



# CAMSON BIO TECHNOLOGIES LIMITED

## FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

The Hon'ble High Court of Karnataka has, vide its order dated 31<sup>st</sup> July, 2015 sanctioned the Scheme of Arrangement cum Demerger between Camson Bio Technologies Limited ('CBTL' or "The Demerged Company") and Camson Seeds Limited ('CSL' or "The Resulting Company") and their respective shareholders and creditors under section 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 ('the Scheme'). The Scheme involves demerger of Seeds Business of CBTL into CSL with effect from the Appointed Date i.e. April 1, 2014.

In terms of the above Scheme, CSL is required to issue and allot to each member of CBTL whose name appears in the register of members and records of CBTL as on the Record Date in the following ratio – 1 equity share in CSL for every 1 equity share held by the equity shareholder in CBTL.

CBTL had fixed 22<sup>nd</sup> September, 2015 as the Record Date to determine its shareholders who would be entitled to the shares of CSL as aforesaid, pursuant to the Scheme.

Accordingly, the Board of Directors of CSL have on 14<sup>th</sup> November, 2015 allotted Equity Shares to those shareholders of CBTL whose names appeared in the Register of Members as on the Record Date.

We wish to inform the shareholders the proportionate cost of acquisition of the equity share(s) of CSL to be received pursuant to the scheme vis-a-vis the cost of acquisition of the equity share(s) of CBTL for the purpose of computing the capital gain / loss as per the provisions of the Income Tax Act, 1961 ('the Act').

The cost of acquisition in respect of each shareholder will be different and is relevant only in cases where shares of CSL were acquired / bought before the record date.

Applicable Statutory Provisions: Section 49(2C) and 49(2D) of the Act.

1. Cost of acquisition of shares of the Resulting Company i.e. CSL	Original cost of acquisition of shares of Demerged Company	$\frac{\text{Net book value of assets transferred by the Demerged Company as on the Appointed Date}}{\text{Net worth of the Demerged Company immediately before Demerger}}$
2. Cost of acquisition of Demerged Company's shares i.e. CBTL	Original cost of acquisition of shares of the Demerged Company less Cost of acquisitions of Resulting Company's Shares (as computed under 1 above)	

The net book value of assets which relate to Seeds Business as on the appointed date (i.e. April 1, 2014) was INR 1,170.2 million while the net worth of CBTL immediately before demerger was INR 2,269.7 million. Thus, the proportion of net book value of the assets of CBTL transferred to CSL vis-a-vis the net worth of CBTL immediately before such demerger will be 52%.



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Accordingly, the cost of acquisition of equity shares of CSL will be 52% respectively of the total cost of acquisition of the original equity share of CBTL prior to such demerger.

Based on Expert's opinion obtained by the Company, to determine post demerger cost of acquisition of Equity Share(s) of CBTL and CSL in accordance with the provisions of the Act, the shareholders are advised to apportion their pre-demerger cost of equity shares of CBTL in the following manner:-

Name of the Company	% of cost of acquisition of CBTL's shares
Camson Bio Technologies Limited	48%
Camson Seeds Limited	52%
<b>Total</b>	<b>100 %</b>

As regards the equity share(s) of CSL credited to your demat account / share certificate received by you, as the case may be, the date of acquisition for the purpose of capital gains/loss will be the date of acquisition of the original share(s) of CBTL for each shareholder as per clause (g) in Explanation 1 to section 2(42A) of the Income Tax Act, 1961. Kindly consult your tax advisors, having regard to the facts of your case.

Further, the company has been advised that according to the provisions of Section 47(vii) of the Act, the issue of share(s) by Resulting Company (i.e. CSL) to the shareholders of the Demerged Company (i.e. CBTL), pursuant to the Scheme, will not be regarded as transfer and hence will not be taxable in the hands of the shareholder.

We trust this explains the position clearly and would help you to compute the cost of acquisition per share individually for CBTL and CSL, if and when the shares are sold attracting capital gains/loss under the Act. The shareholders are advised to seek legal opinion, should they feel it necessary.

*This communication is merely for the general guidance of the shareholders and should not be considered as a substitute for any independent opinion that the shareholders may obtain and CBTL or CSL take no express or implied liability in relation to this guidance.*

*Please note that if there is a change, including change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would necessarily have to re-evaluate in light of the changes. CBTL or CSL do not take the responsibility of updating this communication at any time in future.*

Yours faithfully

**For Camson Bio Technologies Limited**

**Sd/-**

**Dhirendra Kumar**

**Chairman and Managing Director**

**Regd. Office :** Sy No. 132, Madhure Hobli, Madagondanahalli, Doddaballapur, Bangalore-561203.

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**CIN : L85110KA1993PLC014944, An ISO 9001:2008 Company**