

Annexure 2

Draft Scheme of Arrangement

SCHEME OF ARRANGEMENT

BETWEEN

TRIVENI ENGINEERING & INDUSTRIES LIMITED (TEIL)

AND

TRIVENI INDUSTRIES LIMITED (TIL)

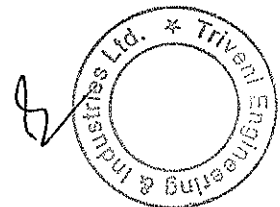
AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTION 391-394 OF THE COMPANIES ACT, 1956

*/Certified to be true copy/
For Triveni Engineering & Industries Ltd.*

[Signature]
Group General Manager & Company Secretary



PREAMBLE

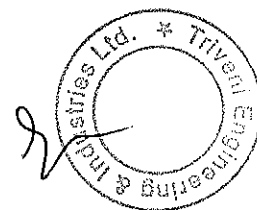
1. Background and Description of Companies

1.1 Triveni Engineering & Industries Limited is a company incorporated under the provisions of the Companies Act, 1913 having its registered office at Deoband, District Saharanpur, Uttar Pradesh – 247554 ('Transferor Company'). The Transferor Company is the flagship company of the Triveni Group and is engaged in various businesses namely, 'Sugar Business' comprising of sugar manufacture, co-generation of power, and distillation of alcohol, and 'Engineering Business' comprising of manufacture of gears & gear boxes and providing products, solutions and execution of contracts involving water & waste-water treatment in the industrial and municipal sectors. The equity shares of the Transferor Company are listed with the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

1.2 Triveni Industries Limited is a company incorporated under the provisions of the Companies Act, 2013 having its registered office at Sugar Unit Deoband, District Saharanpur, Uttar Pradesh – 247554 ('Resulting Company'). The Resulting Company is a wholly owned subsidiary of the Transferor Company having the objects of manufacture and sale of sugar and allied products including co-generation of power, distillation of alcohol etc.

2. Purpose of the Scheme of Arrangement

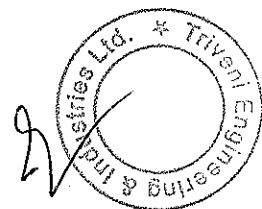
This Scheme of Arrangement for demerger of the Demerged Undertaking (as defined hereinafter under Clause 5.1.5) of the Transferor Company to the Resulting Company on a going concern basis is presented under Sections 391 to 394 read with sections 100 to 103 of the Companies Act 1956 and section 52 of the Companies Act 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013, as and when notified and made applicable.



3. Objects and Rationale of the Scheme of Arrangement

The Board of Directors of the Transferor Company are of the view that the transfer and vesting of the Demerged Undertaking into the Resulting Company, is in the interest of all concerned including the shareholders, creditors and employees on account of the following reasons:

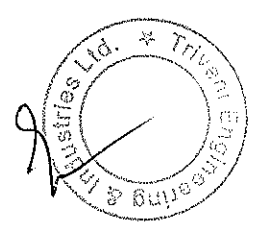
- 3.1 The Transferor Company is engaged in the businesses of manufacturing and refining of sugar, distillation of alcohol, generation of power, manufacturing of gears & gear boxes and providing water and waste water treatment/ management solutions. As part of an overall re-organization plan and in order to achieve greater efficiencies in its operations and with the intent of providing focus and greater attention to each of its businesses, it is considered desirable and expedient to transfer the Demerged Undertaking to the Resulting Company. This will result in separating Sugar Business and the Engineering Business and the transfer therefore will enable focused management orientation to each of the businesses due to individual specialization and leadership vision.
- 3.2 Opportunities for creating strategic partnership and flexibility of fund raising capability for future growth and expansion and to create a business structure which is geared to take advantage of possible growth opportunities.
- 3.3 The businesses and activities of the Transferor Company and Resulting Company will be carried on more economically, conveniently and advantageously under the proposed Scheme and the same will have beneficial results for both the companies, their shareholders, stakeholders and all concerned.
- 3.4 The Transferor Company and the Resulting Company, post transfer and vesting of the Demerged Undertaking will have better financial, business and operational prospects including but not limited to efficient management of costs, better maintenance of the manufacturing facilities and improved administrative control on the said businesses.
- 3.5 The separation of Sugar Business and Engineering Business would also result in unlocking and maximizing shareholders value.



4. Parts of the Scheme

The Scheme is divided into the following parts:

- PART I - Definitions and Share Capital
- PART II - Transfer and vesting of the Demerged Undertaking of the Transferor Company into the Resulting Company
- PART III - General terms and conditions



PART I – DEFINITIONS AND SHARE CAPITAL**5. DEFINITIONS**

5.1 In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

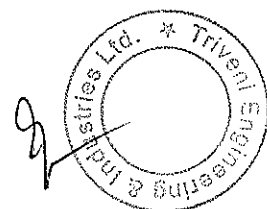
5.1.1 **“Act” or “the Act”** means the Companies Act, 1956, and / or the Companies Act, 2013 and shall include any and all statutory amendments, modifications or re-enactment thereof from time to time. As on the date of approval of this Scheme by the Board of Directors of the Transferor Company and Resulting Company, sections 391 to 394 or sections 100 to 103 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, references in this Scheme to the particular provisions of the Act are references to particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of the provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted;

5.1.2 **“Appointed Date”** for the purpose of Part II of the Scheme, means commencement of business on 1st day of April 2016 or such other date as fixed or approved by the Hon’ble High Court of Judicature at Allahabad or National Company Law Tribunal or any other competent authority

5.1.3 **“Board of Directors”** means the Board of Directors of the Transferor Company or the Resulting Company, as the context may require and includes a committee thereof;

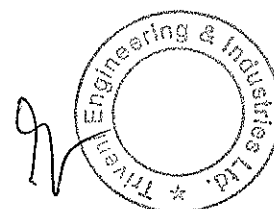
5.1.4 **“Court” or “High Court”** means the Hon’ble High Court of Judicature at Allahabad and shall include the National Company Law Tribunal, if applicable; and **“High Courts” or “High Court”** shall mean both of them, as the context, may require;

5.1.5 **“Demerged Undertaking”** means the Sugar Business of the Transferor Company including the following units: (a) Distillery unit located in District Muzaffarnagar, Uttar Pradesh; (b) Sugar manufacturing unit, Cogeneration unit, Fuel dispensing station and Branded goods division (including branded sugar) located in Khatauli, District



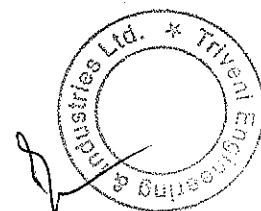
Muzaffarnagar, Uttar Pradesh; (c) Sugar manufacturing unit and Cogeneration unit located in Deoband, District Saharanpur, Uttar Pradesh; (d) Sugar manufacturing unit including incidental cogeneration facilities located in Sabitgarh, District Bulandshahar, Uttar Pradesh; (e) Sugar manufacturing unit including incidental cogeneration facilities located in Chandanpur, District J.P. Nagar, Uttar Pradesh; (f) Sugar Manufacturing unit located in Rani Nangal, District Moradabad, Uttar Pradesh; (g) Sugar manufacturing unit including incidental cogeneration facilities located in Milak Narayanpur, District Rampur, Uttar Pradesh; (h) Sugar manufacturing unit located in Ramkola, District Kushinagar, Uttar Pradesh and administrative/corporate/sales offices pertaining to the aforesaid Sugar business, on a going concern basis, including inter-alia the assets and liabilities relating thereto and which shall mean and include (without limitation):

- 5.1.5.1 All assets, wherever situated, whether movable or immovable, tangible or intangible, leasehold or freehold, including all land, buildings, plant and machinery, offices, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, etc. pertaining to the Demerged Undertaking;
- 5.1.5.2 all permits, quotas, rights (including rights under contracts, government contracts, memorandum of understanding etc) entitlements, industrial and other licenses, municipal and other statutory permissions, approvals, consents, tenancies in relation to office and/or in relation to residential properties for the employees, office and depots, patents, copyrights, all other intellectual property rights, investments and / or interest (whether vested, contingent or otherwise), cash balance, benefits of any deposits, financial assets like bills of exchange, letter of intent and loans advances, debtors, recoverable in cash or kind or for value to be received including amounts receivable with respect to the financing commitment appearing in the books of accounts as specifically approved by the Board of Directors of the Transferor Company in consultation with the Resulting Company, accounts and all other rights, benefits of all agreement, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, excise duty, service tax, etc), deferred tax benefits, privileges, licenses, power and facilities of every kind, nature and description whatsoever, right to use or avail of telephone, telexes, facsimile connections and installation, utilities, electricity and other services, funds, benefits of all subsidies, incentives, relief packages, agreements, contracts and arrangements (including but not limited to power purchase agreements, registrations for grant of

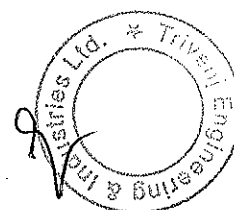


renewable energy certificates and carbon credits, unfulfilled contracts for supplies of ethanol entered into with the concerned authorities/companies) and all other interest including the benefit arising under U.P. Sugar Industry Promotion Policy 2004 issued by the State Government of Uttar Pradesh in connection with or relating to the Demerged Undertaking;

- 5.1.5.3 all earnest money, advances and/or security deposit paid by the Transferor Company in connection with the Demerged Undertaking;
- 5.1.5.4 all employees of the Transferor Company employed in the Demerged Undertaking as identified by the Board of Directors of the Transferor Company;
- 5.1.5.5 all existing and future investments, contracts, memorandum of understanding, etc, entitlements, industrial and other licenses, pollution and environment consent/clearance, municipal permissions, approvals, consents, tenancies, in relation to any joint ventures or other arrangement, which may be entered into by the Transferor Company in respect of the Demerged Undertaking;
- 5.1.5.6 all necessary records, files, designs, manuals, catalogues, papers, drawings, plans, manuals, data and other records, whether in physical or electronic form, in connection with or relating to the Demerged Undertaking; and
- 5.1.5.7 the Transferred Liabilities as referred to in Clause 5.1.17;
- 5.1.5.8 Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Demerged Undertaking of the Transferor Company or whether it arises out of the activities or operations of the Demerged Undertaking of the Transferor Company shall be decided by mutual agreement between the Board of Directors or any Committee of Directors thereof of the Transferor or Resulting Company;
- 5.1.6 **"Effective Date"** means the date on which the certified copy of the Order of the Hon'ble High Court of Judicature at Allahabad or National Company Law Tribunal, or any other appropriate authority is filed with the relevant Registrar of Companies. References in this Scheme to the date of the **"coming into effect of this Scheme"** or **"effectiveness of this Scheme"** or **"Scheme becoming effective"** shall mean the Effective Date;



- 5.1.7 **“Governmental Authority”** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having appropriate jurisdiction;
- 5.1.8 **“Income-tax Act”** means the Income-tax Act, 1961, and shall include any statutory modifications, re-enactment or amendment thereof;
- 5.1.9 **“Law”** or **“Applicable Law”** includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, board, Court of India or any other country or jurisdiction as may be applicable;
- 5.1.10 **“Person”** shall include any individual, joint venture, company, corporation, partnership (whether limited or unlimited), proprietorship, trust or other enterprise (whether incorporated or not), Hindu undivided family, union, association, government (central, state or otherwise), or any agency, department, authority or political subdivision thereof, and shall include their respective successors and in case of an individual shall include his/her legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being;
- 5.1.11 **“Record Date”** means the date to be fixed by the Board of Directors of the Transferor Company for the purpose of determining the members of the Transferor Company to whom the Equity shares of the Resulting Company will be issued pursuant to this Scheme in terms of Clause 15 hereof;
- 5.1.12 **“Resulting Company”** means Triveni Industries Limited, a company incorporated under the provisions of the Companies Act, 2013 having its registered office at Sugar Unit Deoband, District – Saharanpur, Uttar Pradesh – 247554;
- 5.1.13 **“ROC”** or **“Registrar of Companies”** means Registrar of Companies, Uttar Pradesh;
- 5.1.14 **“Remaining Business”** means and includes all business of the Transferor Company other than that comprised in the Demerged Undertaking;



- 5.1.15 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form as submitted to the High Court or this Scheme with such modification(s), if any made as per Clause 21;
- 5.1.16 **“Transferor Company”** means Triveni Engineering & Industries Limited, a company incorporated under the provisions of the Companies Act, 1913 having its registered office at Deoband, District – Saharanpur, Uttar Pradesh – 247554;
- 5.1.17 **“Transferred Liabilities”** shall have the meaning ascribed to it in Clause 8.6.2 hereofwith respect to the liabilities transferred to the Resulting Company under Part II of this Scheme.

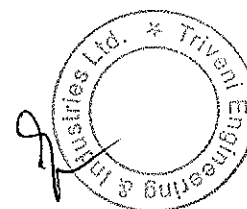
6 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be operative from the Appointed Date but shall be effective from the Effective Date.

7 SHARE CAPITAL

- 7.1 The authorized, issued, subscribed and paid up share capital of the Transferor Company as per the latest audited balance sheet as on March 31, 2015 and based on unaudited financial statements as on December 31, 2015 is as under:

Particulars	Rupees (in Lacs)
Authorized Capital	
50,00,00,000 Equity shares of Re.1/- each	5,000.00
2,00,00,000 Preference shares of Rs.10/- each	2,000.00
Total	7,000.00
Issued Capital	
25,79,53,110 Equity shares of Re.1/- each fully paid up	2,579.53
Total	2,579.53



Subscribed and Paid-up Capital	
25,79,45,110 Equity shares of Re.1/- each fully paid-up	2,579.45
Add: Paid up value of 8,000 Equity shares of Re.1/- each forfeited	0.02
Total	2,579.47

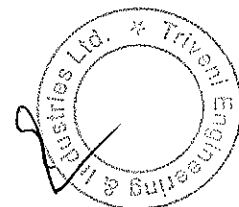
There has been no change in the share capital of the Transferor Company from the above date till the approval of the Scheme by the Board of Directors.

- 7.2 The authorized, issued, subscribed and paid up share capital of the Resulting Company as per the Audited financial statements as on December 31, 2015, is as under:

Particulars	Rupees (in Lacs)
Authorized Capital	
50,000 Equity Shares of Re.1/- each	0.50
Total	0.50
Issued Capital	
50,000 Equity Shares of Re.1/- each fully paid-up	0.50
Total	0.50
Subscribed and Paid-up Capital	
50,000 Equity Shares of Re.1/- each fully paid-up	0.50
Total	0.50

There has been no change in the share capital of the Resulting Company from the above date till the approval of the Scheme by the Board of Directors.

- 7.2.1 The entire issued and paid up share capital of the Resulting Company is beneficially owned by the Transferor Company. As such the Resulting Company is a wholly owned subsidiary of the Transferor Company.

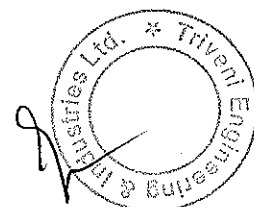


PART II - TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

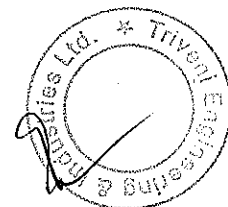
8. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING OF THE TRANSFEROR COMPANY INTO THE RESULTING COMPANY

With effect from the Appointed Date or such other date as may be fixed or approved by the Hon'ble High Court and upon the Scheme becoming effective, the Demerged Undertaking shall be transferred and vested in the Resulting Company in the following manner:

- 8.1 The whole of the Demerged Undertaking of the Transferor Company as defined in Clause 5.1.5, shall under the provision of Section 391 to 394 and all other applicable provisions, if any, of the Act, and pursuant to the Order of the High Court or any other appropriate authority sanctioning the Scheme and without any further act or deed, be demerged from, transferred to and vested in or be deemed to have been demerged from, transferred to and vested in the Resulting Company as a going concern as and from the Appointed Date.
- 8.2 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of this Scheme are found to be interpreted or inconsistent with the said provisions at a later date including resulting from amendment of any law or for any other reason whatsoever, the provisions of the said section of the Income Tax shall prevail and the Scheme shall stand modified to the extent necessary to comply with the Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect the remaining parts of the Scheme.
- 8.3 It is clarified that since the Transferor Company owns 100% of the issued share capital of the Resulting Company, the transfer of the Demerged Undertaking in pursuance of this Scheme shall be eligible for remission of the stamp duty in state of Uttar Pradesh, on instruments evidencing transfer of property, vide Finance Department Notification No. M.599/X-501, dated March 25, 1942 issued under Section 9(a) of the Indian Stamp Act, 1899.

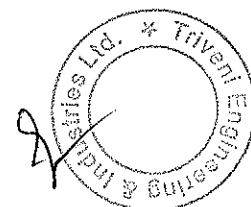


- 8.4 Upon the Scheme becoming effective and with effect from the appointed date, the assets of the Demerged Undertaking shall stand transferred and vested in the Resulting Company in the following manner:
- 8.4.1 In respect of such of the assets of the Demerged Undertaking as are movable in nature or otherwise capable of being transferred by physical delivery, by paying over or by endorsement and delivery, the same shall be so transferred by the Transferor Company, without requiring any deed or conveyance for the same and shall become the property of the Resulting Company as an integral part of the Demerged Undertaking.
- 8.4.2 All immovable properties, assets and rights in the immovable properties pertaining to the Demerged Undertaking of the Transferor Company as defined in Clause 5.1.5, whether freehold or leasehold or otherwise and in terms of such permitted usage are also mentioned therein and all documents of title, rights and easements in relation thereto shall pursuant to the provisions of Sections 391 to 394 and pursuant to the orders of the High Court or any other appropriate authority sanctioning the Scheme and without any further act or deed stand transferred to and vested and/or deemed to be transferred to and vested in the Resulting Company without any encumbrances, fixed and/or floating charges and/or rights given to the lenders of the other divisions of Transferor Company. The Resulting Company shall be entitled to and exercise all rights and privileges attached thereto and shall be liable to pay ground rent, taxes and to fulfill obligations in relation to or applicable to such immovable properties. The Resulting Company shall under the provisions of the Scheme be deemed to be authorized to execute such instruments, deeds and writing on behalf of the Transferor Company to implement or carry out all such formalities or compliances on the part of the Transferor company and to be carried out or performed to give effect to the provisions of this Scheme. The mutation of the title to the immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and upon the Scheme becoming effective, in accordance with the terms hereof, in favour of the Resulting Company. Any inchoate title or possessory title of the Transferor Company in relation to the Demerged Undertaking shall be deemed to be the title of the Resulting Company.
- 8.4.3 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 8.4.1 and 8.4.2 above, the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed



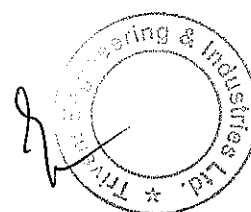
Date pursuant to the provisions of Section 394 the Act. In respect of such assets including actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Resulting Company may, and the Transferor Company shall, on being so requested by the Resulting Company, issue notices in such form as the Resulting Company specifies stating that pursuant to the Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Transferor Company to receive, recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

- 8.4.4 All assets, estate, rights, title, interest and authorities acquired by the Transferor Company after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking, shall also stand transferred to and vested in the Resulting Company with effect from the Effective Date in accordance with and in the manner prescribed in Clause 8.4.1, 8.4.2 and 8.4.3 above.
- 8.5 Upon the coming into effect of this Scheme, the amount standing to the credit of the Capital Reserve Account (representing capital subsidy) and Molasses Storage Fund Reserve Account, to the extent they are pertaining to or relatable to the Demerged Undertaking as on the Appointed Date, if any shall, without any further act or deed be transferred to the Resulting Company and shall thereupon become the Capital Reserve (representing capital subsidy) and Molasses Storage Fund Reserve of the Resulting Company.
- 8.6 Upon the coming into effect of this Scheme, the liabilities of the Demerged Undertaking as on the Appointed Date shall be transferred / dealt with in the following manner:
- 8.6.1 It is clarified that with effect from the Effective Date, liabilities and obligations of the Transferor Company which arose out of the activities or operations of the Demerged Undertaking as on the Appointed Date, shall be deemed to have been transferred to the Resulting Company and to the extent they are outstanding on the Effective Date shall, without any further act or deed be transferred to the Resulting Company and shall



thereupon become the liabilities and obligations of the Resulting Company which the Resulting Company undertakes to meet, discharge and satisfy to the exclusion of the Transferor Company.

- 8.6.2 All liabilities including loans and borrowings present, future, and contingent liabilities and obligations of the Transferor Company allocable or pertaining to the Demerged Undertaking, including guarantees in respect of borrowings or non-fund based facilities pertaining to or relating to the Demerged Undertaking, (collectively the 'Transferred Liabilities'), shall without any further act or deed, become liabilities, loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Resulting Company as if it had entered into such loans and incurred such borrowings. For the purpose of this Scheme, it is clarified that the Transferred Liabilities shall include:
- 8.6.2.1 The liabilities which arise out of the activities or operations of the Demerged Undertaking;
- 8.6.2.2 The specific loans or borrowings raised, incurred and utilized solely for the activities and operations of the Demerged Undertaking; and
- 8.6.2.3 So much of the amounts of the general or multipurpose borrowings of the Transferor Company, allocable to the Demerged Undertaking as stand in the same proportion in which the value of the assets transferred under this Scheme bears to the value of the assets of the Transferor Company immediately before the demerger, as prescribed under section 2(19AA) of the Income Tax Act, 1961.
- 8.6.3 Subject to the provisions of Clause 8.6.2 above and from the Effective Date, the Resulting Company alone shall be eligible to perform all obligations in respect of the Transferred Liabilities as the borrower/issuer thereof, and the Transferor Company shall not have any obligation in respect of the Transferred Liabilities.

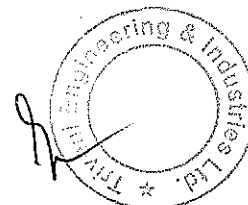


- 8.6.4 It is expressly provided that, save as mentioned in this Clause 8.6, no other terms or condition of the Transferred Liabilities shall be modified except to the extent that such amendment is required by necessary implications.
- 8.6.5 Where any of the liabilities and obligation of the Transferor Company as on the Appointed Date deemed to be transferred to the Resulting Company have been discharged by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company, and all loans raised and used and all liabilities and obligations incurred by the Transferor Company pertaining to the Demerged Undertaking after the Appointed Date and prior to the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company which shall meet, discharge and satisfy the same to the exclusion of the Transferor Company.
- 8.6.6 The provisions of this Clause 8.6 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue of any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

9. LEGAL PROCEEDINGS

Upon the Scheme becoming effective, and with effect from the Appointed Date, all legal, taxation and other proceedings of the Demerged Undertaking shall be transferred / dealt in the following manner:

- 9.1 From the Effective Date, all legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) ('Proceedings') by or against the Transferor Company, whether pending on the Appointed Date or which may be instituted any time in future and in each case relating or pertaining to the Demerged Undertaking including but not limited to proceedings pending before the Lucknow Bench of the Allahabad High Court with respect to the U.P. Sugar Industry Promotion Policy 2004 issued by the State Government of Uttar Pradesh, shall be continued and enforced by or against the Resulting Company after the Effective Date to the extent



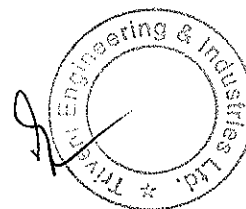
legally permissible. To the extent, such proceedings cannot be taken over by the Resulting Company, the Proceedings shall be pursued by the Transferor Company as per the instruction of and entirely at the cost of the Resulting Company

- 9.2 If the proceedings are taken against the Transferor Company in respect of the matters referred to in Clause 9.1, the Transferor Company shall defend in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the Resulting Company shall reimburse and indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.

10. **CONTRACTS, LICENSES, APPROVALS AND PERMITS**

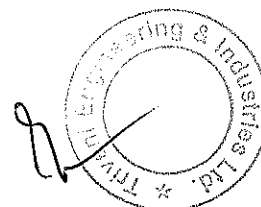
Upon the Scheme becoming effective, and with effect from the Appointed Date, all contracts, licenses, approval, permits etc of the Demerged Undertaking shall be transferred deemed assigned / dealt in the following manner:

- 10.1 With effect from the Effective Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, schemes, arrangements and other instruments, if any, of whatsoever nature and relating to the Demerged Undertaking to which the Transferor Company is a party or to the benefit of which the Demerged Undertaking may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in force and effect against or in favour of, as the case may be, the Resulting Company, and may be enforced as fully and effectually as if, instead of the Transferor Company, the Resulting Company had been a party or beneficiary or obligee thereto.
- 10.2 Without prejudice to the other provisions of the Scheme and notwithstanding that the vesting of the Demerged Undertaking with the Resulting Company occurs by virtue of the Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, writings, confirmations, novation, tripartite agreements, declarations, or other documents with, or in favour of any party to any contract or arrangement to which the Transferor Company is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor Company will, if necessary, also be party to the above. The Resulting



Company, shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of the Transferor Company to be carried out or performed.

- 10.3 For avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon coming into effect of the Scheme, on the Appointed Date, all consents, permissions, licenses, certificate, authorities given by, issued to or executed in favour of the Transferor Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the Scheme coming into effect and the rights and benefits under such consents, permissions, licenses, certificates etc., shall be available to the Resulting Company. Any registration fees, charges etc paid by the Transferor Company in relation to the aforementioned consents, permissions, licenses, approvals, certificates, clearances and authorities, shall deemed to have been paid by the Resulting Company.
- 10.4 Without prejudice to the generality of the foregoing, upon the coming into effect this scheme on the Appointed Date, all consents, permissions, licenses, approvals, certificates, clearances and authorities in respect to or under the provision(s) of the Factories Act, Industrial Disputes Act, Industries (Development and Regulation) Act, Payment of Wages Act, Payment of Gratuity Act, Payment of Bonus Act, Industrial Employment Standing Orders Act, Employment Exchange Act, State Labour Welfare Fund Act, Motor Vehicle Act, Environment Protection Act & Pollution Control Act, Electricity Act, State Tax on Professions, Trades, Ceiling and Employment Act of the respective states, originally given by, issued to or executed in favour of the Transferor Company in relation to the Demerged Undertaking as on the Appointed Date shall stand transferred or deemed amended in favour of the Resulting Company as if the same were originally given by, issued or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.
- 10.5 It is clarified that if any contract, deed, bond, agreements, scheme, arrangements, or other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Transferor Company is a party cannot be transferred to the Resulting Company for any reason whatsoever, the Transferor Company shall hold such contract,



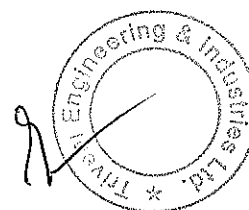
deed, bond, agreements, scheme, arrangements, or other instruments of whatsoever nature in trust for the benefit of the Resulting Company.

- 10.6 Upon the Scheme coming into effect, the past track record of the Transferor Company in relation to the Demerged Undertaking, without any limitation, including inter-alia profitability, production, volume, experience, credentials market share, etc. shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes including for the purpose of the eligibility, standing, evaluation and participation, of the Resulting Company in all existing and future bids, tender, contracts of all authorities, agencies and clients and with respect to any benefit, subsidy or claim arising to the Resulting Company under the U.P. Sugar Industry Promotion Policy 2004 issued by the State Government of Uttar Pradesh.

11. EMPLOYEES

Upon the Scheme becoming effective:

- 11.1 All the employees of the Transferor Company, who are a part of the Demerged Undertaking ("the Employees"), shall stand transferred to the Resulting Company on terms and conditions not less favorable than those on which they were engaged by the Transferor Company (including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits) without any interruption in service as a result of transfer of the Demerged Undertaking of the Transferor Company to the Resulting Company.
- 11.2 The Resulting Company agrees that the services of all the Employees with the Transferor Company prior to the transfer, as aforesaid, shall be taken into account for the purpose of the benefit to which the said Employees may be eligible, including in relation to the level of remuneration and contractual and statutory benefits, incentive plans, terminal benefits, gratuity plans, provident plans, superannuation plans and any other retirement benefits and accordingly be reckoned therefore from the date of their respective appointment in the Transferor Company.
- 11.3 The existing provident fund, gratuity fund and pension and/or superannuation fund trusts, if any, of which the Employees of the Transferor Company, being transferred

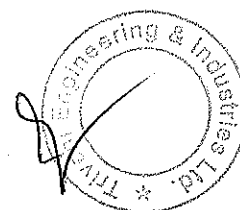


under Clause 11.1 above to the Resulting Company, are members or beneficiaries as on the Appointed Date, along with the accumulated contributions therein till the Effective Date, shall with the approval of the concerned authorities if so required, be transferred to and continued without any break, to be administered by the Resulting Company for the benefit of such Employees on the same terms and conditions. Accordingly, the balances in the provident fund, gratuity fund and pension and/or superannuation fund, if any, pertaining to the said Employees of the Transferor Company, and at the direction of the Resulting Company, shall either be continued as separate funds of the Resulting Company for the benefit of such Employees or be transferred to and merged with the similar funds of the Resulting Company. In the event that the Resulting Company does not have its own funds in respect of any of the above, the Resulting Company, may subject to the necessary approvals and permissions, continue to contribute to the relevant funds of the Transferor Company, until such time that the Resulting Company creates its own funds/ arrangements at which time the funds and the investments and contribution pertaining to the concerned Employees shall be transferred to the funds created by the Resulting Company.

12. TAX TREATMENT

Upon the Scheme becoming effective:

- 12.1 It is clarified that all the taxes and the duties payable by the Transferor Company, relating to the Demerged Undertaking, from the Appointed Date onwards, including all advance taxes, tax deduction at source, tax liabilities, or any refunds or claims shall, for all purpose, be treated as advance tax payments, tax deduction at source, tax liabilities, refunds or claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Transferor Company, is expressly, permitted to revise and file and the Resulting Company is expressly permitted to revise and file their respective, income tax returns including tax deduction at source certificates, sales tax/value added tax returns, excise return, service tax returns, and other tax returns, and to claim refund/credit, pursuant to the provisions of this Scheme.
- 12.2 In accordance with the MODVAT/CENVAT/VAT rules framed under the Central Excise Act, 1944, or relevant state legislation, as are prevalent on the Effective Date, the unutilized credit relating to excise duties and value added taxes paid on inputs/capital goods lying to the account of the Demerged Undertaking, shall be



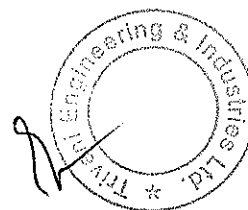
permitted to be transferred to the credit of the Resulting Company, as if such unutilized credits were lying to the account of the Resulting Company. The Resulting Company shall accordingly be entitled to set off all such credits against excise duty / applicable valued added tax payable by it.

- 12.3 Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued or TDS returns filed by the Transferor Company pertaining to the Demerged Undertaking shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by the Resulting Company.
- 12.4 The obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company pertaining to the Demerged Undertaking under the Income Tax Act, 1961, service tax laws, central sales tax, state value added tax or other applicable laws and/or regulations dealing with taxes, duties or levies shall be deemed to have been made and duly complied with on behalf of the Resulting Company.
- 12.5 All the expenses incurred by the Transferor Company and the Resulting Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to each of the Transferor Company and the Resulting Company in accordance with Section 35DD of the Income Tax Act, 1961 over a period of 5 years beginning with the previous year in which the Scheme becomes effective.

13. **SECURITY**

The transfer and vesting of the Demerged Undertaking under Clause 8 above, shall be subject to the existing securities, charges and mortgages, if any in relation to the liabilities of the Demerged Undertaking transferred by the Transferor Company.

- 13.1 In so far as the assets comprised in the Demerged Undertaking are concerned, the existing securities, mortgages, charges, encumbrances or liens (the "Encumbrances"), if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowing of the Transferor Company, shall without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to those liabilities retained in the Transferor Company.



13.2 In so far as the assets retained in the Transferor Company are concerned, the security over such assets, to the extent they relate to the liabilities transferred under Clause 8.6.2 above, shall, without any further act, instrument or deed be released and discharged from such security. The absence of any formal amendment which may be required by a lender or a third party in order to effect such release shall not affect the operation of the foregoing sentence.

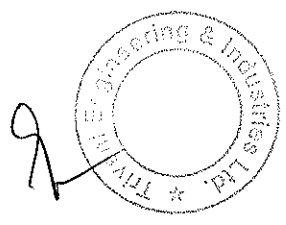
14. **SAVING OF THE CONCLUDED TRANSACTIONS AND CONDUCT OF THE BUSINESS TILL THE EFFECTIVE DATE**

14.1 The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking as per this Scheme and continuance of the proceedings by or against the Resulting Company under Clause 9 hereof shall not affect any transactions or proceedings, already completed by the Transferor Company on or before the Appointed Date to the end and intent that the Resulting Company accept all acts, deeds and things done and executed by and/or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

14.2 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company shall be deemed to have been carrying on all the business and activities relating to the Demerged Undertaking for and on account of and in trust for the Resulting Company.

14.3 All profits accruing to the Transferor Company or losses arising or incurred by it (including the effect of taxes if any thereon) after the Appointed Date and up to the Effective Date, relating to the Demerged Undertaking shall for all purposes, be treated as profits, taxes, or losses, as the case may be, of the Resulting Company.

14.4 The Transferor Company hereby confirms that it has and shall continue upto the Effective Date, to preserve and carry on the Demerged Undertaking, with reasonable diligence and business prudence and it will not, without prior consultation with the Resulting Company, alienate, charge, or otherwise deal with or dispose or suspend business operation of the Demerged Undertaking or any part thereof (in each case except in the ordinary course of business) or undertake substantial expansion of the

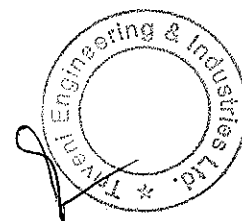


Demerged Undertaking, other than expansions which have already commenced prior to the Appointed Date.

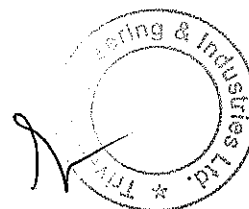
- 14.5 The Transferor Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders, in respect of the accounting period prior to the Effective Date. It is clarified that the aforesaid provisions with reference to the declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any member of the Transferor Company or the Resulting Company to demand or claim any dividend which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Director of the Transferor and the Resulting Company, as the case may be, subject to such approval of the respective shareholders, as may be required.
- 14.6 It is expressly clarified that the consent of the members to the Scheme shall be deemed to be their consent/approval also to any transactions between the Transferor Company and the Resulting Company between the Appointed Date and the Effective Date which may necessitate members approval under Section 188 of the Act read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules 2014 and the relevant provisions of the Listing Agreement/Regulations as may be applicable after the effectiveness of the Scheme.

15. **CONSIDERATION**

- 15.1 Upon the Scheme becoming effective and subject to the terms and condition of this Scheme and as may be determined by the Board of Directors of the Transferor Company and the Resulting Company, in consideration of the demerger and transfer of the Demerged Undertaking by the Transferor Company to the Resulting Company in terms of this Scheme, the Resulting Company shall, without any application or deed, issue and allot to the equity shareholders of the Transferor Company holding paid up Equity Shares in the Transferor Company and whose names appear in Register of Members of the Transferor Company on the Record Date (or his/her/its legal heirs, executors or administrators or as the case may be, successors), 1(One) Equity Share of Re.1/- (Rupee One) each, credited as fully paid in the equity share capital of the Resulting Company for every 1(One) Equity Share of Re.1/- (Rupee One) each held by them in the Transferor Company (the "New Equity Shares")

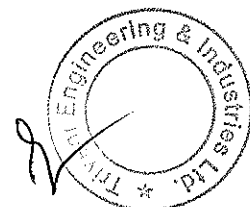


- 15.2 The total number of New Equity Shares to be issued and allotted to the member of the Transferor Company pursuant to clause 15.1 above, shall be at par, credited as fully paid up and shall have rights attached thereto as follows:
- 15.2.1 The New Equity Shares to be issued and allotted pursuant to the Clause 15.1 hereof shall in all respects, rank pari-passu with the existing Equity Shares of the Resulting Company.
- 15.2.2 The New Equity Shares to be issued and allotted hereof will be subject to the applicable provisions of the Memorandum and Articles of Association of the Resulting Company.
- 15.3 In respect of the equity shares in the Transferor Company already held in dematerialized form, the New Equity Shares to be issued by the Resulting Company in lieu hereof shall also be issued in dematerialized form with the shares being credited to the existing depository account of the member of the Transferor Company entitled thereto, unless otherwise notified in writing by the shareholders of the Transferor Company to the Resulting Company on or before the Record Date. In respect of the equity shares of the Transferor Company held in physical form, each member of the Transferor Company holding such share shall have the option, to be exercised by way of giving a notice to the Resulting Company on or before the Record Date, to receive the New Equity Shares of the Resulting Company either in physical form or in a dematerialized form, provided however, in case of the latter, the said notice shall contain the details of the relevant depository account. In the event that such notice has not been received by the Resulting Company in respect of any member, the New Equity Shares of the Resulting Company shall be issued to such members in physical form.
- 15.4 The New Equity Shares to be issued to the members of the Transferor Company by the Resulting Company will be listed and/or admitted to trading on the NSE and BSE, where the equity shares of the Transferor Company are listed and admitted to trading. The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as maybe necessary in accordance with the applicable laws or regulations including Securities and Exchange Board of India ("SEBI") Guidelines/Circulars to comply with the requirements and formalities of the said Stock Exchanges. The equity shares of the Resulting Company allotted pursuant to the



Scheme shall remain frozen in the depositories system till listing and trading permission is given by the Stock Exchange(s).

- 15.5 The Equity Shares to be issued by the Resulting Company pursuant to Clause 15.1 of this Scheme, in respect of any equity shares of the Transferor Company, which are held in abeyance under the provisions of Section 126 of the Companies Act 2013 of the Act or otherwise, shall pending allotment or settlement of dispute by order of the Court or otherwise be held by the trustees appointed by the Resulting Company.
- 15.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of Directors of the Transferor Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Resulting Company or the Transferor Company of such shares.
- 15.7 There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the date of the listing of the equity shares of the Resulting Company pursuant to the Scheme, save and except pursuant to the issuance of shares under this Scheme.
- 15.8 Approval of this Scheme by the shareholders of the Transferor Company shall be deemed to be the due compliance of the provisions of Section 62(1)(c) of the Companies Act, 2013 and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the shareholders of the Transferor Company, as provided in this Scheme and no separate resolution under the Act would be required to be passed.
- 15.9 Upon the Scheme becoming effective and upon issue of equity shares by the Resulting Company in accordance with Clause 15.1 above, the existing equity shares of the Resulting Company held by the Transferor Company and its nominees, as on the Record Date shall, without any application or deed or payment, stand cancelled. Further, such cancellation of the existing equity shares of the Resulting Company shall be effected as an integral part of this Scheme without having to separately follow the process under Sections 100 to 103 of the Companies Act, 1956 (corresponding to Section 66 of the Companies Act, 2013 as and when notified) and the Order of the High

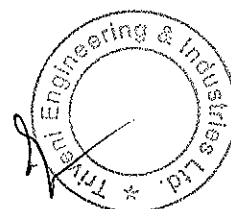


Court sanctioning the said Scheme shall be deemed to be also the Order under Section 102 of the Act for the purpose of confirming the said reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of Section 101 of the said Act will not be applicable. Furthermore, the Resulting Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

- 15.10 It is hereby expressly clarified that the consent of the shareholders and the secured and unsecured creditors to the Scheme shall be deemed to be sufficient for the purposes of effecting the above reorganization in the issued and paid-up equity share capital of the Resulting Company, resulting in a reduction in the equity share capital of the Resulting Company, and no further resolution and/or action under Section 100 of the Companies Act, 1956 (corresponding to Section 66 of the Companies Act, 2013 as and when notified) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

16 INCREASE IN THE AUTHORISED SHARE CAPITAL

- 16.1 Upon the Scheme coming into effect the Authorized Share Capital of the Resulting Company consisting of Rs. 50,000/- divided into 50,000 equity shares of Re. 1/- each shall stand increased by Rs.34,99,50,000/- to Rs.35,00,00,000/- divided into 35,00,00,000 equity shares of Re. 1/- each.
- 16.2 The Authorized Share Capital of the Resulting Company will stand increased as above upon the sanction of the said Scheme without any further act or deed on part of the Resulting Company and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the amendment to the Memorandum of Association and Articles of Association of the Resulting Company (relating to the authorized share capital) and no further resolution(s) under Section 13, Section 14, and Section 61 of the Companies Act, 2013 (corresponding to Section 16, Section 31, Section 94 of the Companies Act, 1956) or any other applicable provisions of the Act, would be required to be separately passed.
- 16.3 The increase in Authorized Share Capital shall be subject to the payment of necessary fees for registration and stamp duty by the Resulting Company.



17 ACCOUNTING TREATMENT

17.1 IN THE BOOKS OF THE RESULTING COMPANY

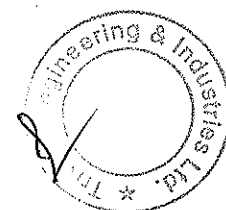
On the Scheme becoming effective:

- 17.1.1 The Resulting Company shall record the assets and liabilities, of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective book values thereof as appearing in the books of the Transferor Company at the close of the business day immediately preceding the Appointed Date.
- 17.1.2 The Resulting Company shall credit to its Share Capital Account in its books of accounts the aggregate face value of the New Equity Shares issued by it to the members of the Transferor Company pursuant to this Scheme.
- 17.1.3 The Resulting Company shall credit to its Capital Reserve (relating to capital subsidy) and Molasses Storage Reserve Account, the respective amounts pertaining to the Demerged Undertaking transferred to it as per Clause 8.5.
- 17.1.4 The excess of the book value of the assets over the aggregate of the book value of liabilities, the amount of reserves transferred as per Clause 8.5 of the Demerged Undertaking, the amount credited to the share capital account as per Clause 17.1.2 and the amount of share capital reduced as per Clause 15.9, pursuant to the Scheme shall be credited to the Capital Reserve Account. However where the aggregate book value of liabilities, amount of reserves transferred as per Clause 8.5, the amount credited to the share capital account as per Clause 17.1.2 and the amount of share capital reduced as per Clause 15.9, pursuant to this Scheme, exceeds the book value of the assets of the Demerged Undertaking, such excess shall be debited by the Resulting Company to the Goodwill Account.

17.2 IN THE BOOKS OF THE TRANSFEROR COMPANY

On the Scheme becoming effective:

- 17.2.1 The book value of all assets and liabilities relating to the Demerged Undertaking transferred pursuant to this Scheme from the Transferor Company to the Resulting



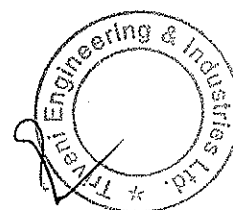
Company shall be reduced from the total book value of assets and liabilities as appearing in the books of the Transferor Company at the close of the business date immediately preceding the Appointed Date.

17.2.2 The amount of the Capital Reserve (relating to capital subsidy) and Molasses Storage Fund Reserve account transferred pursuant to Clause 8.5 of this Scheme by the Transferor Company to the Resulting Company shall be reduced from the respective balances as appearing in the books of the Transferor Company at the close of the business date immediately preceding the Appointed Date.

17.2.3 The excess of the aggregate of the book value of the assets of the Demerged Undertaking transferred under this Scheme and the investment in share capital of the Resulting Company as reduced under Clause 15.9 over the aggregate of book value of the liabilities, the amount standing to the credit of Capital Reserve (relating to capital subsidy) and the Molasses Storage Fund Reserve account of the Demerged Undertaking transferred under this Scheme, if any, shall be adjusted against the following balances as appearing in the books of the Transferor Company, in the following order:

- Amalgamation Reserve Account;
- Capital Reserve Account;
- Capital Redemption Reserve;
- Securities Premium Account;
- General Reserves; and
- Balance, if any, shall then be adjusted against the surplus/deficit in Profit & Loss Account

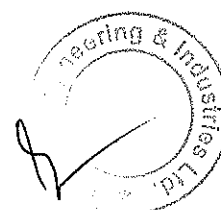
17.2.4 The excess of aggregate of book value of the liabilities, the amount standing to the credit of Capital Reserve (relating to capital subsidy) and Molasses Storage Fund Reserve account of the Demerged Undertaking transferred under this Scheme over the aggregate of the book value of assets of the Demerged Undertaking transferred under this Scheme and the investment in share capital of the Resulting Company as reduced under Clause 15.9, if any, shall be credited to the Capital Reserve Account of the Transferor Company.



- 17.2.5 The utilization of the Capital Redemption Reserve and Securities Premium Account as mentioned as per clause 17.2.3 above shall be effected as an integral part of the Scheme in accordance with the provisions of Section 52 of the Companies Act, 2013 (corresponding to Section 78 of the Companies Act, 1956) and Sections 100 to 103 of the Act and the order of the High Court sanctioning the Scheme shall be deemed to be also the Order under Section 102 of the Act.
- 17.2.6 It is expressly clarified that the consent of the shareholders and the secured and unsecured creditors to the Scheme shall be deemed to be sufficient for the purposes of effecting necessary accounting treatment contemplated in Clause 17.2.5 above, and no further resolution and/or action under Section 100 or 101 of the Companies Act, 1956 (corresponding to Section 66 of the Companies Act, 2013 as and when notified) and/or any other applicable provisions of the Act would be required to be separately passed or taken.

18 REMAINING BUSINESS

- 18.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
- 18.2 All legal and other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company, which shall keep the Resulting Company fully indemnified in that regard. The Resulting Company shall in no event be responsible or liable in relation to any such legal, or other proceeding against the Transferor Company, which relate to the Remaining Business.



PART III – GENERAL TERMS AND CONDITIONS

19 LISTING AGREEMENT AND SEBI COMPLIANCES

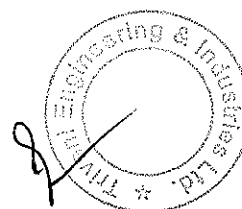
- 19.1 The Transferor Company being a listed company, this Scheme is subject to the Compliances by the Transferor Company of all the requirements under the listing agreement and all statutory directives of the Securities and Exchange Board of India ('SEBI') insofar as they relate to sanction and implementation of the Scheme.
- 19.2 The Transferor Company in compliance with the listing agreement shall apply for obtaining Observation letter or No-objection letter of the BSE and NSE where its equity shares are listed in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prior to approaching the Court for sanction of the Scheme.
- 19.3 The Transferor Company shall also comply with the directives of SEBI contained in the Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, in pursuance of sub-rule(7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for relaxation from the enforcement of clause (b) to sub-rule (2) of rule 19 thereof.

20 APPLICATION TO THE HIGH COURT/AUTHORITIES

- 20.1 Transferor Company and Resulting Company shall jointly, with all reasonable dispatch, make all applications/petitions/affidavits under Sections 391-394 of the Companies Act, 1956 and other applicable provisions of the Act to the High Court or NCLT or any other appropriate authority, for directions to convene and/or dispense with all or any of the meetings and other directions for sanction of this Scheme under the provisions of law and to other authorities and bodies for obtaining their approvals, no-objections, consents etc., as may be required under any law.

21 MODIFICATION OR AMENDMENTS TO THE SCHEME

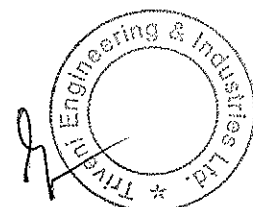
Transferor Company and Resulting Company, through their respective Board of Directors may assent from time to time, on behalf of all persons concerned, to any extension, modifications/ amendments to the Scheme (including modification in the



Appointed Date) or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Transferor Company and Resulting Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. No further approval of the shareholders or the creditors of the Transferor or the Resulting Company shall be necessary for giving effect to the provisions contained in this Clause.

22 REVOCATION, WITHDRAWAL OF THIS SCHEME

- 22.1 Subject to the order of the High Court, the Board of Directors of the Companies shall be entitled to revoke, cancel, withdraw and declare this Scheme of no effect at any stage if:
- (i) this Scheme is not being sanctioned by the High Court or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason;
 - (ii) in case any condition or alteration imposed by the High Court, shareholders of the Companies or any other authority is not acceptable to the Board of Directors of the Companies;
 - (iii) the Board of Directors of the Companies are of view that the coming into effect of this Scheme in terms of the provisions of this Scheme or filing of the drawn up order with any Governmental Authority could have adverse implication on all or any of the Transferor Company or the Resulting Company.
- On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the Companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each party shall bear its own costs unless otherwise mutually agreed. No approval of the shareholders or the creditors of any of the Transferor Company and Resulting Company shall be necessary for giving effect to the provisions of this Clause.

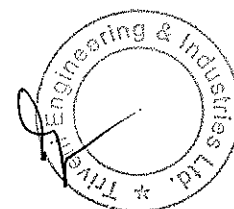


- 22.2 The non-receipt of any sanctions or approvals or a particular asset or liability forming part of the Demerged Undertaking getting transferred pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the Companies so decide.
- 22.3 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Company and the Resulting Company, affect the validity or implementation of the other parts and/ or provisions of this Scheme.
- 22.4 No person claiming to have acted or changed his position in anticipation of this Scheme taking effect, shall get any cause of action against any of the Transferor Company or Resulting Company or their directors or officers, if the Scheme does not take effect for any reason whatsoever, or is withdrawn, amended or modified for any reason whatsoever.

23 CONDITIONALITY OF THE SCHEME BECOMING EFFECTIVE

The Effectiveness of the Scheme is subject to the following conditions precedent:

- 23.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the Members and/ or Creditors of the Transferor Company and the Resulting Company as may be directed by the High Court or any other competent authority, as may be applicable.
- 23.2 The Scheme being sanctioned by the High Court under Sections 391 to 394 and other relevant provisions of the Act and the necessary Orders under Section 394 of the said Act being obtained.
- 23.3 Certified copies of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Uttar Pradesh by the Transferor Company and the Resulting Company.



23.4 The requisite, consent, approval or permission of any Government, statutory or regulatory authority which by law may be necessary for the implementation of this Scheme.

24 EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in Clause 23 not being obtained and/ or the Scheme not being sanctioned by the High Court , this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. In such an event, each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.

25 COSTS, CHARGES & EXPENSES

All costs, charges and expenses including stamp duties arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferor and/or Resulting Company as may be mutually agreed upon by the Board of Directors of the of the Transferor Company and the Resulting Company.

=====~~XXX~~=====

