



Dhanuka Agritech Limited

AN ISO 9001 : 2008 COMPANY

Present Members

Mr. Priya Brat	Chairman
Mr. V.K. Jain	Member

In attendance

Ms. Shubha Singh	Company Secretary
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1. Background

The Company has placed before the Audit Committee a draft Comprehensive Scheme of Amalgamation ("Scheme") for merger of A.M. Bros. Fintrade Private Limited ("AMB") and Dhanuka Finvest Private Limited ("DFPL") with Dhanuka Agritech Limited ("DAL") for recommendation of the Scheme, by the Audit Committee to the Board of Directors of the Company in accordance with the requirement of the Securities and Exchange Board of India ("SEBI") circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular dated May 21, 2013 ("Circular").

This report of the Audit Committee is made in order to comply with the requirements of the Circular after considering the following necessary documents:

- Draft Comprehensive Scheme of Amalgamation;
- Share Entitlement Report dated October 01, 2014 issued by M/s JN Sharma & Co; and
- Fairness Opinion dated October 04, 2014 issued by M/s Corporate Professionals Capital Private Limited.

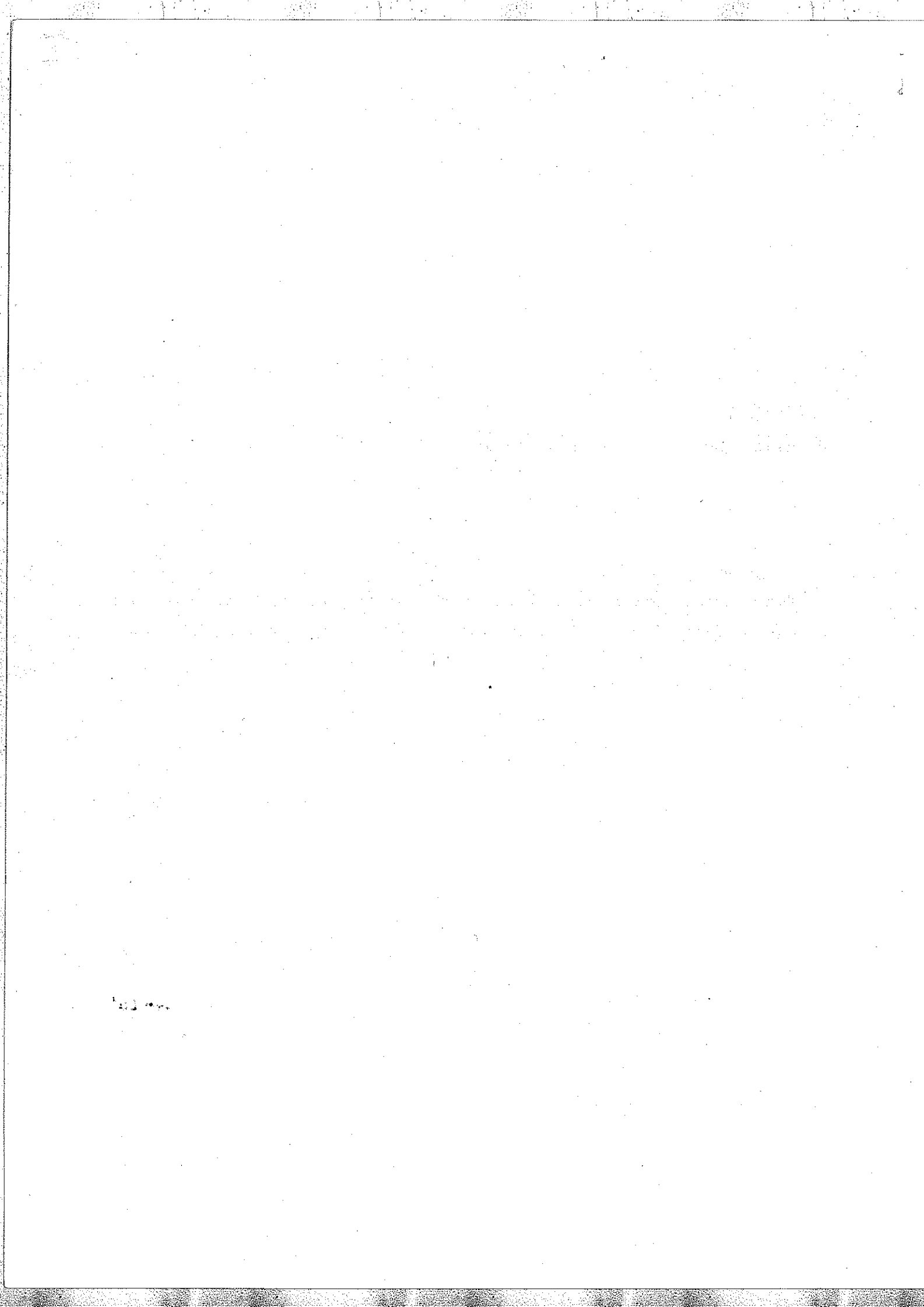
2. Proposed Comprehensive Scheme of Amalgamation

- The Audit Committee has observed that pursuant to the proposed amalgamation, the shareholders of AMB and DFPL would directly hold shares of DAL and there would be no holding company of DAL. This amalgamation would not only lead to simplification of the

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Director





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shareholding structure of DAL and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with DAL.

2.2 There would be no change in the promoter shareholding of DAL. The promoters would continue to hold the same percentage of shares in DAL, pre and post the amalgamation of AMB and DFPL into DAL.

2.3 The salient features of the Scheme are as under:

- The Scheme provides for merger of AMB and DFPL with DAL through a Court approved Comprehensive Scheme of Amalgamation.
- The Appointed Date of the Scheme is fixed as January 01, 2015.
- The equity shares held by AMB in DAL representing 55,33,350 equity shares shall get cancelled and in exchange 55,33,350 equity shares of DAL shall be issued to the shareholders of AMB.
- The equity shares held by DFPL in DAL representing 3,09,58,890 equity shares shall get cancelled and in exchange 3,09,58,890 equity shares of DAL shall be issued to the shareholders of DFPL.
- The Scheme would not result in any change in the shareholding of promoters as well as public shareholders of DAL.

3. Recommendation of Audit Committee

The Audit Committee recommends the draft Comprehensive Scheme of Amalgamation for the merger of AMB and DFPL with DAL, inter-alia taking into consideration the draft Scheme, Share Entitlement Report dated October 01, 2014, issued by M/s JN Sharma & Co and Fairness Opinion Report dated October 04, 2014, issued by M/s Corporate Professionals Capital Private Limited for favorable consideration by the Board, Stock Exchanges and SEBI.

Date: October 6th, 2014

Place: Gurgaon

For Dhanuka Agritech Ltd.

Director
Chairman, Audit Committee

