF TERMS/ ABBREVIATIONS

Articles / articles of Association	Articles of Association of Nath Bio-Gene (India) Ltd.
ASE	The Ahmedabad Stock Exchange Limited
Auditors	The Statutory Auditors of Nath Bio-Gene (India) Ltd.
Banker(s) to the Company	The Bankers of Nath Bio-Gene (India) Ltd.
Board of Directors/Board/Directors	The Board of Directors of Nath Bio-Gene (India) Ltd.
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Ltd.
Companies Act / Act	The Companies Act, 1956 as amended from time to time
DSE	Designated Stock Exchange
EPS	Earnings per equity share
Equity Shares	Equity shares of the Company of Rs.10/- each unless otherwise specified in the context thereof
Financial Year / Fiscal / FY	The twelve months ended 30 <sup>th</sup> June, unless otherwise stated.
HUF	Hindu Undivided Family
Information Memorandum	This documents as filed with the Stock Exchanges is known as and referred to as the Information Memorandum
I.T.Act	The Income Tax Act, 1961,as amended from time to time, except as stated otherwise
Memorandum/Memorandum of Association	Memorandum of Association of Nath Bio-Gene (India) Ltd.
NAV	Net Asset Value
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
RBI	Reserve bank of India
ROC	Registrar of Companies, Maharashtra
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act,1992, as amended from time to time
SEBI Guidelines	SEBI (Guidelines for Disclosure and Investor Protection) 2000 issued by securities and Exchange Board of India effective from January 27, 2000as emended, including instructions and clarifications issued by Securities and Exchange Board of India from time to time.
Stock Exchange	BSE and ASE
Transferor Company	Nath Seeds Limited
Transferee Company	Nath Bio-Gene (India) Ltd.

## **RISK FACTORS**

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below. If any of the following risks actually occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment.

### **Risk envisaged by the Management:**

#### **A. Risks Internal to the Company**

##### **1. Risks relating to business operations**

The operations of the Company are subject to the assumptions in demand and supply position in terms of quantity and price of raw material and finished goods.

2. The primary focus of the company is in the area of high-tech agriculture, horticulture, floriculture and processing thereof into value added products. Being in agro based business, productivity depends on the largesse of weather conditions. Weather plays an important role in the prospects of the company and any deviation/change in the weather condition may have an adverse effect on the profitability.
3. The company needs to be in constant research and development to look for improved and effective methods of farming and to produce high quality productive crops. Research and development cost being substantial requires larger gestation period.
4. Company's success largely depends upon its management team and key personnel and its ability to attract and retain such persons. Attracting and retaining talented professionals is a key element of our strategy and we believe it to be a significant source of competitive advantage. An inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on our business and future financial performance.

#### **B. Risks External to the Company**

1. The company enjoys a very good rapport with farmers and the name "Nath" has become a household name among the farmers' community. Company is constantly putting its efforts to develop more land to cultivate various farming products. Even though, if faced with a bad weather condition, the operations of the company may be affected adversely.

##### **Management Perception**

1. The Company carries appropriate sensitive analysis of various assumptions while drawing the business plans so as to minimize the risk relating, which may be caused due to sudden change in various assumptions considering for drawing the business plan.
2. The company is actively considering exploring the possibilities of tapping the export market for its products.
2. Company's results may be affected significantly by factors outside our control such as political unrest, cross-border hostilities, civil commotion and acts of terrorism either in India or outside India. Change of government policies and regulations including change in environmental regulations may also have a negative impact. The company is also subject to the risk of loss of revenues and assets due to fire and natural calamities,

such as flood. The occurrence of all such event including natural calamities could interrupt our business for significant periods.

3. Dismal economic conditions could adversely affect our financial results. Our business is seasonal and largely sensitive to changes in the climatic conditions. The farming sector is totally dependent on the weather and any unfavourable weather conditions will prove disastrous for the farmers in particular and the whole country in general. Under such circumstances company's operations will come under pressure and to sustain such pressures, company may have to compromise with its profitability.
4. After listing, the prices of our Company's shares may be volatile, or an active trading market for our Company's shares may not develop. There has been no public market for the Company's equity shares till now and the prices of the Company's shares may fluctuate after listing. There can be no assurance that an active trading market for the shares will develop or be sustained after this listing. The Company's share price could be volatile.

***Note to risk factors:***

As per the Scheme of Arrangement, approved by the Hon'ble High Court of Bombay vide its order dated 27.08.2003, the entire running business of the Farming Division of the transferor company (Nath Seeds Limited) stand transferred to the transferee company (Agri-Tech (India) Limited) and the same will be carried on by the transferee company on a going concern basis. Accordingly all the above risks are being addressed and will continue to be so addressed by the transferee company also and the company does not foresee any adverse impact on the business of the company in future on this account.

## INTRODUCTION

### Summary

Nath Seeds Limited, a pioneering research driven Seed Company, had formulated a Scheme of Arrangement to de-merge the company into three separate companies, namely Agri-Tech (India) Ltd., and Nath Bio-Genes (India) Ltd., on 14/03/2001. The Scheme was filed before the Hon'ble High Court of Bombay for approval and the Hon'ble High Court of Bombay had approved the scheme vide its order dated 27/08/2003. Pursuant to the order being passed the Hon'ble High Court of Bombay approving the scheme, Nath Seeds Limited has transferred the Farming business to Agri-Tech (India) Ltd.

Nath, as a brand, is a household name amongst the farming community. The salient features of the company are enumerated as under.

### Vision

The company has a vision of creating a modern, state of the art, hi tech farming enterprise, comprising 2500 acres of land to produce the global quality farm produce for domestic and international markets.

### Action Plan

- ✚ To acquire 2500 acres of land and develop it.
- ✚ To provide a dedicated water pipe line from Jayakwadi Dam to the farm site.
- ✚ To create 5 independent and self sufficient blocks of 500 acres each.
- ✚ To provide crop specific macro and micro irrigation system for each block, to ensure efficient water management.
- ✚ To develop a suitable cropping pattern for each block to include cash crops, horticulture, medicinal plants and floriculture.
- ✚ To develop sustainable agronomic practices with emphasis on integrated nutrition and pest management system.
- ✚ To generate employment in the nearby villages to bring about local area development.
- ✚ To provide a modern, state of art Grading, Packing, Process and Storage facility which shall cater not only for captive production but also produce of contract farmers.
- ✚ To develop and Agricultural School to provide On the job training to young farmer entrepreneurs.
- ✚ To become a role model and change agent for agricultural development and transformation of rural economy.

### Land Acquisition & Development

The Company has already acquired about 1152 acres of land. The company has also entered into an agreement of sale for purchase of another 847 acres of land. The balance land would be acquired in due course of time. The company has already brought 500 acres of land under High Tech Cultivation in and around Issarwadi, Taluqa Paithan, District Aurangabad and the final plan is to make 5 blocks of 500 acres each, which would be self sufficient in all respects.

### Irrigation System

The company has laid a pipe line of about 5 kms for lifting water directly from Jayakwadi dam to ensure uninterrupted irrigation. The company is adapting modern agriculture techniques, more particularly in the area of water harvesting and micro irrigation to ensure un interrupted water supply to the plants. Each block will have its dedicated Macro and Micro irrigation system.

### Cropping Pattern

Typical cropping pattern of each block of 500 acres is indicated below:-

<b>Pattern</b>	<b>Crop</b>	<b>Area</b>
Horticulture	Mangoes/Mangoes	200
Cash crops	Sugarcane/Cotton	200
Medicinal plants	Bixa/Stavia	50
Floriculture	Orchids/Bird of paradise	50
	Total	500

The aim is to create a self sufficient block, with a product mix of short term as well as long term perennial crops, to ensure regular cash flows.

## I. GENERAL INFORMATION

Incorporated initially as a Private Limited Company on 2<sup>nd</sup> August, 1993 in the name and style of "SOMNATH FARMS PVT.LTD." and converted into Public Limited Company on 5<sup>th</sup> day of September 2000 under the name and style of "SOMNATH FARMS LTD." under the provisions of the Companies Act, 1956 in the state of Maharashtra, and later changed the name as AGRI-TECH (INDIA) LTD., on 5<sup>th</sup> March, 2001.

### **Address of the Registered Office:**

Nath House, Nath Road,  
AURANGBAD- 431 005.  
Phone: 0240-2376314/315/316

### **Registration Number 11 - 73268**

### **Address of Registrar of Companies**

Registrar of Companies, Maharashtra  
MUMBAI

### **Board of Directors as on the date of filing of the draft Information Memorandum**

1. Shri Satish Kagliwal
2. Shri Akash Kagliwal
3. Shri Shrirang Agarwal

For further details of the Board of Directors of the Company, please see the Section titled "Management".

### **Authority for Listing**

The Hon'ble High Court of Bombay vide its order dated 27.08.2003 had approved the Scheme of Arrangement between Nath Seeds Limited and Agri-Tech (India) Ltd., whereby the entire business pertaining to Farming Division of Nath Seeds Limited, has been transferred to and vested in Agri-Tech (India) Ltd., w.e.f. January 1, 2001 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 read with Section 100 of the Companies Act, 1956. In accordance with the said Scheme, the Equity Shares of Agri-Tech (India) Ltd., issued pursuant to the Scheme shall, subject to applicable regulations, be listed and admitted to trading on The Bombay Stock Exchange Limited, (BSE) and the Ahmedabad Stock Exchange (ASE). Such listing and admission for trading will be subject to fulfillment by the Company of listing criteria of BSE & ASE for such issues and also subject to such other terms and conditions as may be prescribed by BSE & ASE at the time of the application by the Company seeking listing.

### **Eligibility Criterion**

There being no Initial Public Offering or Rights Issue, the eligibility criteria in terms of Clause 2.2.1 of SEBI (DIP) Guidelines, 2000 does not become applicable. The Securities and Exchange Board of India (SEBI) vide its Letter No. CFD/DIL/192B/UR/41172/2005 dated 25th May, 2005 has granted relaxation from the strict enforcement of the requirements of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 for the purpose of listing of shares of Agri-Tech (India) Limited subject to the transferee company complying with all the provisions of Clause 8.3.5 of the SEBI (DIP) Guidelines, 2000.

The Company has submitted its Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com).

The Company will publish an advertisement in the newspapers containing its details in line with the details required as per clause 8.3.5.4 of SEBI (DIP) Guidelines, 2000. The advertisement will draw a specific reference to the availability of aforesaid Information Memorandum on its website.

### **Prohibition by SEBI**

The Company, its directors, its promoters, the companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by **SEBI**.

### **Caution**

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Clause 8.3.5.4 of SEBI (DIP) Guidelines, 2000 or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

### **Disclaimer Clause of BSE**

As required a copy of this Information Memorandum will be submitted to BSE. The approval of Scheme of Arrangement under Clause 24(f) of the Listing Agreement is not applicable as the company had submitted its scheme in the year 2001 and at the time it was not required.

The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Filing**

Copies of this Information Memorandum will be filed with BSE and ASE in due compliance .

### **Listing**

Applications have been made to BSE and ASE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has already taken steps for the completion of necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above.

## **Demat Credit**

Company has executed Tri-partite Agreements with NSDL and CDSL and Big Share Services Pvt.Ltd., for admitting its securities in demat form. Company has been allotted ISIN No. INE449G01018. All the shareholders holding shares in electronic form have already been given credit of their respective holdings as on. 14th January, 2006. through NSDL

## **Dispatch of Share Certificates**

With respect to the shareholders holding shares in physical form, the new shares have been allotted and the company has already dispatched the physical share certificates to the address of such shareholders as appearing in the records of the Registrar on the record date i.e. 23rd March, 2004 as above .

## **Expert Opinions**

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

## **Previous rights and public issues**

The Company has not made any public issue since incorporation.

## **Companies under the same management**

There are two companies under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act. List of Group Companies is mentioned at Page No. - 73 to this Information Memorandum .

## **Promise vis--vis performance**

This is for the first time the Company is getting listed on the Stock Exchange

## **Stock Market Data for Equity shares of the Company**

The Equity shares of the Company are listed on the Ahmedabad Stock Exchange. The Company is seeking approval for listing of its shares through this Information Memorandum.

## **Disposal of Investor Grievances**

The Company estimates that the average time required by the Company or the Registrar for the redressal of routine investor grievances shall be 15 days from the date of receipt of the complaint. In case of non routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible. The Company has appointed Ms. Reshma Talbani as the Compliance Officer and he may be contacted at the following address in case of any matters pertaining to shares/securities.

### **Ms. Reshma Talbani**

Compliance Officer,  
Nath House, Nath Road,  
Aurangabad – 431 005.  
Tel: 0240-2376314, 2376315  
E-mail: khurana@nathseeds.com  
Website: www.nathseeds.com

The Company has also appointed M/s Big Share Services Pvt.Ltd., as the Registrar and Share Transfer Agent of the Company. Investors may contact M/s.Big Share Services Pvt.Ltd., for any matters related to shares/securities of the Company at the following address:

**Mr. Ansar**

M/s.Bigshare Services Pvt.Ltd.,  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road,  
Saki Naka, Andheri (East),  
Mumbai – 400 072  
Tel: 022-40430200  
Fax: 022-28475207

**Auditors**

M/s.Gautam N. Associates  
Chartered Accountants  
Shangrilla Complex,  
2<sup>nd</sup> Floor, CBS Raod,  
Aurangabad 431 005.

**Bankers to the Company**

The Company has not raised any Bank limits from any Bank and is maintaining a current account with Citibank, Nirala Bazar, Aurangabad.

**Compliance Officer**

**Ms. Reshma Talbani**  
Nath House, Nath Road,  
Aurangabad – 431 005.  
Tel: 0240-2376314

Investors can contact the Compliance Officer in case of any share transfer related problem.

## II. CAPITAL STRUCTURE

Consequent to the Scheme coming into effect and issue and allotment of shares pursuant to the Scheme and Pre-Scheme, the Share Capital of the Company is as follows:

Particulars	Pre-Scheme De-merger		Post-Scheme De-merger	
	No.of Shares	Value (Rs.)	No.of Shares	Value (Rs.)
<b>A. Authorised Share Capital</b>				
Equity Shares of Rs.10/- Each	10,00,000	1,00,00,000	62,50,000	6,25,00,000
<b>Total</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>62,50,000</b>	<b>6,25,00,000</b>
<b>B. Issued Share Capital</b>				
Equity Shares of Rs.10/- Each	10,00,000	1,00,00,000	59,40,000	5,94,00,000
<b>Total</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>59,40,000</b>	<b>5,94,00,000</b>
<b>C. Subscribed &amp; Paid-up Share Capital</b>				
Equity Shares of Rs.10/- Each	10,00,000	1,00,00,000	59,40,000	5,94,00,000
<b>Total</b>	<b>10,00,000</b>	<b>1,00,00,000</b>	<b>59,40,000</b>	<b>5,94,00,000</b>

### Details of Changes in Capital Structure of the Company

Date as on	Authorised Capital			Issued, Subscribed & Paid-up Capital		
	Type of Shares	No.of Shares	Amount (Rs.)	Type of Shares	No.of Shares	Amount (Rs.)
12/07/1993	Equity	50,000	5,00,000	Equity	70	700
10/12/2002	Equity	50,000	5,00,000	Equity	50,000	5,00,000
16/08/2003	Equity	10,00,000	1,00,00,000	Equity	10,00,000	1,00,00,000
13/01/2004	Equity	62,50,000	6,25,00,000	Equity	59,40,000	5,94,00,000

1. The Company was incorporated initially as a Private Limited Company on 2<sup>nd</sup> August, 1993 in the name and style of "SOMNATH FARMS PVT.LTD." and converted into Public Limited Company on 5<sup>th</sup> day of September 2000 under the name and style of "SOMNATH FARMS LTD." under the provisions of the Companies Act, 1956 in the state of Maharashtra, and later changed the name as **AGRI-TECH (INDIA) LTD.**, on 5<sup>th</sup> March, 2001
  - (a) For every 100 equity shares of the face value of Rs.10/- each fully paid up held by the equity shareholders of the transferor company, the shareholders shall be allotted 20 equity shares of face value of Rs.10/- fully paid up in the transferee company, i.e. Agri-Tech (India) Ltd. Those shareholders holding the Shares in physical form shall get shares in the physical form and those holding in Demat shall be credited in Demat form.
2. The Authorized Share Capital of the Company at the time of incorporation was Rs.5,00,000/-, divided into 50,000 equity shares of Rs. 10/- each.
3. Consequent upon the approval of the Scheme, the Authorized Share Capital of the Company stood increased to Rs.6,25,00,000/- divided into 62,50,000 Equity Shares of Rs. 10/- each. Also the Issued, Subscribed and the Paid up Capital of the Company is increased to Rs. 5,94,00,000/- divided into 59,40,000 Equity Shares of Rs. 10/- each.

**Statement showing Shareholding Pattern (Pre Allotment) as on 22/03/2004**

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	7	70	0	0.01	0.01
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	4	999930	0	99.99	99.99
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>11</b>	<b>1000000</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>11</b>	<b>1000000</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>

<sup>1</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>2</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>3</sup>	As a percentage of (A+B+C)
<b>(B)</b>	<b>Public shareholding<sup>4</sup></b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00
(b)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	0	0	0	0.00	0.00
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	0	0	0	0.00	0.00
(b)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0.00	0.00
(c)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (B)(2)</b>	0	0	0	0.00	0.00
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	0	0	0	0.00	0.00
	<b>TOTAL (A)+(B)</b>	<b>11</b>	<b>1000000</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>11</b>	<b>1000000</b>	<b>0</b>	<b>100.00</b>	<b>100.00</b>

<sup>3</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>4</sup> For definitions of "Public Shareholding", refer to Clause 40A.

(I)(b) **Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Mr.Sunil Buit	10	
2.	Mr.Satish Kagliwal	10	
3.	Mrs.Jeevanlata Kagliwal	10	
4.	Mr.Sunil Dixit	10	
5.	Mr.Shrirang Agarwal	10	
6.	Mr.Kashinath Iyer	10	
7.	Mr.Nandkshor Kagliwal	10	
8.	Nath Securities Limited	327000	32.70
9.	Barkha Farms Pvt. Ltd.	337000	33.70
10.	Jeevan Farms Pvt. Ltd.	15930	1.60
11.	Ferry Fax Farms Pvt. Ltd.	320000	32.00
<b>TOTAL</b>		<b>1000000</b>	<b>100.00</b>

(I)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(I)(d) **Statement showing details of locked-in shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(II)(a) **Statement showing details of Depository Receipts (DRs) - NOT APPLICABLE**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>				

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**Statement showing Shareholding Pattern (Post Allotment) as on 23/04/2004**

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>5</sup>	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>6</sup></b>					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	70	256033	192025	4.31	4.31
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	15	2711115	1491113	45.64	45.64
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>85</b>	<b>2967148</b>	<b>1683138</b>	<b>49.95</b>	<b>49.95</b>
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>85</b>	<b>2967148</b>	<b>1683138</b>	<b>49.95</b>	<b>49.95</b>

<sup>5</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>6</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>7</sup>	As a percentage of (A+B+C)
<b>(B)</b>	<b>Public shareholding<sup>8</sup></b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	13	2440	0	0.04	0.04
(b)	Financial Institutions/ Banks	3	2080	0	0.04	0.04
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1	500	0	0.01	0.01
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	17	5020	0	0.08	0.08
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	1169	691624	587880	11.64	11.64
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	31048	2239998	1467577	37.71	37.71
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0.00	0.00
(c)	Any Other (specify)	228	36210	0	0.61	0.61
	<b>Sub-Total (B)(2)</b>	32445	2967832	2055457	49.96	49.96
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	32462	2972852	2055457	50.05	50.05
	<b>TOTAL (A)+(B)</b>	<b>32547</b>	<b>5940000</b>	<b>3738595</b>	<b>100.00</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>32547</b>	<b>5940000</b>	<b>3738595</b>	<b>100.00</b>	<b>100.00</b>

<sup>7</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>8</sup> For definitions of "Public Shareholding", refer to Clause 40A.

(I)(b) **Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	S.R.Attal	34158	0.58
2.	Attal K.S.	34158	0.58
3.	Ramprasad B.Attal	34158	0.58
4.	Attal R.R. (HUF)	28729	0.48
5.	Nandkishor Rasiklal Agarwal	26000	0.44
6.	Anvikar S.J.	10495	0.18
7.	Anvikar R.P.	6580	0.11
8.	Jayant K. Anvikar	6070	0.10
9.	Sunita Laxminarayan Attal	5488	0.09
10.	A.L.Attal	5013	0.08
11.	Anvikar J.G.	4861	0.08
12.	Sunita Attal	4000	0.07
13.	Sureshchandra Attal	3483	0.06
14.	Aniket R. Attal	3467	0.06
15.	Anupam R.Attal	3467	0.06
16.	Attal R.R.	3366	0.06
17.	Akshay Attal	3100	0.05
18.	Laxminarayan Attal (HUF)	2680	0.05
19.	Rameshchandra R. Attal	2635	0.04
20.	Prakash (HUF)	2331	0.04
21.	Anvikar R.K.	2177	0.04
22.	Prakashchandra R.Attal	2128	0.04
23.	Rajgopal Ramprasad Attal	2088	0.04
24.	S.P.Anvikar	2040	0.03
25.	Ramprasad Bhagwandas Attal	1954	0.03
26.	Rajendra J.Anvikar	1894	0.03
27.	Anurag Radheshyam Attal	1887	0.03
28.	Saroj Rameshchandra Attal	1724	0.03
29.	V.V.Bhallad	1647	0.03
30.	Narauanibai R.Attal	1579	0.03
31.	Attal P.S.	1267	0.02
32.	Laxminarayan S.Attal (HUF)	1240	0.02
33.	Radheshyam S.Attal (HUF)	1160	0.02
34.	Rajni Radheshyam Attal	912	0.02
35.	Kiran Sureshchandra Attal	648	0.01
36.	Aruna Prakashchandra Attal	592	0.01
37.	Ramesh HUF	560	0.01

<b>Sr. No.</b>	<b>Name of the shareholder</b>	<b>Number of shares</b>	<b>Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}</b>
38.	R.S.Attal	507	0.01
39.	K.G.Anvikar	507	0.01
40.	Anirudh Alias Giriraj attal	492	0.01
41.	Ritu Sureshchandra Attal	440	0.01
42.	Geeta Anilchandra Anvikar	400	0.01
43.	Ritu S.Attal	380	0.01
44.	Mukund Anilchandra Attal	380	0.01
45.	Attal L.S.	360	0.01
46.	Rajagopal Attal HUF	320	0.01
47.	Suchitra S.Attal	287	0.00
48.	J.Kagliwal	267	0.00
49.	Anvikar N.K.	262	0.00
50.	Satyanarayan M.Baheti	260	0.00
51.	Mithulal D.Baheti	260	0.00
52.	Ramesh Attal HUF	220	0.00
53.	Attal R.R.	160	0.00
54.	Rajashree R.Attal	153	0.00
55.	N.L.Kagliwal	133	0.00
56.	Ramesh Attal	120	0.00
57.	P.R.Attal	80	0.00
58.	Attal S.R.	60	0.00
59.	Fulabai Shriram Attal	60	0.00
60.	Shrikishan R.Baheti	40	0.00
61.	Snehal Attal	31	0.00
62.	Sheetal P.Attal	31	0.00
63.	Vijay Nandlal Baheti	20	0.00
64.	Nandkishor Kagliwal	10	0.00
65.	Satish Kagliwal	10	0.00
66.	Sunil Dixit	10	0.00
67.	Jeevanlata Kagliwal	10	0.00
68.	Sunil Buit	10	0.00
69.	Shrirang Agarwal	10	0.00
70.	Kashinath Iyer	10	0.00
71.	Nath Royal Ltd.	983221	16.55
72.	Nath Securities Ltd.	327000	5.51
73.	Barka Farms Pvt.Ltd.	337000	5.67
74.	Ferry Fax farms Pvt.Ltd.	320000	5.39
75.	Jeevan Inv.& Fin. Pvt.Ltd.	163059	2.75
76.	Nath Holding & Inv. Pvt.Ltd.	113620	1.91
77.	Nath Biotechnologies Ltd.	92000	1.55

78.	Nath Pulop & Paper Mills Ltd.	61763	1.04
79.	Tingli Finvest Pvt.Ltd.	56525	0.95
80.	Nath Capital & Fin.Services Ltd.	49037	0.83
81.	Paresh Farms Pvt.Ltd.	48380	0.81
82.	Swamini Leasing & Inv.Pvt.Ltd.	48240	0.81
83.	Prabha Farms Pvt.Ltd.	48220	0.81
84.	Nath Securities Ltd.	47120	0.79
85.	Jeevan Farms Pvt.Ltd.	15930	0.27
<b>TOTAL</b>		<b>2967148</b>	<b>49.95</b>

(I)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(I)(d) **Statement showing details of locked-in shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(II)(a) **Statement showing details of Depository Receipts (DRs) - NOT APPLICABLE**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>				

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**Statement showing Shareholding Pattern (Post Allotment) as on date.**

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>9</sup>	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>10</sup></b>					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	9	470	0	0.01	0.01
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	15	2711115	1949292	45.64	45.64
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>24</b>	<b>2711585</b>	<b>1949292</b>	<b>45.65</b>	<b>45.65</b>
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>24</b>	<b>2711585</b>	<b>1949292</b>	<b>45.65</b>	<b>45.65</b>

<sup>9</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>10</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>11</sup>	As a percentage of (A+B+C)
<b>(B)</b>	<b>Public shareholding<sup>12</sup></b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	10	2000	1438	0.03	0.03
(b)	Financial Institutions/ Banks	5	36720	26402	0.62	0.62
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1	500	0	0.01	0.01
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	16	39220	27840	0.66	0.66
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	766	458487	329652	7.72	7.72
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	30470	2451672	1930135	41.27	41.27
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	9	244636	211488	4.12	4.12
(c)	Any Other (specify)	226	34400	24734	0.58	0.58
	<b>Sub-Total (B)(2)</b>	31471	3189195	2496009	53.69	53.69
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	31487	3228415	2523848	54.35	54.35
	<b>TOTAL (A)+(B)</b>	<b>31511</b>	<b>5940000</b>	<b>4473140</b>	<b>100.00</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>31511</b>	<b>5940000</b>	<b>4473140</b>	<b>100.00</b>	<b>100.00</b>

<sup>11</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>12</sup> For definitions of "Public Shareholding", refer to Clause 40A.

(I)(b) **Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Nath Royal Ltd	983221	16.55
2.	Barkha Farms Pvt Ltd	337000	5.67
3.	Nath Securities Ltd	327000	5.51
4.	Ferry Fax Farms Pvt Ltd	320000	5.39
5.	Jeevan Investment & Fin Pvt Ltd	163059	2.75
6.	Nath Holding & Inv Pvt Ltd	113620	1.91
7.	Nath Biotchnologies Ltd	92000	1.55
8.	Nath Pulp & Paper Mills Ltd	61763	1.04
9.	Tingli Finvest Pvt Ltd	56525	0.95
10.	Nath Capital & Fin Serices Pvt Ltd	49037	0.83
11.	Swamini Leasing & Inv Pvt Ltd	48240	0.81
12.	Paresh Farms Pvt Ltd	48380	0.81
13.	Prabha Farms Pvt Ltd	48220	0.81
14.	Nath Securities Ltd	47120	0.79
15.	Jeevan Farms Pvt Ltd	15930	0.27
16.	J N Kagliwal	267	0.00
17.	N L Kagliwal	133	0.00
18.	Jeevanlata Kagliwal	10	0.00
19.	Satish Kagliwal	10	0.00
20.	Sunil Dixit	10	0.00
21.	Nandkishor Kagliwal	10	0.00
22.	Sunil Buit	10	0.00
23.	Shrirang Agrawal	10	0.00
24.	Kashinath Iyer	10	0.00
<b>TOTAL</b>		<b>2711585</b>	<b>45.65</b>

(I)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(I)(d) **Statement showing details of locked-in shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(II)(a) **Statement showing details of Depository Receipts (DRs) - NOT APPLICABLE**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>				

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

6. There has been no further issue of capital except as stated above whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the High Courts till listing of the Equity Shares allotted as per the Scheme.
7. There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and the company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
8. The Transferee Company has 32547 members as on the date of filing this Information Memorandum.

### **III. OBJECTS OF THE SCHEME OF ARRANGEMENT**

Nath Seeds Limited, a listed company with **BSE, ASE and NSE**, is a name to reckon with in the field of research and development of high quality, high yielded hybrid seeds and plant biotechnology. The company belongs to the renowned “Nath Group”, which is a diversified group having interests in Paper, chemicals and biotechnology business.

Nath Seeds Limited was carrying on its business activities in three different divisions, viz. Corporate Farming Division, Seeds Division and Plantation Division. The company has an elaborate research and development center at Aurangabad in the state of Maharashtra and is constantly engaged in various research and development activities to produce high quality, high yielded hybrid seeds.

In order to have a more focused business, the management of Nath Seeds Limited had decided to de-merge the company into three separate entities. Accordingly, Nath Seeds Limited had formulated a Scheme of Arrangement and filed it before the Hon’ble High Court of Bombay for approval.

The objective of the Scheme was mainly to split and transfer the business of Nath Seeds Limited (the Transferor company) to the new companies. Accordingly, Nath Seeds Limited (the Transferor company) had transferred its business of Corporate Farming division to Agri-Tech (India) Ltd., Seeds Division to Agri-Tech (India) Ltd., and retained the Plantation Division with itself.

### **THE MAIN FEATURES OF THE SCHEME OF ARRANGEMENT**

1. Nath Seeds Limited (the transferor company) is having its registered office at Nath House, Nath Road, Aurangabad (Maharashtra). The company was engaged in the business activities with its three divisions, viz. Seeds Division, Corporate Farming Division and Plantation Division.
2. The company had filed the Scheme of Arrangement before the Hon’ble High Court of Bombay on 14/03/2001 for approval and the Hon’ble High Court of Bombay approved the Scheme vide its order dated 27/08/2003.
3. Pursuant to the Scheme of Arrangement, Nath Seeds Limited had been de-merged into three separate entities, viz. Nath Bio-Genes (India) Ltd., Agri-Tech (India) Ltd. and Nath Seeds Limited. Accordingly, the Seeds Division of the company has been transferred to Nath Bio-Genes (India) Ltd., along with all the assets and liabilities.
2. The Scheme of Arrangement became operational from the appointed date, which is 1<sup>st</sup> January, 2001.
3. The entire business including all assets and liabilities pertaining to the Seeds Division of Nath Seeds Limited (the transferor company) as on the appointed date shall stand transferred to and vested in the name of Nath Bio-Genes (India) Ltd. on a going concern basis.
4. The Paid-up Share Capital of Nath Seeds Limited is Rs.24.70 Crore divided into 2,47,00,000 Equity Shares of Rs.10/- each out of which Rs.4.94 Crore divided into 49,40,000 Equity Shares of Rs.10/- each shall be transferred to Agri-Tech (India) Ltd. Upon the Scheme coming into effect, the Paid-up Capital of Nath Seeds Limited shall be reduced from Rs.24.70 Crore to Rs.14.33 Crore divided into 1,43,26,336 Equity Shares of Rs.10/- each and the Paid-up Capital of Agri-Tech (India) Ltd., shall be Rs.5.94 Crore divided into 59,40,000 Equity Shares of Rs.10/- each.
5. Upon the Scheme becoming operative, in consideration of the transfer of and vesting of the undertaking the Farming division of the Nath Seeds Ltd., (the transferor Company) in Agri-Tech (India) Ltd., in terms of the scheme, Agri-Tech (India) Ltd., shall without any further application or deed issue and allot to every member of Nath Seeds Ltd., (other than Agri-Tech) holding fully paid-up equity shares in Nath Seeds and whose names appear in the Register of members of Nath Seeds on such date thereafter called the “Record Date” as the Board of Directors of Agri-Tech (India) Ltd., will determine, his/her heirs, executors, administrators or

the successors in title, as the case may be in respect of every 100 equity shares of the face value of Rs.10/- each fully paid-up held by him/her/it in Nath Seeds Ltd., 20 equity shares of the face value of Rs.10/- each of Agri-Tech (India) Ltd., credited as fully paid-up with rights attached thereto.

## **APPROVALS WITH RESPECT TO THE SCHEME OF ARRANGEMENT**

The Honorable High Court of Bombay vide its Order dated 27<sup>th</sup> August, 2003 had approved the Scheme of Arrangement for de-merging Nath Seeds Limited to vertically split the company into three separate entities. Pursuant to this Scheme, Nath Seeds Limited (the Transferor Company) had transferred the entire Farming Division together with all the assets and liabilities, to the Agri-Tech (India) Ltd. (the Transferee Company) with effect from 1st January, 2001, (the Appointed Date under the Scheme) under Sections 391 to 394 read with Section 100 of the Companies Act, 1956. In accordance with and pursuant to the said Scheme, the Equity Shares of Agri-Tech (India) Ltd., issued subject to the applicable regulations shall be admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by Agri-Tech (India) Ltd.

The aforesaid Court Orders were filed by Nath Seeds Limited and Agri-Tech (India) Limited with the Registrar of Companies, Maharashtra on 9<sup>th</sup> October, 2003, which is the effective date of the Scheme of Arrangement.

Subsequently, SEBI, vide its Letter CFD/DIL/192B/UR/41172/2005 dated 25<sup>th</sup> May, 2005 has granted relaxation from the strict enforcement of the requirements of Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 for the purpose of listing of shares of Agri-Tech (India) Ltd. subject to the transferee company viz. Agri-Tech (India) Ltd., complying with all the provisions of Clause 8.3.5 of the SEBI (DIP) Guidelines, 2000. Agri-Tech (India) Ltd., has submitted its Information Memorandum containing information and disclosures in line with the disclosure requirement for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their websites.

Agri-Tech (India) Ltd., will publish an advertisement in the newspapers containing the details in line with the details as per Clause 8.3.5.4 of the SEBI (DIP) Guidelines, 2000.

Agri-Tech (India) Ltd., also undertakes that all material information about itself shall be disclosed to Stock Exchanges on a continuous basis so as to make the same available to public.

## **STATEMENT OF TAX BENEFITS**

As per the present provisions of Income-tax Act, 1961 (hereinafter referred to as "the Act") and other laws as applicable for the time being in force in India, the following tax benefits are available to the Company and to the shareholders of the Company, subject to fulfillment of prescribed conditions:

### **A. To the Company under the Income Tax Act, 1961 ('the Act')**

- 1 Under Section 32 of the Act, the Company is entitled to claim depreciation allowance at the prescribed rates on all its tangible and intangible assets acquired and put to use for its business.
- 2 Under Section 10(34) of the Act, dividend income (whether interim or final) received by the Company from any other domestic company (in which the Company has invested) is exempt from tax in the hands of the Company.
- 3 The income received by the Company from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the Administrator of the specified undertaking or from the specified companies referred to in Section 10(35) of the Act is exempt from tax in the hands of the Company under Section 10(35) of the Act.
- 4 Under Section 10(38) of the Act, the Long-term Capital Gains arising on transfer of any listed equity shares in any other company or units of equity oriented mutual funds, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the company.

- 5 As per the provisions of Section 112(1)(b) of the Act, other Long-term Capital Gains arising to the Company are subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per the Proviso to that section, the long-term capital gains resulting from transfer of listed securities or units [not covered by section 10(36) and 10(38) of the Act], are subject to tax at the rate of 20% on long-term capital gains worked out after considering indexation benefit (plus applicable surcharge and education cess), which would be restricted to 10% of Long-term capital gains worked out without considering indexation benefit (plus applicable surcharge and education cess).
- 6 As per the provisions of section 111A of the Act, Short-term Capital Gains arising to the Company from transfer of any listed Equity Shares in any other company or from sale of units of any equity oriented mutual fund defined in Section 10(38) of the Act, are subject to tax @ 10%(plus applicable surcharge and education cess), if such a transaction is subjected to Securities Transaction Tax.
- 7 In accordance with and subject to the conditions specified in Section 54EC and Section 54ED of the Act, the Company would be entitled to exemption from tax on Long-term Capital Gain [not covered by section 10(36) and section 10 (38) of the Act] if such capital gain is invested in any of the long-term specified assets (hereinafter referred to as the "new asset") to the extent and in the manner prescribed in the said sections. If the new asset is transferred or converted into money at any time within a period of three years in case of new assets specified in Section 54EC and within a period of one year in case of new assets specified in Section 54ED, from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money. 8 As per the provisions of section 88E of the Act, where the business income of the Company includes profits and gains from sale of securities liable to Securities Transaction Tax, a rebate is allowable from the amount of income tax on such business income, to the extent of Securities Transaction Tax paid on such transaction. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income.

## **B. To the Shareholders of the Company**

### **I. Resident Shareholders**

1. Under Section 10(34) of the Act, dividend (whether interim or final) received from a domestic company is exempt from tax in the hands of the resident shareholders of the Company.
2. Under Section 10(38) of the Act, the Long-term Capital Gain arising on transfer of any listed equity shares in any other company or units of equity oriented mutual fund, which are chargeable to Securities Transaction Tax, are exempt from tax in the hands of the resident shareholders.
3. As per the provisions of Section 112(1)(a) of the Act, other Long-term Capital Gains arising to the resident shareholders are subject to tax at the rate of 20% (plus applicable surcharge and education cess). However, as per Proviso to that section, the long-term capital gains resulting from transfer of listed securities or units [not covered by section 10(36) and 10(38) of the Act], are subject to tax at the rate of 20% on long term capital gains after considering the indexation benefit (plus applicable surcharge and education cess), which would be restricted to 10% of long term capital gains without considering the indexation benefit (plus applicable surcharge and education cess).
4. As per the provisions of section 111A of the Act, Short-term Capital Gains arising to the resident shareholders from the transfer of any listed Equity Shares in a company or units of equity oriented mutual fund defined in section 10(38) of the Act, are subject to tax @ 10% (plus applicable surcharge and

education cess) if such a transaction is subjected to Securities Transaction Tax.

5. As per the provisions of section 88E of the Act, where the business income of an assessee includes profits and gains from sale of securities liable to Securities Transaction Tax, a rebate is allowable from the amount of income tax on such business income, to the extent of Securities Transaction Tax paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income.
6. In accordance with and subject to the conditions specified in Section 54EC and Section 54ED of the Act, the resident shareholders would be entitled to exemption from tax on Long-term Capital Gains [not covered by section 10(36) and section 10(38) of the Act], if such capital gains are invested in any of the long-term specified assets (hereinafter referred to as the "new asset") to the extent and in the manner prescribed in the said sections. If the new asset is transferred or converted into money at any time within a period of three years in case of new assets specified in Section 54EC and within a period of one year in case of new assets specified in Section 54ED, from the date of its acquisition, the amount of capital gains for which exemption is availed earlier would become chargeable to tax as long term capital gains in the year in which such new asset is transferred or converted into money.
7. In case of a shareholder being an individual or a Hindu Undivided Family, in accordance with and subject to the conditions and to the extent provided in Section 54F of the Act, the shareholder is entitled to exemption from Long-term Capital Gains arising from the transfer of any long term capital asset, not being a residential house [not covered by sections 10(36) and 10(38) of the Act], if the net consideration is invested for purchase or construction of a residential house. If part of the net consideration is invested within the prescribed period in a residential house, such gains would not be chargeable to tax on a proportionate basis. If, such new residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as long-term capital gains of the year in which such residential house is transferred.

## **II. Mutual Funds**

In case of a shareholder being a Mutual fund, as per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India are exempt from income-tax, subject to the conditions notified by Central Government in this regard.

## **III. Non-Resident / Non-Resident Indian Member**

1. Dividend (both interim and final) income, if any, received by the nonresident/non-resident Indian shareholders from the domestic company shall be exempt under Section 10(34) read with Section 115-O of the Act.
2. Benefits outlined in Paragraph B(I) above are also available to a nonresident/non-resident Indian shareholder except that under first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The

conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation is not available to non-resident shareholders.

- 3 Benefits outlined in Paragraph A(8) above are also applicable to the nonresident/non-resident Indian shareholder.
- 4 As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident/non-resident Indian shareholder. Thus, a non-resident/nonresident Indian shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.
- 5 . Capital gains tax - Options available to a non-resident Indian under the Act:  
Non-resident Indian: As per Section 115C (e) of the Act, a 'non-resident Indian' means an individual, being a citizen of India or a person of Indian origin who is not a 'resident'. As per the Explanation to the said clause, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grandparents, was born in undivided India.
- 6 . Where shares have been subscribed in convertible foreign exchange, the nonresident Indians [as defined in section 115C (e) of the Act], being shareholders of an Indian company, have the option of being governed by the provisions of Chapter XII-A of the Act, which, inter alia, entitles them to the following benefits in respect of income from shares of an Indian company acquired, purchased or subscribed to in convertible foreign exchange:

As per the provisions of section 115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38) of the Act) arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (plus applicable surcharge on tax and education cess on tax and surcharge), without indexation benefit.

As per the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset (in cases not covered under section 10(38) of the Act) being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

Under section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the Provisions of the Chapter.

XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

As per the provisions of section 115I of the Act, a non-resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

#### **IV. Foreign Institutional Investors (FIIs)**

1. Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt under Section 10(34) read with Section 115O of the Act.

2. **Capital gains**

Under Section 115AD, income (other than income by way of dividends referred in Section 115O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20% (plus applicable surcharge on tax and education cess on tax and surcharge).

Under Section 115 AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB) which are not exempt under Section 10(38), shall be taxable as follows:

Securities which are held for the period of upto or less than twelve months and where such transaction is chargeable to Securities Transaction Tax ("STT") levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 10% (plus applicable surcharge on tax and education cess on tax and surcharge). Securities other than those held for the period of upto or less than twelve months and where such transaction is not chargeable to STT levied under Chapter VII of the Finance (No. 2) Act of 2004, shall be taxable at the rate of 30% (plus applicable surcharge on tax and education cess on tax and surcharge);

Securities which are held for the period exceeding twelve months or more shall be taxable at the rate of 10% (plus applicable surcharge on tax and education cess on tax and surcharge). Such capital gains would be computed without giving effect of indexation as provided in the first and second proviso to Section 48. In other words, the benefit of indexation, as mentioned under the two provisos would not be allowed while computing the capital gains.

3. Long-term capital gains arising on transfer of equity shares in the Company, which is held for the period of more than twelve months or more and where such transaction is chargeable to STT, shall be exempt from tax under Section 10(38) of the Act.
4. Benefit of exemption under Section 54EC and 54ED shall be available as outlined in Paragraph B(I)(6) above.
5. Benefit as outlined in Paragraph A(8) above are also available to FIIs.
6. As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to then

non-resident. Thus, a non-resident can opt to be governed by the beneficial provisions of an applicable tax treaty.

Note: There is a legal uncertainty over whether a FII can elect to be governed by the normal provisions of the Act, instead of the provisions of Section 115AD. Investors are advised to consult their tax advisors in this regard.

**C. Benefits available under the Wealth Tax Act, 1957**

'Asset' as defined under section 2(ea) of the Wealth Tax Act, 1957, does not include share in companies. Hence, the shares in companies are not liable to Wealth Tax.

**D. Benefits available under the Gift Tax Act, 1958**

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

**Notes:**

1. All the above benefits are as per the current tax law and will be available only to the first named holder in case the shares are held by joint holders. Shareholder is advised to consider in his/her/its own case, the tax implications of any new enactments which may change / modify the law.
2. In view of the nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences.

#### IV. HISTORY

The Company was originally incorporated in the name and style of **SOMNATH FARMS PVT.LIMITED** under the Companies Act, 1956 as Private Limited Company which was converted into Public Limited Company on 5<sup>th</sup> day of September 2000 under the name and style of "**SOMNATH FARMS LTD.**" under the provisions of the Companies Act, 1956 in the state of Maharashtra, and later changed the name as **AGRI-TECH (INDIA) LTD.**, on 5<sup>th</sup> March, 2001. vide Certificate of Incorporation No. 11-73268 dated 5<sup>th</sup> March, 2001 issued by the Registrar of Companies, Maharashtra, Mumbai. The Registered Office of the Company is situated at Nath House, Nath Road, Aurangabad – 431 005.

Pursuant to the Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide its order dated 27.08.2003, the entire business and assets of Farming Division of Nath Seeds Limited (Transferor Company) stand transferred to and vested in Agri-Tech (India) Ltd., (Transferee Company) w.e.f. 1<sup>st</sup> January, 2001.

#### MAIN OBJECTS OF THE COMPANY

1. To own or acquire and cultivate agricultural land
  - 1A. To carry on the business as cultivators, tillers, husbandrymen, nurserymen, seedsmen, agriculturists, horticulturists, sericulturists, farmers, gardeners and producers of seeds with a view to raise crops, vegetables, plants, trees fruits, flowers, herbs, shrubs, sprouts, bulbs, roots, creepers, garden plants, grapes, viner, sugarcane, cotton, tea, cocoa, coffee, rubber and products and process, treat and refine seeds and to produce, breed and grow hybrid seeds, grains and farm produce and to grow, cultivate, plant, produce, process, buy, sell, make marketable import, export or otherwise deal in agricultural, horticultural, sericultural, botanical and garden products and farm products, grains, seeds, crops, including commercial crops.
  - 1B. To do scientific and industrial research and development, sale or give royalty or otherwise deal in the products of research work, enter into research collaboration in India or abroad, give consultancy in the field of research in India or abroad, to establish, provide, maintain, and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experimental and to and tests of all kinds and to promote studies and research, investigations both scientific and technological by conducting agricultural schools, colleges, training centers, research centers, model towns and the like and providing for the remuneration of professors or teachers and by providing for awards, scholarships, prizes and encourage, promote and reward studies, research and investigations, experiments, tests and assist any of the business with the company is authorized to carry on.
  - 1C. To buy, sell manufacture, repair, alter, improve, exchange, let out on hire, import, export and otherwise deal in all types of fertilizers, pesticides, agriculture and non agriculture inputs, implements, works, plants, machinery, utensils, apparatus, produce material, substances, articles and other things capable of being used for cultivation and irrigation.
  - 1D. To buy, sell, let out on hire, give and take on lease, give and take on right to grow basis land, plantation of all types.
  - 1E. To produce seedlings by the use of Tissue Culture, Biotechnologies in the field of cultivators, tillers husbandry men, nursery men, seed men, agriculturist, horticulturists, sericulturists, farmers, gardeners and producers of seeds with a view of raise crops, vegetables, plants, trees, fruits, flowers, herbs, shrubs, sprouts, bulbs, roots, creepers, garden plants, grapes, wines, sugar canes, cotton, tea, coca, coffee and to process, treat and refined seeds and produce, breed and grow hybrid seeds, grains and farm products and to grow, cultivate, plant, produce, process, buy, sell, make marketable, import, export or otherwise deal in agricultural, horticultural, sericultural, botanical and garden products and farm products, grains, seeds and crops.

**Change in Memorandum of Association since the Company's inception.**

<b>Sr.No.</b>	<b>Date</b>	<b>Particulars</b>
1.	16/08/2003	Increase in Authorised Capital of the Company to Rs.1,00,00,000/-
2.	13/01/2004	Increase in Authorised Capital of the Company to Rs.6,25,00,000/-

## **V. BUSINESS**

Office location and other details of business transferred to the Company as per the Scheme of Arrangement.

### **Farming Division**

The Farming Division of the company is located at Aurangabad in the state of Maharashtra. The Farming Division comprises 1152 acres of agricultural land.

## VI. PRODUCTS

Products	Principal Raw Materials	Principal End Users
Various types of vegetables, fruits, flowers, medicinal plants & other farming products	Seeds and Seed Saplings	Corporate and individual consumers

After the Scheme becoming effective, the Company will be carrying on the same business of farming and developing of agricultural land.

### **Manufacturing Process:**

The company is into growing of grapes, mangoes, cotton, sugarcane and other crops. The first stage of the process is planting of sapling in well prepared pits in the ground.

The saplings are protected through fertilizer and pesticide treatment and fertigation is made on regular basis. Over a period of time the treatment is changed depending upon the age of the plant till its fruiting stage.

### **Raw Material :**

Raw material is required sapling which are procured or grown in the company Nursery.

### **Land, Building and Plant Machinery:**

The company has 1152 Acres of land in and around Isarwadi, Taluka Paithan, District Aurangabad. The building requirement is minimal, however, store and office block has been erected at the farm site.

Plant machinery basically consists of Pipe line drawn from Jayakwadi Dam to the farm site. Apart from that motors and tractors are use for various activities of the company.

### **Power & Fuel:**

Main sources of the power is made through the MSEB connections supplied to the company.

### **Water :**

Water is drawn from Jayakwadi Dam, Paithan through Pipe line for irrigation purpose.

### **Man Power Requirement:**

Total employees strength of the company as on the 30<sup>th</sup> September, 2006 are as under:

Sr. No.	Department	Employee
01.	Farm Production	62
02.	Marketing	5
03.	H.R. & A	3
04.	Accounts & Finance	2
05.	Purchase	2

### **Effluent Treatment:**

Being agricultural seed industry effluent treatment is not applicable.

## VII. MANAGEMENT OF THE COMPANY

Sr.No.	Name of the Director	Age (Yrs)	Father's Name	Residential Address	Occupation
1.	Satish Kagliwal	49	Laxminarayan Kagliwal	“Utsah”, Adalat Road, Aurangabad – 431 005.	Industrialist
2.	Akash Kagliwal	26	Nandkishor Kagliwal	“Akash”, Near Mahanubhav Ashram,Paithan Road, Aurangabad- 431 005.	Industrialist
3.	Shrirang Agarwal	60	Shreenivas Agarwal	35,Bansilal Nagar, Aurangabad – 431 005.	Business
4.	Mr. Kashinath G. Iyer	60	Ganapathy Iyer	F No. B - 6, Shanta Ganga App. Dashmesh Nagar Aurangabad	Service

**The details regarding the Board of Directors is as follows :**

1. Mr.Satish Kagliwal  
Age : 55 Years  
PAN : AHKPK9953B  
Position : Director  
Date of Appointment : 30/08/1999

Mr.Satish Kagliwal, has a post graduate degree in management from BITS, Pilani and is having over 25 years of rich experience in the field of agriculture and agro-industries.. He is looking after the marketing net work of Agri-Tech (India) Ltd.

2. Mr.Akash Kagliwal  
Age : 32 Years  
PAN : AKHPPK8131D  
Position : Director  
Date of Appointment : 08/09/2003

Mr.Akash Kagliwal is the executive director of the company and is looking after the day-to-day affairs. He is BA (Hons.) in International Business from Regent Business School, London. He is an able administrator and has the required acumen.

3. Mr.Shrirang Agarwal  
Age : 64 Years  
PAN : AATPA5461G  
Position : Director  
Date of Appointment : 30/08/1999

Mr.Shrirang Agarwal is a business man having rich experience in the field of agriculture and is responsible for finance and accounts functions of the company.

4. Mr. Kashinath G. Iyer  
Age : 60 Years  
PAN : AAJPI8357D  
Position : Director  
Date of Appointment : 24/01/2013

## COMPENSATION TO DIRECTORS

The company doesn't pay any remuneration of whatsoever nature to the Directors of the company.

## PROMOTERS AND THEIR BACKGROUND

### Details of Promoters companies

1. Nath Seeds Limited
2. Nath Bio-Genes (India) Limited
3. Nath Biotechnologies Limited
4. Global Transgenes Limited

## CORPORATE GOVERNANCE

Corporate Governance refers to a combination of laws, regulations, procedures and practices that enable companies to attract financial and human capital, perform efficiently and thereby maximize long term value for shareholders, including society at large.

The essence of Corporate Governance lies in the phrase Your Company. It is Your Company because it belongs to you, the shareholders. The Chairman and Directors are Your fiduciaries and trustees. Their objective is to take the business forward to maximize the long-term value/wealth

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchanges.

Mr. Akash Kagliwal is the Promoter Whole Time Director of the Board. The Board of the Company comprising three Directors, including one Independent Director. The Board has also constituted the Audit Committee, Shareholders/Investors' Grievance Committee and Remuneration Committee as required under the Companies Act, 1956 and Clause 49 of the Listing Agreement as under:

Director	Category	Member of Audit Committee	Member of Shareholders/Investors' Grievance Committee	Member of Remuneration committee
Mr.Satish Kagliwal	Promoter Executive	Yes	Yes	Yes
Mr.Akash Kagliwal	Promoter Executive	Yes	Yes	Yes
Mr.Shrirang Agarwal	Independent Non-Executive	Yes	Yes	Yes

Change in Board of Directors of the Company since incorporation

Sr.No.	Name of Director	Date of Appointment	Date of Cessation
1	Mr.Sunil Buit	12/07/1993	30/08/1999
2.	Mrs.Jeevanlata Kagliwal	12/07/1993	30/08/1999
3.	Mr.Srirang Agarwal	12/07/1993	08/09/2003
4	Mr.Nandkishor Kagliwal	30/08/1999	15/03/2006
5	Mr.Satish Kagliwal	30/08/1999	NA
6	Mr.Akash Kagliwal	08/09/2003	NA

7	Mr.Shrirang Agarwal	15/03/2006	NA
8	Mr Kashinath Iyer	24/01/2013	NA

The role, powers, scope of functions and duties of the Audit Committee, Shareholders/Investors' Grievance Committee and Remuneration/Compensation Committee of the Board are as per the applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

## **AUDIT COMMITTEE**

### ***Committee Members:***

<b>Name of Director</b>	<b>Position held in the Committee</b>
Mr.Shrirang Agarwal	Chairman
Mr.Satish Kagliwal	Member
Mr.Akash Kagliwal	Member

Audit Committee consists of one Independent Non-Executive Director.

### ***Functions of Audit Committee***

The functions of the Audit Committee include:

- a) Reviewing the quarterly, half-yearly and annual financial results before submission to the Board etc.;
- b) Recommending appointment of the Statutory Auditors and overseeing their work (including resolving disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
- c) Reviewing the adequacy of internal control systems and the Internal Audit Reports and their compliances thereof;
- d) Reviewing the disclosure of Company's financial information to ensure that the financial statements are correct, sufficient and credible;
- e) Reviewing the Company's financial and risk management policies;
- f) Review of Foreign Exchange Exposure.

## **SHAREHOLDERS GRIEVANCE COMMITTEE**

The Shareholders Grievance Committee has been constituted. This Committee primarily focuses on the shareholders grievances and strengthening the investors relations .

### ***Committee Members:***

<b>Name of Director</b>	<b>Position held in the Committee</b>
Mr.Satish Kagliwal	Chairman
Mr.Akash Kagliwal	Member
Mr.Shrirang Agarwal	Member

### ***Name of Compliance Officer***

Ms.Laveena Chanchlani

## **Shareholding of Directors**

Sr.No.	Name of the Director	No.of Shares
1.	Mr.Akash Kagliwal	Nil
2.	Mr.Satish Kagliwal	10
3.	Mr.Shirang Agarwal	10

### **Interest of the Directors**

Other than reimbursement of expenses incurred for the Company, the directors of the Company have no other interest in the Company.

### **Key Managerial Personnel**

As per the Scheme of Arrangement, all the employees of the transferor Company who are in its employment of the effective date of the scheme shall as from such date, become the employees of the transferee Company on the basis that their services have not been interrupted by the vesting of the undertaking of the transferor Company.

Accordingly details of Key Managerial Personnel being transferred from the transferor company are as follows:

### **Key Managerial Persons are as under:**

Sr. No.	Name	Age	Father's Name	Residential Address	Designation
01	Akash Kagliwal	27	Nandkishor Kagliwal	"Akash" Paithan Road, Aurangabad	Director
02.	Shrirang Agrawal	57	Shrikishan Agrawal	35, Bansilal Nagar, Aurangabad.	Director
03.	Devinder Khurana	43	Gursharan Khurana	63, Shreya Nagar, Aurangabad	S.V. P. (F & A)
04.	Sunil Dixit	40	Ramkrishna Dixit	Deva Nagari, Aurangabad	Manager. (Acctt)
05.	Shaikh Rasool	42	Shaikh Ismail	Buttewadi, Tal. Paithan	Manager (Prod)

### **Shareholding of the Key Managerial Personnel**

Mr.Shirang Agarwal, Director, is holding shareholding of 10 equity shares in the Company.

### **Bonus or Profit Sharing Plan for Key Managerial Personnel**

The bonus is payable as per the policy of the Company as applicable to all employees. There is no profit sharing plans.

### **Change in Key Managerial Personnel since inception**

There is no change in Key Managerial Personnel.

## VIII. MANAGEMENT DISCUSSION & ANALYSIS OF THE FINANCIAL CONDITION AND RESULT OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

### (a) AGRICULTURAL INDUSTRY

Agriculture is the backbone of the country's economy and is critical to the country's progress. During the past five years agriculture sector has witnessed phenomenal growth in the production and productivity of food grains, oilseeds, commercial crops, fruits, vegetables etc. India has emerged as the second largest producer of fruits and vegetables in the world in addition to being the largest overseas exporter of cashews and spices.

The prospects of the agriculture sector in the country are very bright with near normal rainfall. The emerging areas in agriculture like horticulture, floriculture, organic farming, genetic engineering, food processing, branding and packaging and future trading have high potential of growth.

Emergence of national and multi-national food chains would require steady sources of quality fruits and vegetables from organized sector.

### (b) MANGEMENT PERCEPTION OF RISKS AND CONECERNS

The primary focus of the company is in the area of agriculture. The company has acquired 1152 acres of land to be developed for farming. Being in agro based business, company largely depends on the weather conditions. Weather plays an important role in the prospects of the company and any deviation/change in the weather condition may have an adverse effect on the profitability.

### (c) PERFORMANCE

#### *Financial Performance of the Company*

(Rs. in lakh)

Particulars	31/03/2012	33/03/2011	31/03/2010
Sales & Other Income	1817.99	41.02	16.84
Operating Profit /(Loss)	1775.28	(7.21)	(34.07)
Profit before Dep. & Interest	1775.28	(7.21)	(34.07)
Depreciation	18.69	21.73	24.25
Net Profit/(Loss)	1756.59	(28.94)	(58.32)
EPS (Rs.)	28.34	(6.02)	(3.04)

### (d) FUTURE OUTLOOK

At present the Farming Division of Transferor Company which has been de-merged into the Transferee. This includes land, building, plant & machinery and the agriculture land. The demerger of the transferor Company into the transferee Company would ensure expansion in the Company's business leading to growth in profits.

The Scheme of Arrangement will provide a strong resource base and focused business environment, which would enable the Company to undertake expansion and growth of the business more rapidly and advantageously.

R & D support available from associate concerns.

Near vicinity to major consuming centers of Mumbai, Pune and Nashik.

**(e) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an adequate system of internal controls commensurate with the size and nature of business of the Company to ensure adequate protection of the Company's resources, provision of accurate and speedy financial statement and reports and compliance with the Company policies and procedures, and legal obligations.

The Company has a balanced organization structure, well-defined authority levels and set guidelines and rules for conducting business transactions and to promote ethical conduct. The Company's Internal Auditors conduct audit to ensure adequacy of internal control systems, adherence to management instructions and policies and compliance with laws and regulations of the country. The Internal Audit Reports are circulated to the Management who initiates action where appropriate and the action taken reports of the management is considered and discussed by the Audit Committee.

**(f) DEVELOPMENT IN HUMAN RESOURCES**

Employees are the future of our company and the organization continues to develop the internal capabilities of its people through various training and development initiatives.

The Company continued with initiatives to develop its employees at professional and personal levels. A sizeable number of employees have undergone training that accord an opportunity to sharpen their skills, improve their performance and widen their perspective.

Company has also put in place a system of performance appraisal to ensure a direct link between employees' performance and their variable pay as well as training needs. Company has a strong belief that to attract, retain and nurture the optimal talent, effective management of human capital is imperative and to that end, it consistently strives toward improvement in the standards of environment, occupational health and safety of all its employees as well as at the work place. This not only improves productivity but also provides a safe and healthy environment and an atmosphere of congeniality.

**CURRENCY OF PRESENTATION**

In this Information Memorandum all references to "**Rupees**" or "**Rs.**" are to Indian Rupees, the legal currency of the Republic of India.

**DIVIDEND POLICY**

Dividend is intended to be declared based on the quantum and availability of future profits and will be disbursed based on shareholder approval based on the recommendation of the Board of Directors.

The Company has not paid any dividend in the past.

## **IX. FINANCIAL INFORMATION OF AGRI-TECH (INDIA) LTD.,**

### **AUDITORS' REPORT**

To,  
The Members  
Agri-Tech (India) Limited

1. We have audited the attached Balance Sheet of AGRI-TECH (INDIA) LIMITED as at 31st March, 2012, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (hereinafter referred to as the "Act") we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - a) The accounts of certain debtors, creditors, secured and unsecured loans, loans and advances, other liabilities and provisions are subject to confirmations and reconciliation. (Refer Note No 27);
  - b) On the basis of written representations received from the Directors, taken on record by the Board of Directors, and on the basis of information and explanations given to us, none of the directors is disqualified as on 31st March, 2012 from being appointed as a Director under section 274(1)(g) of the Act.
  - c) Subject to what is stated at paragraphs (a) above, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - d) Proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - e) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - f) In our opinion, the Balance Sheet, Statement of Profit and Loss and cash Flow Statement dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211(3C) of the Act, to the extent applicable;
  - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to what is stated in paragraphs (a) above, having consequential impact, (presently not ascertainable) on the profit for the year, Reserves and Surplus, assets and liabilities of the Company, as also note No 23 regarding appointment of company secretary and read together with Significant Accounting Policies, Contingent liabilities and other notes appearing in said Note and elsewhere in the financial statements, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
- II. In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.
- III. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For Gautam N associates  
Firm Registration No 103117W  
Chartered Accountants

(Gautam Nandawat)  
Partner  
M No 32742

Place: Aurangabad  
Dated: 04th Aug 2012

#### ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in Para 3 of our report of even date to the Members of AGRI-TECH (INDIA) LIMITED.

- i) a) The Company has maintained its fixed assets records to show full particulars including quantitative details and situation of its fixed assets.  
  
b) As explained to us, the fixed assets have been physically verified by the management during the year according to the phased program of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. According to the information and explanations given to us, no discrepancies were noticed between the physical quantity of fixed assets and book records.  
  
c) The Company has not disposed off substantial part of its assets during the year.
- ii) a) As explained to us, the stock of standing crop has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
  
b) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of Company and the nature of its business.  
  
c) The Company has maintained proper records of Inventory. As explained, there were no material discrepancies noticed between the physical stocks and the book records, which have been properly dealt with in the books of the accounts.
- iii) a) The Company had taken loan from two companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 4,79,95,045 and the year end balance of loans taken from such parties was Rs. 4,29,95,045. There were five Companies covered in the register maintained under section 301 of Act, to which the Company has granted loans. The maximum amount involved during the year was Rs.7,74,15,360 and the year-end balance of loans granted to such parties was Rs.5,92,51,271.  
  
b) In our opinion, the terms and conditions on which interest free loans have been taken from/granted to companies listed in the register maintained under section 301 of the Act, are, prima facie, not prejudicial to the interest of the Company.

- c) There are no overdue amounts of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, internal control procedures are commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and sale of goods during the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
- b) As per the information and explanations given to us, there are no transactions of purchases and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs. 5,00,000 or more in respect of each party.
- vi) The Company has not accepted any deposits under the provision of Section 58A and 58AA of the Act and the rules framed there under.
- vii) The internal audit system is commensurate to the size of the company.
- viii) The Central Government has not prescribed for maintenance of cost records under Section 209(1)(d) of the Act, for the products of the Company.
- ix) a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, employees' state insurance, income-tax, wealth-tax, customs duty, cess and other statutory dues applicable to it. The outstanding balances as at the balance sheet date were as follows, which have since been paid: -

Name of Statute	Nature of dues	Amount	Remarks
Professional Tax Act	Professional Tax	7500	Since Paid
Income Tax Act	Tax Deducted at Source	6309	Since Paid

- b) According to the information and explanations given to us, no disputed amounts are payable in respect of dues of income tax, customs duty, wealth tax, excise duty and cess, as applicable, which are outstanding as at 31st March, 2012.
- x) The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit, however, incurred cash losses during the immediately preceding financial year.
- xi) The Company has defaulted in repayment of dues to a Financial Institution. The over due amount as at 31st March 2012 is INR 1,94,81,000.
- xii) In our opinion, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society.
- xiv) In our opinion, the Company is not dealing or trading in shares, securities, debenture and other investments.
- xv) As per the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

- xvi) In our opinion, the Company has not obtained any term loan during the year, therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that generally, no funds raised on short-term basis have been used for long-term investment by the Company and vice versa except permanent working capital.
- xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to companies and other parties covered in the register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examinations of the books and records of the Company, carried out in accordance with the generally accepted audit practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Gautam N Associates  
Firm Registration No 103117W  
Chartered Accountants

(Gautam Nandawat)  
Partner  
M No 32742

Place: Aurangabad  
Dated: 04th august 2012

**AGRI TECH (INDIA) LIMITED**  
**BALANCE SHEET AS AT 31st MARCH**  
**2012**

Amount in  
Rs.

PARTICULARS	NOTE NO	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders Funds</b>			
a) Share Capital	2	61900000	61900000
b) Reserves & Surplus	3	151870471	-23788896
c) Money Received against share warrant		0	0
		213770471	38111104
<b>(2) Share Application money pending allotment</b>			
		<b>0</b>	<b>0</b>
<b>(3) Non current Liabilities</b>			
a) Long Term Borrowings	4	45620000	48196000
b) Deferred Tax Liabilities (Net)		0	0
c) Other Long Term Liabilities		0	0
d) Long Term Provisions	5	178670	162108
		45798670	48358108
<b>(4) Current Liabilities</b>			
a) Short Term Borrowings	6	42995045	2995045
b) Trade Payables	7	134015	356877
c) Other Current Liabilities	8	19637242	41442260
d) Short Term Provisions		0	0
		62766302	44794182
<b>TOTAL</b>		<b>322335443</b>	<b>131263393</b>

PARTICULARS	NOTE NO	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>a) Fixed Assets</b>			
i) Tangible Assets	9	62309808	59238293
ii) Intangible Assets		0	0
iii) Capital Work In Progress		0	0
iv) Intangible assets under development		0	0
		62309808	59238293
<b>b) Non Current Investments</b>			
	10	4900000	4900000

c) Deferred Tax Assets (Net)		0	0
d) Long Term Loans and Advances		0	0
e) Other Non Current Assets		0	0
		4900000	4900000
<b>(2) Current Assets</b>			
a) Current Investments		0	0
b) Inventories	11	9993486	10819832
c) Trade Receivables		0	0
d) Cash and Cash Equivalents	12	995125	3393817
e) Short Term Loans and Advances	13	244137024	52911451
f) Other Current Assets		0	0
		255125635	67125100
<b>TOTAL</b>		<b>322335443</b>	<b>131263393</b>

Notes on Accounts forming part of the financial statements.

As per our report of even date attached

For Gautam N Associates  
FRN : 103117W  
Chartered Accountants

For and behalf of the  
board

Gautam Nandawat  
Partner  
M No 32742

Akash Kagliwal  
Managing Director

Satish  
Kagliwal  
Director

Place : Aurangabad

Date : 04 Aug 2012

### AGRI TECH (INDIA) LIMITED

#### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	NOTE NO.	Amount in Rs.	
		For the year ended on 31st March 2012	For the year ended on 31st March 2011
<b>Revenue</b>			
Sale of Agricultural Produce		2476862	1986557

Other Income	14	179322402	2115865
		<b>181799264</b>	<b>4102422</b>
<b>Expenses</b>			
Change in Inventories	15	826347	1542072
Employee Benefits Expense	16	2167347	1957622
Finance Costs	17	12333	1723846
Depreciation and amortisation		1869551	2172966
Other expenses	18	2903006	3692021
		<b>7778585</b>	<b>11088525</b>
<b>Profit/(Loss) before extraordinary items and Tax</b>		174020679	-6986103
Extraordinary Items	19	-1638688	21954398
<b>Profit/(Loss) before Tax</b>		175659367	-28940501
Tax Expenses			
Income Tax - Current		0	0
<b>Profit/(Loss) for the year</b>		<b>175659367</b>	<b>-28940501</b>
<b>Earning per Equity Share</b>			
1) Basic		28.34	-6.02
2) Diluted		28.34	-6.02
Notes on Accounts forming part of the financial statements.			
As per our report of even date attached			
For Gautam N Associates FRN : 103117W Chartered Accountants		For and behalf of the board	
Gautam Nandawat Partner MN 32742		Akash Kagliwal Managing Director	Satish Kagliwal Director
Place : Aurangabad Date : 04 Aug 2012			

**AGRI TECH (INDIA) LIMITED**

The financial statements are prepared on the basis of historical cost convention on the accounting principles of a going concern and in accordance with the applicable accounting standards. All the expenses and incomes to the extent considered payable and receivable, respectively, unless specifically stated to be otherwise, are accounted for on accrual basis.

Sales return is accounted for consistently in the year of settlement in view of the peculiar nature of business of the Company.

Fixed Assets are stated at cost including freight, duties, taxes and all incidental expenses related thereto.

Depreciation on Fixed Assets, except Agricultural land and improvement is provided for on basis of written down value method at the rates specified in Schedule XIV to the Companies Act, 1956 (hereinafter referred to as the "Act")

Inventories are valued based on the estimated cost of future produce as certified by the Management.

Cost of finished products comprises the cost of production and other costs incurred in bringing the inventories to their present location and condition.

Liability as at the year end in respect of retirement benefits is provided for and/or funded and charged to Statement of Profit and Loss as follows:

i) Provident / Family Pension Funds

At a percentage of salary/wages for eligible employees.

ii) Gratuity:

The liability in respect of future payments of gratuity is provided for in accordance with the provisions of the Payment of Gratuity Act, 1972

iii) Leave Encashment:

On the basis of accumulated leave of the employees outstanding as at the year-end.

Borrowing cost directly attributable to acquisition, construction, and production of qualifying assets is capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Statement of Profit and Loss.

Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**AGRI TECH (INDIA) LIMITED**

**NOTE -- 2**

<b>SHARE CAPITAL</b>	<b>Amount in Rs.</b>	
	<b>AS AT 31ST MARCH 2012</b>	<b>AS AT 31ST MARCH 2011</b>
<b>Authorized</b>		
60,00,000 (Previous year 60,00,000) Equity Shares of Rs.10 each.	60000000	60000000
25,000 (Previous year 25,000 ) 16% Cumulative Redeemable Preference Shares of Rs.100 each	2500000	2500000
	<b>62500000</b>	<b>62500000</b>
<b>Issued, Subscribed &amp; Paid up</b>		
<b>Equity Shares</b>		
Opening balance of 59,40,000 Equity Shares of Rs.10 each fully paid up	59400000	59400000
Add: Allotted during the year	0	0
Closing balance of 59,40,000 Equity Shares of Rs.10 each fully paid up	59400000	59400000
<b>Preference Shares</b>		
Opening balance of 25,000 16% Cumulative Redeemable Preference Shares of Rs.100 each	2500000	2500000
Add: Allotted during the year	0	0
Less: Redeemed during the year	0	0
Closing balance of 25,000 16% Cumulative Redeemable Preference Shares of Rs.100 each	2500000	2500000
	<b>61900000</b>	<b>61900000</b>

(a) Preference shares of Rs.25,00,000 were redeemable at par in three equal installments at the end of the 3rd, 4th and 5th year from the date of allotment. However, non-redemption and non-declaration of dividend has resulted into entitlement of voting power to the preference share holders.		
(b) The list of shareholders who holds the shares 5% or more	No of shares	No of shares
<b>Equity Shares</b>		
1) Nath Royal Ltd	983221	983221
2) Barkha Farms Pvt Ltd	337000	337000
3) Nath Securities Ltd	327000	327000
4) Ferry Fax Farms Pvt Ltd	320000	320000
	<b>1967221</b>	<b>1967221</b>
<b>Preference Shares</b>		
1) The New India Assurance Company Ltd	7693	7693
2) The United Insurance Company Ltd	5769	5769
3) The Oriental Insurance Company Ltd	5769	5769
4) The General Insurance Company Ltd	5769	5769
	<b>25000</b>	<b>25000</b>

### AGRI TECH (INDIA) LIMITED

#### NOTE -- 3

RESERVE & SURPLUS	Amount in Rs.	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
<b>01. Capital Reserve</b>		
Opening Balance	52989462	52989462
Additions/ (Deductions) during the period	0	0
<b>Closing Balance</b>	<b>52989462</b>	<b>52989462</b>
<b>02. Statement of Profit &amp; Loss</b>		
Opening Balance (Loss)	-76778358	-47837857
Profit / (Loss) for the year	175659367	-28940501
<b>Closing Balance</b>	<b>98881009</b>	<b>-76778358</b>
	<b>151870471</b>	<b>-23788896</b>

#### NOTE -- 4

LONG TERM BORROWINGS	Amount in Rs.	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
<b>SECURED</b>		
(i) Term Loan from Banks Central Bank of India (Secured by pledge of Fixed Deposit Receipts of Rs. 25,00,000.)	0	2500000
(ii) Term Loan from a Company ARC Trust (Secured by a first charge by way of hypothecation of all the tangible movable plant and machinery, both present and future, situated at area Isarwadi, Taluka Paithan, Dist. Aurangabad and equitable mortgage of Company's immovable Properties situated at various survey nos. in Taluka, Paithan. The loan is further secured by way of extension of charges by mortgage of immovable property owned by an associate concern situated at Mandavane, Tq. Karjat. The above loan is personally guaranteed by 2 promoter directors of the Company.)  The term loan amounting to Rs. 1,94,81,000 of ARC Trust is overdue for the re-payment.	45620000	45696000
	45620000	48196000
	<b>45620000</b>	<b>48196000</b>

**NOTE -- 5**

LONG TERM PROVISIONS	Amount in Rs.	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Gratuity	147286	125654
Leave encashment	31384	36454
	<b>178670</b>	<b>162108</b>

**AGRI TECH (INDIA) LIMITED**

**NOTE -- 6**

SHORT TERM BORROWINGS	Amount in Rs.
-----------------------	---------------

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
<b>UNSECURED</b>		
Short Term Borrowings from Related Parties	42995045	2995045
	<b>42995045</b>	<b>2995045</b>

**NOTE -- 7**

		Amount in Rs.	
<b>TRADE PAYABLES</b>			
PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011	
Sundry Creditors for Raw Material	11000	286917	
Sundry Creditors for Expenses	123015	69960	
	<b>134015</b>	<b>356877</b>	
There are no over dues payable to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Act, 2006.			

**NOTE -- 8**

		Amount in Rs.	
<b>OTHER CURRENT LIABILITIES</b>			
PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011	
Advance received against land sale	19368336	39043336	
Payable to Staff	48134	78021	
Interest accrued and due of loan against pledge of FDR	0	2313688	
Statutory Liabilities	11309	7215	
Labour Wages Payable	173463	0	
Expenses Payable	36000	0	
	<b>19637242</b>	<b>41442260</b>	

**NOTE -- 10**

		Amount in Rs.	
<b>NON CURRENT INVESTMENTS</b>			
PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011	
<b>Un-Quoted (at Cost) : Trade Investment with Associate Company</b>			
Investments in Equity Instruments			

Equity Shares of Pace Farm Pvt Ltd (4,90,000 Equity Shares of Rs. 10 per shares)	4900000	4900000
	<b>4900000</b>	<b>4900000</b>

### AGRI TECH (INDIA) LIMITED

#### NOTE -- 11

INVENTORIES	Amount in Rs.	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
<b>PARTICULARS</b>		
Standing Crops	9258835	10412782
Fertilizer and Pesticides	631377	407050
Packing Materials	103274	0
	<b>9993486</b>	<b>10819832</b>
<p>(a) Valuation of Standing Crops (included in Inventories) was done by the management considering their production potentiality. This could not be verified by the auditors, being a technical matter.</p> <p>(b) Fertilizer, Pesticides and Packing Materials are valued at cost or net realizable value, whichever is lower.</p>		

#### NOTE -- 12

CASH AND CASH EQUIVALENTS	Amount in Rs.	
	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
<b>PARTICULARS</b>		
<b>Balance with Banks</b>		
In Current A/c	983517	857011
In Fixed Deposits	0	2500000
Cash in Hand	11608	36806
	<b>995125</b>	<b>3393817</b>

#### NOTE -- 13

SHORT TERM LOANS AND ADVANCES	Amount in Rs.	
	AS AT 31ST MARCH	AS AT 31ST MARCH
<b>PARTICULARS</b>		

	<b>2012</b>	<b>2011</b>
<b>Unsecured: Considered good:</b>		
Loans and advances to related parties	59251271	52225448
Receivable against land sale to a related party	184833500	0
Debit balance in creditors account	36000	0
Interest accrued on FDR	0	675000
Deposit with others	11003	11003
Loans and advances to labour	5250	0
	<b>244137024</b>	<b>52911451</b>

**AGRI TECH (INDIA) LIMITED**

**NOTE -- 14**

<b>OTHER INCOME</b>	<b>Amount in Rs.</b>	
	<b>PARTICULARS</b>	<b>For the year ended on 31st March 2012</b>
Sale of scrap and other unserviceable stores	26400	0
Profit on Sale of Agri-Land	179182997	2055941
Sundry balances Written Back	113005	59924
	<b>179322402</b>	<b>2115865</b>

**NOTE -- 15**

<b>CHANGE IN INVENTORIES</b>	<b>Amount in Rs.</b>	
	<b>PARTICULARS</b>	<b>For the year ended on 31st March 2012</b>
<b>Opening Stock</b>		
Standing Crop	10412782	12361904
Packing Materials	0	0
Agri Inputs	407050	0
	<b>10819832</b>	<b>12361904</b>
<b>Closing Stock</b>		
Standing Crop	9258835	10412782
Packing Material	103274	0
Agri Inputs	631376	407050
	<b>9993485</b>	<b>10819832</b>

Decrease / (Increase) in inventory	826347	1542072
------------------------------------	--------	---------

**NOTE -- 16**

EMPLOYEES BENEFITS EXPENSES	Amount in Rs.	
	For the year ended on 31st March 2012	For the year ended on 31st March 2011
<b>PARTICULARS</b>		
Salaries, Allowances, Bonus	441204	390526
Contract Labour Charges	1691355	1533703
Leave Encashment	13156	16777
Gratuity	21632	16616
	<b>2167347</b>	<b>1957622</b>

**NOTE -- 17**

FINANCE COSTS	Amount in Rs.	
	For the year ended on 31st March 2012	For the year ended on 31st March 2011
<b>PARTICULARS</b>		
Interest on term loan	0	1850095
Less: Interest on FDR	0	-150000
Bank Charges	12333	23751
	<b>12333</b>	<b>1723846</b>

**AGRI TECH (INDIA) LIMITED**

**NOTE -- 18**

OTHER EXPENSES	Amount in Rs.	
	For the year ended on 31st March 2012	For the year ended on 31st March 2011
<b>PARTICULARS</b>		
<b>A. MANUFACTURING EXPENSES</b>		
Fertilizers	1110847	1099075
Agro Chemicals	83900	383835
Compost/ FYM	380000	150000
Seeds	14250	23885
Packing Material	103274	78950
Hammali & Transportation Exp	38573	24525
Power and Fuel	182528	26220

Water Charges	60018	151082
Repairs and Maintenance (Machinery)	24940	68947
Repairs and Maintenance (Tractor)	21284	232910
Other Farming Expenses	43705	65892
	<b>2063319</b>	<b>2305321</b>
<b>B. ADMINISTRATIVE EXPENSES</b>		
Rates and Taxes	20164	22910
Repairs and Maintenance (Others)	75682	98325
Traveling and Conveyance	68031	4198
Security Charges	148713	116089
Auditors' Remuneration: Audit Fee	28090	27575
Legal & Professional Expenses	142238	940380
Telephone expenses	14398	16038
Printing & stationery	2720	602
Advertisement and Sales Promotion	95889	2304
Corporate Share Expenses	205574	115316
Sundry balance written off	633	15566
Miscellaneous Expenses	37555	27397
	<b>839687</b>	<b>1386700</b>
<b>TOTAL (A+B)</b>	<b>2903006</b>	<b>3692021</b>

**NOTE -- 19**

**EXTRA-ORDINARY ITEMS**

<b>PARTICULARS</b>	<b>For the year ended on 31st March 2012</b>	<b>For the year ended on 31st March 2011</b>
<b>EXPENSES</b>		
Excess Provision restated	0	21954398
	<b>0</b>	<b>21954398</b>
<b>INCOME</b>		
Excess Provision written back	1638688	0
	<b>1638688</b>	<b>0</b>
<b>INCOME</b>	<b>-1638688</b>	<b>21954398</b>

**SCHEDULE -20**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011.**

## **1 SIGNIFICANT ACCOUNTING POLICIES:**

### **(A) GENERAL**

- i) The financial statements are prepared on the basis of historical cost convention on the accounting principles of a going concern and in accordance with the applicable accounting standards. All the expenses and income to the extent considered payable and receivable, respectively, unless specifically stated to be otherwise, are accounted for on accrual basis.
- ii) Sales return is accounted for consistently in the year of settlement in view of the peculiar nature of business of the Company.

### **(B) FIXED ASSETS:**

Fixed Assets are stated at cost including freight, duties, taxes and all incidental expenses related thereto.

### **(C) DEPRECIATION / AMORTISATION:**

Depreciation on Fixed Assets, except Agricultural land and improvement is provided for on basis of written down value method at the rates specified in Schedule XIV to the Companies Act, 1956 (hereinafter referred to as the "Act")

### **(D) INVENTORIES:**

- i) Inventories are valued based on the estimated cost of future produce as certified by the Management.
- ii) Cost of finished products comprises the cost of production and other costs incurred in bringing the inventories to their present location and condition.

### **(E) RETIREMENT BENEFITS:**

Liability as at the year end in respect of retirement benefits is provided for and/or funded and charged to Profit and Loss Account as follows:

- i) Provident / Family Pension Funds

At a percentage of salary/wages for eligible employees.

- i) Gratuity:

The liability in respect of future payments of gratuity is provided for in accordance with the provisions of the Payment of Gratuity Act, 1972

- iii) Leave Encashment:

On the basis of accumulated leave of the employees outstanding as at the year-end.

### **(F) BORROWING COST:**

Borrowing cost directly attributable to acquisition, construction, and production of qualifying assets is capitalized as a part of the cost of such asset up to the date of completion. Other borrowing costs are charged to the Profit and Loss Account.

### **(G) TAXATION:**

- i) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

- ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

	<b>Current Year</b>	<b>Previous Year</b>
2	Contingent liabilities not provided for in respect of:	
	a) Arrears of dividend on Cumulative Redeemable Preference Shares (Including Corporate dividend Tax)	6836645      6370210
	b) Amount of interest liability/penalty/liquidated damages, if any on delayed/non-payment of certain loans (secured or unsecured)/statutory dues	Amount Unascertainable      Amount Unascertainable
3	Valuation of Standing Crops (included in Inventories) was done on an estimated basis by the management considering their production potentiality and the same is reviewed at an interval of three years. This could not be verified by the auditors, being a technical matter.	10819832      12361904
4	Loans and advances includes:	
	a) Interest free loans given to associate companies	52225448      68341634
	b) Aggregated interest not charged on loans and business advances given to associate companies considering the long-term business exigencies / purposes	884047      1030185
	c) The above advances have been granted on account of business exigencies without obtaining the prior approval of the General Body as contemplated under section 372A(2) of the Act.	
5	In the opinion of the Board, Current Assets, Loans and advances are approximately of the value stated, if realized in the ordinary course of business.	
6	a) In view of the unabsorbed depreciation and carried forward losses / allowances etc received from Nath Seeds Ltd upon de-merger, and the Company's income being agricultural income, the Company does not expect any liability for income tax.	
	b) In view of agriculture income being earned by the Company which is exempt from levy of Income Tax; despite of being carried forward losses and unabsorbed depreciation, no deferred tax assets have been recognized as a matter of prudence.	
7	The Company does not have a full time Company Secretary as required under the provisions of Section 383 A of the Act.	
8	The Company has single reportable segment namely Farming Activity for the purpose of Accounting Standard 17 on Segment Reporting.	
9	There are no over dues payable to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Act, 2006.	
10	The Company has accounted for an additional interest liability on term loan payable to Canara Bank as mentioned in approved Scheme of Arrangement with secured creditors. The same is shown as "Extraordinary Item" in the Profit & Loss Account.	
11	Related party disclosure as per Accounting Standard 18:	

**(a) List of Related Parties**

Nath Pulp & Paper Mills Ltd.

Nath Seeds Ltd.

Nath Bio Genes (India) Ltd.  
Nath Royal Ltd  
Globe Transgenes Ltd  
Nath Biotechnologies Ltd  
Nath Holding & Investment Pvt Ltd

**(b) Key Management personnel**  
Mr. Akash Kagliwal, Managing Director

**(c) Transaction with related parties**

List of related parties	Transactions	Amount
Nath Holding & Investment Pvt Ltd	Transfer (Debit to party )	110000
	Sale of Goods	250000
Nath Bio-genes Ltd	Advance given	27809000
	Transfer (Debit to party )	739600
	Transfer (Credit to party )	652449
	Recovery of advances	33887371
Global Transgenes Ltd	Transfer (Credit to party )	347600
Nath Bio-technologies Ltd	Advance given	444721
	Recovery of advances	1500000
	Purchase of Investment	4900000
	Transfer (Credit to party )	200000
Nath Pulp & Paper Mills Ltd	Transfer (Debit to party )	87392
Nath Seeds Ltd	Advance given	6600000
	Transfer (Credit to party )	10222087

**(D) Outstanding balance of related parties**

Nath Bio Genes (India) Ltd.	1,39,82,772	Dr
Nath Bio Genes (India) Ltd for land sale	1,50,00,000	Cr
Nath Biotechnologies Ltd	3,59,19,230	Dr
Nath Royal Ltd	10,00,000	Dr
Nath Seeds Ltd	13,23,446	Dr

**NOTES :**

1. Related party relationship is as identified by the Company and relied upon by the Auditors.
  2. No amounts in respect of the related parties have been written off during the year. Also, no accounts have been provided for as doubtful debts.
- 12 The net profit for the purpose of measurement of basic and diluted earnings per share in terms of Accounting Standard 20 on Earnings per Share issued by the Institute of Chartered Accountants of India has been calculated as under: -

	Current Year (In Rs)	Previous Year (In Rs)
<b>Numerator</b>		
Net Profit / (Loss) as per Profit & Loss Account	-28940501	1167434
Less : Dividend on Preference Shares	6836645	3
Total	-35777146	6370210
<b>Denominator</b>		
Weighted Average Number of Equity Shares outstanding	5940000	-
Basic and Diluted Earnings per share is arrived at by dividing Numerator by Denominator	-6.02	1804455
The nominal value per Equity Share in Rupees	10	3

- 13 The accounts of certain debtors, creditors, Secured and Unsecured Loans from associate concern, loans and advances, Bank account, Other Liabilities and Provisions are subject to confirmation and reconciliation, if any. The difference as may be noticed on reconciliation will be duly accounted for on completion thereof. In the opinion of the management the ultimate difference will not be material.

- 14 Particulars of Licensed and Installed Capacities and Production (As certified by the Management))

Item Produced	Licensed Capacity	Installed Capacity	Production
Agriculture Produce	N.A.	N.A.	In view of the peculiar nature of activity and varied nature of agricultural produce, it is not feasible to give quantitative details.

	Current Year (In Rs)	Previous Year (In Rs)
15 CIF value of imports	Nil	Nil
16 Expenditure in foreign currency	Nil	Nil
17 Earnings in foreign currency:	Nil	Nil

- 18 Previous year's figures have been re-grouped/rearranged wherever necessary to confirm to the current year's presentation.

Place: Aurangabad  
Date: 13 August 2011

Akash Kagliwal  
Managing Director

Satish Kagliwal  
Director

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UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31/12/2012							
							Rs. in Lacs
SR. NO.		THREE	PRECEDING	CORRESPONDING	YEAR TO DATE	YEAR TO DATE	PREVIOUS
		MONTHS	3 MONTHS	3 MONTHS IN	FIGURES FOR	DATE	ACCOUNTING
		ENDED	ENDED	PREVIOUS YEAR	CURRENT	FIGURES FOR	YEAR
		31/12/2012	30/09/2012	31/12/2011	31/12/2012	31/12/2011	ENDED
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Net Sales / Income from operations	0.00	2.86	4.42	9.94	21.23	24.77
2	Expenses						
	a) Changes in Inventory	(2.84)	0.96	(9.29)	(4.32)	(5.60)	(8.26)
	b) Cost of Material Consumed	5.16	6.88	(3.97)	16.06	18.54	20.63
	c) Employee benefit expense	1.24	1.22	15.86	3.74	17.87	21.67
	d) Selling & Distribution Expenses	2.53	0.11	4.76	5.03	6.50	8.40
	e) Depreciation & Amortisation	5.00	5.00	12.50	15.00	12.50	18.70
	f) Other Expenditure	0.00	0.00	0.00	0.00	0.00	0.00
	<b>g) Total</b>	<b>16.77</b>	<b>12.25</b>	<b>38.44</b>	<b>44.15</b>	<b>61.01</b>	<b>77.66</b>
3	Profit from Operations before Other Income	(16.77)	(9.39)	(34.02)	(34.21)	(39.78)	(52.89)
4	Other Income	6.00	12.00	0.00	90.57	0.00	1793.22
5	Profit before Interest & Other Items	(10.77)	2.61	(34.02)	56.36	(39.78)	1740.33
6	Finance Costs	0.00	0.00	0.06	0.00	0.06	0.12
7	Profit before Exceptional Items	(10.77)	2.61	(34.08)	56.36	(39.84)	1740.21
8	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
9	Profit/(Loss) before Tax	(10.77)	2.61	(34.08)	56.36	(39.84)	1740.21
10	Tax expense	0.00	0.00	0.00	0.00	0.00	0.00
11	Net Profit / (Loss) after Tax	(10.77)	2.61	(34.08)	56.36	(39.84)	1740.21
12	Extraordinary Items	0.00	0.00	0.00	0.00	0.00	(16.39)
13	Net Profit / (Loss) for the period	(10.77)	2.61	(34.08)	56.36	(39.84)	1756.60
14	Share of Profit/(Loss) of Associates	0.00	0.00	0.00	0.00	0.00	0.00
15	Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00
16	Net Profit/(Loss) after Associates interest	(10.77)	2.61	(34.08)	56.36	(39.84)	1756.60
17	Paid Up Equity Share Capital (Face Value Rs. 10/- each)	619.00	619.00	619.00	619.00	619.00	619.00
18	Reserves (excluding Revaluation Reserves)	1575.06	1585.83	(277.73)	1575.06	(277.73)	1518.70
19	Basic and Diluted EPS	(0.17)	0.04	(0.55)	(0.17)	(0.64)	28.38
<b>Particulars of Shareholding</b>							
<b>Public Shareholding</b>							
	No of Shares	3228415	3228415	3228415	3228415	3228415	3228415
	% of Shareholding	54.35	54.35	54.35	54.35	54.35	54.35
	Promoters and Promoter group Shareholding						

<b>a) Pledged/Encumbered</b>						
No of Shares	29600	29600	29600	29600	29600	29600
	1.09	1.09	1.09	1.09	1.09	1.09
% of Shares (as a % of the total shareholding of promoter and promoter group)						
% of Shares (as a % of the total share capital of the Company)	0.49	0.49	0.49	0.49	0.49	0.49
<b>b) Non Encumbered</b>						
No of Shares	2681985	2681985	2681985	2681985	2681985	2681985
	98.90	98.90	98.90	98.90	98.90	98.90
% of Shares (as a % of the total shareholding of promoter and promoter group)						
% of Shares (as a % of the total share Capital of the Company)	45.15	45.15	45.15	45.15	45.15	45.15

**NOTES :** (1) Above financial results were taken on record by the Board of Directors in their meeting held on 24th January 2012. (2) The company is dealing in one major product segment. (3) Investor complaints - Opening Balance - 0, Received and Solved - 3, Closing Balance - 0 (4) Certain Debtors and Creditors of the company are yet to be obtained as balance confirmation. However the company has no problem in seeking confirmation as the issue is purely operational (5) The qualifications of the auditor's referred in the last audited accounts for the year ended 31 March 2012, have been adequately explained in the para above.

**FOR AGRI-TECH (INDIA) LTD**

**Place : Aurangabad**

**Date : 24th January 2013**

**DIRECTOR**

## X. GROUP COMPANIES

### Listed Companies

#### 1. Nath Seeds Limited

Date of Incorporation : 30.10.1980  
 Registration No. : 11/023364  
 PAN : AAACN9213B  
 Address of ROC : Registrar of Companies, Mumbai  
 Maharashtra.

Bank Account Details : Citibank Limited,  
 Aurangabad  
 Principal Business : Hybrid Seeds Production

**Shareholding Pattern as on March 31, 2013 is set forth below:**

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>13</sup>	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>14</sup></b>					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	2	1160	0	0.01	0.01
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	11	4962431	4290021	34.64	34.64
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>13</b>	<b>4963591</b>	<b>4290021</b>	<b>34.65</b>	<b>34.65</b>
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>13</b>	<b>4963591</b>	<b>4290021</b>	<b>34.65</b>	<b>34.65</b>

<sup>13</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>14</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>15</sup>	As a percentage of (A+B+C)
<b>(B)</b>	<b>Public shareholding<sup>16</sup></b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	10	4408	3835	0.03	0.03
(b)	Financial Institutions/ Banks	5	106448	92610	0.74	0.74
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1	1450	0	0.01	0.01
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	13	15820	13763	0.11	0.11
	<b>Sub-Total (B)(1)</b>	<b>29</b>	<b>128126</b>	<b>110208</b>	<b>0.89</b>	<b>0.89</b>
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	743	1455920	1266650	10.16	10.16
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	29223	6084333	5288832	42.47	42.47
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	66	1614238	1404387	11.27	11.27
(c)	Any Other (specify)	182	79792	69419	0.56	0.56
	<b>Sub-Total (B)(2)</b>	<b>30214</b>	<b>9234283</b>	<b>8029288</b>	<b>64.46</b>	<b>64.46</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>30243</b>	<b>9362409</b>	<b>8139496</b>	<b>65.35</b>	<b>65.35</b>
	<b>TOTAL (A)+(B)</b>	<b>30256</b>	<b>14326000</b>	<b>12429516</b>	<b>100.00</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>30256</b>	<b>14326000</b>	<b>12429516</b>	<b>100.00</b>	<b>100.00</b>

<sup>15</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>16</sup> For definitions of "Public Shareholding", refer to Clause 40A.

(I)(b) **Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Nath Royal Ltd.	2851340	19.90
2.	Jeevan Inv.& Fin. Pvt.Ltd	472872	3.30
3.	Nath Holding & Inv. Pvt.Ltd	329498	2.30
4.	Nath Biotechnologies Ltd.	266800	1.86
5.	Nath Pulp & Paper Mills Ltd.	179109	1.25
6.	Tingli Finvest Pvt.Ltd.	163922	1.14
7.	Nath Capital & Fin.Services Ltd.	142206	0.99
8.	Paresh Farms Pvt.Ltd.	140302	0.98
9.	Swamini Leasing & Inv. Pvt. Ltd.	139896	0.98
10.	Prabha Farms Pvt.Ltd.	139838	0.98
11.	Nath Securities Ltd.	136648	0.95
12.	J N Kagliwal	773	0.01
13.	N L Kagliwal	387	0.00
	<b>Total</b>	<b>4963591</b>	<b>34.65</b>

(I)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	M V Chandrashekar	279850	1.95
	<b>TOTAL</b>	<b>279850</b>	<b>1.95</b>

(I)(d) **Statement showing details of locked-in shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>

(II)(a) **Statement showing details of Depository Receipts (DRs) - NOT APPLICABLE**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
	<b>TOTAL</b>			

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**Board of Directors**

The Board of Directors is set forth below:

1. Mr.S.L.Kagliwal
1. Mr.R.S.Attal
2. Mr.S.S.Agrawal
3. Mr.Akash Kagliwal

***Financial Performance***

(Rs. in lakh)

Particulars	31/03/2012	30/06/2011	30/06/2010
Sales	2360.78	1591.44	2822.06
Profit before Dep. & Interest	115.45	215.46	29.97
Depreciation	3.41	3.59	3.78
Net Profit/(Loss)	11.40	103.19	(70.70)
EPS (Rs.)	(1.51)	(0.64)	(0.73)

***Details of Listing and Highest & Lowest Market Price during the preceding six months***

The shares are listed on BSE, NSE and ASE. The details of the highest and lowest prices during the preceding six months on BSE are as follows:

Month	Highest	Lowest
September 2011	21.95	12.39
October 2011	14.28	9.85
November 2011	14.25	7.85
December 2011	9.70	6.37
January 2012	9.98	7.40
February 2012	9.69	7.90
March 2012	8.50	6.07

There is no change in capital structure during last six months and there was no public/rights issue by Nath Seeds Ltd

**Mechanism of redressal of investor grievance**

Nath Seeds Limited has constituted a Share Transfer and Shareholders/ Investors Grievance Committee which meets as and when required, to deal with matters relating to transfer/ transmission of shares and monitors redressal of complaints/grievances from shareholders relating to transfers, non receipt of balance sheet, non receipt of dividend declared, etc. Typically the investor grievances are dealt within a fortnight of receipt of the complaint from the investor .

**Unlisted Company**

1. **Nath Bio-Gene (India) Limited**

Date of Incorporation : 14.07.1998  
 Registration No. : 11-72842  
 PAN : AABCN7978E  
 Address of ROC : Registrar of Companies, Hakoba  
 Compound, Kala Chowki, Mumbai  
 Maharashtra.  
 Bank Account Details : Janakalyan Sahakari Bank Limited  
 Vivek Darshan, 140, Sindhi Society,  
 Chembur,  
 Mumbai-400071  
 Principal Business : Seeds

Shareholding Pattern as on March 31, 2013 is set forth below:

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>17</sup>	As a percentage of (A+B+C)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group<sup>18</sup></b>					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	5	470	0	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	15	7652273	6874030	47.81	47.81
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>20</b>	<b>7652743</b>	<b>6874030</b>	<b>47.82</b>	<b>47.82</b>
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>20</b>	<b>7652743</b>	<b>6874030</b>	<b>47.82</b>	<b>47.82</b>

<sup>17</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>18</sup> For definitions of "Promoter" and "Promoter Group", refer to Clause 40A.

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B) <sup>19</sup>	As a percentage of (A+B+C)
<b>(B)</b>	<b>Public shareholding<sup>20</sup></b>					
<b>(1)</b>	<b>Institutions</b>					
(a)	Mutual Funds/ UTI	13	2684	1960	0.02	0.02
(b)	Financial Institutions/ Banks	4	4802288	3506150	30.01	30.01
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1	550	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	18	4805522	3508110	30.03	30.03
<b>(2)</b>	<b>Non-institutions</b>					
(a)	Bodies Corporate	1169	760787	555451	4.75	4.75
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	31109	2745117	2003935	17.15	17.15
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0.00	0.00
(c)	Any Other (specify)	228	39831	29081	0.25	0.25
	<b>Sub-Total (B)(2)</b>	32506	3545735	2588466	22.16	22.16
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	32524	8351257	6096576	52.18	52.18
	<b>TOTAL (A)+(B)</b>	<b>32544</b>	<b>16004000</b>	<b>12970606</b>	<b>100.00</b>	<b>100.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>32544</b>	<b>16004000</b>	<b>12970606</b>	<b>100.00</b>	<b>100.00</b>

<sup>19</sup> For determining public shareholding for the purpose of Clause 40A.

<sup>20</sup> For definitions of "Public Shareholding", refer to Clause 40A.

(I)(b) **Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Akash farms pvt ltd	1865930	11.66
2.	Ashu farms pvt ltd	1850000	11.56
3.	Nath royal ltd	1081543	6.76
4.	Tingli finvest pvt ltd	632177	3.95
5.	Nath securities ltd	337000	2.11
6.	Barkha farms pvt ltd	337000	2.11
7.	Ferry fax farms pvt ltd	310000	1.94
8.	Paithamber farms pvt ltd	250000	1.56
9.	Arati farms pvt ltd	250000	1.56
10.	Jeevan investment & fin pvt ltd	179365	1.12
11.	Nath holding & inv Pvt ltd	124982	0.78
12.	Nath biotechnologies ltd	101200	0.63
13.	Nath pulp & paper mills ltd	67940	0.42
14.	Nath capital & fin services pvt ltd	53980	0.34
15.	Paresh farms pvt ltd	53218	0.33
16.	Swamini leasing & inv pvt ltd	53064	0.33
17.	Prabha farms pvt ltd	53042	0.33
18.	Nath securities ltd	51832	0.32
19.	J N Kagliwal	293	0.00
20.	N L Kagliwal	147	0.00
21.	Nandkishor kagliwal	10	0.00
22.	Satish kagliwal	10	0.00
23.	Jeevanlata kagliwal	10	0.00
<b>TOTAL</b>		<b>7652743</b>	<b>47.82</b>

(I)(c) **Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(I)(d) **Statement showing details of locked-in shares – NOT APPLICABLE**

Sr. No.	Name of the shareholder	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

(II)(a) **Statement showing details of Depository Receipts (DRs) - NOT APPLICABLE**

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>				

(II)(b) **Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**Board of Directors**

The Board of Directors is set forth below:

1. Mr.Nandkishor Kagliwal
2. Mr Satish Kagliwal
3. Mr. Kashinath Iyer
3. Mr.Hitesh Purohit

**Financial Performance**

(Rs. in lakh)

Particulars	31/03/2012	33/03/2011	31/03/2010
Sales	12391.53	10040.66	9088.91
Operating Profit /(Loss)	1697.91	1407.76	1185.98
Profit before Dep. & Interest	1697.91	1407.76	1185.98
Depreciation	470.00	474.65	491.24
Net Profit/(Loss)	920.06	795.6	232.94
EPS (Rs.)	5.75	12.37	3.16

***Details of Listing and Highest & Lowest Market Price during the preceding six months***

The company is not a listed company hence details of the highest and lowest price during the preceding six months is not applicable.

There is no change in capital structure during last six months and there was no public/rights issue by Nath Bio-Gene (India) Ltd

**Mechanism of redressal of investor grievance**

Nath Bio-Gene (India) Limited has constituted a Share Transfer and Shareholders/ Investors Grievance Committee which meets as and when required, to deal with matters relating to transfer/ transmission of shares and monitors redressal of complaints/grievances from shareholders relating to transfers, non receipt of balance sheet, non receipt of dividend declared, etc. Typically the investor grievances are dealt within a fortnight of receipt of the complaint from the investor .

## **XI. OUTSTANDING LITIGATION, DEFAULTS AND MATERIAL DEVELOPMENTS**

There is no litigation pending against the company.

### **Litigation pending against Group Companies:**

- 1) **Nath Seeds Ltd.**  
There is a pending litigation in Debt Recovery Tribunal against Nath Seed Ltd., V/s. Maharashtra State Financial Corporation.

- 2) **Nath Bio-Gene (India) Ltd.**  
There is no litigation pending against the company.

## **XII. GOVERNMENT APPROVALS**

The Company has all the necessary permissions and approvals from the Government and various Government agencies for the existing activities.

As per the Scheme of Arrangement the entire business of Farming Division of the transferor Company with all its approvals, permissions, benefits, rights, registrations, consents etc. is being transferred to the transferee Company which would be carried on by the transferee Company on a going concern basis. No further approvals from any Government authority/ Reserve Bank of India (RBI) are required by the Company to undertake the existing activities, save and except those approvals, which may be required to be taken in the normal course of business from time to time.

The Central Government/ RBI accepts no responsibility for the financial soundness or correctness of the statements made in this Information Memorandum.

### **XIII. OTHER REGULATORY DISCLOSURES**

#### **Stock Market Data for Equity Shares of the Company**

Equity Shares of the Company are not listed on any Stock Exchanges. The Company is seeking approval for listing of its shares through this Information Memorandum.

#### **Particulars Regarding Previous Public or Rights Issues during the Last Five Years**

The Company has not made any previous public or rights issue since incorporation of the Company.

There is no issue of shares otherwise than for cash and there are no outstanding debentures. There are outstanding 25000 16% redeemable preference shares of Rs.100/- each amounting to Rs.25,00,000/-.

#### **Companies under the same Management**

There are two companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 other than the ones disclosed elsewhere in the Information Memorandum.

- a) Nath Seeds Limited
- b) Nath Bio-Gene (India) Limited

#### **Disclosure on negative net worth/ winding up/ sick/ BIFR/ disassociation/ strike off from ROC**

There is no group company having a negative net worth or under winding up or a sick company or under BIFR. Further, the Company has not disassociated from any company.

## **XIV. MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF AGRI-TECH (INDIA) LTD.**

### **SHARE CAPITAL**

The Authorized share capital of the company is Rs. 6,00,00,00,000 (Rupees Six Crores Only) divided into 60,00,000 (Sixty Lacs) Equity shares of Rs. 10/- (Rupees Ten only) each and 25,000 (Fifty Thousand) 16% Cumulative Redeemable Preference shares of Rs.100/- (Rupees Hundred only), amounting to Rs.25,00,000/- (Rupees Twenty Five Lakh only)

### **REDEEMABLE PREFERENCE SHARES**

5. Subject to the Provisions of these Articles, the Company shall have power to issue preference shares carrying a right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purposes of such redemption, or liable to be redeemed at the option of the Company, and the Board may subject to the provision of Section 80 of the Act, exercise such power in such manner as it things fit.

### **ALLOTMENT OF SHARES**

6. Subject to the provisions of these Articles and of section B1 of the Act the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such terms and conditions, and at such time, as the Board thinks fit provided that option or right to call of shares shall not be given to any other person except with the sanction of the Company in General Meeting subject to the provision of the Act.

### **COMMISSION & BROKERAGE**

7. The Company may exercise the powers of paying commission conferred by Section 76 of the Act in such case shall comply with the requirements of that Section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The company may also on any issue of shares or debentures pay such brokerage as may be lawful.

### **INSTALLMENTS ON SHARES TO BE DULY PAID**

8. If by the conditions allotment of the share, the whole or party of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the company by the person who for the time being shall be registered holder of the share or by his executor or administrator.

### **LIABILITY OF JOINT-HOLDERS OF SHARES**

9. The joint-holders of a share shall be severally as well as jointly liable for the repayment of all of shares installments and calls due in respect of such share.

### **TRUSTS NOT RECOGNIZED.**

10. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction, or as by statute required, be bound to recognize any equitable other claim to or interest in such share on the part of any other person.

### **WHO MAY BE REGISTERED.**

11. Shares may be registered in the name of any person, company or other body corporate. Not more than four persons shall be registered as Joint-holders of any share. Shares may also at the discretion of the Directors, be registered in the name of a minor provided the said shares are fully paid up.

## **CERTIFICATE**

- 12(1) Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name or, if any member so wishes to several certificates each for one or more of such shares but, in respect of each additional certificate, which does not comprise shares in lots of the market unit of trading, the Board may charge a fee of Rs.2 or such less sum as it may determine. Unless the conditions of issue of any shares otherwise provide, the Company shall, either within three months after the date of allotment and on surrender to the company of its letter making the allotment or of its fractional coupons of requisite value save in the case of issue against letters of bonus shares) or within one month of receipt of the application of registration of the transfer, sub-division, consolidation or renewal of any of its shares, as the case maybe, complete and have ready for delivery the certificates of such shares. In respect of any shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint-holder shall be sufficient delivery to all such holders. For every certificate issued in replacement of an existing certificate save for those which are issued on a splitting or consolidation of share certificates into lots of the market unit or which are old, decrepit, worn out or where the cages on the reverse for recording transfers have been full utilized charge a fee of Rs.2 or such smaller sum together with such out of pocket expenses incurred by the Company in investigating evidence as it may determine.

## **ISSUE OF SHARE CERTIFICATES**

- 12(2) The issue of share certificates and duplicates and the issue of new share certificates on consolidation or sub-division or in replacement of share certificates, which are surrendered for cancellation due to their being defaced, torn, old, decrepit or worn out or the cages for recording transfers having been utilized or of share certificates which are lost or destroyed shall be in accordance with the provisions of the companies (issue of Share Certificates ) Rules, 1960 or any statutory modification or re-enactment thereof. If any share certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given, a new certificate in lieu thereof shall be given to the party entitled to the shares to which lost or destroyed certificate shall relate.

## **CALLS**

13. The Board may from time to time, subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolutions of the Board authorizing such call was passed.

### **NOTICE OF CALL**

14. Not less than fourteen days notice of any call shall be given specifying the time and place of payment and to who such call shall be paid.

### **WHEN INTEREST ON CALL OR INSTALLMENT PAYABLE**

- 15(1) If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due shall pay interest for the same at the rate of 12 per cent per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.

### **WAIVER OF INTEREST**

- 15(2) The Board shall be at liberty to have waive payment of any such interest either wholly or in part.

### **AMOUNT PAYABLE AT FIXED TIMES OR PAYABLE BY INSTALLMENTS AS CALLS.**

16. If by the terms of issue of any share or otherwise any amount is made payable at any fixed / time or by installments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice, had been given, and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly.

### **EVIDENCE IN ACTION BY COMPANY AGAINST MEMBER**

17. On the trial or hearing of any action or suit brought by the company against any member or his representatives to recover any debt of money claimed to be due to the company in respect of his shares, it shall be sufficient to prove that the name of the defendant, is, or was when the claim arose on the Register as a holder, or one of the holders, of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debit.

### **PAYMENT OF CALL IN ADVANCE**

18. The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate not exceeding 6 per cent per annum as the member paying such sum in advance and the Board agree upon. Money so paid in excess of the amount of calls shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving to such member not less that three months notice in writing.

### **REVOCATION CALL**

19. A call may be revoked or postponed at the discretion of the Board.

## **FORFEITURE AND LIEN**

### **IF CALL OR INSTALLMENT NOT PAID NOTICE MAY BE GIVEN**

20. If any member falls to pay any call or installment on or before the day appointed for the repayment of the same, the Board may at any time thereafter, during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the company by reason of such non-payment

### **FORM OF NOTICE**

21. The notice shall name a day (not being less that fourteen days from the date of the notice) and a place or paces on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed, the shares in respect of which such call was made or installment is made payable will be liable to be forfeited.

### **IF NOTICE COMPLIED WITH SHARES MAY BE FORFEITED**

22. If the requirements of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments, interests and expenses, due in respect thereof be forfeited by a resolution of the

Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

#### **NOTICE AFTER FORFEITURE**

23. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to the give such notice or to make such entry as aforesaid.

#### **FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY**

24. 25. Any share so forfeited shall be deemed to be the property of the company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

#### **POWER TO ANNUL FORFEITURE**

25. Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

#### **FORFEITURE**

26. A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding such forfeiture remain liable to pay, and shall forthwith pay to the company all calls, installments, interest and expenses, owing upon or in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment at twelve per cent per annum and the Board may enforce the payment thereof, without any deduction or allowance for the value of the share at the time of forfeiture, but shall not be under any obligation to do so.

#### **EVIDENCE OF FORFEITURE**

- 27(1) A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share and such declaration and the receipt of the company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares, and the person to whom the shares are sold shall be registered as the hold of such shares, and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition

#### **EFFECT OF FORFEITURE**

- 27(2) The forfeiture of shares shall involve the extinction of all interest in and also all claims and demands against the company in respect of the shares and all other rights incidental to the shares.

#### **FORFEITURE PROVISIONS TO APPLY TO NON PAYMENT IN TERMS OF ISSUE.**

28. The provisions of Articles 20 to 27 hereof shall apply in the case of non-payment of any such which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of a premium, as if the same had been payable by virtue of a call duly made and notified.

#### **COMPANIES LIEN ON SHARE**

29. The company shall have a first and paramount lien upon all the shares (other than fully paid shares) registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares whether the period for the payment thereof shall have actually arrived or not, and no equitable interest in any share shall be created except upon the footing and condition that Article

10 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the company's lien, if any, on such shares.

#### **AS TO ENFORCING LIEN BY SALE**

30. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee, curator bonus or other legal curator, and default shall have been made by him or them in the payment of moneys called or payable at a fixed time in respect of such shares for seven days after the date of such notice.

#### **APPLICATION OF PROCEEDS OF SALE**

31. The net proceeds of the sale shall be received by the company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the proceeds at the date of the sale.

#### **VALIDITY OF SALES IN THE EXERCISE OF LIEN AND AFTER FORFEITURE**

32. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the power hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the applications of the purchase money, and after such shares the validity of the sale shall not be impeached to any person, and the remedy of any person aggrieved by the shall be in damages only and against the Company exclusively.

#### **BOARD MAY ISSUE NEW CERTIFICATES**

33. Where any shares under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered upto the Company by the former holder of such shares, the Board may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate to so delivered up.

#### **TRANSFER AND TRANSMISSION**

##### **REGISTRATION OF TRANSFER OF SHARES**

- 34(1) Subject to the provisions of Section 108 of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the company together with the certificate, or if no such certificate has been issued, the letter of allotment of the share. The transferor shall ; be deemed to remain the member in respect of such share until the name of the transferee is entered in the Register in respect thereof.

##### **FORM OF TRANSFER**

- 34(2) The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

##### **APPLICATION BY TRANSFERORS**

35. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that where such application is made by the transferor no registration shall in the case of partly paid share be effected unless the company gives notice of the

Application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these Articles the company shall unless objection is made by the transferee within two weeks from the date of the receipt of the notice, either to register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer made by the transferee

### **IN WHAT CASES THE BOARD MAY REFUSE TO REGISTER TRANSFER.**

- 36(1) The Board, without assigning any reason for such refusal may, within two months from the date on which the instrument of transfer was lodged with the company, refuse to register any transfer of shares upon which the company has a lien and in the case of shares not fully paid up may refuse to register a transferee of whom the board does not approve. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other persons indebted to the company or any account whatsoever.
- 36(2) The Board shall not accept applications for transfer of less than 50 (fifty) equity shares of the company, provided that this restriction shall not apply to;
- (a) The transfer of equity shares made in pursuance of statutory provisions, government order, or order of court of law.
  - (b) The transfer of the entire equity shares by an existing equity share holder of the company holding less than 50 (fifty) equity shares by a single transfer to a single or joint names.
  - (c) The transfer of more than 50 (fifty) equity shares in the aggregate in favour of the same transferee under two or more Transfer Deeds out of which, one or more relate/s to the transfer of less than 50 (fifty) equity shares.,

Provided that where a person is holding shares in lots higher than the market trading unit and sells the market trading unit the remaining shares even though less than 50 (fifty) in number of the Board of directors.

### **NO TRANSFER MINOR**

37. No transfer shall be made to a minor unless it relates to fully paid up shares.

### **TRANSFER TO BE LEFT AT OFFICE AND WHEN TO BE RETAINED.**

38. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred or if no such certificate has been issued by the letter of allotment of the shares and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the shares. Every instrument of transfer which shall be registered shall be retained by the company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

### **NOTICE OF REFUSAL TO REGISTER TRANSFER.**

39. If the Board refuses whether in pursuance of the above Article 36 or otherwise to register the transfer of, or the transmission by operation of Law of the right to any share, the company shall give notice of the refusal in accordance with the provisions of Section 111 (2) of Act.

### **FEE ON REGISTRATION OF PROBATE ETC**

40. A fee not exceeding Rs. 2 may be charged for the registration of grant of probate, grant of administration, certificate of death or marriage, power-of-attorney or other instrument and shall, if required by the board, be paid before the registration thereof. No fee will be charged for registration of transfers of shares and debentures.

### **TRANSMISSION OF SHARES**

41. The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognized by the company as having any title to the shares registered

in the name of such member, and in case of death of any one or more of the joint-holders of any registered shares the survivor or survivors shall alone be recognized by the company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognizing any executor or administrator the Board may require him to obtain a grant of Probate of Letter of administration or other legal representation as case may be, from a competent Court in India and having effect in Bombay: Provided nevertheless that in any case where the Board, in its absolute discretion, thinks fit, it shall be lawful for the Board to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may consider necessary.

#### **AS TO TRANSFER OF SHARES OF INSANE, MINOR DECEASED OR BANKRUPT MEMBERS.**

42. Any committee or guardian of a lunatic (which term shall include one who is an idiot or non-composmentis) or any person becoming entitled to or to transfer shares in consequence of the death or bankruptcy or insolvency of a member upon producing such evidence that he sustains the character in respect of which he propose to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give), be registered as a member in respect of such shares, or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Article is hereinafter referred to as the "Transmission Articles"

#### **ELECTION UNDER THE TRANSMISSION ARTICLE**

- 43(1) If the person so becoming entitled under the Transmission Article shall elect to register as holder of the shares himself he shall deliver or send to the Company as notice in writing signed by him stating that he so elects.
- (2) If the person aforesaid shall elect to transfer the shares he shall testify his election by executing an instrument of transfer of the shares.
- (3) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of instruments of transfer of shares shall be applicable to any such notice or transfer as aforesaid as of the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

#### **RIGHTS OF PERSON ENTITLED TO SHARES UNDER THE TRANSMISSION ARTICLE**

44. A person so becoming entitled under the transmission Article to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall subject to the provisions of Article 75 and of Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares except that no such person (Other than a person becoming entitled under the transmission Article to the share of a lunatic) shall before being registered as a member in respect of the share, be entitled to exercise in respect thereof any right conferred by membership in relating to meetings of the company.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares, until the requirements of the notice have been complied with.

### **INCREASE AND REDUCTION OF CAPITAL**

#### **POWER TO INCREASE CAPITAL**

45. The company may, from time to time, in General Meeting increase its capital by the creation of new shares of such amounts as may be deemed expedient.

46. Subject to any special rights or privileges for the time being attached to any shares in the capital of the company already issued, the new shares may be issued upon such terms and conditions and with such rights and privileges attached thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the company.

#### **PROVISION RELATING TO ISSUE**

47. Before the issue of any new shares, the company at General Meeting may make provisions as to the allotment and issue of the new shares, and in particular may determine to whom the same shall be offered in the first instance and whether at par or at a premium or, subject to the provisions of section 79 of the Act, at a discount, in default of any such provision, or so far as the same shall not extend, the new shares may be issued in conformity with the provisions of Article 6.

#### **HOW FAR NEW SHARES TO RANK WITH EXISTING SHARES**

48. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the then existing capital of the company and shall subject to the provision herein contained with reference to the payment of dividends, voting rights, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

#### **INEQUALITY IN NUMBER OF NEW SHARES**

49. If, owing to any inequality in the number of new shares to be issued and the number of shares held by member entitled to have the offer of such new shares, any difficulty shall arise in the appointment of such difficulty shall, in the absence of any direction in the resolution creating the shares or by the company in general meeting, be determined by the Board.

#### **DEDUCTION OF CAPITAL ETC**

50. The company may, from time to time, by Special resolution, reduce its capital and any Capital Redemption Reserve Account or Shares Premium Account or Shares Premium Account in any manner and with and subject to any incident authorized and consent required by law.

### **ALTERATION OF CAPITAL**

#### **POWER TO SUBDIVIDE AND CONSOLIDATE SHARES.**

51. The company in General Meeting by ordinary resolution may from time to time:
- (1) Consolidate and divide all or any of its shares capital into like shares of larger amount than its existing shares:
  - (2) Sub-divide existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so however that in the sub-division the proportion between the amount, paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.
  - (3) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

#### **POWERS ON SUB-DIVISION**

52. The resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the others or other, subject nevertheless to the provisions of Sections 85, 87, 88 and 106 of the Act.

## **SURRENDER OF SHARES**

53. Subject to the provisions of Sections 100 to 104 inclusive of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

## **MODIFICATION OF RIGHTS**

### **POWER TO MODIFY RIGHTS**

54. If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a Separate General Meeting of the holders of the shares of that class. To every such separate meeting at the provisions of these Articles relating to General Meetings shall apply but so that the necessary quorum shall be two persons at least holding or representing by proxy one-fifth of the issued shares of that class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll shall have one vote for each share of the class of which he is the holder. This Article is not by implication to curtail the power of modification which the company would have if this Article were omitted. The company shall comply with the provisions of section 192 of the Act as to forwarding a copy of any such agreement of resolution to the Registrar.

## **BORROWING POWERS**

### **POWER TO BORROW**

55. The Board, may from time to time, as its discretion, raise or borrow and secure the payment of any sum or sums of money for the purposes of the company.

### **CONDITIONS ON WHICH MONEY MAY BE BORROWED**

56. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular, by the issue of bonds, perpetual or redeemable debentures, stock or any mortgage or other security on the undertaking of the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.

### **ISSUE AT DISCOUNT ETC. OF WITH SPECIAL PRIVILEGES**

57. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued; Provided that debenture with the right to allotment of or conversion into shares shall not be issued except in conformity with the provisions of Section 81(3) of the Act.

### **INSTRUMENT OF TRANSFER**

58. Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the company together with the certificate or certificates of the debentures.

### **NOTICE OF REFUSAL TO REGISTER TRANSFER**

59. If the Board refuses to register the transfer of any debentures, the company shall, within two months from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor, notice of refusal.

## **GENERAL MEETINGS**

### **WHEN ANNUAL GENERAL MEETING TO BE CALLED**

60. In addition to any other meetings, General Meetings of the company shall be held within such intervals as are specified in Section 166(1) of the Act, and subject to the provisions of Section 166(2) of the Act at such times and places as may be determined by the Board. Each such General Meeting shall be called and 'Annual General Meeting' and shall be specified as such in the notice convening the meeting. Any other meeting of the company shall be called an "Extraordinary General Meeting".

### **WHEN EXTRA ORDINARY GENERAL MEETING TO BE CALLED**

61. The Board may, whenever it thinks fit, and it shall on the requisition of the members in accordance with Section 169 of the Act, proceed to call an Extraordinary General Meeting. The requisition may in default of the Board convening the same convene the Extraordinary General Meeting as provided by Section 169 of the Act, provided that unless the Board shall refuse in writing to permit the requisitionists to hold the said meeting at the Office, it shall be held at the office.

### **CIRCULATION OF MEMBERS' RESOLUTION**

62. The company shall comply with the provisions of Section 188 of the Act, as to giving notice of resolutions and circulating statements on the requisition of members.

### **NUMBER OF MEETINGS**

63. Subject to the provisions of Sections 171 and 176(2) of the Act, notice of every meeting of the company shall be given to such persons and in such manner as provided by Section 172 of the Act. Where any business consists of "Special Business" as hereinafter defined in Article 64 there shall be annexed to the notice a statement complying with Sections 173(2) and (3) of the Act.

A General Meeting of the company can be called up by giving not less than 21 days Notice in writing.

The Accidental omission to give any such notice to or its non-receipt by any member or other person to whom it should be given shall not invalidate the proceedings of the meeting.

## **PROCEEDINGS AT GENERAL MEETING**

### **BUSINESS OF MEETING**

64. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit & Loss Account, the Balance Sheet and the Reports of the Directors and the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends.

### **QUORUM TO BE PRESENT WHEN BUSINESS COMMENCES**

65. No business shall be transacted at any General Meeting unless an quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members personally present shall be a quorum.

### **WHEN IF QUORUM NOT PRESENT, MEETING TO BE DISSOLVED AND WHEN TO BE ADJOURNED**

66. If within half-an-hour from the time appointed for the meeting, a quorum be not present, the meeting, if convened upon the requisition of members as aforesaid, shall be dissolved; but in any other case it shall stand adjourned in accordance with the provisions of sub=section (3) , (4) and (50 of Section 174 of the Act.

## **RESOLUTION TO BE PASSEE BY COMPANY IN GENERAL MEETING**

67. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the company in General Meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specifically require such act to be done or resolution passed by a Special Resolution as defined Section 189(2) of the Act.

## **CHAIRMAN OF GENERAL MEETING**

68. The Chairman of the Board shall take the chair at every General Meeting, if, however, there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the member present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on poll if properly demanded, elect one of their members, being a member entitled to vote, to the Chair.

## **HOW QUESTION TO BE DECIDED AT THE MEETINGS**

69. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in the case of equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

## **WHAT IS TO BE EVIDENCE OF PASSING OF A RESOLUTION WHERE POLL NOT DEMANDED**

70. At any General Meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179 of the Act, a declaration by a particular majority, and on entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportion or the votes cast in favour of, or against the resolution.
- 71(1) If, as aforesaid, a poll be demanded it shall be taken forthwith on a question of adjournment or election of a Chairman and in any other case in such manner and at such time, not being later than forty-eight hours from the time when the demand was made, and at such place as the Chairman of the meeting directs, and, subject as aforesaid, either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.
- (2) The demand of a poll may be withdrawn at any time.
- (3) Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers, one at least of whom shall be a member (not being an officer or employee of the company) present at the meeting provided such a member is available and willing to be appointed, to scrutinise the votes given on the poll and to report to him thereon.
- (4) On a poll a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be need not, if he votes, use all his votes of cast in the same way all the votes he uses.
- (5) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

## **POWER TO ADJOURN GENERAL MEETING**

- 72(1) The Chairman of a General Meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in Article 66 it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

## **VOTES OF MEMBERS**

### **VOTES OF MEMBERS**

- 73(1) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of an Equity Share or as a representative of a body corporate (in accordance with Article 74) being a holder of an Equity Share, if he is not entitled to vote in his own right, shall have one vote.
- (2) On a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act.
- (3) No company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under the provisions of Section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.
- (4) The voting rights of holders of preference shares shall be as specified in Section 87 of the Act.

### **PROCEDURE WHERE A COMPANY OR THE PRESIDENT OF INDIA OR THE GOVERNOR OF A STATE IS A MEMBER OF THE COMPANY**

- 74(1) Where a company or a body corporate (hereinafter called 'member company') is a member of the company, a person duly appointed by resolution in accordance with the provisions of section 187 of the Act to represent such member company at a meeting of the company shall not, by reason of such appointment, be deemed to be a proxy and the production at the meeting of a copy of such resolution duly signed by one Director of such member company and certified by him as being a true copy of the resolution shall be accepted by the company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member.
- (2) Where the President of India or the Governor of a State is a member of the company, the President or, as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the company or at any meeting of any class of members of the company and such person shall be deemed to be a member of the company and shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President or, as the case may be, the Governor could exercise as a member of the company.

### **VOTES IN RESPECT OF INSANE MEMBERS**

75. If any member be a lunatic, idiot or non-composmentis, he may vote whether of a show of hands or at a poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which any such person proposes to vote he shall satisfy the Board of his rights under the Transmission Article to the shares in respect of which he proposes to exercise his right under this Article, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

### **JOINT HOLDERS**

76. Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any deemed joint-holders thereof.

### **INSTRUMENT APPOINTING PROXY TO BE IN WRITING**

77. The instrument appointing a proxy shall be in writing under hand of the appointer, or of his Attorney duly authorised in writing or if such appointer is a body corporate be under its

common seal or the hand of its officer or Attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called Special Proxy. Any other proxy shall be called a General Proxy.

A person may be appointed a proxy though he is not a member of the company and every notice convening a meeting of the company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself.

### **INSTRUMENT APPOINTING A PROXY TO BE DEPOSITED AT THE OFFICE**

78. The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or a notarisally certified copy of that power or authority, shall be deposited at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

### **WHEN VOTE BY PROXY VALID THOUGH AUTHORISED REVOKED**

79. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, transfer of the share in respect of which the vote is given provided no intimation in writing of the death, insanity, the company at the office before the vote is given; provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

### **FORM OF INSTRUMENT APPOINTING A SPECIAL PROXY**

80. Every instrument appointing a Special proxy shall be retained by the company and shall, as nearly as circumstances will admit, be in any form set out in Schedule ix to the Act or as near thereto as possible or in any other form which the Board may accept.

### **RESTRICTION ON VOTING**

81. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right of lien.

### **ADMISSION OR REJECTION OF VOTES**

- 82(1). Any objection as to the admission or rejection of a vote, either on a show of hands or on a show of hands or on a poll, made in due time shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.
- (2) No objection shall be raised as to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

## **DIRECTORS**

### **NUMBER OF DIRECTORS**

83. The number of Directors of the company shall not be less than three nor more than twelve.

### **FIRST DIRECTOR**

84. The persons hereinafter named were the First Directors of the company; that is to say;
1. Smt. Jeevanlata Kagliwal
  2. Shri Shrirang Agrawal
  3. Shri Sunil Buit

## **SHARE QUALIFICATION OF DIRECTORS**

85. Unless otherwise determine by the company in General Meeting, as Director shall not require a share qualification.

## **REMUNERATION OF DIRECTORS**

- 86(1). The remuneration of a Director for his services for attending a Board Meeting on a Committee of the Board shall be a sum not exceeding Rs.250/- for each meeting attended by him as may be fixed by the Directors from time to time.

The Directors (other than a Managing Director) and a Director in the whole time employment of the company shall also be paid by way of further remuneration three per cent of the annual net profits of the company; (the rate of such commission shall be reduced to one per cent in the circumstances referred to in Section 309(4) of the Act); such net profits being computed in the manner laid down in Section 349 of the Act; except that the remuneration of Directors shall not be deducted from the gross profit. Such remuneration under this sub-para shall be paid to all the Directors for the time being or to any one or more of them in such proportion as the Directors may by the resolution of the Board authorising such payments decide, and in default of such decision, equality amongst all the Directors for the time being in office during the year. Such remuneration in respect of each financial year shall be paid in the next subsequent year.

## **TRAVELLING AND OTHER EXPENSES**

- (2) The Directors may allow and pay to any Director who travels for the purpose of attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings, or otherwise in connection with the business of the company, traveling and hotel and other expenses for himself, his wife and an attendant as approved by the Board for the purpose of his attendance, and in connection with the business of the company in addition to his fees for attending such meetings as above specified and other remuneration payable to him. The Directors shall be entitled to all fees for filing documents which they may be required to file under the Act.

## **WHERE OF THIS COMPANY APPOINTED DIRECTOR OF COMPANY IN WHICH THIS COMPANY IS INTERESTED**

87. A Director of this company may be or become a Director of any company promoted by this company or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a Director or member of such company.

## **BOARD MAY ACT NOTWITHSTANDING VACANCY**

88. The continuing Directors may act, notwithstanding any vacancy in their body; but so that if the number falls below the minimum above fixed the continuing Directors or continuing Director, as the case may be, shall not, except for the purpose of filling in vacancies or for summoning a General Meeting of the company, act so long as the number is below the minimum.

## **VACATION OF OFFICE OF DIRECTORS**

89. The office of a Director shall ipso facto become vacant if at any time he commits any of the acts set out in Section 283 of the Act.

## **HOLDING OF OFFICE OR PLACE OF PROFIT UNDER THE COMPANY**

90. Any Director or other person referred to in Section 314 of the Act, may be appointed to or hold any office or place of profit under the company or under any subsidiary of the company in accordance with the provisions of Section 314 of the Act.

## **CONDITIONS UNDER WHICH DIRECTORS MAY CONTACT WITH THE COMPANY**

91. Subject to the provisions of Section 297 of the Act, a Director shall not be disqualified from contracting with the company either as vendor, purchaser or otherwise for goods, materials or

services or for underwriting the subscription of any shares in or debentures of the company nor shall any such contract or arrangement entered into by or on behalf of the company with a relative of such Director, or a firm in which such director or relative is a partner or with any other partner in such firm or with a private company of which such director is a member or director be avoided nor shall any director so contracting or being such member or so interested be liable to account to the company, for any profit by any such contract or arrangement by reason of such director holding office or of the fiduciary relating thereby established.

#### **DISCLOSURE OF A DIRECTOR'S INTEREST**

92. Every Director shall comply with the provisions of Section 299 of the Act, in regard to disclosure of his concern or interest in any contract or arrangement entered into or to be entered into by the company.

#### **DISCUSSION AND VOTING BY DIRECTOR INTERESTED**

93. No Director shall, as a Director, take any part in the discussion of, or vote on any contracts or arrangements in which he is in any way whether directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote. This prohibition shall not apply to (a) any contract of indemnity against any loss which the Directors or a surety for the company; or (b) any contract or arrangement entered into or to be entered into by the company with a public company, in which the interest of the Director consist solely in his being a Director of such company and the holder of shares not exceeding in number of value the amount requisite to qualify him for appointment as a Director thereof, he having been nominated as such director by the company or in his being a member of the company holding not more than two per cent of the paid up share capital of the company.

### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

#### **BOARD MAY FILL UP CASUAL VACANCIES**

94. Any casual vacancy occurring among the Directors may be filled up by the Board but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Article 100.

#### **POWER OF BOARD TO ADD TO ITS NUMBER**

95. The Board shall have power at any time and from time to time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the company and shall then be eligible for re-election.

#### **POWER TO APPOINT ALTERNATE DIRECTOR**

96. The Board may appoint any person to act as Alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall not require any qualification and shall ipso facto vacate office if and when the absent Director vacates office as a Director, whichever is earlier.

#### **ROTATION AND RETIREMENT OF DIRECTORS**

97. At each Annual General Meeting of the company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. A Managing Director shall not be liable to retire by rotation within the meaning of this Article.

#### **PROPORTION TO RETIRE BY ROTATION**

98. Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation.

- 99(a) Subject to the provisions of the Companies Act, 1956 and notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the company to any Financing Company or Body or Financial Corporation or Credit Corporation or Bank or any Insurance Corporation (each such Financing company or Body or Financial Corporation, Credit Corporation or Bank or any Insurance Corporation is hereinafter referred to as “Financial Institution”) out of any loans granted by the Financial Institution to the company or so long as the Financial Institution continues to hold debentures in the company by director subscription or private placement, or so long as the Financial Institution hold shares in the company as a result of underwriting or direct subscription or so long as any liability of the company arising out of any guarantee furnished by the Financial Institution on behalf of the company remain outstanding, the Financial Institution shall have a right to appoint from time to time, its nominee/s as a Director or Directors which Director or Directors is/are (hereinafter referred to as Nominee Director/s) on the Board of the company and to remove from such office the Nominee Director/s so appointed, and at the time of such removal and also in the case of death or resignation of the Nominee Director/s so appointed at any time appoint any other person/persons in his/their place/s and also fill any vacancy which may occur as a result of such Director/s ceasing to hold office for any reasons whatsoever; such appointment or removal shall be made in writing on behalf of the Financial Institution appointing such Nominee Director/s and shall be delivered to the company at its registered office.
- (b) The Nominee Director/s shall not be required to hold any qualification shares in the company to qualify him/them for the office of a Director/s nor shall he/they be liable to retirement by rotation. The Board of Directors of the company shall have no power to remove from office the Nominee Director/s so appointed. Subject to the aforesaid, the said Nominee Director/s shall be entitled to same rights and privileges and be subject to the same obligations as any other Director of the company.
- (c) The Nominee Director/s so appointed shall hold the office only so long as any moneys remain owing by the company to the Financial Institution or so long as the Financial Institution holds debentures in the company as a result of direct subscription or private placement or so long as the Financial Institution holds shares in the company as a result of underwriting or direct subscription or the liability of the company arising out of any guarantee, is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office, immediately the moneys owing by the company to the Financial Institution is paid of or on the Financial Institution ceasing to hold debentures/shares in the company or on the satisfaction of the liability of the company arising out of any gurantee furnished by the Financial Institution.
- (d) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meeting. The Financial Institution shall also be entitled to receive all such notices and minutes.
- (e) The company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the company are entitled. Provided that if the Nominee Director is an officer of the Industrial Development Bank of India (IDBI) the sitting fees in relation to such Nominee Director shall accrue to IDBI and the same shall accordingly be paid by the company directly to the IDBI. Any expenses that may be incurred by the Financial Institution or such Nominee Director/s in connection with his/their appointment of Directorship shall be paid by the company. The IDBI or the Financial Institution shall be entitled to depute observer to attend the Meeting of the Board or any other Committee constituted by the Board.
- (f) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.

#### **WHICH DIRECTORS TO RETIRE**

- 100(1) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became

- Directors on the same day those to retire shall, in default of and subject to any agreement among themselves by determined by lot.
- (2) If at any Annual General Meeting all the Directors appointed under Articles 99 and 116 hereof are not exempt from retirement by rotation under Section 255 of the Act, then to the extent permitted by the said Section the exemption shall extend to the Director or Directors appointed under Article 99, Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

**POWER TO REMOVE DIRECTORS BY ORDINARY RESOLUTION ON SPECIAL NOTICE**

101. The company may, subject to the provisions of Section 254 of the Act, by Ordinary Resolution of which Special Notice has been given remove any Director before the expiration of his period of office and may by Ordinary Resolution of which Special Notice has been given, appoint another person in his stead, if the Director so removed was appointed by the company in General Meeting or by the Board under Article 94. The person so appointed shall hold office if he had not been so removed. If the vacancy created by the removal of a Director under the provision of this Article is not so filled by the meeting at which he is removed the Board may at any time thereafter till such vacancy under the provisions of Articles 94.

**PROCEEDINGS OF DIRECTORS**

**MEETINGS OF BOARD**

102. The Board shall meet together at least once in every three months for the dispatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.

**DIRECTOR MAY SUMMON MEETING**

103. Any director or the Secretary shall, upon the request of one third of the total number of Directors may at any time convene a meeting of the Board.

**CHAIRMAN**

104. The Board may appoint a Chairman of its meetings and determine the period for which he is to hold office. If no such Chairman is appointed or if at any meeting of the Board the Chairman be not present within fifteen minutes after the time appointed for holding the same, the Directors present shall choose someone of their members to be Chairman of such meeting.

**QUORUM**

105. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

**POWER OF QUORUM**

106. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act, for the time being vested in or exercisable by the Board.

**HOW QUESTIONS TO BE DECIDED**

107. Subject to the provisions of Sections 316, 375(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and, in case of an equality of votes the Chairman shall have a second or casting vote.

## **POWER TO APPOINT COMMITTEE AND TO DELIGATE**

108. The Board may, subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such director or directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

## **PROCEEDINGS OF COMMITTEE**

109. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

## **WHEN ACTS OF A DIRECTOR VALID NOTWITHSTANDING DEFECTIVE APPOINTMENT**

110. Acts done by a person as a Director shall be valid notwithstanding that it may afterwards be discovered that its appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Providing that nothing in this Articles shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

## **RESOLUTION WITHOUT BOARD**

111. Subject to the provisions of the Act, a resolution circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for meeting of the Board or committee, as the case may be, and to all other directors or members, at their usual addresses in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote on the Resolution, shall be valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. A statement in the Minutes that a Resolution has been passed in accordance with this Articles shall be prima facie evidence of the fact.

## **MINUTES**

### **MINUTES TO BE MADE**

112. (i) The Board shall, in accordance with the provisions of Section 193 of the Act, cause minutes to be kept of every General Meeting of the Company and of every meeting of the Board or of every Committee of the Board.
- (2) Any such Minutes of any meeting of the Board or of any Committee of the Board or of the Company in General Meeting, if kept in accordance with the provisions of Section 193 of the Act, shall be evidence of the matters stated in such minutes. The Minute Books of General Meetings of the Company shall be kept at the office and shall be open to inspection by members during the hours of 10 a.m. and 12 noon on such business days as the Act requires them to be open for inspection.

## **POWER OF THE BOARD**

### **GENERAL POWER OF COMPANY VESTED IN THE BOARD**

113. Subject to the provisions of the Act, the contract of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do, provided that the Board shall not directed or required, whether by the Act or any other statute or by the Memorandum of the Company or any other Articles or otherwise, to be exercised or done by the company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act, or in any other statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder including regulations made

by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

## **LOCAL MANAGEMENT**

### **LOCAL MANAGEMENT POWERS OF ATTORNEY SEAL FOR USE ABROAD AND FOREIGN REGISTRARS.**

114. Subject to the provisions of the Act, the Board, may make such arrangements as it may think fit for the management of the Company's affairs abroad or in any specified locality in India and for this purpose appoint local boards, attorneys and agents and fix their remuneration and delegate to them such powers as the Board may deem requisite or expedient. Any such Board member or Attorneys or agents as aforesaid may be authorized by the Board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. The company may exercise all the powers of Section 50 of the Act and the official seal shall be affixed by the authority and in the presence of and the instruments sealed therewith shall be signed by such persons as the Board shall from time to time by writing under the Seal appoint. The company may also exercise the powers of Sections 157 and 158 of the Act with reference to the keeping of Foreign Registrars.

## **MANAGING DIRECTORS**

### **POWER TO APPOINT MANAGING DIRECTOR**

115. Subject to the provisions of Section 316 and 317 of the Act, the Board may, from time to time appoint one or more Directors to be Managing Director or Managing Directors of the Company, for a fixed term and may from time to time, subject to the provisions of any contract between him or them and the company remove or dismiss him or them from office and appoint another or others in his or their place or places.

### **WHAT PROVISION SHALL BE THE SUBJECT**

116. (1) Subject to the provision of Section 255 of the Act, a Managing Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be reckoned as a director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire, and (subject to the provisions of any contract between him and the company) he shall be subject to the same provision as to resignation and removal as the other director, and he shall ipso facto and immediately cease to be Managing Director if he ceases to hold the office of Directors from any cause.
- (2) If at time total number of Managing Director is more than one-third of the total number of directors, the Managing Directors who shall not retire shall be determined by in accordance with their respective seniorities. For the purpose of this Article the seniorities of the managing Directors shall be determined by the date of their respective appointments as Managing Directors by the Board.

### **REMUNERATION OF MANAGING DIRECTOR**

117. Subject to the provisions of 'section 309, 310 and 311 of the Act, a Managing Director shall in addition to the remuneration payable to him as Director of the company under these Articles, receive such additional remuneration as may from time to time be sanctioned by the company.

### **POWER OF MANAGING DIRECTOR**

118. Subject to the provisions of the Act and in particular to the prohibition and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit, and it may confer such powers, either collaterally with, or

to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **SECRETARY/SECRETARIES**

### **POWER TO APPOINT SECRETARY/SECRETARIES**

119. The Board may appoint a Secretary or Secretaries of the Company on such terms and conditions as it may think fit and may remove any such persons so appointed and may fill in the vacancy in the said office. The Secretary or Secretaries shall exercise such powers and carry out such duties as the Board may from time to time determine

## **THE SEAL**

### **CUSTODY OF SEAL**

120. The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given by the Board or a committee of the Board authorized by the Board in that behalf and, save as provided in Article 12 hereof, any two Directors or one director and the secretary/Secretaries or one director and such other person as the Board may appoint shall sign every instrument to which the seal is affixed. Provided nevertheless, that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority of the Board to issue the same.

## **RESERVES**

### **RESERVES**

121. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied and the Board may, whether or not it places any sum to reserve, carry forward any profits which the Board may think it prudent to divide.

### **INVESTMENT MONEY**

122. All moneys carried to reserve shall nevertheless remain and be profits of the company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the company not immediately required for the purposes of the company may, subject to the provisions of Sections 370 and 372 of the Act, be invested by the Board in or upon such investments or securities as it may select or may be used as working capital or may be kept at any Bank on deposit or otherwise as the Board may from time to time think proper.

### **CAPITALISATION OF RESERVES**

123. Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the company standing to the credit of the reserves, or any Capital Redemption Reserves Account, or in the hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the Share Premium Account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full any unissued shares of the Company which shall be distributed accordingly or in or towards payments of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum, provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account, for the purpose of this Article, only be applied in paying up unissued shares to be issued to shareholders of the Company as fully paid bonus shares.

## **DISTRIBUTION OF CAPITAL PROFITS**

124. The Company in General Meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from the receipt of moneys received or recovered in respect of or arising from the realization of any capital assets of the company or any investment representing the same instead of being applied in the purchase of other capital assets or for other capital purposes be distributed amongst the ordinary shareholders on the footing that they receive the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend, provided always that no such profits and aforesaid shall be so distributed unless there shall remain in the hands of the company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the company for the time being.

## **FRACTIONAL CERTIFICATE**

125. For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and, in particular, may issue fractional certificates, and may determine that cash payments shall be made to any members fixed in order to adjust the rights of all parties and may vest such cash in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalized fund and such appointment shall in effective

## **DIVIDENDS**

### **HOW PROFITS SHALL BE DIVISIBLE**

126. Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto, the profits of the company which shall from time to time be determined to be divided in respect of any year or other shall be applied in the payment of a dividend on the equity shares of the Company but so that a partly paid up share shall only entitle the holder with respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls such capital shall not rank for dividends or others a right to participate in profits.

### **DECLARATION OF DIVIDENDS**

127. The Company in Annual General meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

### **RESTRICTION ON AMOUNT OF DIVIDEND**

128. No larger dividend shall be declared than is recommended by the Board, but the company in General Meeting may declare a smaller dividend.

### **DIVIDEND OUT OF PROFIT ONLY AND NOT TO CARRY INTEREST**

129. Subject to the provisions of Section 205 of the Act no dividend shall be payable except out of the profits of the Company or of moneys provided by the Central or State Government for the payment of the dividend in pursuance of any guarantee given by such Government.

### **WHAT TO BE DEEMED NOT PROFITS**

130. The declaration of the Board as to the amount of the net profits of the company shall be conclusive, subject to the provisions of the Act.

### **INTERIM DIVIDENDS**

131. The Board may from time to time pay to the members such interim dividends as in its judgment the position of the Company justifies.

### **DEBTS MAY BE DEDUCTED**

132. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the Company.

### **DIVIDEND AND CALL TOGETHER**

133. Subject to the provisions of Article 14, any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend and the dividend may be set off against the call.

### **DIVIDEND IN CASH**

134. No dividend shall be payable except in cash, provided that nothing on the foregoing shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.

### **EFFECT OF TRANSFER**

135. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer by the Company.

### **PAYMENT OF INTEREST ON CAPITAL**

136. The Company may pay interest on capital for the construction of works or buildings when and so far as it shall be authorized to do by and subject to Section 208 of the Act.

### **TO WHOM DIVIDENDS PAYABLE**

137. No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers, but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for the payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 135.

### **DIVIDEND TO JOINT HODERS**

138. Any one or several persons who are registered as the joint holders of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such share.

### **PAYMENT BY POST**

139. unless otherwise directed in accordance with Section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder o, in the case of joint-holders, to the registered address of that one of the joint-holders who is first named on the Register in respect of the joint-holding or of such person and such address as the holder or joint-holders, as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

### **UNCLAIMED DIVIDEND**

140. Subject to Section 205A of the Act, all dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and all dividends unclaimed till the claim thereto becomes barred by law may be forfeited by annual the forfeiture wherever it may think proper.

## **ACCOUNTS**

### **BOOKS OF ACCOUNTS TO BE PRESERVED**

141. The Books of Account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

### **WHEN ACCOUNTS TO BE DEEMED FINALLY SETTLED**

142. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the company in General Meeting shall be conclusive except as regard any error, discovered therein.

## **SERVICE OF NOTICES AND OTHER DOCUMENTS**

### **HOW NOTICES TO BE SERVED ON MEMBERS**

143. A notice or other document may be given by the Company to its members in accordance with Sections 53 and 172 of the Act.

Where a document is sent by post, service of notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document. Provided where a member has intimated to the company in advance that the document should be sent to him under Certificate of Posting or by Registered Post with our without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member, and unless the contrary is proved such service shall be deemed to have been effected.

- (i) in the case of notice of a meeting at the expiration of forty-eight hours after the same is posted and would be delivered in the ordinary course of post.

### **TRANSFEREE ETC. BOUND BY PRIOR NOTICE**

144. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

### **NOTICE VALID THOUGH MEMBER DECEASED**

145. Subject to the provisions of Articles 143, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the company have notice of his decease, be deemed to have been duly served in respect of any registered shares, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof and such service shall, for all purposes of these presents, be deemed a sufficient service of such notice or documents on his heirs, executors or administrators and all persons, if any, jointly interested with him in any such share.

### **SERVICE OF PROCESS IN WINDING UP**

146. Subject to the provisions of Section 497 and 509 of the Act, in the event of winding up of the company, every member of the Company who is not for the time being in Bombay may, within eight weeks after the passing of an effective resolution to wind up the company voluntarily or the making of an order for the winding up of the company, serve notice in writing in the company appointing some householder residing in the neighborhood of the office upon whom all summons, notices, process, orders and judgments in relation to or provisions of this Article shall not prejudice the right of the Liquidator of the company to serve any notice or other document in any other manner prescribed by these Articles.

## **INSPECTION**

### **INSPECTION**

- 147(1) The Books of Accounts and other books and papers shall be opened to inspection by any Director during business hours.
- (2) The Board shall, from time to time, determine whether and to what extent, and at what times and places, and under what conditions or regulations, the Books of Account and books and documents of the company, other than those referred to in articles 112(2) and 148 or any of them, shall be opened to the inspection of the members not being Directors and no member (not being a director) shall have any right of inspecting any Books as conferred by law or authorized by the Board or by the company in General Meeting.

### **INSPECTION OF REGISTERS ETC.**

148. Subject to the provisions of Section 209(4)(b) of the act, whereunder any provision of the Act, any person, whether a member of the company or not, is entitled to inspect any register, return, certificates, deed, instrument or document required to be kept or maintained by the company, the person so entitled to inspection, shall, on his giving to the company not less than twenty four hours previous notice in writing of his intention specifying which register, etc., he intends to inspect, be permitted to inspect the same between the hours of 11.00 a.m. and 1.00 p.m. on such business days as the Act requires them to be opened for inspection.

## **RECONSTRUCTIONS**

### **RECONSTRUCTION**

149. On any sale of the undertaking of the company the board or the liquidator, on a winding up may, if authorized by a Special Resolution accept fully paid-up shares, debentures or securities of any other company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the company, and the Board (if the profits of the company permit) or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the company amongst the members without realization, or vest the same in trustees for them and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contributors of the company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto, save only in case the company is proposed to be or in the course of being wound up, such statutory rights, if any, under section 492 of the Act, as are incapable of being varied or excluded by these Articles.

## **WINDING UP**

### **DISTRIBUTION OF ASSETS**

150. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the member in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up. This Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

### **DISTRIBUTION OF ASSET IN SPECIE**

151. If the company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind any part of the assets of the company and may, with the like sanction, vest and part of the assets of the company in trustees upon such trusts for the benefits of the contributors, or any of them as the Liquidators, with the like sanction, shall think fit.

### **SECRECY**

#### **SECRECY**

152. Every director, manager, secretary, trustee for the company, its members, or debenture holders, member of a committee, officer, servant, agent, accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any General Meeting in order to comply with any of the provisions of these Articles contained.

#### **NO MEMBER TO ENTER THE PREMISES OF THE COMPANY WITHOUT PERMISSION**

153. No member or other person (not being a director) shall be entitled to enter upon the property of the company or to inspect or examine the company's premises or properties without the permission of the Board or, subject to Articles 147(2) to require discovery of or any information respecting any details of the trading of the company or any matter which is or may be in the nature of a trade secret, mystery of trade pr secret to process or of any matter whatsoever which may relate to the conduct of the Board it will be inexpedient in the interest of the company to communicate to the public.

### **INDEMNIFY**

#### **INDEMNIFY**

154. Every Director , Manager, secretary or office of the Company or any person (whether an office of the company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the company against all liability incurred by him as such Director, Manager, Secretary, Officer, employee or Auditor in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted, or in connection with any application under Section 633 of the 'act, in which relief is granted to him by the Court.

## **XV. MATERIAL CONTRACTS AND DOCUMENTS**

1. Memorandum and Articles of Association of the Company
2. Certificate of Incorporation dated 2ND August, 1993.
3. Certificate of Commencement of Business dated 2nd August, 1993
4. Scheme of Arrangement between Nath Seeds Limited and Agri-Tech (India) Limited
5. Order dated 27th August 2003 of the Hon'ble High Court of Bombay approving the Scheme of Arrangement.
6. Application made to BSE for listing of the securities.
7. Copies of Agreement with National Securities Depository Ltd. (NSDL) dated 19th April, 2004.
8. SEBI Letter bearing reference No. CFD/DIL/192B/UR/41172/2005 dated 25th May, 2005.
9. Annual Report 2012.

## XVI. DECLARATION

NO STATEMENT MADE IN THIS INFORMATION MEMORANDUM SHALL CONTRAVENGE ANY OF THE PROVISIONS OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER. ALL THE LEGAL REQUIREMENTS AS ALSO THE GUIDELINES INSTRUCTIONS, ETC., ISSUED BY SEBI, GOVERNMENT OR ANY OTHER COMPETENT AUTHORITY IN RESPECT OF LISTING OF SECURITIES HAVE BEEN DULY COMPLIED WITH.

Yours faithfully,  
By the Order of the Board of Directors  
Of AGRI -TECH (INDIA) LTD.



AKASH KAGLIWAL  
WHOLE TIME DIRECTOR

DATE: