



AMRIT AGRO INDUSTRIES LTD.

CIN: L01111UP1985PLC010776

By Courier
In Duplicate

No. AAIL/56

Dated: November 2, 2016

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)

Mumbai - 400 051

6/L Attn: The Manager - Listing Compliance Dept H

Sub: Amrit Agro Industries Ltd. – Exit to Public Shareholders under the Scheme of Arrangement between Amrit Agro Industries Ltd. (AAIL) and Amrit Banaspati Company Ltd. (ABCL) and their respective shareholders – No objection for sanction of the Scheme by the Hon'ble High Court

Sir,

This has reference to letter No. CFD/DIL/BNS/AKD/28588/2016 dated 17.10.2016 from Mr. Sanjay Dhakite, Asstt. General Manager, Corporate Finance Deptt., Division of Issues and Listing-1, SEBI, addressed to Ms. Lata Sisodiya Saxena, Dy. Director, Ministry of Corporate Affairs, Office of Regional Director, Northern Region, New Delhi which has been served on us vide Affidavit dated 20.10.2016 of Shri N.K.Bhola, Regional Director, Ministry of Corporate Affairs, filed with the Hon'ble High Court of Judicature at Allahabad in response to notice to the Regional Director by the Hon'ble High Court on the Petition for sanction of the Scheme of Arrangement between AAIL and ABCL and their respective shareholders (hereinafter called the "Scheme") filed by us under Sections 391-394 of the Companies Act, 1956.

In the above letter under reference, the following observations have been made which the Regional Director has conveyed in his aforesaid Affidavit to the Hon'ble Allahabad High Court:-

- SEBI Circular No.CIR/CFD/CMD/16/2015 dated 30.11.2015 mandates the draft scheme along with required documents to be submitted with stock

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exchange which would in turn forward the scheme to SEBI for our comments;

- b. From the website MCA21, it is observed that Amrit Agro Industries is a listed company. Further, it is inter alia stated that in the Scheme, Amrit Agro Industries Ltd. is listed on three de-recognized stock exchanges viz. UP Stock Exchange Ltd., Ludhiana Stock Exchange Limited and Delhi Stock Exchange Limited;
- c. SEBI vide circular No.SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 10.10.2016 mandated the procedure to be followed by such companies listed on regional stock exchanges (now de-recognized) and currently trading on dissemination board on the nationwide stock exchanges. However, it appears that the listed company is getting de-listed without complying with the aforesaid circular (i.e. without providing an exit route to the investors as prescribed);
- d. Thus, prima facie it appears that the scheme is not in compliance with the SEBI circular dated 30th November, 2015 and 10th October, 2016; and
- e. Further, the instant scheme along with required documents should have been filed in terms of the aforesaid circular dated 30.11.2015. The matter is being examined and detailed reply would be submitted in due course.

Having regard to the above observations, our submissions thereto are as under:

a. SEBI Circular No.CIR/CFD/CMD/16/2015 dated 30.11.2016 mandates the draft scheme along with required documents to be submitted with stock exchange which would in turn forward the scheme to SEBI for our comments.

- (i) SEBI's Circular No. MRD/DoP/SE/Cir.36/2008 dated 29.12.2008 issued by Market Regulation Department – Division of Policy, inter alia stated that in the case of exclusively listed companies that *"in case of companies exclusively listed on those de-recognized stock exchanges, it shall be mandatory for such companies to either seek listing at other stock exchanges or provide for exit option to the shareholders as per SEBI Delisting Guidelines/Regulations after taking shareholders' approval for the same, within a time frame, to be specified by SEBI, failing which the companies shall stand delisted through operation of*



law". Subsequently, vide Circular No. CIR/MRD/DSA/14/2012 dated 30.5.2012, SEBI prescribed the following process to be followed by the exclusively listed companies ("ELC"):

- *Exclusively listed companies shall list on any other recognized stock exchange. Such other recognized stock exchanges may facilitate the listing of exclusively listed companies In this regard, the stock exchanges shall issue the differential listing eligibility criteria for such exclusively listed companies; and*
- *The exclusively listed companies, which fail to obtain listing on any other stock exchange, **will cease to be a listed company and will be moved to the dissemination board by the exiting stock exchange.***

Further, vide Circular No. CIR/MRD/DSA/18/2014 dated 22.05.2014, directions were given to the stock exchanges to deal with companies exclusively listed on non-operational stock exchanges, which read as under:

- *The exclusively listed companies of such non-operational stock exchanges may opt for listing in nation-wide exchanges after complying with listing norms of main board or the diluted listing norms, if any, on or before the exit of the exchange, either on voluntary or compulsory basis. Nation-wide stock exchanges shall facilitate the listing of these companies on priority basis in a time bound manner. For this purpose, these nation-wide stock exchanges shall immediately create a separate dedicated cell to expedite processing the listing requests from such companies.*
- *Such exclusively listed companies may also opt for voluntary delisting before de-recognition of the stock exchanges by following the existing delisting norms of SEBI in terms of SEBI (Delisting of Equity Shares) Regulations, 2009. Nation-wide stock exchanges shall provide a platform to these companies to facilitate reverse book building for voluntary delisting using their platform.*
- *As per the 'Exit Circular' the exclusively listed companies which fail to obtain listing on any other stock exchange, which do not voluntarily delist or which are not considered as 'Vanishing companies', **will cease to be listed company and will be moved to***



the dissemination board by the existing stock exchanges. It shall be the responsibility of the exchanges which are being de-recognized either on voluntary or compulsory basis, to place their exclusively listed companies on the dissemination board. These exchanges shall ensure that the database of the exclusively listed company is transferred to SEBI and to those stock exchanges on whose dissemination board, the shares of these companies are available."

Thereafter, vide circular No.CIR/MRD/DSA/05/2015 dated 17.4.2015, the timeline of 18 months was allowed within which the exclusively listed companies on de-recognized stock exchanges shall obtain listing and until such listing, such companies shall continue to remain in the dissemination board of the nation-wide stock exchanges.

(ii) In the light of the aforesaid directions/guidelines of the SEBI for the ELCs from time to time, the promoters and directors of our company undertook the following steps:-

1. A listing application was made to BSE Ltd. on 16th October 2015 vide letter No. AAIL/75 dated 16th October 2015 for listing of the company under the diluted listing norms. All the documents required by BSE were submitted including the listing fee of Rs. 10,40,000 and processing/scrutiny fee of Rs. 50,000. The listing application has been kept pending by BSE and no communication has been received from the BSE Ltd. about the fate of our listing application despite our personal visits and reminders from time to time. The listing fee was refunded to us by BSE on the ground that listing fee as may be applicable at the time of listing of the company will be payable by you.
2. In the meantime, consequent to the de-recognition of the U.P. Stock Exchange Ltd., Kanpur, our company was referred to the dissemination board of National Stock Exchange of India Ltd. ("NSE") w.e.f. 9.6.2015 as per letter No. UPSE:2015-2016/281 dated 26.6.2015 of UPSE. Therefore, on being referred to the dissemination board as per the aforesaid circulars of SEBI, our understanding was that our company has ceased to be a "listed company".

3. Since there was no substantive progress on the listing of the company with BSE Ltd., though there being no adverse observations also by BSE as well, the promoters and directors of the company proposed a Scheme of Arrangement with a view to provide "exit" to the Public Shareholders of our Company by way of amalgamation of the Company (AAIL) with the promoter company (ABCL). The Scheme inter alia provide for the following:

- Transfer of assets and liabilities of AAIL to ABCL;
- To provide exit opportunity to the public shareholders of AAIL by way of issue and allotment of redeemable preference shares to the public shareholders to be redeemed within a period not later than one year from the date of allotment at a premium of Rs. 50/- (i.e. at a total redemption amount of Rs. 60/- per share).
- Dissolution of AAIL without winding up and various other matters consequent to or otherwise connected with the above in the manner provided in the Scheme.

4. To give effect to the above, a petition was filed before the Hon'ble High Court of Judicature at Allahabad for sanction of the above Scheme. The High Court vide its order dated 12.07.2016, directed convening of the meeting of the equity shareholders of the company (AAIL) to approve the Scheme and also gave other directions with respect to the conduct of the meeting, filing of the report by the court-appointed chairperson for the meeting etc. An explanatory Statement was sent to all the shareholders alongwith the Notice of the meeting explaining in detail the rationale of the proposed amalgamation and the procedure for providing "exit" to the Public Shareholders was also duly explained. In the Shareholders' meeting held on 20.08.2016, the shareholders of our company unanimously approved the Scheme, which was duly intimated to the Hon'ble High Court by the Court-appointed Chairman.

- (iii) Since in our view, SEBI's above circular dated 30.11.2015 is applicable to listed companies and our company having been moved to the dissemination board and ceased to be a listed company, it was thought that the compliance of the said circular was not required as there was no "Designated Stock Exchange" then for our company which could be approached for seeking approval as envisaged in the said circular.



Incidentally, it may be mentioned that SEBI has now vide circular No. SEBI/HS/MRD/DSA/CIR/P/2016/110 dated 10.10.2016 clarified that the respective nationwide stock exchanges hosting the exclusively listed companies on its dissemination board would herein after be referred to as the "Designated Stock Exchanges".

- (iv) You will appreciate that the promoters and directors of the company have, in their earnest desire to protect the interests of the shareholders/investors in the company, have been making all-out efforts to comply with the SEBI circulars both for listing of the company and thereafter providing exit to the public shareholders by issue and allotment of preference shares at a total redemption amount of Rs. 60/- per share. Redemption proceeds reflect the fair value of the equity shares held by public shareholders and the same together with dividend @ 7% will be paid to all the public shareholders before the close of the current financial year in case the Scheme is sanctioned by the hon'ble High Court. The Fair Value of the equity shares of the Company has been recommended by M/s SSPA & Co., Chartered Accountants, Mumbai and supported by Fairness Opinion given by M/s Inga Capital, SEBI registered Category-I Merchant Banker.
- (v) In order to be on the right side of the law and in compliance of the aforesaid SEBI circulars, our company also took a legal opinion from Mr. N.K. Sodhi, former Chief Justice and ex-SAT Chairman, on whether the exit opportunity to the public shareholders as envisaged in the Scheme, would constitute "exit" to the public shareholders and would be in compliance of SEBI circulars dated May 30, 2012, May 12, 2014 and April 17, 2015. Justice N.K. Sodhi opined that the exit opportunity provided to the public shareholders by the Scheme constitute an "exit" which would be in compliance with SEBI circulars of April 17, 2015. A copy of the opinion of Justice Sodhi is attached herewith.
- (vi) The Company has no substantive business activities now. The company was earlier engaged in the business to manufacture and distribute potato wafers and conventional namkeens under the brand "Uncle Chipps". The said business was sold by the Company in the year 2000 and thereafter, it is carrying on the agri-business trading activities sporadically. Therefore, continuing with the listing may not sub-serve the interests of the public



shareholders and, therefore, it was considered worthwhile to amalgamate the company with the promoter company.

- b. From the website MCA21, it is observed that Amrit Agro Industries is a listed company. Further, it is inter alia stated that in the Scheme, Amrit Agro Industries Ltd. is listed on three de-recognized stock exchanges viz. UP Stock Exchange Ltd., Ludhiana Stock Exchange Limited and Delhi Stock Exchange Limited.***

In this respect, it is stated that MCA website MCA21 will continue to show our company as listed company unless CIN No. is changed upon delisting and/or amalgamation of the company, as proposed by us in the Scheme. Further, in the Petition to the Hon'ble High Court as well as in the Explanatory Statement to the Shareholders of the Company, it has been explicitly stated by us that the company was listed on the stock exchanges, namely, UP Stock Exchange Ltd., Ludhiana Stock Exchange Limited and Delhi Stock Exchange Limited which have become non-operational and are derecognized. Consequently, in terms of SEBI circulars dated May 30, 2012, May 22, 2014 and April 17, 2015, our company which was exclusively listed on the non-operational/de-recognized stock exchanges has ceased to be listed company and moved to the Dissemination Board.

- c. SEBI vide circular No.SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 10.10.2016 mandated the procedure to be followed by such companies listed on regional stock exchanges (now de-recognized) and currently trading on dissemination board on the nationwide stock exchanges. However, it appears that the listed company is getting de-listed without complying with the aforesaid circular (i.e. without providing an exit route to the investors as prescribed).***

The above circular of SEBI has been issued much after we had initiated the process of merger which inter-alia providing an exit opportunity to the public shareholders. The procedure envisaged to provide an exit to shareholders/investors by way of Scheme of Arrangement, without prejudice, is in substantial compliance with the procedure prescribed in the circular. In addition, the Company has also taken an approval of the shareholders for the Scheme at the Court Convened Extra Ordinary General Meeting (attached herewith the Chairman's report for your ready reference wherein the Scheme



was approved unanimously). Thus your goodself will appreciate that we are getting the Scheme sanctioned through a transparent judicial process.

d. Thus, prima facie it appears that the scheme is not in compliance with the SEBI circular dated 30th November, 2015 and 10th October, 2016.

As explained above.

e. Further, the instant scheme along with required documents should have been filed in terms of the aforesaid circular dated 30.11.2015. The matter is being examined and detailed reply would be submitted in due course.

The documents required to be filed in the circular dated 30.11.2015 are being filed with the National Stock Exchange Ltd. The non-compliance of the circular earlier was due to misinterpretation of the circulars which is unintentional.

In the backdrop of our aforesaid submissions and as directed by SEBI during the personal hearing held with our merchant bankers on 1st November, 2016, we are pleased to submit the following documents in terms of Regulations 11, 37 and 94 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as contained in Circular No. CIR/CFD/CMD/16/2015 dated 30.11.2015:

- Scheme of Arrangement;
- Valuation Report dated 30.06.2016 of M/s SSPA & Company, Chartered Accountants, Mumbai;
- Fairness opinion dated 30.06.2016 of M/s Inga Capital Pvt. Ltd., SEBI registered Category-I Merchant Banker;
- Resolution dated 30.06.2016 passed by the Audit Committee of AAIL approving the draft Scheme of Arrangement, the Fair Value of the Equity Shares and the Share Exchange Ratio after taking on record the Valuation Report of M/s SSPA & Co.
- Pre and post amalgamation equity shareholding pattern of Amrit Banaspati Co. Ltd. and pre-amalgamation equity shareholding pattern of Amrit Agro;
- Audited financials for the last three years of both the companies;

- Auditors' certificate to the effect that the accounting treatment contained in the scheme is in compliance with the Accounting Standards, as applicable, and other generally acceptable accounting principles.
- Compliance Report with respect to Regulations 17 to 27 of SEBI (LODR);
- Complaint Report regarding complaints/comments received on the draft Scheme from various sources.
- Explanatory Statement accompanying the Notice for the Court-convened Meeting sent to the shareholders seeking approval of the Scheme.
- Result of the Poll at the Court-convened Meeting announced by the Court-appointed Chairman.
- Petition filed with the hon'ble High Court of Judicature at Allahabad for sanction of the Scheme.

It may be noted that all the shareholders, including the Public Shareholders, have voted for the Scheme unanimously and no vote has been caste by the Shareholders **against** the Scheme.

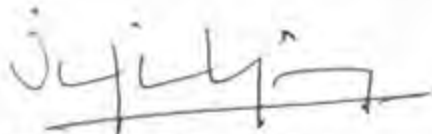
In view of the above facts and circumstances, we request your goodself to kindly consider our case sympathetically as the sole motive/objective of the directors and promoters of the Company is to protect the interests of the public shareholders/investors and provide them exit, which is fair and reasonable. You will appreciate that the shares of the Company which have not been traded on the stock exchanges for decades and the last trading was at half the face value of the share and the fact that the company has no substantive business activities, it is all the more worthwhile that the public shareholders are paid their money at the fair value determined by a reputed valuer. The fair value of Rs. 60/- per equity share has been further certified by SEBI registered category-1 merchant banker, by way of their Fairness Opinion. Under the circumstances, it would be just and equitable if your goodself may kindly agree to the proposal so that there is no loss to the public shareholders of our Company. Even continuing with the listing may not sub-serve the interests of the public shareholders than what is proposed by our promoters/directors and the Company under the Scheme.



We hope that your goodself will give the necessary NOC for the Scheme, so that we are in a position to file the same with the Hon'ble High Court of Judicature at Allahabad for sanction of the Scheme of Arrangement.

Thanking you.

Yours faithfully,
For **Amrit Agro Industries Ltd.**



(JAYA BAJAJ)
Managing Director

Encl: As above.

cc to:

Mr. Sanjay Dhakite, Asstt. General Manager
The Securities and Exchange Board of India (SEBI),
SEBI Bhavan, Plot No.C-4A,
G Block, Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051 – with Annexures
Ph.No. 22-26449249



AMRIT AGRO INDUSTRIES LTD.

CIN: L01111UP1985PLC010776

No. AAIL/

Dated: November 10, 2016

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)

Mumbai – 400 051

(Email – njain@nse.co.in)

Kind Attn: **Mr. Nikhil Jain, Asst. Manager – Listing Compliance**

Sub: **Amrit Agro Industries Ltd. – Exit to Public Shareholders under the Scheme of Arrangement between Amrit Agro Industries Ltd. (AAIL) and Amrit Banaspati Company Ltd. (ABCL) and their respective shareholders – No objection for sanction of the Scheme by the Hon'ble High Court**

Sir,

Please refer to your E-mail dated 8.11.2016 requiring clarifications on certain points mentioned therein. Our replies/submissions on the same are as under:

(1)(a) Exit Opportunity to the Shareholders of Amrit Agro Industries Ltd.

The Scheme of Arrangement between Amrit Agro Industries Ltd. (AAIL) and Amrit Banaspati Company Ltd. (ABCL) and their respective shareholders has been formulated with the primary objective of providing exit to the Public Shareholders of AAIL as the shares have lost liquidity and/or marketability in view of no trading of the shares in the regional stock exchanges where these shares were listed. The mechanism of exit proposed in the Scheme envisages that:

- Upon sanction of the Scheme by the Court, the Share Capital of AAIL will be re-organized and all the Public Shareholders numbering 3,589 persons and holding 10,75,303 Equity Shares of the face value of Rs. 10/- each constituting 35.84% of the Paid-up Share Capital of AAIL, will



be issued and allotted one (1) redeemable preference share of Rs. 10/- each on the terms and conditions given hereunder, for every one (1) fully paid-up equity share of the face value of Rs. 10/- each held by the Public Shareholders. The Promoter Shareholders numbering 22 persons and holding 19,24,697 Equity Shares of the face value of Rs. 10/- each constituting 64.16% of the Paid-up Share Capital of AAIL will continue to hold the Equity Shares.

Terms:

Dividend Rate of RPS	7% on RPS of the face value of Rs. 10/- each.
Tenure of RPS	Not later than 1 (one) Year from the date of allotment, at the discretion of ABCL
Listing of RPS	The RPS shall not be listed on any Stock Exchange.
Redemption terms of RPS	The Redeemable Preference Shares would be redeemed at a premium of Rs. 50/- Rupees fifty only) per share (i.e. at the total redemption amount of Rs. 60/- per share). The redemption proceeds together with dividend @ 7% will be given to all the preference shareholders not later than one (1) year from the date of allotment, as the Board of Directors may decide.

- Upon the Scheme becoming effective, the assets & liabilities of AAIL will be transferred to and vested with ABCL and in consideration of the transfer and vesting of the assets & liabilities, ABCL, the Promoter Company of AAIL, will without any further application or deed:
 - (i) Issue and allot three (3) equity shares of Rs. 10/- each fully paid-up of ABCL for every ten (10) equity shares of Rs. 10/- each fully paid-up of AAIL held by the Promoter Shareholders, other than the Public Shareholders, as per the Share Exchange Ratio provided in the Scheme;



- (ii) Issue and allot one (1) 7% redeemable preference share of Rs. 10/- each on the terms and conditions given above, to the preference shareholders of AAIL credited as fully paid-up for every one (1) fully paid 7% preference share of Rs. 10/- each held by such shareholders.
- The preference shares so issued and allotted to the public shareholders as above will be redeemed by the Promoter Company, ABCL, at a premium of Rs. 50/- per share (i.e. at a total redemption amount of Rs. 60/- per share) not later than one year from the date of allotment. Upon redemption of the preference shares, the Public Shareholders of AAIL will receive a sum of Rs. 60/- for every one (1) equity share of Rs.10/- each held by them together with preference dividend @ 7%.
 - For the redemption of the preference shares, a special account with the designated bank will be opened by ABCL and the entire redemption proceeds will be deposited in the redemption account. The shareholders will be issued redemption warrants/pay orders from the said account. It will be endeavoured that all the shareholders claim their redemption amount. ABCL will not have any access to the funds lying in the redemption account and the funds will be used only for the purpose of payment of redemption proceeds to the Public Shareholders. The unpaid/unclaimed amount remaining in the said account upto a specified period, will be transferred to "Investor Education and Protection Fund" as per Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
 - The reorganization of the Share Capital of AAIL and issuance of 7% redeemable preference shares to the Public Shareholders of AAIL will be affected as a part of the Scheme.

Thus, the Scheme provides for exit at Fair Value to the Public Shareholders by way of issue and allotment of preference shares whereas the Promoter Shareholders of AAIL will become the equity shareholders of ABCL and will be issued and allotted equity shares in the Exchange Ratio mentioned above. The redemption proceeds reflect the Fair Value of the equity shares held by Public Shareholders. The Fair Value of the equity shares of AAIL has



been determined by M/s SSPA & Co., Chartered Accountants, Mumbai and supported by Fairness Opinion given by M/s Inga Capital, SEBI registered Category-I Merchant Banker.

We undertake that, subject to sanction of the Scheme by the Court, ABCL, being promoter of AAIL, will pay the redemption proceeds and dividend to all the public shareholders of AAIL before 31st March, 2017.

1.(b) Valuation has been derived on which provision of law

The shares of the Company have been valued by M/s SSPA & Co., Chartered Accountants, Mumbai ('Valuer') who has carried out valuation of (i) Fair Value of the equity shares of AAIL for issue and redemption of redeemable preference shares to the Public Shareholders; and (ii) Fair Share Exchange Ratio for the purpose of amalgamation of AAIL into ABCL. The valuation has been carried out using approaches which are generally used for mergers. These approaches are similar to the ones used in the judgment given in Hindustan Lever Employees' Union vs Hindustan Lever Limited And Ors on 24 October, 1994. The Valuer has adopted the following valuation approaches, viz.,

- (a) The "underlying asset" approach;
- (b) The "income" approach;
- (c) The "market price" approach.

Since shares of ABCL are not listed on any recognized stock exchange and shares of AAIL have been referred to the Dissemination Board of the National Stock Exchange of India Limited whereby no price per share is available, the Valuers have used a combination of "underlying assets" approach and "income" approach for determining the relative value of the equity shares of ABCL and AAIL and recommended Fair Value of equity shares of AAIL and Share Exchange Ratio on the basis of the said approach. Certified copy of the Valuation Report has already been submitted to you.

2. Listing of Securities

ABCL is an unlisted company. AAIL upon its amalgamation with ABCL will cease to be in existence and the Public Shareholders of AAIL will be issued



7% redeemable preference shares, as above, which will be redeemed and the Public Shareholders will be paid redemption proceeds before 31st March, 2017. The Promoter Shareholders will be allotted equity shares of AAIL for the equity shares held by them in AAIL in the exchange ratio provided in the Scheme. Therefore, no securities of any of the two companies would be listed on any stock exchange.

3. Redemption Value of Preference Shares

As mentioned above, the redemption value of the preference shares has been determined on the basis of the Fair Value of the equity shares of AAIL. The fair value of one (1) equity share of AAIL has been determined at Rs. 60/- per share, as per the valuation methodology adopted by M/s SSPA & Co. in their report. It may be mentioned here that **the Book Value of equity share of AAIL, as per books, on the basis of the Audited Accounts for the financial year 2015-16 is Rs. 38.92 per equity share.** However, the Fair Value of the share has been arrived at Rs. 60/- per share by the Valuer which will be paid to the equity shareholders of AAIL along with preference dividend @ 7%, upon redemption of the preference shares allotted to them under the Scheme.

4. Allotment of Equity Shares

The Scheme envisages allotment of equity shares to the Promoter Shareholders at the Fair Share Exchange Ratio determined by the Valuer i.e. three (3) equity shares of ABCL of Rs. 10/- each fully paid up for every ten (10) equity shares of AAIL of Rs. 10/- each fully paid-up.

As mentioned above, all the Public Shareholders of AAIL will be issued and allotted 7% redeemable preference shares by ABCL (the Promoter Company) which will be redeemed and the redemption amount of Rs. 60/- per share alongwith dividend @ 7% thereon will be paid to the Public Shareholders on or before 31st March, 2017. As such, the Public Shareholders shall cease to be the shareholders of ABCL after 31st March, 2017.



5. Benefits of the Scheme

The Scheme has been proposed by the promoters to provide exit to the Public Shareholders of AAIL as AAIL was finding it difficult to get itself listed on BSE Ltd., the nation-wide terminal stock exchange. Further, AAIL has no substantive business activities except for holding investments in Group companies and some financial investments. Therefore, the merger besides giving exit to the public shareholders, will also achieve the purpose of winding up of AAIL.

The Scheme will protect the interests of the public shareholders as they were not getting any return on the investment made by them in AAIL nor they had any opportunity to encash their investment, as equity shares of AAIL have not been traded on the stock exchanges for decades and have thus lost liquidity and/or marketability in view of the regional stock exchanges having become non-operational. Further, the Fair Value, as determined by the Valuer, will give them six times the money they had invested in the Company, which is fair and equitable and has been widely welcomed by the Public Shareholders. In the Shareholders' Meeting held on 20th August, 2016 under High Court supervision and directions, the Shareholders were highly appreciative of the approach of the Promoters of the Company in providing exit to them and the same is duly documented by the Court appointed Chairman in the minutes of the meeting.

We hope you will find the above in order and give the necessary NOC for the Scheme.

Thanking you.

Yours faithfully,
For **Amrit Agro Industries Ltd.**

Rishabh

(RISHABH AGGARWAL)
Chief Financial Officer

