



**Nutricircle Limited**

(Formerly Known as Shreeyash Industries Ltd.)

**EXTRA ORDINARY**

**GENERAL MEETING**

**Held On 21st March, 2016**

**REDUCTION OF CAPITAL**

**BETWEEN**

**NUTRICIRCLE LIMITED (EARLIER KNOWN AS SHREEYASH INDUSTRIES LIMITED) AND ITS SHAREHOLDERS**

**UNDER SECTION 100-104 OF THE COMPANIES ACT 1956**

**(SECTION 66 OF COMPANIES ACT, 2013)**

**NOTICE**

NOTICE is hereby given that the Extra Ordinary General Meeting of the members of Nutricircle Limited will be held as under:

**Day** : Monday 21<sup>st</sup> March 2016

**Venue**: Registered Office at # 5-8-272, FLAT NO. 201, AYESHA RESIDENCY, OPP. CITY CONVENTION CENTRE, PUBLIC GARDEN ROAD, NAMPALLY, HYDERABAD – 500001, TELENGANA, INDIA

**Time** : 1.00 P.M.

**TO TRANSACT THE FOLLOWING SPECIAL BUSINESSES:**

**1. TO CONSIDER THE REDUCTION OF CAPITAL OF THE COMPANY, WITH OR WITHOUT MODIFICATION, AS A SPECIAL RESOLUTION.**

“**RESOLVED That** pursuant to Section 100 of Companies Act 1956 and/or Section 66 other applicable provisions, if any, of the Companies Act, 2013, Article 7 of Articles of Association of the Company and subject to confirmation/approval by the High Court\* Judicature at Hyderabad, Andhra Pradesh and subject to such other approvals, consents, permissions or sanctions of any other authority, body or institution, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India and the creditors (hereinafter collectively referred to as “the concerned authorities”) as may be required, and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any of the concerned authorities, from time to time, while granting such approvals, consents, permissions or sanctions, the subscribed, issued and paid up equity share capital of the company with effective from the appointed date i.e. 01.04.2015 and after securing necessary approvals and permissions:

1. The company out of total accumulated losses of Rs. 51,718,238/- (Rupees Five Crore Seventeen Lacs Eighteen Thousand two hundred & Thirty eight Only) be and is hereby authorized to set off the accumulated losses of Rs. 51,638,200/- (Rupees Five Crore Sixteen Lacs Thirty-eight Thousand Two Hundred only) against the paid up capital of the Company of Rs. 54,356,000/- (Rupees Five Crore Forty Three Lacs Fifty Six Thousand Only) ;
2. On appointed date , the Subscribed and Fully Paid-up Share Capital of the Company shall stand reduced from Rs. 54,356,000/- (Rupees five Crore forty three lacs fifty six Thousand Only) divided into 5,435,600 (Fifty four lacs thirty-five thousand six hundred) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 2,717,800 (Rupees Twenty seven Seventeen Thousand Eight Hundred only) divided into 2,71,780 (Two Lacs Seventy - one Thousand Seven Hundred and Eighty) Equity Shares of Rs. 10/- (Ten only) each; and
3. Consequently, every shareholder of the Company, whose name appears on the Register of Members as on the Record Date, shall receive 5 (five) Equity Share of Re.10/- (Rupees Ten each Only) in lieu of every 100 (Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each, held earlier in the Company;

**RESOLVED FURTHER THAT** the reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company and in respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number.

**RESOLVED FURTHER THAT** after reduction, the capital of the company will not exceed Rs. 2,717,800 (Rupees Twenty seven Lacs Seventeen Thousand and Eight Hundred only) divided into 271,780 (Two Lacs Seventy-one Thousand Seven Hundred and Eighty) Equity Shares of Rs. 10/- (Ten only) each.

**AND RESOLVED FURTHER THAT** the Board be and hereby authorized to implement, modify, amend and alter the reduction of capital of the company in accordance with the Order of the Hon'ble high Court judicature at Hyderabad in the state of Telangana and such other authorities, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India.

## 2. TO IMPLEMENT THE REDUCTION OF CAPITAL OF THE COMPANY, WITH OR WITHOUT MODIFICATION, AS A SPECIAL RESOLUTION.

**RESOLVED THAT** the Board be and hereby authorized to implement, modify, amend and alter the any clause or terms of reduction of capital of the company in accordance with the Order of the Hon'ble High Court judicature at Hyderabad and such other authorities, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India .

**AND RESOLVED FURTHER THAT** for the purpose of giving effect to the reduction of capital AND as per the direction of Hon'ble High Court judicature at Telangana and/or such other authorities, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India, the Board be and is hereby authorized to:

- A. fix the Book Closure/Record Date to give effect to the reduction of capital;
  - B. make necessary application to the depositories including NSDL/CDSL and Registrar and Share transfer Agent including obtaining new ISIN No ; and
  - C. Issue new share certificates in accordance with Companies (Share Capital and Debentures) Rules, 2014.
- AND RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and it is hereby authorized to do all such acts, deeds, matters and things as it may, in its discretion, deem necessary”.

### FOR NUTRICIRCLE LIMITED

SD/-

MANAGING DIRECTOR

**EXPLANATORY STATEMENT : (1) PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013; (2) SEBI CIRCULAR BEARING NOS. CIR/CFD/DIL/5/2013 & CIR/CFD/DIL/8/2013 DATED 4TH FEBRUARY 2013 & 21ST MAY 2013, SEBI; AND (3) CL. 24(F)(H) OF THE LISTING AGREEMENT, IN RESPECT OF: REDUCTION OF EQUITY SHARE CAPITAL OF NUTRICIRCLE LIMITED (EARLIER KNOWN AS SHREEYASH INDUSTRIES LIMITED) :**

The Board sought the approval of members to authorize the Board to give effect to the resolution post approval from the Hon'ble High Court at Hyderabad in the state of Telangana and other Statutory and Regulators including Stock Exchange.

The Company is only listed at BSE.

As on date the Department of Company affair had not notified the applicability of Section 66 of the Companies Act, 2013, hence till such date Section 100 – 104 of the Companies Act, 1956 will be applicable to this reduction of capital and the rules framed there under.

### ITEM NO. 1 & 2

As on 31.03.2015 the accumulated losses of the company was of Rs.51,718,238/- (Rupees Five Crore Seventeen Lacs Eighteen Thousand Two Hundred & Thirty Eight Only). The Board proposes to reduce the share capital of the company by Rs. 516,38,200/- (Rupees Five Crore Sixteen Lacs Thirty-eight Thousand Two Hundred only) which amount to 95% reduction of capital of the Company. This set off of losses against the subscribed and paid up capital of the company will give fresh lease of life to the companies' modernization process and new business ideology and ventures in the Nutricare products.

### PURPOSES & RATIONALE FOR THE REDUCTION OF CAPITAL

1. The Reduction of capital of the company is necessary because:
- I. In view of the accumulated carry forward losses that the company's balance sheet is reflecting and with the future prospect of growth and value addition to the shareholders, the company has proposed to clean its books there by enabling the company to raise financial resources considering the business expansion programs and various Product launches, that has been considered for development would need huge amount of investment both in terms of equity as well as debt.
- II. This has given rise to the need to restructure the capital and assets and to accurately and fairly reflect the liabilities and assets of the company in its books of accounts. The Company has evaluated the effect of this upon the Company's functioning and has carefully examined different options available to the Company. After detailed deliberations, the Board of Directors of the Company is of the view that reduction of share capital in accordance with Section 100-104 of the Companies Act, 1956 is the only practical and economically efficient legal option available to the Company. In order to reflect its assets and liabilities at their real value and maximize its business value, the Company proposes to reduce the equity share capital of the Company, in accordance with Section 100 of the Companies Act, 1956.

## Nutricircle Limited

III. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.

IV. In view of the above, the Company is seeking to reconstruct / restructure its capital by way of writing off its accumulated Capital loss to the extent of 95% against the reduction of its paid up capital which is not represented by available assets

2. The reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company. In respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number. For example if shareholder will hold 15.4 shares after reconstruction of capital, it shall be rounded off to 15 shares and the 0.4 shares shall be ignored. However, if the shareholder will hold say 15.5 shares, it shall be rounded off to 16 shares.

3. After reduction the capital and re-organization, the paid up capital of the company will not exceed Rs. 2,718,000 (Twenty seven Lacs Eighteen Thousand only) divided into 271,800 (Two Lacs Seventy - One Thousand) Equity Shares of Rs. 10/- (Ten only) each.

#### 4. PRE AND POST SHAREHOLDING PATTERN:

Particulars	Prior to the Reduction of Capital		Post reduction of Capital	
	No. of Shares	% to Total	No. of Shares	% to Total
1. Promoters holding*	-	-	-	-
Bodies Corporate	-	-	-	-
Total(A)	-	-	-	-
2. PUBLIC SHAREHOLDINGS				
Central Government/ State Government	82,569	1.52	4,128	1.52
Non institutions Bodies Corporate	980,150	18.03	49,007	18.03
Clearing Members	38,579	0.71	1,929	0.71
NRIs /OCBs	41,500	0.76	2,075	0.76
Domestic Co.				
Others/General Public	4,292,802	78.98	214,641	78.98
Others	---	---	---	---
Total(B)				
Grand Total (c) = (A) +(B)	5,435,600	100	271,800	100

**There will be no change of Management or shareholding of the promoters on accounts of Reduction of capital.**

The Company has not availed any financial facility from any BANK or FII. The Company obtained NOC from its creditors relating to the Reduction of Capital. The Company has not accepted or renewed any fixed deposits.

## FURTHER INFORMATION AS UNDER:

### 1. Definitions:

- a. The Act' means the Companies Act, 2013 or Companies Act, 1956 to the extent applicable and as amended from time to time;
- b. Appointed Date' means 01.04.2015 or such other date as may be approved by the High Court of Judicature at Mumbai or such other appropriate authority;
- c. NUTRICIRCLE LIMITED (formerly known as M/s. Shreeyash Industries Limited), a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at No. 5-8-272,276 &322 , Ayesha Residency, Public Garden Road, Nampally, Hyderabad , Telangana - 500001;
- d. "DSE" designated stock exchange means a stock exchange which is chosen by the company in accordance with SEBI circular bearing No. CIR/CRD/DIL/8/2013 dated 21st May, 2013 and for the purpose of the REDUCTION OF CAPITAL - BSE Limited is the DSE.
- e. 'Losses' means the accumulated losses available to the Company to be set off against its Capital.
- f. 'The Court' shall mean the Hyderabad High Court judicature at Hyderabad, in the state of Telangana.
- g. The Effective Date' for the reduction of Capital shall mean the date on which certified copies of the Order of the respective Hon'ble High Court under Sections 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) and other applicable provisions of the Companies Act, if any, are filed with the Registrar of Companies; and if the certified copies are filed on different dates, the last of such dates;
- h. "Scheme" wherever appears means reduction of capital of the Company under section 100-104 of the Companies Act, 1956 or section 66 of the Companies Act, 2013 after notification.
- I. Record Date' is any date after the Effective Date to be fixed by the Board of Directors of the company for determining the members of the Company whose shares in the Company will stand reduced in accordance with the Order of Hon'ble High Court;
- i. The words "shareholder" and "member" are used to denote the same meaning and are used interchangeably;

### 2. EFFECTIVE DATE AND OPERATIVE DATE

This reduction of capital shall be effective from the Effective Date.

### 3. CAPITAL STRUCTURE OF THE COMPANY AS ON 31ST MARCH, 2015

Share Capital	Amount in Rs.
<b>Authorised :</b> 14,000,000 Equity Shares of Rs.10/-each	Rs. 140,000,000/-
<b>Issued:</b> 5,435,600 Equity Shares of Rs.10/- each	Rs. 54,356,000/-
<b>Subscribed</b> 5,435,600 Equity Shares of Rs.10/- each	Rs. 54,356,000/-
<b>Paid-up</b> 5,435,600 Equity Shares of Rs.10/- each	Rs. 54,356,000/-

### 4. PURPOSE OF THE REDUCTION OF CAPITAL OF THE COMPANY:

The Company has incurred heavy losses in past and has an eroded Net Worth. The reduction of capital , after full implementation, will result in making its Net Worth positive. The accumulated losses of the Company as on 31.03.2015 which amounted to Rs. (51,718,236), has wiped off almost the net worth of the Company. The carry forward losses on balance sheet is making difficult for the company to either raise new resources for expansion and modernization nor it can share the profits of the company with its shareholders. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed Reduction of would enable the company to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business and

thereby increase its net worth to enhance the stakeholders' value.

This Reduction of Capital will enable the Company to overcome its financial difficulties and improve its working in the future;

The True financial statement of the Company would ensure company to attract new source of avenue and in turn enhancement of its shareholders' value;

In view of the above, the Company is seeking to reconstruct / restructure its capital by way of writing off its accumulated Capital loss against the reduction of its paid up capital which is not represented by available assets; and

The Reduction of capital will facilitate the company to expand & smoothen the business activities. The experience and expertise of the Director & promoters will bring efficiency and professionalism in the management of the company.

#### **4.1 REDUCTION OF PAID UP CAPITAL AGAINST ACCUMULATED LOSSES:**

On the effective date and after securing necessary approvals and permissions, the accumulated losses of out of total accumulated losses of Rs. 51,718,238/- (Rupees Five Crore Seventeen Lacs Eighteen Thousand two hundred & Thirty eight Only) be and is hereby authorized to set off the accumulated losses of Rs. 516,38,200/- (Rupees Five Crore Sixteen Lacs Thirty-eight Thousand Two Hundred only) against the paid up capital of the Company of Rs. 54,356,000/- (Rupees five Crore Forty Three Lacs Fifty Six Thousand Only) . The Subscribed and Fully Paid-up Share Capital of the Company shall stand reduced from Rs. 54,356,000/- (Rupees five Crore Forty Three Lacs Fifty Six Thousand Only) divided into 5,435,600 (Fifty four Lacs Thirty-Five Thousand Six Hundred) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 2,718,000 (Twenty seven Lacs Eighteen Thousand only) divided into 271,800 (Two Lacs Seventy-One Thousand) Equity Shares of Rs. 10/- (Ten only) each.

#### **4.2 FRACTIONAL SHARES ON ACCOUNT OF REDUCTION OF CAPITAL**

The reconstruction/restructuring of capital shall not cause any shareholder to hold any fractional shares in the Company. In respect of the fractional shares, if any, caused by the reconstruction/restructuring of capital, the same shall be rounded off to the nearest whole number. For example if shareholder will hold 5.4 shares after reconstruction of capital, it shall be rounded off to 5 shares and the 0.4 shares shall be ignored. However, if the shareholder will hold say 5.5 shares, it shall be rounded off to 6 shares. For the purpose of rounding off, in case it is required, then the promoters will offer their holdings for reduction to the nearest rounding off.

Consequently, every shareholder of the Company, whose name appears on the Register of Members on the Record Date, shall receive 5 (five) Equity Share of Rs.10/- (Rupees Ten each only) in lieu of every 100 (Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each, held earlier in the Company.

**For example**, a person who is holding 100 (Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs.1,000/- (Rupees One Thousand Only) shall hold (after the reduction) 5 (Five) Equity Shares of Rs.10/- (Rupees ten Only) each aggregating to Rs.50/- (Rupees Fifty Only).

#### **4.3. CAPITAL POST REDUCTION**

The proposed reconstruction / restructuring of capital by reduction of paid up capital against accumulated losses shall be reflected in the books of Accounts of the Company, on the effective date, in the following manner.

<b>Particulars</b>	<b>Prior Capital to the reduction as on 31.03.2015</b>	<b>EFFECT of Reduction of capital against "accumulated losses"</b>
Number of Equity Shares	54,35,600	2,71,780
Value of each share	10	10
Total paid up share capital	5,43,56,000	27,17,800
Reserve & Surplus	(5,17,18,236)	(80,036)

The Paid up capital of the company post reduction of capital shall not exceed, Rs. 2,718,000 (Twenty Seven Lacs Eighteen Thousand only) divided into 271,800 (Two Lacs Seventy-One Thousand) Equity Shares of Rs. 10/- (Ten only) each.

## **5. CORPORATE ACTION AND OTHER PROVISIONS AT THE TIME OF ISSUE OF SHARES**

5.1. The said new Equity Shares issued and allotted by the Company will be in terms of this Reduction of Capital shall be subject to the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement, Depository Act, 1996 and Companies Act, 2013 and rules framed there under.

5.2 The shares to be issued to the members of the Companies shall rank for voting rights and in all other respects pari-passu with the existing Equity Shares of the Company and having same ratio.

5.3 New Equity shares of the Company issued may be listed and / or admitted to trading on the Bombay Stock Exchange (BSE) where the shares of Company is listed and / or admitted to trading in terms of the applicable bye-laws and regulations.

5.4 The Company shall enter into such arrangements and give such confirmations and / or undertaking as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said Stock Exchanges and Depositories. On such formalities being fulfilled the said Stock exchanges and depositories shall list and / or admit such equity shares also for the purpose of trading.

5.5 For the purpose of issue of equity shares to the shareholders of the Company shall, if and to the extent required, apply for and obtain the required statutory approvals including approval of Reserve Bank of India and other concerned regulatory authorities for the issue and allotment by the Company of such equity shares.

5.6 The Equity Shares to be issued by the Company pursuant to this Reduction of capital ,in respect of Equity Shares which are not fully paid up shall also be kept in abeyance.

5.7 The Company, shall issue Equity shares within 90 days from the date of sanction of this Reduction of Capital by the Hon'ble Court(s) or as early as possible depending upon the situation.

***5.8 There shall be no change in the shareholding pattern of the Company.***

## **6. PENDING CONVERTIBLE WARRANTS INTO EQUITY SHARES**

There were no convertible warrants in to equity shares pending for allotment in the company.

## **7. PARTLY PAID UP SHARES**

The company does not have any partly paid up shares as on date.

## **8. CANCELLATION OF SHARES**

Upon this reduction becoming finally effective, all the shareholders, if so required by the Company, shall surrender their share certificates for cancellation thereof.

Notwithstanding anything to the contrary, upon the issue of the new share certificates in the Company to the Shareholders whose names shall appear in the Register of Members of the Company on such Record Date fixed as aforesaid post reduction of capital, the old share certificates held by them in the Company shall be deemed to have been automatically cancelled and cease to be negotiable and be of no commercial or legal value, on and from the Record Date. The Company may instead of requiring the surrender of the old share certificates, as above, directly issue and dispatch the new share certificates of the Company in lieu thereof. In the case of shares held in dematerialized and electronic form, the required procedure for reflecting the change in the holdings of the members of the Company, as a consequence of the sanctioning of this Reduction of Capital , shall be adopted for making the necessary alterations in the Depository Accounts of the shareholders.

## **9. DESIGNATED STOCK EXCHANGE**

Bombay Stock Exchange Limited (BSE) is the designated Stock Exchange as per the SEBI Circular CIR/CRD/DIL/5/2013.

## **10. MODIFICATIONS, AMENDMENTS TO THE REDUCTION OF CAPITAL:**

The company may assent from time to time on behalf of all persons concerned to any modifications or amendments or addition to this Reduction of Capital or to any conditions or limitations which the respective High Courts or any authorities under the Law may deem fit to approve of or impose and to resolve any doubt or difficulties that may arise for carrying out this Reduction of Capital and to do and execute all such acts, deeds, matters and things as may be necessary, desirable or proper for carrying the Reduction of Capital into effect.

For the purpose of giving effect of this Reduction of Capital or to any modifications or amendments,



thereof, the Directors of the Company may give and are authorized to give all such directions that are necessary or are desirable including directions for settling any doubts or difficulties that may arise.

## **11. REDUCTION OF CAPITAL - CONDITIONAL UPON APPROVALS / SANCTIONS:**

This Reduction of Capital is specifically conditional upon and subject to:

11.1. The approval of the reduction of capital by the requisite majority of such Classes of persons of Company as may be constructed as per Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) of the said Act for calling meetings and necessary resolutions being passed under the Act for the purpose.

11.2. The sanctions of the High Court will be obtained under Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956, as applicable) and other applicable provisions of the Act, on behalf of the Company.

11.3. Pursuant to this Reduction of Capital, the Company shall file the requisite forms with the Registrar of Companies and other statutory authorities, in due course.

11.4. The Reduction of Capital does not involve any conveyance of transfer of any property and consequently, the order of the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh approving the Reduction of Capital will not attract any stamp duty, under the STAMP DUTY ON CERTAIN INSTRUMENTS UNDER THE STAMP (ANDHRA PRADESH AMENDMENT) ACT, 1922, in this regard. The Company shall make all applications / petitions as may be required under Sections 100 to 103 read with Section 94 and other applicable provisions of the Act to the High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh for obtaining the sanction of the Court of this Reduction of capital, under Sections 100 to 103 and other Applicable Sections of the Act and for such orders for carrying this Reduction of Capital into effect.

## **12. EFFECTIVE DATE OF THE REDUCTION OF CAPITAL:**

This reduction of capital although to come into operation from Appointed Date shall not come into effect until the last of the following dates viz.:

12.1. The date on which the last of all the consents, approvals, permissions, resolutions, sanctions and/or orders as are hereinabove referred to have been obtained or passed; and

12.2. The date on which all necessary certified copies of the order under section 66 of the Companies Act, 2013 or Section 100 – 104 of the Companies Act, 1956 of the Act are duly filed with the Registrar of Companies and such date shall be referred to as Effective Date for the purpose of the Reduction of Capital

## **13. REVOCATION OF THE REDUCTION OF CAPITAL**

13.1. In the event of any of the said sanctions and approvals referred to in Clause 12 above not being obtained and/or complied with and/or satisfied relating to this reduction of capital or not being sanctioned/ approved by the Hon'ble High Court or such other appropriate authority and/or order or orders not being passed as aforesaid before 31.03.2017 or such other date as may be renewed/extended by the Board of Directors of the Company, this reduction of capital shall be deemed to be stand revoked, cancelled and be of no effect.

13.2. Further, the Board of Directors of the Company shall be entitled to revoke, cancel and declare the Reduction of Capital if they feel it is in the best interest of the company or statutorily not feasible to proceed with the reduction of capital.

13.3. In the event of revocation under clauses herein above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Company or its respective shareholders or employees or any other person, if any, and in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case and at such time.

## **14. APPLICATION TO THE HIGH COURT:**

The Company shall make all applications/petitions under Section 66 of the Companies Act, 2013 or Section 100-104 of the Companies Act, 1956, whatever applicable and other applicable provisions of the Act to the High Court of Judicature at Hyderabad, Telangana for sanctioning of this Reduction of Capital of the Company and obtain all approvals as may be required under law.

## **15. STATUTORY COMPLIANCES**

Pursuant to this Reduction of Capital of reduction, the Company shall file the requisite forms with the Registrar of Companies, Stock Exchanges, SEBI & other Statutory and other authorities.



## Nutricircle Limited

The Board recommends the reduction of capital. The Directors are interested to extent of their shareholding just like any other shareholder.

The Company shall also with make all applications/petitions under Section 66 of the Companies Act, 2013 (Section 100 – 104 of the Companies Act, 1956) and other applicable provisions of the Act to the High Court of Judicature at HYDERADAD, in the state of Telangana for sanctioning of this Reduction of Capital under the Provisions of Act and obtain all approvals as may be required under law.

### CLARIFICATION HOW TO DEAL WITH FRACTIONAL SHARES

No of Folio	No of Shares	Face Value	Shares Entitled @95% reduction	Face Value 1 consolidation of shares 0.5	Comparative diff	Remark
48	1	10	0	0	0	-
17	2	10	0	0	0	-
5	3	10	0	0	0	-
2	4	10	0	0	0	-
23	5	10	0	0	0	-
1	7	10	0	0	0	-
2	8	10	0	0	0	-
1	9	10	0	0	0	-
22	10	10	0.5	0	0	-
1	11	10	0.51	0	0	-
1	12	10	0.52	0	0	-
1	13	10	0.53	0	0	-
3	15	10	1	1	0	3
2	18	10	1	1	0	2
1	19	10	1	1	1	1

Hence we will adhere to the present scheme and the provision thereto for the purpose of rounding up. The rounding up will now read as under :

- a. Holding Shares upto 14 shares – Not entitled for any shares;
- b. Holding 15 shares upto 19 - entitled for 1 shares;
- c. 20 shares - entitled for 1 shares;
- d. 28 shares- entitled for 1 shares;
- e. 35 shares - entitled for 2 shares;
- f. Holding 40 Shares – entitled for 2 shares;
- g. Holding 53 shares – entitled for 2 shares;
- h. Holding 55 shares – entitled for 3 shares;
- i. Holding 60 shares – entitled for 3 shares;
- j. Holding 67 shares – entitled for 3 shares;
- k. Holding 76 shares - entitled for 4 shares ;
- l. Holding 80 shares – entitled for 4 shares;
- m. Holding 93 shares – entitled for 4 shares;
- n. Holding 98 Shares – entitled for 5 shares;
- o. Holding 100 Shares – entitled for 5 shares

## E-VOTING:

In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, read with SEBI Circular bearing No. CIR/CFD/POLICY CELL/2/2014 DATED APRIL 17, 2014, the Company is providing its members the facility to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying notice. Necessary arrangements have been made by the Company with CDSL to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting .

**EVSN for Evoting : 160215004**

### The instructions for members for voting electronically are as under:-

- i) The voting period begins from 18<sup>th</sup> March, 2016 at 9.00 AM and ends on 20<sup>th</sup> March, 2016 at 5.00 PM . During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 14<sup>th</sup> March, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The share holders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on Shareholders.
- iv) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID
  - b. For NSDL 8 Character DP ID followed by 8 Digits Client ID.
  - c. Members holding Shares\* in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form</b>	
PAN	Enter you 10 digit alpha- numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders ) Member who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## Nutricircle Limited

- x) For Members holding shares in Physical form, the details can be used only for e –voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see “Resolution Description” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions details.
- xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Non–Individual Shareholders and Custodians  
Non-Individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.  
A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).  
After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.  
The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.  
A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Upon completion of the scrutiny of the Forms by postal ballot and considering the e-voting, the Scrutinizer will submit his report to the Director of the Company or any other person authorized by the Board.

The result of the E-VOTING and voting casted by the members by poll at the EGM would be announced by Director on Thursday 24<sup>th</sup> March 2016 at the Registered / Corporate office of the Company. The aforesaid result would be displayed at the Registered Office of the Company, intimated to the Bombay Stock Exchange where shares of the Company are listed, published in the Newspapers and displayed along with the Scrutinizer’s report on the Company’s Website i.e. [www.nutricircle.in](http://www.nutricircle.in)

In the event the Special Resolutions, as set out herein above, is assented to by the requisite majority of Members by means of Postal Ballot and e-voting, the date of announcement of the results of the Postal Ballot shall be considered to be the date of passing of the said Special Resolutions.

**Central Depository Services (India) [www.cdslindia.co.in](http://www.cdslindia.co.in)**  
Bigshare Services (P) Limited  
Contact person:  
Mr. T.P Raju, Regional Manager

**BY ORDER OF THE BAORD**  
Sd/-  
**Hitesh M Patel**  
Managing Director

**ATTENDANCE SLIP**

**NUTRI CIRCLE LIMITED**

CIN: L18100TG1993PLC015901

REGISTERED OFFICE: # 5-8-272, FLAT NO. 201, AYESHA RESIDENCY, OPP. CITY CONVENTION CENTRE,  
PUBLIC GARDEN ROAD,NAMPALLY, HYDERABAD – 500001, TELENGANA, INDIA

**Extra Ordinary General Meeting held on Monday, 21<sup>st</sup> March 2016**

Name of the Member:

DPID : CLIENT ID/Folio No.

Number of Shares held

I certify that I am a member / proxy / authorized representative for the member of the Company.

I hereby record my presence at the Extra Ordinary General Meeting of the Company on Monday, 21st March 2016 at 1.00 p.m. at the Registered Office of the Company at 5-8-272, Flat No.21, Ayesha Residency, Public Garden Road, Nampally, Hyderabad – 500 001.

.....  
Name of the member / proxy Signature of the member / proxy  
(in BLOCK letters)

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Notice to the EGM.

**PROXY FORM**

**NUTRI CIRCLE LIMITED**

CIN: L18100TG1993PLC015901

REGISTERED OFFICE: # 5-8-272, FLAT NO. 201, AYESHA RESIDENCY, OPP. CITY CONVENTION CENTRE,  
PUBLIC GARDEN ROAD,NAMPALLY, HYDERABAD – 500001, TELENGANA, INDIA

**Extra Ordinary General Meeting held on Monday, 21st March 2016**

Name of the Member:

DP ID

Client ID/Folio No.

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a Member/ Members

of Aftek Limited hereby appoint \_\_\_\_\_  
(or failing him) \_\_\_\_\_ as my/our proxy to attend and  
vote for me/us and on my/our behalf at Extra Ordinary General Meeting of the company to be held on Monday 21st  
March 2016 at 1 p.m at the Registered Office of the Company at 5-8-272, Flat No.21, Ayesha Residency, Public Garden  
Road, Nampally, Hyderabad – 500 001 or at any adjournment thereof in respect of such resolutions as are indicated below.

Sr. No	Resolution	For	Against	Abstain
1	<b>THE REDUCTION OF CAPITAL OF THE COMPANY, WITH OR WITHOUT MODIFICATION, AS A SPECIAL RESOLUTION.</b>			
2	<b>IMPLEMENT THE REDUCTION OF CAPITAL OF THE COMPANY, WITH OR WITHOUT MODIFICATION, AS A SPECIAL RESOLUTION</b>			

AS WITNESS my hand /our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signed by the said \_\_\_\_\_

Note: The proxy form must be deposited at the Registered office of the company not less than 48 hours before the time of the holding the meeting. The proxy need not be a member of the company.

DP ID/Folio No: \_\_\_\_\_

Signature:

Name of the Shareholder (s): \_\_\_\_\_ Name of Proxy Holder

Rs. 1/-  
Revenue  
Stamp

**Report on the Valuation of  
NUTRICIRCLE LIMITED  
As at 31<sup>st</sup> March, 2015**

**H.T.MERCHANT & CO.  
CHARTERED ACCOUNTANTS, MUMBAI**

**Scope of Work:**

Our firm M/s H.T.Merchant & Co., Chartered Accountants has been engaged by the Board of Directors of Nutricircle Limited (NCL) to provide (the "Mandate") for a fair valuation of the shares of Nutricircle Limited hereinafter referred to as ("NCL") for the purpose of reduction of capital as required under section 100-104 of the companies Act, 1956 read with SEBI circular no. SEBI/CFD/DIL/LA/5/2008/4/09 dated September 04, 2008 read with CIR/CFD/DIL/5/2013 dated February 04, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013.

**1.1 Background:**

NCL is a public limited company listed with the Bombay Stock Exchange (BSE). The Company was incorporated as M/s. Shreeyash Industries Limited on 26<sup>th</sup> June 1993.

The Name of the Company Change from M/s. Shreeyash Industries Limited to M/s. Nutricircle Limited on 22<sup>nd</sup> April 2015.

**1.2 Limitation and Constraints to this report:**

This Valuation Report, within the limits and with the cautions, qualifications, and caveats provided herein, has been prepared for the sole purpose of supporting the valuation and decision-making process of the Board of Directors of the company for the purpose of 24 (f) read with 24(h) of the Listing Agreement and, therefore, may not be used in any other scope and is not intended for use by any other individual or entity for any other purpose. In addition, it is not appropriate to use this Valuation Report as a basis for granting credit to or conferring rights of any kind on employees, creditors, or other holders of financial instruments issued by the company.

In fulfilling this Mandate and performing all valuations, we have relied on the truth, completeness and accuracy, in all respects, of the documents, facts, data and information provided by the company, without undertaking any independent verification, certification and/or analysis. Further, nothing contained in this report should be construed to be an express or implied representation as to the future or an indication of prospective earnings or financial performance of the Parties. The mandate did not involve performing any audit tests made in accordance with the generally accepted auditing standards, financial/ accounting due diligence review, etc. The report has been prepared on the understanding that the company has drawn our attention to all the matters concerning the company's financial position and other matters, which may have an impact on the company's future and for the purpose of reduction of capital as per section 66 the Companies Act, 2013.

No investigation of the title to the companies and its assets has been made. No consideration has been given to liens and encumbrances, which may be in force against the company and its assets. No responsibility is assumed for other matters of a legal nature. We were not required to carry out a legal/tax due diligence review.

The value ascertained in this report is not intended to represent the value of the companies at any point in time other than the valuation date, viz., 31<sup>st</sup> March, 2015. Any subsequent changes in the industry's/ companies operating conditions may impact the value as computed. We, however, have no obligation to update this report for events, trends or transactions relating to the Company or the market/ economy in general and occurring subsequent to the valuation date.

Furthermore, this Report should not be interpreted by the Shareholders of the Parties as a recommendation in relation to the exercise of voting rights in the Extraordinary General Meeting of the company convened to vote for reduction of capital. The shareholders may rely on this report for the purpose of clause 24 (f) read with 24(h) of the Listing Agreement with Stock Exchange and for the purpose of fairness opinion and reduction of capital as per section 66 of the Companies Act, 2013.

**1.3 Indemnification**

We shall not be held responsible for any liability (in contract or tort or under statute or otherwise) for any economic loss or damage suffered by the company, or any third party, arising out of or in connection with this engagement, however the loss or damage is caused, including our negligence.

# Nutricircle Limited

## 1.4 Sources of information

- “ Background documents and information on the company
- “ Audited financial statements for the companies for the year ended 31st March, 2015.
- “ Verbal information and discussions with the management.

## 2. Valuation

We have followed the operating guidelines for valuation of business as per the Accounting Principles and adopted the methodology i.e. calculation of net worth of company by Net Asset Value method for purpose of Reduction of Capital.

### 2.1 Net Asset Value or Net worth Method:

In the net asset value method, net asset value is computed based on the latest available audited balance sheet. The genesis of this method of valuation lies in the total assets that the company own. The values of intangible assets are excluded. Loan funds are deducted. The diminution, if any, in the value of assets, not reflected in the accounts is deducted. Contingent liabilities, to the extent that they impair the net worth of the company, are also deducted. The resultant figure represents the net worth of the company on the given day.

2.1.1 Considering this fact, the net asset value as tabulated below, of **Nutricircle Limited** is as follows:

Particulars	Before Reduction (Rs.)	After Reduction (@ 95%)(Rs.)
Paid up Equity	5,43,56,000	27,17,800
Accumulated losses as per P & L Account	(5,17,18,236)	(80,036)
Accumulated Losses to the extent to be written off	(51,638,200)	—
Net Worth	2,637,764	2,637,764
No. of Shares	5,435,600	271,780

**Hence the Net Asset Value of “Nutricircle Limited” is determined as Rs. 2,637,764/-. The Net worth of the Company has been eroded more than by 95% of the capital of the Company.**

## 3. Opinion on Valuation:

We considered the draft proposed Scheme of Reduction of Capital of the Company for the purpose of reduction of capital, based on net assets valuation method for the net worth of the company as on 31.03.2015.

The Board has recommended Reduction of 95% of the paid up Capital of the Company. And in our Opinion this is fair and justifiable on the basis of this valuation with reference to paragraph 2.

**For H.T. Merchant & Co  
Chartered Accountants**

Sd/-  
**CA Hemant Merchant  
Proprietor**

**Place: Mumbai  
Dated: 18<sup>th</sup> August 2015**

## FAIRNESS OPINION REPORT ON 'VALUATION REPORT' ISSUED FOR PROPOSED REDUCTION OF SHARE CAPITAL OF NUTRICIRCLE LIMITED (FORMERLY KNOWN AS SHREEYASH INDUSTRIES LIMITED)

### Prepared by

#### Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point,

Andheri-Kurla Road, J. B. Nagar,

Andheri East, Mumbai – 400059.

Ph: +91-22-4082 0906 Fax: +91-22-4082 0999

**August 20, 2015**

SEBI Registered Category I Merchant Banker

SEBI Registration No: INM000011211

### NOTICE TO READER

This report is prepared by Saffron Capital Advisors Private Limited (“Saffron”) solely for the purpose of giving a fairness opinion on “Valuation Report” issued for the proposed “Scheme on Reduction of Share Capital” of Nutricircle Limited (“NCL” or “Company”). This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron’s written consent.

For the purpose of this assignment, Saffron has relied on the Valuation Report dated August 18, 2015 prepared by H.T. Merchant & Co, Chartered Accountants [represented by CA Hemant Merchant (Firm Registration No. 033805) having their head office situated at 4, SaiManzil, 1st Floor, 18, Altamount Road, Mumbai – 400 026] for the proposed “Scheme on Reduction of Share Capital” of Nutricircle Limited, information and explanation provided to it and Saffron has not tried to evaluate the accuracy thereof. Saffron’s work does not constitute certification or due diligence of the past working results and Saffron has relied upon the information provided to it as set out in audited and working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of Nutricircle Limited pursuant to Clause 24 of the Listing Agreement, to the Stock Exchanges and to the Registrar of Companies.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed capital reduction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this Report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Report issued for the proposed Scheme on Reduction of Share Capital of Nutricircle Limited and may not be applicable or referred to or quoted in any other context.

For **Saffron Capital Advisors Private Limited**

**SD/-**

**AUTHORISED SIGNATORY**

### Introduction and Scope of Assignment

#### 1. Corporate Profile – Nutricircle Limited (Formerly known as Shreeyash Industries Limited) :

Nutricircle Limited is a public limited company listed with BSE Limited (BSE). NCL was incorporated on 26th June, 1993 as M/s. Shreeyash Industries Limited. Later on 22nd April, 2015 it changed the name to M/s. Nutricircle Limited.



# Nutricircle Limited

NCL has created a niche for itself in the business of Nutraceuticals. Nutraceuticals Healthcare Division is dedicated to the Discovery, Research & Development and Commercialization of Medicinal Plants and its extracts. They manufacture Standardized Herbal, Lifestyle & Healthcare products. It is Head Quartered at Hyderabad with pan-India presence.

## 2. Capital Structure of Nutricircle Limited as on March 31, 2015

Share Capital	Amounts in Rs.
<b>Authorised</b> 1,40,00,000 Equity shares of Rs.10/- each	Rs. 14,00,00,000/-
<b>Issued</b> 54,35,600 Equity shares of Rs.10/- each	Rs. 5,43,56,000/-
<b>Subscribed</b> 54,35,600 Equity shares of Rs.10/- each	Rs. 5,43,56,000/-
<b>Paid - up</b> 54,35,600 Equity shares of Rs.10/- each	Rs. 5,43,56,000/-

3. The Board of Directors of Nutricircle Limited is proposing a scheme where on the effective date and after securing necessary approvals and permissions, the accumulated losses of out of total accumulated losses of Rs. 5,17,18,238/- (Rupees Five CroreSeventeen Lacs Eighteen Thousand two hundred & Thirty eight Only) be and is hereby authorized to set off the accumulated losses of Rs. 5,16,38,200/- (Rupees Five Crore Sixteen Lacs Thirty-Eight Thousand Two Hundred only) against the paid up capital of the Company of Rs. 5,43,56,000/- (Rupees Five Crore Forty Three Lacs Fifty Six Thousand Only) . The Subscribed and Fully Paid-up Share Capital of the Company shall stand reduced from Rs. 5,43,56,000/- (Rupees Five Crore Forty Three Lacs Fifty Six Thousand Only) divided into 54,35,600 (Fifty Four Lacs Thirty-Five Thousand Six Hundred) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only), to Rs. 27,18,000 (Twenty Seven Lacs Eighteen Thousand only) divided into 2,71,800 (Two Lacs Seventy One Thousand) Equity Shares of Rs. 10/- (Ten only) each.

4. Consequently, every shareholder of the Company, whose name appears on the Register of Members on the Record Date, shall receive 5 (five) Equity Share of Rs.10/- (Rupees Ten each only) in lieu of every 100 (Hundred) Equity Shares of Rs.10/- (Rupees Ten Only) each, held earlier in the Company.

5. Valuation of Equity Capital has been decided based on the Valuation Report dated August 18, 2015 prepared by H.T. Merchant & Co, Chartered Accountants [represented by CA Hemant Merchant (Firm Registration No. 033805) having their head office situated at 4, SaiManzil, 1st Floor, 18, Altamount Road, Mumbai – 400 026].

6. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, has been engaged to give a fairness opinion on Valuation Report issued for the proposed Scheme on Reduction of Share Capital of Nutricircle Limited. The valuation mentioned herein reflects our independent opinion which is arrived at based on the information provided to us.

*(Source: Draft Scheme)*

### **Purpose & Rationale of the Reduction of Capital**

I. In view of the accumulated carry forward losses that the company's balance sheet is reflecting and with the future prospect of growth and value addition to the shareholders, the company has proposed to clean its books there by enabling the company to raise financial resources considering the business expansion programs and various Product launches, that has been considered for development would need huge amount of investment both in terms of equity as well as debt.

II. This has given rise to the need to restructure the capital and assets and to accurately and fairly reflect the liabilities and assets of the company in its books of accounts. The Company has evaluated the effect of this upon the Company's functioning and has carefully examined different options available to the Company. After detailed deliberations, the Board of Directors of the Company is of the view that reduction of share capital in accordance with Section 100 of the Companies Act, 1956 is the only practical and economically efficient legal option available to the Company. In order to reflect its assets and liabilities at their real value and maximize its business value, the Company proposes to reduce the equity share capital of the Company, in accordance with Section 100 of the Companies Act, 1956.

III. The company is therefore unable to raise any finance either from the capital markets or financial institutions whether in the form of equity or debt, to undertake business activities on a larger scale. The proposed reduction of capital would enable the company to correct its existing capital by reduction and to show the actual financial position in its balance sheet to depict the representing Assets value which in turn will enable it to approach for financial assistances in order to develop its business value.

IV. In view of the above, the Company is seeking to reconstruct / restructure its capital by way of writing off its accumulated Capital loss against the reduction of its paid up capital which is not represented by available assets.

*(Source: Draft Scheme)*

### **Exclusions and Limitations**

In this connection, Saffron has been requested to submit a report by giving a fairness opinion on Valuation Report for valuation of Equity Capital for the proposed Scheme on Reduction of Share Capital of Nutricircle Limited.

We have prepared the Fairness Opinion on the basis of the following information provided to us / collated by us from publicly available sources, like website of BSE:

- a) Background documents and information of the Company
- b) Information obtained from the public domain of BSE as set out in the valuation report of H.T. Merchant & Co, Chartered Accountants dated August 18, 2015, as provided to us by the Company
- c) Draft Scheme on Reduction of Capital provided to us by the Company

We have prepared our report based on the information provided to us by the Company.

Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.

Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us.

This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

### **Key Extracts of Valuation Report of H.T. Merchant & Co, Chartered Accountants**

Our firm H.T. Merchant & Co., Chartered Accountants has been engaged by the Board of Directors of Nutricircle Limited (NCL) to provide (the "Mandate") a fair valuation of the shares of Nutricircle Limited hereinafter referred to as ("NCL") for the purpose of reduction of capital as required under SEBI circular no. SEBI/CFD/DIL/LA/5/2008/4/09 dated September 04, 2008 read with CIR/CFD/DIL/5/2013 dated February 04, 2013 and CIR/CFD/DIL/8/2013 dated May 21, 2013.

We have followed the operating guidelines for valuation of business as per the Accounting Principles and adopted the methodology i.e. calculation of net worth of company by Net Asset Value method for purpose of Reduction of Capital.

In the net asset value method, net asset value is computed based on the latest available audited balance sheet. The genesis of this method of valuation lies in the total assets that the company own. The values of intangible assets are excluded. Loan funds are deducted. The diminution, if any, in the value of assets, not reflected in the accounts is deducted. Contingent liabilities, to the extent that they impair the net worth of the company, are also deducted. The resultant figure represents the net worth of the company on the given day.

## Nutricircle Limited

NCL is a public limited company listed on BSE Limited (BSE). The Company was incorporated as M/s. Shreeyash Industries Limited on 26th June 1993.

The name of the Company changed from M/s. Shreeyash Industries Limited to M/s. Nutricircle Limited on 22<sup>nd</sup> April 2015.

Considering this fact, the net asset value as tabulated below, of Nutricircle Limited is as follows:

Particulars	Before Reduction (Rs.)	After Reduction (@95%)
Paid Up Equity	5,43,56,000	27,17,800
Accumulated losses as per P&L Account	(5,17,18,236)	(80,036)
Accumulated Losses to the extent to be written off	(5,16,38,200)	-
Net Worth	26,37,764	26,37,764
No. of Shares	54,35,600	2,71,780

Hence the Net Asset Value of "Nutricircle Limited" is determined as Rs. 26,37,764/-. The Net worth of the Company has been eroded more than 95% of the capital of the Company.

We considered the draft proposed Scheme of Reduction of Capital of the Company for the purpose of reduction of capital, based on net assets valuation method for the net worth of the company as on 31.03.2015.

The Board has recommended Reduction of 95% of the paid up Capital of the Company. And in our Opinion this is fair and justifiable on the basis of this valuation with reference to above paragraph.

*(Source: Valuation Report)*

### **Conclusion and Opinion on Valuation Report**

#### **Conclusion:**

We have reviewed the methodology as mentioned above used by the Valuer for arriving at the fair valuation of the equity shares of the company and also reviewed the working and underlining assumptions adopted to arrive at the values under each of the above approaches.

Valuation of Equity Capital has been arrived at based on various methodologies explained herein earlier and various qualitative factors relevant to the company and the business dynamics and growth potentials of the business of the company, having regard to information base, management representations and perceptions, key underlying assumptions and limitations.

Based on the information, material data made available to us, including the Valuation Report and working thereto, to best of our knowledge and belief, the methodologies used and corresponding valuation of Equity Capital suggested by the Valuer (H.T. Merchant & Co, Chartered Accountants) under the proposed Scheme on Reduction of Capital is Fair and Reasonable.

**For Saffron Capital Advisors Private Limited**

**Sd/-**

**Authorised Signatory**

**Complaints Report as on 13/02/2016****Part A**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Number</b>
1.	Number of complaints received directly	<b>NIL</b>
2.	Number of complaints forwarded by Stock Exchange	<b>NIL</b>
3.	Total Number of complaints/comments received (1+2)	<b>NIL</b>
4.	Number of complaints resolved	<b>NIL</b>
5.	Number of complaints pending	<b>NIL</b>

**Part B**

<b>Sr. No.</b>	<b>Name of complainant</b>	<b>Date of complaint</b>	<b>Status (Resolved/Pending)</b>
1.	NA		
2.	NA		
3.	NA		

**FOR NUTRICIRCLE LIMITED**

Sd/-

**HITESH M PATEL**

Managing Director

DCS/AMAL/AM/24(f)/275/2015-16  
January 25, 2016

The Company Secretary  
**Nutricircle Ltd**  
11-4-638/A, A.C.Guards,  
Hyderabad - 500004



**Sub: Observation letter regarding the Draft Scheme of Reduction of Capital of Nutricircle Ltd (formerly Shreeyash Industries Ltd).**

We are in receipt of Draft Scheme of Reduction of Capital of Nutricircle Ltd (formerly Shreeyash Industries Ltd).

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI vide its letter dated January 25, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- ***“Company shall duly comply with various provisions of the Circulars.”***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e. Status of compliance with the Observation Letter/s of the stock exchanges;
- f. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- g. Complaints Report as per Annexure II of this Circular.
- h. Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

**Nitin Pujari**  
Manager