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ANNEXURE - A3

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)


REDUCTION OF CAPITAL

SPECIAL BUSINESS:

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 78 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. 1.4.2015 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. 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) ;

For Nutricircle Limited

Director



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2. On appointment 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 (Twenty seven Lacs seventeen Thousand eight Hundred only) divided into 271780 (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 (Twenty seven Lacs Seventeen Thousand and eight hundred only) divided into 271780 (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 Andra Pradesh 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 Hyderabad and/or such other authorities, Stock Exchange, Government, Registrar, the Securities and Exchange Board of India,

For Nutricircle Limited


Director



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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"

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):

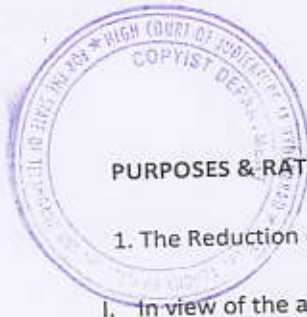
The Board sought the approval of members to authorize the Board to give effect to the resolution post approval from the Hon'ble High Court and other Statutory and Regulators including Stock Exchange. The Company is only listed at BSE.

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 which includes enlargement of its object at a later period.

For Nutricircle Limited

Director



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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 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
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

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Director




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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. 1,545,610 (Fifteen Lacs Forty-five Thousand Six Hundred and ten only) divided into 154,561 (One Lacs Fifty-four Thousand five Hundred One) 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	82569	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.				

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 Director



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Others/General Public	4,292,802	78.98	214,641	78.98
Others	---	---	---	---
Total(B)				
Grand Total)= (A) +(B)	(c 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 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 - Bombay Stock exchange 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, Andhra Pradesh,

For Nutricircle Limited

Director



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- 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.
- 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.
Authorised:	
14,000,000 Equity Shares of Rs.10/-each	Rs. 140,000,000/-
Issued:	
5,435,600 Equity Shares of Rs.10/- each	Rs. 54,356,000/-
Subscribed	
5,435,600 Equity Shares of Rs.10/- each	Rs. 54,356,000/-
Paid-up	

For Nutricircle Limited

Director



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. (51718236), 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 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

For Nutricircle Limited

Director



Company of Rs. 54,356,000/- (Rupees five Crore forty three lacsfty 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 lacsfty 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 of 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.

For Nutricircle Limited

 Director



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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 Telangana Stamp Act, 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.

For Nutricircle Limited

Director



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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 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, Andhra Pradesh

For Nutricircle Limited

Director



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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.

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.

For Nutricircle Limited

Director


SUPERINTENDENT
Copyist Department
High Court of Judicature at Hyderabad
for the State of Telangana and the
State of Andhra Pradesh

High Court of Judicature for the State of Telangana State of Andhra Pradesh		2016
CA No.	124	2016
Application made	236	2016
Application returned		2016
Application represented		2016
Stamps called for	1-8	2016
Stamps deposited	2-8	2016
Add. Stamps called for		2016
Add. Stamps deposited		2016
Copy ready	2-8	2016


 Section Officer