

NEHA INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Chairman & Managing Director

Shri G. Vinod Reddy

Directors

Dr. G. Pramod

Shri Anil G. Nair

Shri P. Sarath Kumar

Vice President (Finance)

P. Srihari

Company Secretary

C. N. Bhavani Prasad

Auditors

M/s. Tukaram & Co.,

Chartered Accountants

209, Venkatarama Towers, Basheerbagh, Hyderabad - 500 029

Bankers

Union Bank of India, Khairatabad Branch, Hyderabad

IndusInd Bank, Secunderabad Branch, Hyderabad

ICICI Bank, Begumpet Branch, Hyderabad

Regd. Office

No. 6-3-1090/A/12 & 13,

501, Manbhum Jade Towers, Rajbhavan Road, Somajiguda,
Hyderabad - 500 082, India. Tel : 040-66134759, Fax : 040 - 66136435

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NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the shareholders of the Company will be held on **Thursday, the 30th day of December, 2010 at 11:00 A.M** at Bhaskara Auditorium, B.M.Birla Science Centre, Adarshnagar, Hyderabad-500 063 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider & adopt the Balance sheet as at 30th June 2010, Profit & Loss account for the period ended as on that date and the Auditors report and the Directors Report there on.
2. To appoint a Director in Place of Mr. P Sarath Kumar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to pass the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT M/s MATHESH & RAMANA, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Tukaram & Co., the retiring auditors from the conclusion of this annual general meeting till the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors.”

By order of the Board

For **NEHA INTERNATIONAL LIMITED**

Sd/-

G. Vinod Reddy

Chairman & Managing Director

Place: Hyderabad

Date: 04.12.2010

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution**

“RESOLVED THAT pursuant to the provisions of Section 81 (IA) and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) (including any amendments thereto or re-enactment thereof) and the provisions of the Foreign Exchange Management Act, 2000 (the “FEMA”), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended, and subject to any required approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance) and the Securities and Exchange Board of India (the “SEBI”) Regulations and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company's shares are listed and subject to necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, either in India or as a part of international offering(s) in one or more foreign markets, such number of Equity Shares, Global Depository Receipts (“GDRs”), Foreign Currency Convertible Bonds (“FCCB's”), and/or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting rights / with special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or



subscribe to Equity Shares including the issue and allotment of equity shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible person, including Qualified Institutional Buyers, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian) Foreign Institutional Investors, Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "Investors") whether or not such Investors are members of the Company as may be decided by the Board in their discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding **US\$ 20 million** or equivalent thereof in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s), or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board, at its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Act (including any amendments thereto or re-enactment thereof), the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations") and the provisions of the FEMA, Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Board may at their absolute discretion issue, offer and allot equity shares, fully convertible debentures, partly convertible debentures or any securities which are convertible into or exchangeable with equity shares (collectively referred to as "Securities") of an aggregate amount not exceeding **US \$ 20 million** or equivalent thereof in one or more foreign currency and / or Indian Rupees inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI (ICDR) Regulations) pursuant to a qualified institutional placement, as provided under Chapter VIII- of the SEBI (ICDR) Regulations and such securities shall be fully paid up and the allotment of such Securities shall be completed within 12 (twelve) months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI (ICDR) Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

- (a) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) the relevant date for the determination of applicable price for the issue of the Securities shall be as per the Regulations prescribed by SEBI, RBI, GoI through its various departments, or any other regulator and the pricing of any equity shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable rules and regulations; and such price shall be subject to appropriate adjustments in the applicable rules/guidelines/statutory provisions."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that inter-alia provide for the tradability and free transferability thereof in accordance with the prevailing practices in the international capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the

preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, execution of various transaction documents, in respect of any Securities as may be required either on pari-passu basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board or Management Committee or any other Committee thereof be and is hereby authorized to engage / appoint the Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with such agencies and to seek the listing of such Securities on one or more National and/or International Stock exchange(s).”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise the mode and the terms of issue and allotment of such number of Equity Shares/ Securities as may be required to be issued and allotted upon conversion, redemption or cancellation of any Securities referred to in paragraph(s) above as may be necessary in accordance with the terms of issue/offering in respect of such securities and all such equity shares shall rank pari passu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and / or offering circular and/or offering circular and/or listing particular.”

“RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the proceeds thereof, as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

“RESOLVED FURTHER THAT the Board be and are hereby severally authorised to form a committee or delegate all or any of its powers to any Director(s) or committee of Directors/Company Secretary/other persons authorized by the Board to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to :

- (a) Approving the offer document and filing the same with the any other authority or persons as may be required;
- (b) Approving the issue price, the number of Securities to be allotted, the basis of allocation and allotment of Securities;
- (c) To affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and any one of the above Authorised Persons, who shall sign the same in token thereof;
- (d) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- (e) Opening such banks accounts in Indian or foreign currency(ies) and de-mat accounts as may be required for the transaction;
- (f) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- (g) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;



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- (h) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and

To authorize or delegate all or any of the powers herein above conferred to any or more persons, if need be.”

Item No: 5 (a) RE-APPOINTMENT OF SRI G VINOD REDDY, CHAIRMAN & MANAGING DIRECTOR

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII (as amended from time to time) to the said Act, Mr. G Vinod Reddy Chairman and Managing Director be and is hereby re-appointed for a period of 3 years with effect from 15th May 2010 at a remuneration and on such terms and conditions as detailed below:

(a)	Basic & DA	Rs.	150000	Per month
(b)	House Rent Allowance (HRA)	Rs.	60000	Per month
(c)	Conveyance	Rs.	10000	Per month
(d)	Other allowances	Rs.	17500	Per month
(e)	Leave travel allowance	Rs.	75000	Per annum
(f)	Medical allowance	Rs.	75000	Per annum

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 198, 309, 310 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, as may be, for the time being, in force. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration in excess of that entitled under Section II of Part II of Schedule XIII to the Companies Act, 1956, but not exceeding the overall limits prescribed under the Act, the same shall be determined and decided by the Board.

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary for this effect.

Place: Hyderabad
Date: 04.12.2010

For and on behalf of the Board
For **NEHA INTERNATIONAL LIMITED**
Sd/-
G . Vinod Reddy
Chairman & Managing Director

Notes:

1. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchanges, of persons seeking appointment/re-appointment as Directors under Item's No:2 above, are annexed.
2. A member entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be member of the Company. Proxies, in order to be effective, must be received at the Company's registered office not less than 48 hours before the meeting. Proxies submitted on behalf of limited Companies, societies, etc., must be supported by appropriate resolution/authority, as applicable.
3. Members are requested to bring their copies of Annual report to the Annual General Meeting.
4. The register of Members and Share transfer books of the Company will be closed from **29th December 2010 to 30th December 2010** (both days inclusive)
5. Members holding shares in physical form are requested to inform any change in address immediately to the company's Registrar and Transfer agents, M/s XL Softech Systems Limited, #3, Sagar Society, Road No:2, Banjara Hills, Hyderabad-500 034. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant and not to the Company or the Company's Registrar and Share Transfer Agents
6. Members who hold the shares in dematerialized form are requested to write their Client ID and DPID on the Attendance slip for easy identification of attendance at the meeting
7. The statutory registers maintained under Sections 301 and 307 of the Companies Act, 1956 will be available at the venue for inspection by the members.

ANNEXURE TO THE RESOLUTION
EXPLANATORY STATEMENT
(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No:4

The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot Equity shares, GDR's, ADR's, Convertible Bonds/Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board as its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board in one or more tranche or tranches. The Company intends to make issue of an aggregate amount of not exceeding **US\$ 20 million** or equivalent thereof in Indian Currency or any other foreign currency.

The objects of this issue are to meet the fund requirement of company's expansion plans and its subsidiaries, including investment in subsidiaries, providing loans and or guarantees to subsidiaries, acquisitions of Companies, businesses and projects and for other general corporate purposes.

The detailed terms and conditions for the offer will be determined by the Board in consultation with the Advisors, Lead managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

As the pricing of the Offering cannot be decided except at a later stage, it is not possible to state the price or the exact



number of Equity shares to be issued. For reasons aforesaid as enabling resolution is therefore proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

The Equity shares allotted or arising out of conversion of any securities would be listed. The issue/allotment/conversion shall be subject to the availability of regulatory approvals if any. The conversion of other specified securities held by foreign investors into shares would be subject to the applicable foreign investment cap.

Section 81 (IA) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further issue of shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in the said section, unless the shareholders decide otherwise in general meeting by way of special resolution. As the aforesaid resolution provides for or may result in Issue of Equity Shares to persons other than the existing shareholders of the Company, consent of the shareholders is being sought pursuant to provisions of Sec:81 (IA) and all other applicable provisions, if any of the Companies Act, 1956 and the SEBI (ICDR) Regulations.

The special Resolution as set out above, if passed, will have the effect of allowing the Board to issue and allot Securities to investors, who may not be existing shareholders of the Company in the manner as set out in the resolution.

None of the Directors is concerned or interested in the resolution.

Item No:5

The term of appointment of Mr G.Vinod Reddy as Chairman and Managing Director of the Company expired on 17-05-2010 and therefore, the Board of Directors in its meeting held on 15.05.2010, reappointed Mr G.Vinod Reddy as Chairman and Managing Director for a period of three years as per the terms and conditions and remuneration mentioned in the notice at resolution No.5

As per the provisions of Schedule XIII of the Companies Act, 1956, re appointment of Mr G.Vinod Reddy as Chairman and Managing Director, requires the approval of the members in the General meeting. Hence, the above resolution at item no.5 is submitted to the meeting for ratification by the members of the Company by passing an Special Resolution.

Mr G.Vinod Reddy, aged 49 years is the promoter and has been the Managing Director of the Company since its inception. He is a post- graduate in Political Science and was a Member of India Revenue Services during 1988 to 1994.

During his tenure as Managing Director, Neha International Ltd has grown in manifold. Some of the achievements are turning around the company into a profitable business, venturing into floriculture business in Ethiopia by acquisition of farms etc. Mr Vinod Reddy has end to end experience in building agri business from inception to world class enterprises.

The Board of Directors recommends the above resolution at item no.5 for the members' approval in the Annual General Meeting

None of the Directors of the Company except Mr G.Vinod Reddy and G. Pramod to the extent of his appointment as director are concerned or interested in this resolution.

Information in accordance with Schedule XIII of Companies Act, 1956

I. GENERAL INFORMATION :

1. Nature of Industry : **Floriculture & Other Agriculture Products**
2. Date or expected date of commencement of commercial production : **Not Applicable - Already in operation**
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : **Not Applicable**
4. Export performance and net foreign exchange collaborations : **Rs. 157.70 Million**

5. Foreign Investment or collaborators, if any Investments	(Amount in Rs.)
(In subsidiaries)	
Globeagro Holdings, Mauritius	: 48,23,95,304
Dream Flowers Plc, Ethiopia	: 2,28,95,000
Neha Agriservices Pte.Ltd	: 330
Neha Agricorp Pte. Ltd.	: 330
Total	: 50,52,90,964

II. INFORMATION ABOUT THE APPOINTEE :

1. **Background details:** Sri G.Vinod Reddy, aged 49 years is the promoter and has been the Managing Director of the Company since its inception. He is a post- graduate in Political Science and was a Member of India Revenue Services during 1988 to 1994
2. **Past remuneration :**

Year	Total remuneration (in Rs.)
2009-10	14,25,403 (2.50 Lakhs per month w.e.f 15.05.2010)
2008-09	15,00,000 (1 Lakh per month - 15 months)
2007-08	7,00,000 (1 Lakh per month -Part of the year)
2006-07	NIL
2005-06	NIL

3. **Recognition or awards :** **Not Applicable**

4. **Job profile and his suitability :**

G.Vinod Reddy is the Chairman & Managing Director of Neha International Limited. He is a post- graduate in Political Science and was a Member of India Revenue Services during 1988 to 1994. He is the strategy maker for the company and overall supervise s the operations and growth path of the company.

**5. Remuneration proposed:**

As set out in the resolutions for the item No.5. The remuneration to Sri G. Vinod Reddy, Chairman & Managing Director has the approval of the remuneration Committee.

6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

Taking into consideration of the size of the Company, the growth achieved by the company for the last two years, proposed expansion plans, profile of Sri G. Vinod Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in the industry.

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

He is holding 21,89,335 Equity Shares of the Company and is related to Sri. G. Pramod, Non-executive director of the Company.

III. OTHER INFORMATION:**1. Reasons of Inadequate profits.**

Neha International Ltd., is in the business of growing and exporting of Cut- Flowers. The major revenue of the company is being generated by its international subsidiaries. As a standalone basis, the company's profits are lower. However, the company is generating good profit on a consolidated basis. For calculating the remuneration to the appointee, standalone profits are considered.

2. Steps taken or proposed to be taken for improvement

The Company is expected to get good returns from its investment in its subsidiaries by way of dividend.

3. Expected increase in productivity and profit in measurable terms:

The company is venturing into corporate farming in African countries and expected to report manifold increase in top-line and bottom line revenues.