

A. Brief details of the division to be demerged :

We are demerging the following units:

- i) Sugar Mill situated at P.O. Majhauria, Dist. West Champaran, Pin – 845454, Bihar and all assets, properties, investments and benefits of Jay Shree Tea & Industries Ltd. appertaining to the Sugar Division; and
- ii) Jay Shree Beneficiary Trust Unit holding 65,28,810 equity shares of Jay Shree Tea & Industries Ltd. for the benefit of shareholders of Jay Shree Tea & Industries Ltd.

B. Turnover of the demerged division and as percentage to the total turnover of the listed Entity in the immediately preceding financial year/based on financials of last f.y :

	TURNOVER (Rs. In Lacs)	PERCENTAGE (%)
Sugar Mill	151.41	23%

C. Rationale for demerger

Jay Shree Tea & Industries Limited (JSTIL) is engaged in the business of cultivation and production of tea, chemicals & fertilisers and sugar. JSTIL also holds its 65,28,810 equity shares in Jay Shree Beneficiary Trust. Each of the businesses of JSTIL has its potential for growth and profitability, if carried out independently under separate management and set up. The nature of risk, consideration, factors and commercial parameters applicable to the business of sugar is different from that of tea and fertilisers. As such, it is proposed to reorganise JSTIL by demerger of its Sugar Division to Majhauria Sugar Industries Pvt. Ltd. (MSIPL) and Jay Shree Beneficiary Trust Unit to Jayantika Investment & Finance Limited (JIFL).

The demerger will result in better, efficient and economical management, control, and running of the businesses and further development and growth of the businesses of JSTIL, MSIPL and JIFL.

The demerger will enable JSTIL to focus on its core business of manufacture and sale of tea and fertilizers. Further, MSIPL and JIFL will by reason of demerger, will obtain sugar mill and shares respectively from JSTIL resulting in growth, expansion and development of their respective businesses.

The Scheme will accordingly have beneficial results for all the companies, their shareholders, employees and all concerned. The restructuring will unlock significant value for the shareholders of JSTIL and will be beneficial for all the companies.

D. Brief details of change in shareholding pattern (if any) of all entities :

No change in the shareholding pattern, as both the Companies are 100% subsidiaries and 100% shares will be held by Company itself.

E .In case of cash consideration – amount or otherwise share exchange ratio:

No cash consideration. MSIPL will Issue and allot 31,25,000 Equity Shares of Rs. 10/- each at a premium of Rs. 246/- per share to JSTIL and JIFL will issue and allot 20,00,000 equity shares of Rs. 10/- each at a premium as per market value of shares as on the effective date of the scheme i.e. 1st October 2015 to JSTIL.

F. Whether listing would be sought for the resulting entity :

Both the Companies are 100% subsidiary of the Company and so entire holding will be with the Company so resulting entity does not acquire any listing.