

AGRO TECH FOODS LIMITED

Registered Office: 31, Sarojini Devi Road, Secunderabad – 500 003, Andhra Pradesh, India

Corporate Office: Building No.10, Tower C, 15th Floor, DLF Phase – II, DLF Cyber City, Gurgaon – 122 002

Ph: 0124 4593700, Fax: 0124 4593799, Website: www.atfoods.com

Dear Member,

POSTAL BALLOT

(NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956)

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956 ("the Act") read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011 (including any statutory modification or re-enactment thereof for the time being in force) ("the Rules"), that the Resolution appended below is proposed to be passed by the Members as a Special Resolution by way of Postal Ballot by giving their assent/dissent. The Explanatory Statement pertaining to the said Resolution setting out the material facts and the reasons thereof is annexed hereto alongwith a Postal Ballot Form.

The Board of Directors of the Company at its Meeting held on April 24, 2013 have, subject to the consent of Members of the Company, approved the proposal for the Buy-back of equity shares of Rs.10/- each fully paid up in accordance with Sections 77A, 77AA, 77B and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act') and the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998. Under the provisions of Section 77A of the Act, the Company is required to obtain the approval of the Members by way of a Special Resolution for the Buy-back of equity shares upto 25% of paid-up capital and free reserves and the said approval of Members is required to be obtained by means of voting by Postal Ballot as per Section 192A of the Act read with the Rules. Accordingly, the Company seeks your consent to the proposed Special Resolution contained in this Notice.

BUYBACK OF EQUITY SHARES

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Article 62A of the Articles of Association of the Company and Sections 77A, 77AA, 77B and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act') and the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, including any amendments, statutory modification(s) or re-enactments thereof (hereinafter referred to as '**Buy-back Regulations**') and subject to such other approvals, permissions and sanctions as may be necessary, the consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as "**the Board**") (which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) for the Buy-back of up to 1,000,000 fully paid-up equity shares, each of a face value of Rs. 10/- (not exceeding 25% of the total paid-up equity share capital in the financial year ending on March 31, 2012), for an amount not exceeding Rs.520,000,000/- ("**Maximum Offer Size**"), (being 24.92% of the total paid up share capital and free reserves as on March 31, 2012) for a price not exceeding Rs. 520/- per equity share ("**Maximum Buy-back Price**")

from the shareholders of the Company under the Buy-back Regulations through Tender Offer (hereinafter referred to as "Buy-back")."

"RESOLVED FURTHER THAT such Buy-back may be made from the Company's free reserves and/or such other sources as may be permitted by law and as the Board may in its absolute discretion deem fit and the Buy-back shall be from the existing shareholders on a proportionate basis through tender offer method in such manner as may be prescribed under the Act, the Buy-back Regulations and on such terms and conditions as the Board of Directors may deem fit."

"RESOLVED FURTHER THAT as required under Regulation 6 of the Buy-back Regulations, 15% of the number of equity shares which the Company proposes to Buy-back or number of equity shares entitled as per the shareholding of small shareholders at record date, whichever is higher, shall be reserved for the small shareholders, as defined in the Buy-back Regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorized, jointly or severally, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, to be in the best interest of the shareholders, including but not limited to appointment of merchant banker(s), registrars, solicitor(s), banker(s), advisor(s), consultant(s), depository participant(s) and other intermediaries/agencies for the implementation of the Buy-back, carry out incidental documentation, as also to make applications to the appropriate authorities for their requisite approvals, as also to initiate all necessary actions for preparation and issue of various documents, including public announcement, letter of offer, declaration of solvency, extinguishment of share certificates, filing of documents/ return with the relevant statutory authorities including but not limited to the Registrar of Companies, the Securities and Exchange Board of India and Stock Exchanges(s), maintenance of statutory registers and records and 'Certificates of Extinguishment' required to be filed in connection with the Buy-back, opening of escrow bank account(s), special bank account(s), demat account(s) and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buy-back with the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchange(s), Registrar of Companies, Depositories and/or other relevant authorities."

"RESOLVED FURTHER THAT the Board in its absolute discretion, be and is hereby authorized to accept and make, in the interest of the Company, any alteration(s), modification(s) to the terms and conditions as it may deem fit and necessary, concerning any aspect of the Buy-back, in accordance with the statutory requirements and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in relation to the proposed Buy-back at any stage (not limited to suspending or rescinding the proposed Buy-back in accordance with the applicable law, rules and regulations) without requiring to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

**By order of the Board
For Agro Tech Foods Limited**

**Place: Gurgaon
Date: April 24, 2013**

**Phani K Mangipudi
(Company Secretary)**

NOTES:

1. The Explanatory Statement setting out all material facts as required under Section 173(2) of the Companies Act, 1956 in respect of special business of the Company is appended and forms part of the Notice.
2. The Company has appointed Mr. L. V. V. Iyer, Corporate Lawyer, as Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
3. The Postal Ballot Form together with the self-addressed Business Reply Envelope is enclosed for the use of the Member.
4. The Notice is being sent to all the Members whose names would appear in the Register of Members/ Record of Depositories as on April 25, 2013. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on that date and time.
5. You are requested to carefully read the instructions printed on the back side of the Postal Ballot Form before exercising the vote and return the said form duly completed and signed in the enclosed self-addressed Business Reply Envelope, so as to reach the Scrutinizer before the close of working hours (17.00 hours) on or before June 05, 2013. The envelope may also be deposited personally at the address given thereon. Consent received thereafter shall be treated as if the reply from the Member has not been received. Also, no other Form or Photocopy thereof is permitted. However, an envelope containing postal ballot if sent by any other modes at the expenses of the registered Members will also be accepted.
6. **The Company is pleased to offer e-voting facility as an alternate, for all its Members to enable them to cast their vote electronically instead of dispatching the Postal Ballot.** E-voting is optional. In case a Member desires to exercise his vote by using e-voting facility then he has to carefully follow the instructions as given for E-Voting printed on the back side of the Postal Ballot Form. He can use the facility and log in any number of times till he has voted on the Resolution or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier.

Members who have registered their e-mails for receipt of documents in electronic mode under the green initiative of Ministry of Corporate Affairs and who wish to vote through Postal Ballot Form can seek duplicate form from the Registered Office of the Company and send/submit the same by post at the Registered Office of the Company addressed to the Scrutinizer.
7. The Scrutinizer will submit his Report after completion of the scrutiny, addressed to the Board of Directors of the Company, to one of the Directors of the Company, who will, or in his absence, any other person so authorized by him will, announce the result of voting by postal ballot on June 10, 2013 at 1700 hours at the Registered Office of the Company at 31, Sarojini Devi Road, Secunderabad – 500 003, Andhra Pradesh, India, and the Resolution will be taken as passed effectively on the date of announcement of the result by such authorized person, if the results of the Postal Ballots indicate that the requisite majority of the Members had assented to the Resolution. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

The result of the Postal Ballot will be hosted on the website of the Company, www.atfoods.com besides being notified to the BSE Limited and National Stock Exchange of India Limited. The results shall also be announced through a newspaper advertisement.
8. Members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote for Buy-back of Shares of the Company which requires consent of the shareholders.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 FORMING PART OF THE NOTICE

As required under Section 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, (hereinafter called "**Buy-back Regulations**"), this Explanatory Statement contains relevant and material information, as detailed herein, to enable the Members to consider for approval, the proposed Special Resolution on Buy-back of Company's Equity Shares.

1. The Board of Directors of the Company at its Meeting held on April 24, 2013 ('**Board Meeting**') approved the proposal for the Buy-back of Equity Shares of the Company subject to the provisions of Sections 77A, 77AA, 77B and other applicable provisions of the Act and the Buy-back Regulations.
2. The Buy-back is proposed considering the availability of accumulated cash currently invested in treasury operations, the expected future cash flows from business operations and funding requirements of the Company to fund its future plans. The Buy-back proposal is being implemented in keeping with the Company's desire to enhance overall shareholders' value. The Buy-back would lead to reduction in outstanding number of Equity Shares and may consequently increase earnings per equity share over a period of time. This would in turn lead to improvement in return on net worth and other financial ratios and contribute to maximization of overall shareholders' value.
3. The Company intends to Buy-back 1,000,000 fully paid up equity shares of face value of Rs. 10/- each ['**Maximum number of Equity Shares**'] at a price of Rs. 520/-per equity share ['**Maximum Buy-back Price**'] with the total aggregate amount to be utilized being upto Rs. 520,000,000/- ['**Maximum Buy-back Size**'], which is approximately 24.92% (which is less than 25%) of the Company's total paid up capital and free reserves as per the audited accounts of the Company for the year ended on March 31, 2012. The maximum number of equity shares that is proposed to be bought back is 1,000,000 equity shares representing 4.10% of the total paid-up equity share capital of the Company as per the audited accounts of the Company for the year ended on March 31, 2012.
4. The Buy-back price of Rs. 520/- per equity share has been arrived at after considering prevailing stock market conditions, stock performance over the last few months preceding the date on which notice to Stock Exchanges for considering the Board Meeting for Buy-back was given, i.e. April 17, 2013 and other relevant considerations. The Buy-back Price i.e. Rs. 520/-per equity share is at a premium of 5.14% and 4.93% to the two weeks average closing market price of the equity shares of the Company traded on the BSE Limited and National Stock Exchange of India Limited respectively, prior to the date of intimation to the stock exchanges on April 17, 2013 and at a premium of 8.72% and 8.64% to the six months average closing market price of the equity shares of the Company traded on the BSE Limited and National Stock Exchange of India Limited respectively, prior to the date of intimation to the stock exchanges on April 17, 2013.
5. The Buy-back is proposed to be implemented by the Company through tender offer method from all existing shareholders of the Company on a proportionate basis, provided 15% of the number of

equity shares which the Company proposes to Buy-back or number of equity shares entitled as per the shareholding of small shareholders at record date, whichever is higher, shall be reserved for small shareholders, which term is defined in Buy-back Regulations to mean a shareholder of a listed company, who holds shares or specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such security, as on the record date, is not more than two lakh rupees.

6. The Buy-back is proposed to be funded out of the Company's current surplus and/or cash balances and/or internal accruals.
7. (a) The aggregate shareholding of Promoter and Promoter's Group and of the Directors of the Promoters, where the Promoter is a Company and of the person(s) who are in control of the Company as on the date of this Notice is as below:

Category of Member	No. of Equity Shares Held	% of Existing Equity Share Capital
1. Promoters	12,616,619	51.77%
2. Promoter Group	N.A.	N.A.
3. Persons Acting in Concert	N.A.	N.A.
Total of Promoters, Promoter Group and Persons Acting in Concert	12,616,619	51.77%
- (b) No equity shares were either purchased or sold by the Promoters or by the Directors of the Promoters, where the Promoter is a Company or by the person(s) who are in control of the Company during the period of six months preceding the date of this Notice.
- (c) The Promoters and Promoter Group will not participate in the Buy-back.
8. As required under the Act, the ratio of the debt owed by the Company would not be more than twice the paid up share capital and free reserves after the Buy-back.
9. As per the provisions of the Act, the Special Resolution passed by the shareholders approving the Buy-back will be valid for a maximum period of 12 months from the date of passing of the said Special Resolution. The time frame for the Buy-back will be determined by the Board of Directors within this validity period, subject to the relevant provisions of the Act and Buy-back Regulations.
10. In compliance with the provisions of the Act, the Company will not issue any fresh equity shares within a period of six months after the completion of Buy-back except by way of bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares, if any.
11. The Company confirms that there are no subsisting defaults in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institution or banks.

12. There will be no Buy-back from any person(s) through negotiated deals or through spot transactions or through any private arrangement.
13. The Board of Directors hereby confirms that it has made a full inquiry into the affairs and prospects of the Company and has formed the opinion that:
 - (a) immediately following the date on which the results of Postal Ballot are declared, there will be no grounds on which the Company could be found unable to pay its debts;
 - (b) as regards the Company's prospects for the year immediately following the date on which the results of the postal ballot are declared, having regard to their intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in their view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the aforesaid date; and
 - (c) in forming their opinion for the above purposes, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act.
14. The Company shall transfer from its free reserves a sum equal to the nominal value of the equity shares bought back through the Buy-back to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements.
15. The Buy-back from Non-Resident Members and Foreign Institutional Investors (FIIs), and Members of foreign nationality, if any, etc. shall be subject to such approvals as are required, including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the Rules, Regulations framed thereunder, if any.
16. The report dated April 24, 2013 received from M/s B S R and Co, the statutory auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

"To

The Board of Directors
Agro Tech Foods Limited
31, Sarojini Devi Road
Secunderabad – 500 003

In connection with the proposed Buy-back of equity shares approved by the Board of Directors of Agro Tech Foods Limited ('the Company') vide Resolution dated 24 April 2013, which is subject to approval of shareholders, in pursuance to the provisions of Sections 77A, 77AA and 77B of the Companies Act, 1956 ('the Act'), and Regulations as specified in the "Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and amendments thereto (the

“Regulations”) and based on the information, explanations and representations given to us which to the best of our knowledge and belief were necessary for this purpose, we report as follows:

1. We have enquired into the state of affairs of the Company with reference to its audited financial statements for the year ended 31 March 2012 approved by the Board of Directors in their Meeting dated 26 April 2012 and adopted by the shareholders in the Annual General Meeting held on 25 July 2012;
2. The amount of permissible capital payment (including premium) towards Buy-back of equity shares as computed below, has been properly determined in accordance with the Section 77A (2)(c) of the Act:

(Figures in Rupees lakhs)

Total Paid up Capital and Free Reserves*		As on 31 March 2012
Total Paid up Capital		2,436.93
Free Reserves		
Securities premium account	7,212.87	
General reserve	635.09	
Surplus in the Statement of Profit and Loss for the year ended 31 March 2012	10,581.75	
Sub Total		18,429.71
Total		20,866.64
Maximum amount permissible for the buy-back i.e. 25% of total Paid-up Capital and Free Reserves		5,216.66

*the amounts have been extracted from the standalone audited financial statements for the year ended 31 March 2012 being the latest audited financial statements approved by the shareholders in their General Meeting.

3. Based on the information and explanations given to us and the representations made by the Company, which to the best of our knowledge and belief were necessary for this purpose, we state that the Board of Directors in their Meeting held on 24 April 2013 have formed their opinion as specified in Clause (x) of Part A of Schedule II of the Buy-back Regulations on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of Board meeting held on 24 April 2013.
4. The responsibility for preparation of the above mentioned financial statements is that of the Management of the Company and our role is limited to conducting a review thereof only for the purpose of expressing the opinion.
5. This Report has been prepared for and only for the Company in reference to proposed buy-back of Equity Shares approved by the Board of Directors of the Company at its Meeting held

on April 24, 2013, in pursuance of the provisions of Sections 77A, 77AA and 77B of the Act, [including disclosing in the Public Announcement and Letter of Offer as required under SEBI (Buy-back of Securities) Regulations, 1998 (as amended)] and for no other purpose. This Report should not be used, quoted or referred to for any other purpose without our prior written consent.

For B S R and Co

Chartered Accountants

Firm Registration Number: 128510W

Zubin Shekary

Partner Membership no: 048814

Hyderabad

24 April 2013"

17. All the material documents referred to in the Explanatory Statement such as the Memorandum and Articles of Association, relevant Board Resolution and Auditor's Report would be available for inspection at the Registered Office of the Company on all working days except Saturday and Public Holidays, between 2.00 pm and 4.00 pm upto the date of declaration of the Postal Ballot results.
18. The Board of Directors of your Company recommends the Resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the Resolution, save to the extent that like any other Member in the same position, their proportion in the post-Buy-back equity capital will stand enhanced as a result of the Buy-back.

**By order of the Board
For Agro Tech Foods Limited**

**Place: Gurgaon
Date: April 24, 2013**

**Phani K Mangipudi
(Company Secretary)**

AGRO TECH FOODS LIMITED

Registered Office: 31, Sarojini Devi Road, Secunderabad – 500 003, Andhra Pradesh, India

POSTAL BALLOT FORM

(Please read the instructions before filling this form)

SI No.: 404945

1. Name of Shareholder(s) : NARASIMHARAO NAGULAPATI
(including joint holders, if any)
(in block letters)

AGRO TECH FOODS LTD
31 SD ROAD 2ND FLOOR
LOGISTICS DEPT
SECUNDERABAD

2. Registered Address of the Sole/
First named Member(s) : Pin : 500003

3. Registered Folio No./ DPID No.* : IN300020-11507665
Client ID No.*
(*applicable to investors holding
shares in dematerialised form)

4. No. of Shares held : 101

5. Permanent Account No. : ACNPN3042N

6. I/ We hereby exercise my/ our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice of the Company dated April 24, 2013, by sending my/ our assent (FOR) or dissent (AGAINST) to the said Resolution by placing tick (✓) mark at the appropriate box below:

Item No	Item	Nature of Resolution	No. of shares	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
1	Special Resolution pursuant to the provisions of SEBI (Buy-back of Securities) Regulations, 1998 and the provisions of Section 77A(2)(b) of the Companies Act, 1956 for approving the Buy-back of the equity shares of the Company	Special Resolution			

Place: _____

Date: _____ (Signature of the Member)

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	User Id	Password/PIN
1002	IN30002011507665	9ZUXYSKF

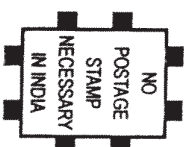
Last date for receipt of Postal Ballot form by Scrutinizer is Wednesday, 05th June 2013 (before the close of the working hours i.e., 17:00 hours).

Note: Please read the instructions printed over leaf carefully before exercising your vote.
Members can cast their vote online
from 6th May 2013 to 5th June 2013

Postage
will be paid
by the
Addressee

BUSINESS REPLY ENVELOPE

PERMIT NO.: HDC/ B - 905
CYBERABAD POST OFFICE
HYDERABAD-500 081.



To
MR. L.V.V. IYER
Scrutinizer
Unit: Agro Tech Foods Ltd.,
Plot No. 17 to 24, Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081