

PEARL AGRICULTURE LIMITED

401/A, Pearl Arcade, Opp. P. K. Jewellers, Dawood Baug Lane, Off. J. P. Road, Andheri (W), Mumbai - 400058

Tel.: 26778155 / 26797750 / 32459097 Fax: 26781187 CIN: L01403MH2011PLC221387

Email: pearlagriculture@gmail.com Website: www.pearl-agriculture.com

Date: 11th August, 2015

**To,
The Manager
Department of Corporate Services,
Bombay Stock Exchange Limited,
Phirozee Jeejeeboy Towers,
Dalal Street, Fort,
Mumbai - 400 001**

Sub: Board has decided to invest upto INR 500 million into the Organic farming activities which shall include: Contract farming, Dairy farming, R&D in the field of Agriculture, Export of Agro-goods, Retailing of Agro- products & such other agro related areas.

This is to bring to your kind notice that in order to execute with the changing food basket of Indian as well as global consumers Company in its Board meeting held on 11th August, 2015 decided to inflate its business in the areas of Contract Farming and Farming Services for Organic agricultural products in India and outside India, Organic Dairy Farming, Cultivation of organics crops or other agricultural products. Sustained economic and income growth, and a fast-growing national & global population are fuelling rapid growth in demand for high-value organic food products like fruits, vegetables and diary framing products due to which Indian agro-food system has undergone rapid transformation.

Diversification towards high-value agriculture appears to be a plausible option for the Company in the long run. Contract framing being a partnership between the Company and farmers, Contract farming will enable Company to optimally utilize their installed capacity, infrastructure and manpower, and respond to food safety and quality concerns of the consumers.

Mr. Manoj Bhatia (Director) was of the view that "Contract farming is an important means to have an assured access to desired products or a quantitative and qualitative control over material supplies without actually engaging ourselves in farming." Mr. Bhatia also added that due liberalization and globalization of food & dairy markets in

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the developing world including India, there is renewed corporate business interest in agriculture in the form of corporate involvement in food processing, agro-exports and retailing as it is seen as an unattended sector by those with capital and technological and managerial resources. Hence, these newly flourished areas of agriculture will aver to reduce marketing and transaction costs, facilitate farmers' access to technology, inputs, credit and services, and mitigate production and market risks, and thus aid speeding up agricultural diversification and commercialization.

Organic Dairy farming means raising animals on organic feeds, the concept of Organic dairy farming is a relative newcomer, when compared to organic fruits, vegetables, grains, and some livestock have long been mainstays of the organic movement. The Board was of the view that "Organic movement is built on fundamental principle: healthy soils lead to healthy crops, healthy animals, healthy humans, and a healthy planet" and with this principle Company will enlarge its new line of businesses.

Mr. Krishan Khadaria (Director) contributed that "Increased consumer awareness about the organic agricultural & dairy products and with the growing popularity of organic milk, Company approaches to target an increasingly health-conscious and brand-savvy consumer." He was of the opinion that Organic products are often viewed as "Gateway Products", and consumers will make their first forays into organic purchasing.

The Company has decided to get involved directly in the cultivation activities, and in order to cause this, Company is planning to acquire upto 500acres of land on long lease in first phase.

The Company shall commence all its expansion activities under the organic conditions and in order to shape the same, it shall also apply for necessary organic certification with the concerned authorities/agencies.

During the meeting Board also discussed the magnitude of Globalization for the Company. As per the views shared by them "Globalization can greatly enhance the role of agriculture as an engine of growth in developing countries by making it possible for agriculture to grow considerably faster than domestic consumption. With such alluring opportunities, it is vital for the Company to buy, sell, import, export, process, preserve, distribute and deal in all kind of vegetables, fruits and dairy farming products globally.

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One of the key areas of expansion discussed amongst the Board relates to trading of Agricultural products in Commodity market as commodities have become an established asset class in the Indian markets in the past few years. Commodities also offer a different investment avenue and are less volatile when compared with equities and bonds.

There been a paradigm shift in crop variety and in the agro-seeds industry Research & Development (R& D) becomes a key factor to accomplish the above discussed expansion plans. Hence, the Board tends to embark on investment in R& D activities in the field of Agriculture including dairy farming. Board furthermore decided to undertake R & D activity in the field of seeds, seeds production and its conditioning, this will in a way help Company to engender abundant and safe food supply to suffice the needs of the consumers.

This release may contain forward-looking statements based on current assumptions and forecasts made by Pearl Agriculture Limited. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the Company and the estimated results & growth of the Company.


This is for your information and records.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully

For Pearl Agriculture Limited


Manoj Bhatia
(Director)
DIN No.: 01953191

