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CAMSON BIO TECHNOLOGIES LIMITED

Report on recommendations of the Audit Committee on the Draft Scheme of Arrangement cum Demerger ('Scheme') of the Seeds Business Undertaking ('Demerged Undertaking') of Camson Bio Technologies Limited ('Demerged Company') into Camson Seeds Limited ('Resulting Company').

The Company has placed before the Audit Committee, the Draft Scheme of Arrangement between Camson Bio Technologies ("Demerged Company") and Camson Seeds Limited ("Resulting Company") and their respective shareholders and creditors, for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/DIL/05/2013 dated February 4, 2013 read with Para 7 of SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 ("Circulars").

In view to comply with the said Circulars, members of the Audit Committee discussed and recommend the Draft Scheme after considering the following documents:

- a. Scheme of Arrangement between the Demerged Company and the Resulting Company;
- b. Certificate from M/s. B. K. Khare, Chartered Accountants, Statutory Auditors of the Company regarding compliance with the accounting treatment as specified in Clause 24(i) of the Listing Agreement.
- c. Share Entitlement Ratio Report dated September 23, 2014, issued by M/s. Bahubali Gouraj & Co, Chartered Accountants recommending the Share Entitlement Ratio for the demerger of Seeds Business Undertaking of the Demerged Company into the Resulting Company.
- d. Fairness Opinion dated September 23, 2014 issued by M/s. Saffron Capital Advisors, on the Share Entitlement Ratio.

Below are the Recommendations of the Audit Committee on the Draft Scheme of Arrangement:

1	Date	September 24, 2014
2	Name of the Demerged Company	Camson Bio Technologies Limited
3	Name of the Resulting Company	Camson Seeds Limited
4	Salient Features of the Scheme	The Seeds Business Undertaking of Camson Bio Technologies Limited will be demerged into Camson Seeds Limited. The Appointed Date for the Scheme shall be 1 st day of April, 2014. In consideration of the transfer of and vesting of the assets and liabilities of the Demerged Undertaking in the Resulting Company in terms of this Scheme, the Resulting Company shall without any further application or deed, issue and allot: <i>1 (One) fully paid up equity shares of Rs.10/- (Rupees Ten only) each of the Resulting Company for every 1 (one) fully paid-up equity share of Rs. 10/-(Rupees Ten Only) each, held by the shareholders in Demerged Company.</i>
5	Name of the Chartered Accountant / Auditor	M/s. B. K. Khare & Co, Chartered Accountants.





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6	Details of Audit Committee	<p>The composition of the Audit Committee, is as follows:</p> <p>i) Mr. Anurudh Kumar Singh ii) Mr. Veerendra Kumar Singh iii) Mr. B.C.Madappa</p> <p>Secretary of the Company acts as Secretary to the Committee.</p>
7	Recommendation on the Draft Scheme of Arrangement cum Demerger and Exchange Ratio taking into consideration the Valuation Report	<p>Based on review of the Draft Scheme of Arrangement between the Demerged Company and the Resulting Company, Share Entitlement Ratio Report dated September 23, 2014, issued by M/s. Bahubali Gouraj & Co, Chartered Accountants and the Fairness Opinion dated September 23, 2014 issued by M/s. Saffron Capital Advisors Pvt. Ltd, the Audit Committee believes that the Scheme of Arrangement and Share Entitlement Ratio of 1 (One) fully paid up equity shares of Rs.10/- (Rupees Ten only) each of the Resulting Company for every 1 (One) fully paid-up equity share of Rs. 10/- (Rupees Ten Only) each, held by the shareholders in Demerged Company is fair and reasonable.</p>
8	Summary of reasons for recommendations	<p>The Audit Committee has taken into consideration the Share Entitlement Ratio Report dated September 23, 2014 by M/s. Bahubali Gouraj & Co, Chartered Accountants recommending the Share Entitlement Ratio for the demerger of Demerged Undertaking into Resulting Company and the Fairness Opinion dated September 23, 2014, issued by M/s. Saffron Capital Advisors Pvt. Ltd on the Share Entitlement Ratio.</p> <p>Further, the Audit Committee understand that upon allotment of shares by the Resulting Company as stated above in the proposed Share Entitlement Ratio, the beneficial or economic interest of the shareholders of the Demerged Company in the Resulting Company will be in the same ratio inter se as it is in the equity of the Demerged Company.</p> <p>In light of the above, the Share Entitlement Ratio as mentioned in Draft Scheme of Arrangement is fair and reasonable.</p>

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise.

For and on behalf of Audit Committee of Camson Bio Technologies Limited


A.K Singh

Chairman

Date: September 30, 2014

Place: Bangalore

