Gokul Refoils & Solvent Ltd.
Corporate Office :
"Gokul House", 43-Shreemali Co-op. Housing Society Ltd.
Opp. Shikhar Building, Navrangpura,
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CIN: L15142GJ1992PLC018745

Annexure-II

Gist of the Scheme

A. Background of Companies:

GokulRefoils and Solvent Limited (GRSL), incorporated on 29th December 1992 is a public company and its shares are listed at the BSE and NSE. GRSL is one of the leading FMCG Companies of India with international presence, dealing in edible oils such as Soya bean oil, Cottonseed oil, Palm oil (Palmolein), Sunflower oil, Mustard oil, Groundnut oil, Vanaspati and Industrial oil such as Castor oil. The Company has also diversified in Power sector as well as Windmills as the alternate power solutions.

Gokul Agro Resources Limited (GARL), incorporated as a wholly owned subsidiary company of GRSL on 3rd July 2014 is also engaged in similar commercial operations as that of GRSL.

GokulAgri International Limited (GAIL), incorporated as a wholly owned subsidiary company of GRSL on 23rd May 2014 is also engaged in similar commercial operations as that of GRSL.

B. Rationale of the Scheme:

GokulRefoils and Solvent Limited, Gokul Agro Resources Limited and GokulAgri International Limited are all part of the same group ('Gokul Group'). GRSL had the following Manufacturing Undertakings:

a) Haldia Undertaking;
b) Gandhidham Undertaking; and
c) Sidhpur Undertaking

Along with the above Undertakings, GRSL also had the following Power Generation Undertakings:

a) Gandhidham Windmill Undertaking;
b) Sidhpur Windmill Undertaking.

In order to achieve geographical operational efficiencies and unlock shareholders value, the management of GRSL proposed to separate each business undertakings based on the commercial objectives and relevant geographies of the Undertakings into separate Companies. Further, the Management of GRSL intended to revalue the Fixed Assets of its Remaining Undertaking in order to reflect true and fair value of the Assets.

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With the above rationale and objective, the Composite Scheme of Arrangement in nature of demerger of Gandhidham undertaking of GokulRefoils and Solvent Limited (GRSL) to Gokul Agro Resources Limited (GARL) and transfer of Sidhpur undertaking of GRSL to GokulAgri International Limited (GAIL) under section 391-394 of the Companies Act, 1956('scheme of arrangement') was entered into by these companies.

C. Transactions under the Scheme of Arrangement

The Scheme of Arrangement was entered into by GRSL, GARL and GAIL for -

- Transfer of Gandhidham Undertaking and Gandhidham Windmill Undertaking into GARL;
- Transfer of Sidhpur Undertaking and Sidhpur Windmill Undertaking into GAIL; and
- Revaluation of the Fixed Assets of the Remaining Undertaking of the Demerged Company as on the Appointed date to represent the fair value of the Assets of the Remaining Undertaking the Demerged Company

Under the scheme of arrangement, the aforementioned transactions were to be carried out in the following manner:

- Demerger of Gandhidham Undertaking and Gandhidham Windmill Undertaking from GRSL to GARL as per provisions of section 2(19AA) of the Income-Tax Act, 1961 ('IT Act'). Upon the effectiveness of this Scheme, GARL will be listed on the stock exchanges where shares of GRSL are listed;

- Transfer of Sidhpur Undertaking and Sidhpur Windmill Undertaking from GRSL to GAIL

D. Consideration

Consideration for transfer and vesting of Gandhidham Undertaking and Gandhidham Windmill Undertaking of GRSL to GARL:

"1 (One) fully paid up Equity Share of Rs.2/-(Rupees Two Only) each of GARL shall be issued and allotted for every 1 (One) fully paid up Equity Share of Rs. 2/-(Rupees Two Only) each held in GRSL

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For Gokul Refoils & Solvent Ltd.

Company Secretary

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Consideration for transfer and vesting of Sidhpur Undertaking and Sidhpur Windmill Undertaking of GRSL to GAIL:

GAIL shall issue such number of shares to GRSL equivalent to the value as may be determined and mutually agreed between the Board of Directors of GRSL and GAIL in respect of the assets and liabilities being transferred pertaining to Sidhpur Undertakings

E. **Details of Share Capital:**

The share capital of GRSL (demerged company) as on 31st March 2014 was as under:

Particulars	Amount
Authorized Share Capital	
175,000,000 equity shares of Rs.2 each	350,000,000
TOTAL	**350,000,000**
Issued, Subscribed and Paid-up share capital	
131,895,000 equity shares of Rs. 2/- each fully paid up	263,790,000
TOTAL	**263,790,000**

The share capital of GARL (resulting company) as on 03rd July 2014, (being the date of incorporation) was as under:

Particulars	Amount
Authorized Share Capital	
50,000 equity shares of Rs.10 each fully paid up	500,000
TOTAL	**500,000**
Issued, Subscribed and Paid-up share capital	
50,000 equity shares of Rs. 10/- each fully paid up	500,000
TOTAL	**500,000**

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For, Gokul Refoils & Solvent Ltd.
Company Secretary