



Gokul Refoils & Solvent Ltd.

Corporate Office :
"Gokul House", 43-Shreemali Co-op. Housing Society Ltd.
Opp. Shikhar Building, Navrangpura,
Ahmedabad-380 009. Gujarat (India)
Ph. : +91-79-66304555, 66615253/54/55
Fax : +91-79-66304543 Email : grsl@gokulgroup.com

27th November, 2014

CIN: L15142GJ1992PLC018745

To,
Dept. of Corporate Services,
Bombay Stock Exchange Ltd.
25th Floor, Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai – 400 001

To,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E) Mumbai - 400 051

Ph: (022)-22727233/34
Fax No: (022)-22721919

Ph : (022)-26598100-8114
Fax No: (022)-26598120

Company Code 532980

Company Code 16705

Dear Sir/ Madam,

Sub: - Intimation of Court Convened meetings.

This is to inform you that Court convened Meeting for approval of Composite Scheme of Arrangement as directed by Honorable High Court of Gujarat scheduled as under:

Particulars	Date	Time	Address
Secured Creditors	22 nd December, 2014	12:00 P.M.	Hotel Sheraton, Opp. Gujarat College, Ellisbridge, Ahmedabad- 380006 Gujarat, India
Shareholders	23 rd December, 2014	11:00 A.M.	State Highway No. 41, Nr. Sujanpur Patia, Sidhpur- 384151 Gujarat, India
Unsecured Creditors	23 rd December, 2014	3:00 P.M.	State Highway No. 41, Nr. Sujanpur Patia, Sidhpur- 384151 Gujarat, India

We are enclosing herewith copies of notices issued to equity shareholders, secured creditors and unsecured creditors.

Thanking you,

Yours truly,

For Gokul Refoils and Solvent Limited


Kalpesh Desai
Company Secretary

Regd. Office & Works : State Highway No-41, Nr. Sujanpur Patia, Sidhpur-384 151. Dist. Patan, Gujarat (India)
Phone : +91-2767 - 222075, 220975 Fax : +91-2767-223475 E-mail : grsl@gokulgroup.com

Gandhidham Unit : 89, Meghpar-Borichi. Galpadar Road, Nr. Sharma Resort, Ta-Anjar, Dist. Kutch-370 110 Gujarat (India)
Phone : +91-2836-247075 / 76 / 77 / 78 / 79 Fax : +91-2836-247080

Surat Unit : N.H. No-8, Nr. Kamrej Sugar Factory, At : Navi Pardi, Ta. : Kamrej, Dist : Surat, Gujarat (India). E-mail : grsl@gokulgroup.com

Haldia Refinery Unit : J.I.N. 149 Plot No Near Essar Petrol pump. HPL Link Road, P.O. Debhog City Centre,
P.S. Bhabanipur, Haldia Furba - Medanipur -721657 (West Bengal) Phone : 03224 252839



Gokul Refoils & Solvent Ltd.

State Highway No. 41, Nr. Sujanpur Patia,
Sidhpur– 384151. Dist. Patan, Gujarat (India)
Phone: +91-2767- 222075, 220975
Fax: +91- 2767-223475
Website: www.gokulgroup.com
Email: csgrrsl@gokulgroup.com
CIN: L15142GJ1992PLC018745

Court Convened Meeting of the Equity Shareholders of Gokul Refoils and Solvent Limited

Day	:	Tuesday
Date	:	23 rd December 2014
Time	:	11.00 am
Venue	:	State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151 Dist. Patan, Gujarat (India)

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**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 289 OF 2014**

In the matter of Sections 391 to 394 read with Sec. 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of

Gokul Refoils and Solvent Limited.

A Company incorporated under the Companies Act, 1956 and having its registered office at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151 in the State of Gujarat

AND

In the matter of Composite Scheme of Arrangement in the nature of de-merger and transfer of Gandhidham Undertakings of Gokul Refoils and Solvent Limited to Gokul Agro Resources Limited and transfer of Sidhpur Undertakings to Gokul Agri International Limited and consequential restructure of the share capital of Gokul Refoils and Solvent Limited

Gokul Refoils and Solvent Limited,	)	
A Company incorporated under the	)	
Companies Act, 1956 and having its	)	
registered office at State Highway No. 41,	)	
Nr. Sujanpur Patia, Sidhpur - 384151	)	
in the State of Gujarat.....	)	 Applicant De-merged Company

NOTICE OF CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS

To,
The Equity Shareholder of Gokul Refoils and Solvent Limited.

TAKE NOTICE that by an Order made on 21st November 2014, the High Court of Gujarat has directed that a meeting of the Equity Shareholders of Gokul Refoils and Solvent Limited be convened and held on Tuesday, the 23rd day of December 2014 at 11.00 am at the registered office of the Company at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151 in the State of Gujarat, for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement in the nature of de-merger and transfer of Gandhidham Undertakings (Gandhidham Undertaking and Gandhidham Windmill Undertaking) of Gokul Refoils and Solvent Limited to Gokul Agro Resources Limited, transfer of Sidhpur Undertakings (Sidhpur Undertaking and Sidhpur Windmill Undertaking) of Gokul Refoils and Solvent Limited to Gokul Agri International Limited and consequential restructure of the share capital in the form of Utilization of Security Premium Account of Gokul Refoils and Solvent Limited, the Applicant De-merged Company, as proposed between the Company and its Equity Shareholders.

TAKE FURHTER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the Applicant De-merged Company will be convened and held on Tuesday, the 23rd day of December 2014 at 11.00 am at the registered office of the Company at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151 in the State of Gujarat, when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or by your authorized representative is deposited at the registered office of the Applicant De-merged Company at Sidhpur, not later than forty-eight hours before the meeting.

The Hon'ble High Court of Gujarat has appointed Mr. Mahesh Agrawal, Group CEO & CFO of the Applicant De-merged Company and failing him Mr. Atul Shah - President - Directorate Office and Strategy of the Applicant De-merged Company, to be the Chairman of the said meeting.

A copy of each of the Scheme of Arrangement, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip is enclosed.

Dated this 27th Day of November 2014
Ahmedabad

Sd/-
Mahesh Agrawal
Chairman appointed for the meeting

Registered Office:

State Highway No. 41, Nr. Sujanpur Patia,
Sidhpur - 384151, in the State of Gujarat.

Note:

The said meeting can be attended either in person or by an Authorised Representative or by Proxy appointed by the Equity Shareholder.

Explanatory Statement under section 393(1)(a) of the Companies Act, 1956 for the Composite Scheme of Arrangement between Gokul Refoils and Solvent Limited, Gokul Agro Resources Limited and Gokul Agri International Limited in the nature of demerger and transfer of Gandhidham Undertakings and transfer of Sidhpur Undertakings and Restructure of Share Capital of Gokul Refoils and Solvent Limited

1. Pursuant to the order dated 21st November 2014 passed by the Hon'ble High Court of Gujarat at Ahmedabad, in the Company Applications filed by the above referred three companies, separate meetings of Equity Shareholders, Secured creditors and Unsecured Creditors of Gokul Refoils and Solvent Limited are directed to be convened for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement in the nature of de-merger and transfer of Gandhidham Undertakings (Gandhidham Undertaking and Gandhidham Windmill Undertaking) of Gokul Refoils and Solvent Limited to Gokul Agro Resources Limited, transfer of Sidhpur Undertakings (Sidhpur Undertaking and Sidhpur Windmill Undertaking) of Gokul Refoils and Solvent Limited to Gokul Agri International Limited and consequential restructure of the share capital in the form of Utilization of Security Premium Account of Gokul Refoils and Solvent Limited ("**Scheme**"). Notice of the said meetings together with the copy of the Scheme is sent herewith. This statement explaining the terms of the Scheme is being furnished as required under section 393(1)(a) of the Companies Act, 1956.
2. The Board of Directors of Gokul Refoils and Solvent Limited at its meeting held on 4th July 2014 has approved the draft Scheme and authorised its finalization and has authorised certain officers, *inter-alia*, to file the Scheme with the Hon'ble High Court of Gujarat at Ahmedabad. Similarly, the Board of Directors of Gokul Agro Resources Limited and Gokul Agri International Limited, at their respective meeting held on 31st July 2014 approved the Scheme. A copy of the Scheme approved as aforesaid is annexed to the said Notice. The same was sent to BSE Limited ("**BSE**") as well as The National Stock Exchange of India Limited ("**NSE**") for obtaining their approval.
3. Post receipt of comments from SEBI on the Scheme of Arrangement, the Company has received, in terms of Clause 24(f) of the Listing Agreement, observation letters from BSE and NSE ("**Stock Exchanges**") dated 14th November 2014 respectively conveying their 'No-Objection' for filing the Scheme of Arrangement with the High Court. Copies of the aforementioned observation letters are enclosed to the said Notice and should be read in their entirety for information regarding the conditions imposed by the Stock Exchanges.
4. As required by the SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4th February 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21st May 2013 ("**SEBI Circular**"), the Company has filed the complaints report with the Stock Exchanges on 12th September 2014. A copy of the same is enclosed as to the said Notice.
5. **Background of Gokul Refoils and Solvent Limited**
 - 5.1 Gokul Refoils and Solvent Limited ("**The De-merged Company**" or "**GRSL**") was incorporated on 29th December 1992 under the name of Gokul Refoils and Solvent Private Limited under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. It became a public company vide fresh certificate dated 1st July 1994 and consequently the name was changed to Gokul Refoils and Solvent Limited. The registered office of GRSL is situated at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151 in the State of Gujarat.
 - 5.2 The objects for which the De-merged Company has been established are set out in its Memorandum of Association. The De-merged Company is primarily engaged in manufacture and marketing of variety of oil products.

5.3 The share capital of the Demerged Company as on 31st March 2014 is as under:

PARTICULARS	AMOUNT (IN Rs.)
<u>Authorized Share Capital</u> 175,000,000 Equity shares of Rs. 2/- each	350,000,000
<u>Issued, Subscribed and Paid up Share Capital</u> 131,895,000 Equity shares of Rs. 2/- each fully paid up	263,790,000

5.4 GRSL 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. The total income of the Company for the financial year ended on 31st March 2014 has been more than Rs. 6400 crores and the net profit has been more than Rs. 3 crores. The Company has built up reserves and surplus of more than Rs. 320 crores. Thus, it is a profit making and dividend paying Company with bright future prospects.

6. Background of Gokul Agro Resources Limited

6.1 Gokul Agro Resources Limited, (“**The Resulting Company**” or “**The Transferee Company-1**” or “**GARL**”) was incorporated as a public company on 3rd July 2014, under the provisions of the Companies Act, 2013 with the Office of Registrar of Companies, Gujarat. The registered office of the Company is situated at B-402, Shapath Hexa, Near Ganesh Meridiyan, Opp. Gujarat High Court, Sola, Ahmedabad - 380060 in the State of Gujarat.

6.2 The objects for which GARL has been established are set out in its Memorandum of Association. It is a Company recently incorporated by GRSL with the object of undertaking the similar commercial operations as that of GRSL.

6.3 The Share Capital of GARL as on 30th September 2014 is as under:

PARTICULARS	AMOUNT (IN Rs.)
<u>Authorized Share Capital</u> 50,000 Equity Shares of Rs. 10/- each	5,00,000
<u>Issued, subscribed and paid-up Share Capital</u> 50,000 Equity Shares of Rs. 10/- each fully paid up	5,00,000

The entire share capital of GARL is held by GRSL, the De-merged Company and hence it is at present Wholly Owned subsidiary of the De-merged Company.

7. Background of Gokul Agri International Limited

7.1 Gokul Agri International Limited (“**Transferee Company-2**” or “**GAIL**”) was incorporated as a public Company on 23rd May 2014, under the provisions of the Companies Act, 2013 with the Office of Registrar of Companies, Gujarat. The registered office of the Company is situated at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151 in the State of Gujarat.

7.2 The objects for which GAIL has been established are set out in its Memorandum of Association. It is a Company recently incorporated by GRSL with the object of undertaking the similar commercial operations as that of GRSL.

7.3 The share capital of GAIL as on 30th September 2014 is as under:

PARTICULARS	AMOUNT (IN Rs.)
<u>Authorized Share Capital</u>	
20,00,000 Equity Shares of Rs. 10/- each	2,00,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
50,000 Equity Shares of Rs. 10/- each fully paid up	5,00,000

The entire share capital of GAIL is held by GRSL, the De-merged Company and hence it is at present Wholly Owned subsidiary of the De-merged Company.

8. **Rationale:**

8.1 The commercial operations of GRSL, the De-merged Company are spread out as: (a) Haldia Undertaking; (b) Gandhidham Undertaking; and (c) Sidhpur Undertaking; and along with the above Undertakings, GRSL also has the Undertakings as: (a) Gandhidham Windmill Undertaking and (b) Sidhpur Windmill Undertaking.

8.2 In order to achieve geographical operational efficiencies, the management of GRSL has proposed to separate each business undertaking based on the location of the Undertakings into separate Companies. Further, the Management of GRSL also wishes to revalue the Fixed Assets of its Remaining Undertaking in order to reflect true and fair value of the Assets. Therefore, with a view to effect such reorganisation, the present Scheme is proposed for segregating the three undertakings: (a) Demerger and Transfer of Gandhidham Undertakings (Gandhidham Undertaking and Gandhidham Windmill Undertaking) from GRSL to GARL. (b) Transfer of Sidhpur Undertakings (Sidhpur Undertaking and Sidhpur Windmill Undertaking) of GRSL to GAIL. (c) 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.

8.3 The re-structuring exercise would, *inter-alia*, achieve the following:

- Restructuring would result in two independent listed companies, which would provide opportunities to the respective businesses to attract different set of investors, strategic partners, lenders and other stakeholders thereby unlocking value of respective business and existing shareholders.
- Restructuring of businesses would enable respective management(s) to concentrate on core businesses and strengthen competencies and provide independent opportunities to increase scale of operations, etc.;
- Restructuring would result in focused management attention to the respective businesses and segregation of businesses with distinct risk-reward profiles.

This would be beneficial to its shareholders as well as creditors.

9. **Restructure of Share Capital:**

9.1 It is proposed to restructure share capital of GRSL in order to make its Balance Sheet realistic upon the demerger and transfer of the Gandhidham Undertakings. The Company has proposed the restructure in form of utilization of its Securities Premium Account; for adjusting the value of the net assets of the De-merged Undertakings as well as cancellation of the investment made in the shares of GARL in its books of accounts. Though there is no actual reduction in Issued and Paid up Equity Share Capital of the Company, the said proposal shall be covered under the provisions of Sec. 78 read with Sec. 100 to 103 of the Companies Act, 1956. However, this being consequential in nature is proposed as an integral part of the proposed Scheme.

10. **Salient Features of the Scheme:**

1. **DEFINITIONS**

1.3 “**Appointed Date**” shall mean January 1, 2015 or such other date as may be fixed or approved by the Hon’ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal (‘NCLT’) or any other appropriate authority.

1.5 **“Gandhidham Undertaking”** means the Gandhidham business division of Gokul Refoils and Solvent Limited on a going concern basis including assets including investments & liabilities, pertaining to Gandhidham Undertaking. Without limiting generality of the foregoing, Gandhidham Undertaking shall include but not limited to:

- a. All the assets and properties as on the Appointed Date pertaining to the Gandhidham Undertaking;
- b. All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Gandhidham Undertaking;
- c. Without prejudice to the generality of above, the Gandhidham Undertaking shall include land or piece of land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, Capital work in progress, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature and wheresoever situated including but without being limited to cash in hand, bank balance, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses (including but not limited to sales tax registrations, VAT registrations, tax registrations), contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.);
- d. All employees engaged in or in relation to the Gandhidham Undertaking as on the Effective Date;
- e. All records, files, papers, engineering and process information, computer programs, computer software, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Gandhidham Undertaking

Explanation A: Whether any particular asset or liability should be included or excluded as asset or liability of the Gandhidham Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GARL;

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the Gandhidham Undertaking of GRSL shall comprise the liabilities, borrowings, debts and loans as agreed between GRSL and GARL which will cover:

- a. The liabilities, which arise out of the activities or operations of the Gandhidham Undertaking;

- b. Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Gandhidham Undertaking;
- c. Liabilities other than those referred to in sub-clauses a. and b. above and not directly relatable to the Remaining Undertaking of GRSL, being the amounts of general or multipurpose borrowings of GRSL shall be allocated to the Gandhidham Undertaking of GRSL in the same proportion which the value of the assets transferred under this sub-clause bears to the total value of the assets of GRSL immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to GARL as liabilities pertaining to the Gandhidham Undertaking.

1.6 **“Gandhidham Windmill Undertaking”** means the Gandhidham Windmill Business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Gandhidham Windmill Undertaking. Without limiting generality of the foregoing, Gandhidham Windmill Undertaking shall include;

- a. All assets and liabilities of GRSL pertaining to Gandhidham Windmill Undertaking
- b. Without prejudice to the generality of the provisions of above, the Gandhidham Windmill Undertaking shall include –

The whole of the undertaking of Gandhidham Windmill Undertaking of GRSL, as a going concern, including all debts, liabilities, duties and obligations and all the assets and properties, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and moveable plant and machinery, transmission cables, blades, Roaters, spares, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, quota, rights, import quotas, licenses, registrations, copyrights, patents, trade names, trademarks and other industrial rights and licenses in respect of the Gandhidham Windmill Undertaking, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and owners of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by GRSL in connection with or pertaining or relatable to the Gandhidham Windmill Undertaking and all earnest money and/ or deposits including security deposits paid by GRSL in connection with or relating to Gandhidham Windmill Undertaking and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Gandhidham Windmill Undertaking;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Gandhidham Windmill Undertaking include:

- The liabilities which arise out of the activities or operations of the Gandhidham Windmill Undertaking.
- Specific loans and borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operation of Gandhidham Windmill Undertaking.
- Liabilities other than those referred, to in Sub-clauses a. and b. above, being the amounts of general or multipurpose borrowings of GRSL, allocated to

Gandhidham Windmill Undertaking based on discussion between management of GRSL and GAIL

- c. All employees of GRSL employed in Gandhidham Windmill Undertaking as on the Effective Date.
 - d. Any particular asset or liability should be included or excluded as an asset or liability of the Gandhidham Windmill Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GARL.
- 1.7 **“Demerged Undertakings”** means collectively Gandhidham Undertaking and Gandhidham Windmill Undertaking as defined in clause 1.5 and 1.6 respectively.
- 1.8 **“Effective Date”** means the last of the date on which the conditions specified in clause 26 of the Scheme are fulfilled with respect to a particular Part of the Scheme.
- 1.13 **“Record Date”** means such date after the Effective Date which will be mutually fixed by the Board of Directors of GRSL and GARL or any committee / person duly authorized by the respective Board of Directors, to determine the members of Demerged Company to whom equity shares of the Resulting Company will be allotted pursuant to clause 5.1 of this Scheme.
- 1.14 **“Remaining Undertaking”** means the undertaking along with businesses, activities and operations presently being managed by the Demerged Company, excluding the Gandhidham Undertaking and Gandhidham Windmill Undertaking, Sidhpur Undertaking and Sidhpur Windmill Undertaking.
- 1.15 **“Scheme” or “the Scheme” or “this Scheme”** means this Composite Scheme of Arrangement in its present form or with any modification(s) approved or imposed or directed by the High Court or NCLT, as the case may be.
- 1.16 **“Sidhpur Undertaking”** means the Sidhpur business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Sidhpur Undertaking Without limiting generality of the foregoing, Sidhpur Undertaking shall include;
- a. All the assets and properties as on the Appointed Date pertaining to the Sidhpur Undertaking including the investments of GRSL in its subsidiaries being part of the Sidhpur Undertaking along with balances pertaining to such subsidiaries;
 - b. All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Sidhpur Undertaking;
 - c. Without prejudice to the generality of above, the Sidhpur Undertaking shall include land or piece of land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, Capital work in progress, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature and wheresoever situated including but without being limited to cash in hand, bank balance, investments claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity

and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Sidhpur Undertaking;

- d. All employees engaged in or in relation to the Sidhpur Undertaking as on the Effective Date;
- e. All records, files, papers, engineering and process information, computer programs, computer software, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Sidhpur Undertaking;

Explanation A: Whether any particular asset or liability should be included or excluded as an asset or liability of the Sidhpur Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GAIL.

1.17 **“Sidhpur Windmill Undertaking”** means the Sidhpur Windmill business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Sidhpur Windmill Undertaking. Without limiting generality of the foregoing, Sidhpur Windmill Undertaking shall include;

- a. All assets and liabilities of GRSL pertaining to Sidhpur Windmill Undertaking
- b. Without prejudice to the generality of the provisions of above, the Sidhpur Windmill Undertaking shall include –

The whole of the undertaking of Sidhpur Windmill Undertaking of GRSL, as a going concern, including all debts, liabilities, duties and obligations and all the assets and properties, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and moveable plant and machinery, transmission cables, blades, Roaters, spares, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, quota, rights, import quotas, licenses, registrations, copyrights, patents, trade names, trademarks and other industrial rights and licenses in respect of the Sidhpur Windmill Undertaking, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and owners of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by GRSL in connection with or pertaining or relatable to the Sidhpur Windmill Undertaking and all earnest money and/ or deposits including security deposits paid by GRSL in connection with or relating to Sidhpur Windmill Undertaking and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT

/ Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Sidhpur Windmill Undertaking;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Sidhpur Windmill Undertaking include:

- The liabilities which arise out of the activities or operations of the Sidhpur Windmill Undertaking.
 - Specific loans and borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operation of Sidhpur Windmill Undertaking.
 - Liabilities other than those referred, to in Sub-clauses a. and b. above, being the amounts of general or multipurpose borrowings of GRSL, allocated to Sidhpur Windmill Undertaking based on discussion between management of GRSL and GAIL
- c. All employees of GRSL employed in Sidhpur Windmill Undertaking as on the Effective Date.
 - d. Any particular asset or liability should be included or excluded as an asset or liability of the Sidhpur Windmill Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GAIL.

1.18 **“Sidhpur Undertakings”** means collectively Sidhpur Undertaking and Sidhpur Windmill Undertaking as defined in clause 1.16 and 1.17 respectively.

4. TRANSFER AND VESTING OF GANDHIDHAM UNDERTAKING AND GANDHIDHAM WINDMILL UNDERTAKING OF DEMERGED COMPANY

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Gandhidham Undertaking as defined in clause 1.5 and the whole of the Gandhidham Windmill Undertaking as defined in clause 1.6 shall (collectively referred to as “Demerged Undertakings” as described in clause 1.7 of the Scheme), pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and Section 2(19AA) of the Income-tax Act, 1961 and without any further act, instrument, deed, matter or thing, stand transferred to and vested into, as a going concern, so as to vest in GARL all rights, title and interest pertaining to the Demerged Undertakings.

4.2 Without prejudice to the generality of above, in respect of such of the assets of the Demerged Undertakings as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same may be transferred to and vested into GARL, as follows;

- a. All the moveable assets capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to GARL along with such other documents as may be necessary towards the end and intent that the property therein passes to GARL on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of GARL accordingly. The investments being part of Demerged Undertakings will be transferred to GARL by executing appropriate share transfer deeds. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GARL, being a date after the sanction of the Scheme by the High Court.
- b. The moveable assets, other than those specified above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with

Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of GARL. GARL may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of GARL to recover or realize the same is in substitution of the right of GRSL and that appropriate entry should be passed in their respective books to record the aforesaid charges.

- 4.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Demerged Undertakings, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to GARL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.
- 4.4 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by GRSL required to carry on operations of the Demerged Undertakings shall stand vested in or transferred to GARL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GARL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to GARL as if they were originally obtained by GARL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by GRSL relating to the Demerged Undertakings, are concerned, the same shall vest with and be available to GARL on the same terms and conditions as applicable to Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to GARL.
- 4.5 All patents, trademarks, copyrights, or any kind of intellectual property, if any, registered with the concerned authority or application submitted at any time on or before the Effective Date or being used by GRSL, pertaining to the Demerged Undertakings shall stand transferred and vested in the name of GARL without any further act or deed. GARL, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authorities.
- 4.6 GRSL in relation to Demerged Undertakings may be entitled to various benefits under incentive schemes and policies in relation to the Demerged Undertakings and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Demerged Undertakings shall be transferred to and vested into GARL and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to Demerged Undertakings, to the extent statutorily available, shall be claimed by GARL.
- 4.7 Upon the coming into effect of this Scheme on the Appointed Date such of the borrowings of GRSL relating to Demerged Undertakings as identified by the Board of Directors of GRSL, shall without

any further act or deed be and stand transferred to GARL, and shall thereupon become the debts and liabilities of GARL, which shall meet, discharge and satisfy the same.

4.8 The transfer of the borrowings in terms of the above clause shall be without prejudice to any agreements or arrangements including in respect of security entered into between GRSL and the lenders existing on the Appointed Date which shall continue in full force (till such time as the individual agreements are signed between the lenders and GARL) notwithstanding that the liability for repayment of the principal amount and payments of interest or any other dues is taken over by GARL. GRSL shall make repayments of such principal amounts and payments of interest or any other dues thereon on behalf of GARL, and GARL shall be under an obligation to place with GRSL funds at the relevant time so as to enable GARL to make payments to the lenders on or before their respective due dates.

4.9 The transfer and vesting of the Demerged Undertakings as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertakings to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertakings.

The security and charge over the assets forming part of the Demerged Undertakings which relate to any liabilities pertaining to the business other than the Demerged Undertakings, or liabilities of GRSL other than liabilities of the Demerged Undertakings, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities except ascertainable to Demerged Undertakings. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GARL shall continue with respect to such assets or any part thereof of GARL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertakings vested in GARL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by GRSL in relation to the Demerged Undertakings which shall vest in GARL by virtue of the vesting of the Demerged Undertakings into GARL and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective.

Provided further that all the loans, advances and other facilities sanctioned to GRSL in relation to the Demerged Undertakings by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to GARL and the said loans and advances may be drawn and utilized either partly or fully by GRSL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by GRSL in relation to the Demerged Undertakings (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to GARL and all the obligations of GRSL in relation to the Demerged Undertakings under any loan agreement shall be construed and shall become the obligation of GARL without any further act or deed on the part of the Resulting Company.

4.10 Where any of the liabilities and obligations attributed to the Demerged Undertakings on the Appointed Date has been discharged by GRSL on behalf of GARL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of GARL.

- 4.11 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Demerged Undertakings which GRSL owns or to which GRSL is a party and which cannot be transferred to GARL or to its successor in business, for any reason whatsoever, GRSL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of GARL to which the Demerged Undertakings is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

5. CONSIDERATION

- 5.1 Upon this Scheme becoming effective, GARL shall without any further application or deed, issue and allot shares, at par, credited as fully paid-up, to the extent indicated below to the shareholders of GRSL, and whose name appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following manner:
“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”

- 5.2 In so far as the issue of equity shares pursuant to the above clause is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity Shares in GRSL in dematerialized form, in to the account with the Depository Participant in which the equity shares of GRSL are held or such other account with the Depository Participant as is intimated by the equity shareholders to the Resulting Company before the Record Date. All those equity shareholders of GRSL who hold equity Shares of GRSL in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to GARL before the Record Date. In the event that GARL has received notice from any equity shareholder of GRSL that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the GARL, then GARL shall issue equity shares, in physical form to such equity Shareholders.
- 5.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of GRSL, the board of directors or any committee thereof of GRSL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in GRSL as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in GRSL and in relation to the shares issued by GARL after the effectiveness of this Scheme. The board of directors of GRSL and GARL shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transaction period.
- 5.4 The equity shares issued by GARL in terms of clause 5.1 of the Scheme will be listed and/or admitted to trading on the Stock Exchanges, where the shares of GRSL are listed and/or admitted to trading, subject to necessary approval to be obtained from regulatory authorities and all necessary compliances and applications will be made in this respect by GARL.
- 5.5 Shares to be issued by GARL pursuant to clause 5.1 of the Scheme in respect of any Equity shares of GRSL which are held in abeyance under the provisions of Section 206A (corresponding notified Section 126 of the Companies Act, 2013) of the Act or otherwise, if any, shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by GARL.

- 5.6 Approval of this Scheme by the shareholders of GRSL shall be deemed to be the due compliance of the provisions of Section 81(1A) (corresponding section 62(1) of the Companies Act, 2013) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by GARL to the equity shareholders of GRSL, as provided in this Scheme.
- 5.7 The Equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/ trading permission is given by the designated stock exchange.
- 5.8 There shall be no change in the shareholding pattern or control in GARL between the record date and the listing of the Equity shares allotted by GARL pursuant to the Scheme.
- 5.9 The Shares to be issued by GARL shall be subject to the Scheme and the Memorandum and Articles of Association of the Resulting Company.
- 5.10 The Resulting Company shall increase its Authorized Share Capital to facilitate issue of shares under this Scheme, by following the requisite procedure under applicable provisions of law and the resolution approving the Scheme shall be deemed to be the approval of increase in the authorized share capital of the Transferee Company.
- 5.11 The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 16, 31, 94 (corresponding section 13, 14 and 61 of the Companies Act 2013 respectively) and other applicable provisions of the Act and any other consents and approvals required in this regard.
- 6. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY**

On the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:

 - 6.1 GARL shall record the assets, liabilities and debts of the Demerged Undertakings, at their respective book values as appearing in the books of Demerged Company at the close of business on the day immediately preceding the Appointed Date.
 - 6.2 GARL shall credit to the Share Capital account in its books of account, the aggregate face value of the equity shares issued and allotted under clause 5.1 of the Scheme to shareholder of Demerged Company.
 - 6.3 Upon Scheme being effective and upon issue of shares by GARL to the shareholders of GRSL as envisaged in clause 5.1 of the Scheme, the shares of GARL held by GRSL (whether in its own name or jointly or through any nominee) shall stand automatically cancelled.
 - 6.4 The difference, being the excess of value of Net Assets Value of the Demerged Undertakings from GRSL and recorded by GARL in terms of clause 6.1 above, over the amount credited as share capital as per clause 6.2 and after adjusting cancellation of shares held by GRSL (whether in its own name or jointly or through any nominee), shall be credited to Capital Reserve of GARL. Deficit, if any, shall be debited to Goodwill Account of GARL. ("Net Assets Value" shall be computed as the value of assets less the value of liabilities, of the Demerged Undertakings transferred to Resulting Company and recorded in Resulting Company in terms of clause 6.1 of the Scheme)
- 7. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY**

On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:

 - 7.1 Demerged Company shall reduce from its books, the book value of assets and liabilities transferred as part of the Demerged Undertakings to the Resulting Company, pursuant to the Scheme.

- 7.2 Upon Scheme being effective, the Investments made by the Demerged Company in Equity Shares of the Resulting Company, appearing in the books of the Demerged Company shall stand cancelled and the same shall be adjusted against the Securities Premium Account of the Demerged Company as envisaged in clause 13.2 hereinbelow.
- 7.3 The amount being the Net Assets Value of the Demerged Undertakings transferred pursuant to the Scheme shall be adjusted against Securities Premium Account as envisaged in clause 13.1 hereinbelow, to the extent available. The balance shall be adjusted against the General Reserve Account to the extent available followed by Profit & Loss Account to the extent available. If the difference is a credit balance, the same shall be credited to Capital Reserve Account.
- 9. TRANSFER AND VESTING OF SIDHPUR UNDERTAKING AND SIDHPUR WINDMILL UNDERTAKING OF GRSL**
- 9.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Sidhpur Undertaking as defined in clause 1.16 of the Scheme and the whole of the Sidhpur Windmill Undertaking as defined in clause 1.17 of the Scheme (collectively referred to as “Sidhpur Undertakings” as described in clause 1.18 of the Scheme) shall, pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of the Act, and without any further act, instrument, deed, matter or thing, shall stand transferred to and vested into, as a going concern for considerations as detailed in clause 10 of the Scheme, so as to vest in GAIL all rights, title and interest pertaining to the Sidhpur Undertakings.
- 9.2 Without prejudice to the generality of above, in respect of such of the assets of the Sidhpur Undertakings as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same may be transferred to and vested into GAIL, as follows:
- a. All the moveable assets of the Sidhpur Undertakings capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to GAIL along with such other documents as may be necessary towards the end and intent that the property therein passes to GAIL on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of GAIL accordingly. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GAIL, being a date after the sanction of the Scheme by the High Court. The investments being part of Sidhpur Undertaking will be transferred to GAIL by executing appropriate share transfer deeds. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GAIL, being a date after the sanction of the Scheme by the High Court.
 - b. The moveable assets of the Sidhpur Undertakings, other than those specified above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of GAIL. GAIL may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance of the Sidhpur Undertakings or make good the same or hold the same to its account and that the right of GAIL to recover or realize the same is in substitution of the right of GRSL and that appropriate entry should be passed in their respective books to record the aforesaid charges.

- 9.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Sidhpur Undertakings, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to GAIL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of GAIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.
- 9.4 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by GRSL required to carry on operations of Sidhpur Undertakings shall stand vested in or transferred to GAIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GAIL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to GAIL as if they were originally obtained by GAIL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by GRSL relating to Sidhpur Undertakings, are concerned, the same shall vest with and be available to GAIL on the same terms and conditions as applicable to GRSL, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to GAIL.
- 9.5 All patents, trademarks, copyrights, or any kind of intellectual property, if any, registered with the concerned authority or application submitted at any time on or before the Effective Date or being used by GRSL, pertaining to Sidhpur Undertakings shall stand transferred and vested in the name of GAIL without any further act or deed. GAIL, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authorities.
- 9.6 GRSL in relation to Sidhpur Undertakings may be entitled to various benefits under incentive schemes and policies in relation to the Sidhpur Undertakings respectively and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Sidhpur Undertakings respectively shall be transferred to and vested into GAIL and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Sidhpur Undertakings, to the extent statutorily available, shall be claimed by GAIL.
- 9.7 Upon the coming into effect of this Scheme on the Appointed Date such of the general and multipurpose borrowings as ascertainable to the Sidhpur Undertakings of GRSL as identified by the Board of Directors of GRSL, shall without any further act or deed be and stand transferred to GAIL, and shall thereupon become the debts and liabilities of GAIL, which shall meet, discharge and satisfy the same.
- 9.8 The transfer of the general and multipurpose borrowings as ascertainable to the Sidhpur Undertakings in terms of the abovementioned clause shall without prejudice to any agreements or arrangements including in respect of security entered into between GRSL and the lenders existing on the Appointed Date which shall continue in full force (till such time as the individual agreements are signed between the lenders and GAIL) notwithstanding that the liability for

repayment of the principal amount and payments of interest or any other dues is taken over by GAIL. GRSL shall make repayments of such principal amounts and payments of interest or any other dues thereon on behalf of GAIL, and GAIL shall be under an obligation to place with GRSL funds at the relevant time so as to enable GAIL to make payments to the lenders on or before their respective due dates.

- 9.9 The transfer and vesting of the Sidhpur Undertakings as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Sidhpur Undertakings respectively to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Sidhpur Undertakings respectively.

The security and charge over the assets forming part of the Sidhpur Undertakings which relate to any liabilities pertaining to the business other than the Sidhpur Undertakings, or liabilities of GRSL other than liabilities of the Sidhpur Undertakings, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities except ascertainable to Remaining Undertaking. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GAIL shall continue with respect to such assets or any part thereof of GAIL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Sidhpur Undertakings vested in GAIL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by GRSL in relation to the Sidhpur Undertakings which shall vest in GAIL by virtue of the vesting of the Sidhpur Undertakings into GAIL and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective.

Provided further that all the loans, advances and other facilities sanctioned to GRSL in relation to the Sidhpur Undertakings by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to GAIL and the said loans and advances may be drawn and utilized either partly or fully by GRSL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by GRSL in relation to the Sidhpur Undertakings (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to GAIL and all the obligations of GRSL in relation to the Sidhpur Undertakings under any loan agreement shall be construed and shall become the obligation of GAIL without any further act or deed on the part of the GAIL.

- 9.10 Where any of the liabilities and obligations attributed to the Sidhpur Undertakings on the Appointed Date has been discharged by GRSL on behalf of GAIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of GAIL.

- 9.11 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Sidhpur Undertakings which GRSL owns or to which GRSL is a party and which cannot be transferred to GAIL or to its successor in business, for any reason whatsoever, GRSL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of GAIL to which the Sidhpur Undertakings is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

10. CONSIDERATION

Subject to the terms and conditions of this Scheme, in consideration of the transfer of the Sidhpur Undertakings, 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.

11. ACCOUNTING TREATMENT IN THE BOOKS OF GAIL

On the Scheme becoming effective and with effect from the Appointed Date, GAIL shall account for transfer in its books as under:

- 11.1 All the assets and liabilities related to Sidhpur Undertakings as appearing in the books of accounts of GRSL as on the Appointed Date shall stand transferred to and vested in GAIL pursuant to the Scheme and shall be recorded by GAIL at a value derived by apportioning consideration paid by it amongst all the assets and liabilities pertaining to Sidhpur Undertaking;
- 11.2 The excess, if any, of the balance recorded as per abovementioned clause over the consideration as detailed in clause 10 of the Scheme shall be recorded and credited as Capital reserves in the books of GAIL. Conversely, if the difference of balances as recorded as per abovementioned clause and the consideration as detailed in clause 10 of the Scheme is a shortfall, such amount shall be recorded as Goodwill, as the case may be.

12. ACCOUNTING TREATMENT IN THE BOOKS OF GRSL

On the Scheme becoming effective and with effect from the Appointed Date, GRSL shall account for transfer in its books as under:

- 12.1 The accounts representing the assets and liabilities pertaining to Sidhpur Undertakings shall stand reduced to the extent of the Book Value of the Sidhpur Undertakings upon transfer to GAIL;
- 12.2 Any difference between consideration received as per clause 10 above and the amount being net assets value in terms of clause 12.1 above shall be adjusted against the balance of Capital Reserve Account (including the amount appropriated as mentioned above in clause 16.1 of the Scheme) and / or against the balance of Securities Premium Account as the Board of Directors of GRSL may decide.

13. RESTRUCTURE OF SHARE CAPITAL OF GRSL - UTILIZATION OF SECURITIES PREMIUM

- 13.1 Upon Scheme being effective and upon demerger and transfer of the Demerged Undertakings of GRSL to GARL, the Net Asset Value of the said Demerged Undertakings shall be adjusted against the Securities Premium Account of GRSL as envisaged in clause 7.3 hereinabove.
- 13.2 Upon Scheme being effective and upon issue of the shares by GARL to the shareholder of the GRSL in terms of clause 5.1 of the Scheme, the investment made by GRSL in the shares of GARL shall stand cancelled simultaneously as envisaged vide clause 7.2 hereinabove, the said amount shall be adjusted against the Securities Premium Reserve Account of GRSL.
- 13.3 The said utilization of the Securities Premium Account of GRSL, as specified in clause 13.1 and clause 13.2 of the Scheme, shall amount to reduction of capital under Sections 78 (corresponding section 52 of the Companies Act, 2013) read with Sections 100 to 103 of the Companies Act, 1956 and shall be effected as an integral part of the Scheme. The Order of the High Court sanctioning the Scheme shall be deemed to be the Order under Section 102 of the Act for the purpose of confirming the reduction. Since the aforesaid reduction does not involve either diminution of liability in respect of unpaid share capital or repayment of paid-up share capital, the provisions of Section 101(2) of the Act shall not be applicable. GRSL shall not be required to undertake the separate procedure for such reduction and it shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

16. REORGANIZATION OF GRSL

With effect from the Appointed Date, the Fixed Assets of the Remaining Undertaking of GRSL shall be reinstated at their respective fair values as on the Appointed Date as may be determined by Board of Directors of GRSL. Such revaluation shall be carried out on the basis of the report of competent valuer appointed by the Board of Directors of GRSL. In this regard, GRSL shall account for revaluation in its books of accounts as under:

- 16.1 The respective Asset account shall be debited or credited based on any upward or downward valuation of the assets with the corresponding effect being given in Capital Reserve Account.
- 16.2 The balance of Capital Reserve Account (including the amount appropriated as mentioned in the above clause) shall be available to be utilized by the Demerged Company towards the adjustment specified in clause 12.2 of the Scheme and towards “Expenses” or “Specified items” as defined in clause 1.9 of the Scheme as may be considered appropriate by the Board of Directors of GRSL from time to time.
- 16.3 The effect of above stated treatment will be given in the stand alone and consolidated annual accounts (financials) of the Demerged Company, as the Board of Directors of GRSL may deem fit by giving required disclosures.

18. LEGAL PROCEEDINGS

- 18.1 All legal proceedings, of whatsoever nature by or against GRSL pending and/or arising after appointed date but before the Effective Date and relating to the Demerged Undertakings, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against GARL, be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.
Similarly, all legal proceedings, of whatsoever nature by or against GRSL pending and/or arising after appointed date but before the Effective Date and with respect to the Sidhpur Undertakings, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against GAIL, be in the same manner and to the same extent as would or might have been continued and enforced by or against GRSL.

- 18.2 After the Effective Date, if any proceedings are taken against GRSL in respect of the matters referred to in the clause 18.1 above relating to Demerged Undertakings, the Demerged Company shall defend the same at the cost of GARL and GARL shall reimburse and indemnify GRSL against all liabilities and obligations incurred by GRSL in respect thereof.
Similarly, after the Effective Date, if any proceedings are taken against GRSL in respect of the matters referred to in the clause 18.1 above relating to Sidhpur Undertakings, GRSL shall defend the same at the cost of GAIL and GAIL shall reimburse and indemnify GRSL against all liabilities and obligations incurred by GRSL in respect thereof.

- 18.3 GARL undertakes to have all respective legal or other proceedings initiated by or against GRSL referred to in clause 18.1 and/or clause 18.2 above relating to Demerged Undertakings, transferred into its name and to have the same continued, prosecuted and enforced by or against GARL as the case may be, to the exclusion of GRSL.

Similarly, GAIL undertakes to have all respective legal or other proceedings initiated by or against GRSL referred to in clause 18.1 and/or clause 18.2 above relating to Sidhpur Undertakings, transferred into its name and to have the same continued, prosecuted and enforced by or against GAIL as the case may be, to the exclusion of GRSL.

22. REMAINING UNDERTAKING OF GRSL

22.1 It is clarified that, the Remaining Undertaking of GRSL shall continue with GRSL as follows:

- (a) The Remaining Undertaking of GRSL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by GRSL.
- (b) All legal and other proceedings by or against GRSL under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking of GRSL (including those relating to any property, right, power, liability, obligation or duty, of GRSL in respect of the Remaining Undertaking of GRSL) shall be continued and enforced by or against GRSL.

22.2 With effect from the Appointed Date and including the Effective Date –

- (a) GRSL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Undertaking of GRSL for and on its own behalf;
- (b) All profit accruing to GRSL thereon or losses arising or incurred by it relating to the Remaining Undertaking of Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of GRSL

23. TAX CREDITS

23.1 GARL will be the successors of GRSL vis-à-vis the Demerged Undertakings. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Demerged Undertakings and the obligations if any for payment of the tax on any assets forming part of the Demerged Undertakings shall be deemed to have been availed by the Resulting Company or as the case may be deemed to be the obligations of the Resulting Company. Consequently, as the Scheme does not contemplate removal of any asset by the Resulting Company from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by Demerged Company.

Similarly, GAIL will be the successors of GRSL vis-à-vis the Sidhpur Undertakings. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Sidhpur Undertakings and the obligations if any for payment of the tax on any assets forming part of the Sidhpur Undertakings shall be deemed to have been availed by GAIL or as the case may be deemed to be the obligations of GAIL. Consequently, as the Scheme does not contemplate removal of any asset by GAIL from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by GRSL.

23.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Demerged Company relating to the Demerged Undertakings, including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of the Resulting Company.

Similarly, with effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by GRSL relating to the Sidhpur Undertakings including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of GAIL.

23.3 Demerged Company and the Resulting Company are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Demerged Undertakings of Demerged Company as vested with the Resulting Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

Similarly, GRSL and GAIL are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Sidhpur Undertakings of GRSL as vested with GAIL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

The features set out above being only the salient features of the Scheme; the members are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

11. The abridged financial statement of the De-merged Company for last three years is enclosed as **Annexure A** to this Explanatory Statement.
12. The rights and interest of the members and the creditors of De-merged Company will not be prejudicially affected by the Scheme.
13. No investigation proceedings have been initiated or pending in relation to the De-merged Company under Sections 235 to 250A of the Companies Act, 1956.
14. The financial position of De-merged Company will not be adversely affected by the Scheme. The financial position of the Company will continue to remain strong and it will be able to meet and pay its debts as and when they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the De-merged Company shall not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
15. The Scheme was placed before the audit committee of the De-merged Company at its meeting held on 4th July 2014. The audit committee of the Company took into account the recommendations on the share exchange ratio by SSPA & CO., Chartered Accountants acting as independent chartered accountants and the fairness opinion provided by Tipsons Consultancy Services Private Limited. The audit committee concluded that the Scheme would be to the benefit to the Company and also its shareholders and recommended the Scheme to the Board of Directors of GRSL by its report dated 4th July 2014.
16. On the Composite Scheme of Arrangement between GRSL, GARL and GAIL being approved by the shareholders and creditors of GRSL as per the requirements of Section 391 of the Act, all the three companies will seek the sanction of the Honorable High Court of Gujarat at Ahmedabad.
17. **Exemption from Postal Ballot Procedure:** Approval of the shareholders was not sought by postal ballot and e-voting [as required under Clause 15.6 (a) of the SEBI Circular] since the proposed Scheme is not covered under any of the cases listed under the aforesaid Clause 15.6 (a) of the SEBI Circular. As per Clause 15.6 (b) of the SEBI Circular, the necessary undertaking/approval/certification has been obtained.

18. The equity shareholding pattern of GRSL shall be as follows:

SHAREHOLDING PATTERN AS ON 24th NOVEMBER 2014

Particulars	Pre Scheme		Post Scheme	
	No. of shares held	%	No. of shares held	%
Promoters (including persons acting in concert)	9,82,24,772	74.47	9,82,24,772	74.47
Banks/ Financial Institutions, Insurance Companies	16,35,000	1.24	16,35,000	1.24
Mutual Funds and UTI	Nil	Nil	Nil	Nil
Non-Resident Indians/ Overseas Corporate Bodies, Foreign Financial Institutions, Foreign Institutional Investors and Foreign Companies	22,60,002	1.71	22,60,002	1.71
Private Corporate Bodies	2,15,41,342	16.34	2,15,41,342	16.34
Indian Public	82,33,884	6.24	82,33,884	6.24
Total	13,18,95,000	100	13,18,95,000	100

19. The details of Directors of respective companies are as under:

LIST OF DIRECTORS AS ON 24th NOVEMBER 2014

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
	DIRECTORS OF GRSL			
1	Shri Balvantsinh Rajput	Chairman & Managing Director	52 Year	B.A.
2	Shri Kanubhai Thakkar	Managing Director	52 Year	Matric
3	Shri Bipinkumar Thakkar	Whole time Director- Legal	45 Year	M.Sc.(Agriculture), MBA FINANCE, LL.B, CS(FINAL), DIM, DCP
4	Shri Piyushchandra Vyas	Independent Director	72 Year	B.Com.(Hons), LL.B
5	Dr. Dipoooba Devada	Independent Director	54 Year	M.Sc.(Statistics), M.Ed. Ph.D
6	Shri Karansinhji Mahida	Independent Director	66 Year	B.A., LL.B (SPECIAL)
	DIRECTORS OF GARL			
1	Shri Kanubhai Thakkar	Director	52 Year	Matric
2	Shri Jayeshkumar Thakkar	Director	24 Year	B.E. Mechanical, Master in Management and Strategy
3	Shri Hiteshkumar Thakkar	Director	35 year	B.E.
	DIRECTORS OF GAIL			
1	Shri Balvantsinh Rajput	Chairman & Managing Director	52 Year	B.A.
2	Smt. Bhikhiben Rajput	Director	45 Year	Matric
3	Shri Dharmendrakumar Rajput	Director	25 Year	B.E. Mechanical

20. The Directors of GRSL, GARL and GAIL, may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the said companies, or to the extent the said directors are common directors in the said Companies, or to the extent the said directors are partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the said companies. The details of their shareholding in the companies forming a part of the Scheme are as under. Their interest in these companies shall not be treated in any way differently than the other shareholders of the said companies.

The details of shareholding of Directors in the said companies forming a part of the Scheme:

Sr. No.	Name of the Directors	No. of Shares held in GRSL	% of Shares held in GRSL	No. of shares held in GARL	% of Shares held in GARL	No. of Shares held in GAIL	% of Shares held in GAIL
Directors of GRSL							
1	Shri Balvantsinh Rajput	2,10,74,515	15.98%	Nil	Nil	Nil	Nil
2	Shri Kanubhai Thakkar	2,08,58,788	15.81%	Nil	Nil	Nil	Nil
3	Shri Bipinkumar Thakkar	Nil	Nil	Nil	Nil	Nil	Nil
4	Shri Piyushchandra Vyas	300	0.00%	Nil	Nil	Nil	Nil
5	Dr. Dipoooba Devada	Nil	Nil	Nil	Nil	Nil	Nil
6	Shri Karansinhji Mahida	Nil	Nil	Nil	Nil	Nil	Nil
Directors of GARL							
1	Shri Kanubhai Thakkar	2,08,58,788	15.81%	Nil	Nil	Nil	Nil
2	Shri Jayesh Thakkar	6,23,765	0.47%	Nil	Nil	Nil	Nil
3	Shri Hiteshkumar Thakkar	6135	0.01%	Nil	Nil	Nil	Nil
Directors of GAIL							
1	Shri Balvantsinh Rajput	2,10,74,515	15.98%	Nil	Nil	Nil	Nil
2	Shri Dharmendrakumar Rajput	9,17,704	0.7%	Nil	Nil	Nil	Nil
3	Smt. Bhikhiben Rajput	1,89,52,500	14.37%	Nil	Nil	Nil	Nil

21. The details of the loans given by the Directors of GRSL, GARL and GAIL to the companies forming a part of the Scheme are as under. Their interest in these companies shall not be treated in any way differently than the other unsecured creditors of the companies.

The details of loans given by the Directors of GRSL, GARL & GAIL to the companies forming a part of the Scheme:

Sr. No.	Name of the Directors	Loan given to GRSL (in Rs.)	Loan given to GARL (in Rs.)	Loan given to GAIL (in Rs.)
Directors of GRSL				
1	Shri Balvantsinh Rajput	30,36,00,000	NIL	NIL
2	Shri Kanubhai Thakkar	19,64,00,000	NIL	NIL
3	Shri Bipinkumar Thakkar	NIL	NIL	NIL
4	Shri Piyushchandra Vyas	NIL	NIL	NIL
5	Dr. Dipoooba Devada	NIL	NIL	NIL
6	Shri Karansinhji Mahida	NIL	NIL	NIL
Directors of GARL				
1	Shri Kanubhai Thakkar	NIL	NIL	NIL
2	Shri Jayesh Thakkar	NIL	NIL	NIL
3	Shri Hiteshkumar Thakkar	NIL	NIL	NIL
Directors of GAIL				
1	Shri Balvantsinh Rajput	NIL	NIL	NIL
2	Shri Dharmendrakumar Rajput	NIL	NIL	NIL
3	Smt. Bhikhiben Rajput	NIL	NIL	NIL
TOTAL		50,00,00,000	NIL	NIL

22. Inspection of the following documents may be had at the Registered Office of Gokul Refoils and Solvent Limited up to one day prior to the date of the meeting between 11.00 am and 4.00 pm on all working days (except Saturdays and Sundays):
- (a) Certified copy of the Order dated 21st November 2014 of the High Court of Gujarat passed in Company application No. 289 of 2014, directing the convening of the separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of GRSL.
 - (b) Certified copy of the orders dated 21st November 2014 of the High Court passed in Company Applications No. 290 and 291 of 2014, dispensing with the meetings of Equity Shareholders and unsecured creditors.
 - (c) Memorandum and Articles of Association of all three companies.
 - (d) Latest Audited accounts of GRSL as at 31st March 2014.
 - (e) Letter under Clause 24(f) of Listing Agreement dated of BSE and NSE dated 14th November 2014 approving the Scheme.
 - (f) Copy of the Valuation Report and Exchange Ratio Certificate provided by SSPA & Co., Chartered Accountants dated 4th July, 2014.
 - (g) Copy of the Fairness Report provided by Tipsons Consultancy Services Private Limited dated 12th August 2014.
 - (h) Copy of the Undertaking and the Auditor's certificate dated 4th July 2014 submitted to SEBI confirming non application of clause 5.16 (a) of the SEBI circulars (CIR/CFD/DIL/5/2013 dated 4th February 4, 2013 and CIR/CFD/DIL/8/ 2013 dated 21st May 2013) .
 - (i) Complaints Report dated 12th September 2014 submitted by the Company to the Stock Exchanges.
 - (j) Copies of the resolutions passed by the respective Board of Directors of the GRSL, GARL and GAIL approving the Scheme of Arrangement.

This statement may be treated as an Explanatory Statement under section 393 of the Companies Act, 1956. A copy of the Scheme and Explanatory Statement may be obtained from the registered office of Gokul Refoils and Solvent Limited at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151 in the State of Gujarat.

Dated this 27th Day of November 2014
Ahmedabad

Sd/-
Mahesh Agrawal
Chairman appointed for the meeting

Registered Office:

State Highway No. 41, Nr. Sujanpur Patia,
Sidhpur - 384151, in the State of Gujarat.

Enclosures:

The abridged financial statements of Gokul Refoils and Solvent Limited for last three years

Gokul Refoils and Solvent Limited - Abridged Balance Sheets:			
Years/Period ended on	31-03-14	31-03-13	31-03-12
SOURCES OF FUNDS	Rs (in lacs)	Rs (in lacs)	Rs (in lacs)
1. SHAREHOLDERS FUNDS:			
a. Capital	2,637.90	2,637.90	2,637.90
b. Reserve & Surplus	32,039.25	31,730.43	30,437.93
2. LOAN FUNDS :			
a. Secured Loans	100.00	2,312.77	5,027.80
b. Unsecured Loans	5,000.00	-	-
c. Long term Provisions	47.24	40.03	67.85
Deferred Tax Liability	109.37	-	-
TOTAL	39,926.76	36,721.13	38,171.48
APPLICATION OF FUNDS :			
1.Fixed Assets			
Gross Block	53,953.13	51,430.06	47,614.67
Less : Depreciation	20,847.28	17,647.56	14,040.62
Net Block	33,105.85	33,782.50	33,574.05
Capital Work in Progress	695.70	1,259.64	2,782.16
2. INVESTMENTS :	1,469.29	1,469.29	1,469.29
3. Long Term Loans and advances:	371.26	1,383.03	1,467.95
4. Deferred tax assets	-	362.51	-
5.Current Assets, Loans & Advances :			
Current Investments	11,871.90	18,134.07	20,829.65
Inventories	40,197.86	50,066.14	58,182.75
Land held for Sale	-	-	-
Sundry Debtors	42,099.09	26,905.95	41,804.36
Cash and Bank Balances	47,170.90	86,726.30	159,498.93
Other Current Assets	10,974.01	13,619.77	5,258.79
Loans & Advances	25,170.22	20,845.22	21,594.61
Less : Current Liabilities and Provisions			
Liabilities	112,939.14	105,840.11	138,702.05
Provisions	2,048.65	1,936.64	3,221.54
Short Term borrowing	58,204.55	110,056.54	166,367.48
NET CURRENT ASSETS :	4,291.64	(1,535.84)	(1,121.98)
Miscellaneous Expenditure			
TOTAL	39,933.76	36,721.13	38,171.48
Gokul Refoils and Solvent Limited - Abridged Profit and Loss accounts:			
Years/Period ended on	31-03-14	31-03-13	31-03-12
Income	Rs (in lacs)	Rs (in lacs)	Rs (in lacs)
Sales and Operating Income	631052.28	571847.09	648717.16
Other Income	9,929.67	16,189.20	6,621.21
Total	640,981.95	588,036.29	655,338.37
Expenses			
Raw Materials Consumed	436,471.49	486,904.06	513,447.84
Purchased of Finished Goods	142,356.81	50,876.29	86,358.75
Employee Emoluments	2,769.52	2,238.22	2,509.74
Others	38,447.70	26,505.34	47,777.98
Interest & Finance Cost (Net)	9,025.37	19,292.18	14,962.90
Depreciation/Impairment	3,743.21	3,654.56	3,289.67
(Increase) in Stocks	7,185.22	(2,364.35)	1,035.99
Profit before Tax for the year	982.63	929.99	(14,044.49)
Less : Current Tax	673.81	(362.51)	(3,335.87)
Less : Fringe Benefit Tax	-	-	-
Profit for the year	308.82	1,292.50	(10,708.62)
Balance carried to Balance Sheet	308.82	1,292.50	(10,708.62)

**COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
GOKUL REFOILS AND SOLVENT LIMITED
AND
GOKUL AGRO RESOURCES LIMITED
AND
GOKUL AGRI INTERNATIONAL LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394, SECTIONS 78, 100 TO 103
OF THE COMPANIES ACT, 1956 AND SECTION 52 OF THE COMPANIES ACT, 2013**

PREAMBLE

(A) DESCRIPTION OF COMPANIES:

- a. Gokul Refoils and Solvent Limited ('GRSL') is a company incorporated on 29 December 1992 under the name of Gokul Refoils and Solvent Private Limited having its registered office at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151. The Company was subsequently converted into public company and consequently the name was changed to Gokul Refoils and Solvent Limited from 1 July 1994. 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 equity shares of GRSL are listed on BSE Limited and National Stock Exchange of India.
- b. Gokul Agro Resources Limited ('GARL') is a company incorporated on 3 July 2014 having its registered office at B-402, Shapath Hexa, Near Ganesh Meridiyan, Opp. Gujarat High Court, Sola, Ahmedabad - 380060 in the State of Gujarat. GARL is also engaged in the business of 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.
- c. Gokul Agri International Limited ('GAIL') is a company incorporated on 23 May 2014 having its registered office at State Highway No. 41, Near Sujanpur Patia, Sidhpur - 384151. GAIL is also engaged in the business of 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.

(B) RATIONALE FOR THE SCHEME OF ARRANGEMENT

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

- a. Haldia Undertaking;
- b. Gandhidham Undertaking; and
- c. Sidhpur Undertaking

Along with the above Undertakings, GRSL also has 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 has 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

also wishes to revalue the Fixed Assets of its Remaining Undertaking in order to reflect true and fair value of the Assets. Therefore, with a view to effect such reorganization, the present Scheme is proposed 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

The above transfers will 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

The re-structuring exercise would, inter-alia, achieve the following:

- a. Restructuring would result in two independent listed companies, which would provide opportunities to the respective businesses to attract different set of investors, strategic partners, lenders and other stakeholders thereby unlocking value of respective business and existing shareholders.
- b. Restructuring of businesses would enable respective management(s) to concentrate on core businesses and strengthen competencies and provide independent opportunities to increase scale of operations, etc.;
- c. Restructuring would result in focused management attention to the respective businesses and segregation of businesses with distinct risk-reward profiles.

(C) PARTS OF THE SCHEME OF ARRANGEMENT

The Scheme is divided into the following parts:

PART I - Definition, Share Capital & Date of taking Effect;

PART II - Demerger of Gandhidham Undertaking and Gandhidham Windmill Undertaking from GRSL to GARL;

PART III - Transfer of Sidhpur Undertaking and Sidhpur Windmill Undertaking from GRSL to GAIL;

PART IV - Restructuring of Share Capital of GRSL, GARL and GAIL

PART V - Reorganization of GRSL

PART VI - Common Clauses & General terms and conditions

PART I – DEFINITIONS, SHARE CAPITAL & DATE OF TAKING EFFECT

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 and the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof for the time being in force. It is being clarified that as on the date of approval of this Scheme by the Board of Directors of GRSL, GARL and GAIL, Section 100 to 103 and Section 391 to 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. Accordingly, reference in this Scheme to particular provisions of the Act are reference to the particular provisions of the Companies Act, 1956. Upon such provisions standing re-enacted by enforcement of provisions of the Companies Act, 2013, such reference shall, unless a different intention appears, be construed as reference to the provisions so re-enacted.

- 1.2 **“Appointed Date”** means January 1, 2015 or such other date as may be fixed or approved by the Hon’ble High Court of Gujarat at Ahmedabad or National Company Law Tribunal (‘NCLT’) or any other appropriate authority.
- 1.3 **“Board of Directors”** means the Board of Directors of GRSL, GARL or GAIL, as the context may require and includes committee thereof.
- 1.4 **“Court” or “High Court”** means the Hon’ble High Court of Gujarat at Ahmedabad and shall include the NCLT, if and when applicable;
- 1.5 **“Gandhidham Undertaking”** means the Gandhidham business division of Gokul Refoils and Solvent Limited on a going concern basis including assets including investments & liabilities, pertaining to Gandhidham Undertaking. Without limiting generality of the foregoing, Gandhidham Undertaking shall include but not limited to:
- a. All the assets and properties as on the Appointed Date pertaining to the Gandhidham Undertaking;
 - b. All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Gandhidham Undertaking;
 - c. Without prejudice to the generality of above, the Gandhidham Undertaking shall include land or piece of land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, Capital work in progress, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature and wheresoever situated including but without being limited to cash in hand, bank balance, investments, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses (including but not limited to sales tax registrations, VAT registrations, tax registrations), contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, permissions, and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.);
 - d. All employees engaged in or in relation to the Gandhidham Undertaking as on the Effective Date;
 - e. All records, files, papers, engineering and process information, computer programs, computer software, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Gandhidham Undertaking

Explanation A: Whether any particular asset or liability should be included or excluded as asset or liability of the Gandhidham Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GARL;

Explanation B: For the purpose of this Scheme, it is clarified that liabilities pertaining to the Gandhidham Undertaking of GRSL shall comprise the liabilities, borrowings, debts and loans as agreed between GRSL and GARL which will cover:

- a. The liabilities, which arise out of the activities or operations of the Gandhidham Undertaking;
- b. Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Gandhidham Undertaking;
- c. Liabilities other than those referred to in sub-clauses a. and b. above and not directly relatable to the Remaining Undertaking of GRSL, being the amounts of general or multipurpose borrowings of GRSL shall be allocated to the Gandhidham Undertaking of GRSL in the same proportion which the value of the assets transferred under this sub-clause bears to the total value of the assets of GRSL immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to GARL as liabilities pertaining to the Gandhidham Undertaking.

1.6 **“Gandhidham Windmill Undertaking”** means the Gandhidham Windmill Business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Gandhidham Windmill Undertaking. Without limiting generality of the foregoing, Gandhidham Windmill Undertaking shall include;

- a. All assets and liabilities of GRSL pertaining to Gandhidham Windmill Undertaking
- b. Without prejudice to the generality of the provisions of above, the Gandhidham Windmill Undertaking shall include –

The whole of the undertaking of Gandhidham Windmill Undertaking of GRSL, as a going concern, including all debts, liabilities, duties and obligations and all the assets and properties, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and moveable plant and machinery, transmission cables, blades, Roaters, spares, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, quota, rights, import quotas, licenses, registrations, copyrights, patents, trade names, trademarks and other industrial rights and licenses in respect of the Gandhidham Windmill Undertaking, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and owners of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by GRSL in connection with or pertaining or relatable to the Gandhidham Windmill Undertaking and all earnest money and/ or deposits including security deposits paid by GRSL in connection with or relating to Gandhidham Windmill Undertaking and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Gandhidham Windmill Undertaking;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Gandhidham Windmill Undertaking include:

- The liabilities which arise out of the activities or operations of the Gandhidham Windmill Undertaking.
- Specific loans and borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operation of Gandhidham Windmill Undertaking.
- Liabilities other than those referred, to in Sub-clauses a. and b. above, being the amounts of general or multipurpose borrowings of GRSL, allocated to Gandhidham Windmill Undertaking based on discussion between management of GRSL and GAIL

- c. All employees of GRSL employed in Gandhidham Windmill Undertaking as on the Effective Date.
- d. Any particular asset or liability should be included or excluded as an asset or liability of the Gandhidham Windmill Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GARL.

- 1.7 **“Demerged Undertakings”** means collectively Gandhidham Undertaking and Gandhidham Windmill Undertaking as defined in clause 1.5 and 1.6 respectively.
- 1.8 **“Effective Date”** means the last of the date on which the conditions specified in clause 26 of the Scheme are fulfilled with respect to a particular Part of the Scheme.
- 1.9 **“Expenses” or “Specified items”** includes amount to be written-off towards obsolete or unrealizable assets whether fixed or current or tangible or intangible of the Demerged Company; any diminution in value of investments in the subsidiary companies and/or Joint Ventures whether in India or overseas, if any, whether existing or occurring in future; all the expenses / costs incurred in carrying out and implementing this Scheme; any additional depreciation on account of any upward revaluation of assets; any impairment, amortization and/or write-off of goodwill; and such other expenditure as may be decided and considered necessary by the Board of Directors of GRSL. For the purpose of this clause, if any issue / question arises with respect to identification and/or quantification of the nature and amount of the expenses, the decision / clarification of the Board of Directors of GRSL shall be final.
- 1.10 **“Gokul Agri International Limited” or “GAIL” or “Transferee Company 2”** means Gokul Agri International Limited, a company incorporated under the Act and having its registered office at State Highway No. 41, Near Sujapur Patia, Sidhpur - 384151 in the State of Gujarat.
- 1.11 **“Gokul Agro Resources Limited” or “GARL” or “Resulting Company” or “Transferee Company 1”** means Gokul Agro Resources Limited, a company incorporated under the Act and having its registered office at B-402, Shapath Hexa, Near Ganesh Meridiyan, Opp. Gujarat High Court, Sola , Ahmedabad - 380060 in the State of Gujarat.
- 1.12 **“Gokul Refoils and Solvent Limited” or “GRSL” or “Demerged Company” or “Transferor Company”** means Gokul Refoils and Solvent Limited, a company incorporated under the Act and having its registered office at State Highway No. 41, Near Sujapur Patia, Sidhpur - 384151 in the State of Gujarat.
- 1.13 **“Record Date”** means such date after the Effective Date which will be mutually fixed by the Board of Directors of GRSL and GARL or any committee / person duly authorized by the respective Board of Directors, to determine the members of Demerged Company to whom equity shares of the Resulting Company will be allotted pursuant to clause 5.1 of this Scheme.
- 1.14 **“Remaining Undertaking”** means the undertaking along with businesses, activities and operations presently being managed by the Demerged Company, excluding the Gandhidham Undertaking and Gandhidham Windmill Undertaking, Sidhpur Undertaking and Sidhpur Windmill Undertaking.
- 1.15 **“Scheme” or “the Scheme” or “this Scheme”** means this Composite Scheme of Arrangement in its present form or with any modification(s) approved or imposed or directed by the High Court or NCLT, as the case may be.
- 1.16 **“Sidhpur Undertaking”** means the Sidhpur business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Sidhpur Undertaking Without limiting generality of the foregoing, Sidhpur Undertaking shall include;

- a. All the assets and properties as on the Appointed Date pertaining to the Sidhpur Undertaking including the investments of GRSL in its subsidiaries being part of the Sidhpur Undertaking along with balances pertaining to such subsidiaries;
- b. All the debts, liabilities, duties and obligations including contingent liabilities pertaining to the Sidhpur Undertaking;
- c. Without prejudice to the generality of above, the Sidhpur Undertaking shall include land or piece of land, buildings, the movable properties covering plant and machinery, equipment, furniture, fixtures, vehicles, Capital work in progress, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature and wheresoever situated including but without being limited to cash in hand, bank balance, investments claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, licenses, contracts, agreements, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, leasehold rights, sub-letting tenancy rights, with or without the consent of the landlord as may be required, goodwill, other intangibles, permits, authorizations, trademarks, trade names, labels, brands, patents, patent rights, copyrights, designs, and other industrial and intellectual properties and rights of any nature whatsoever including labels, designs, know-how, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits of all agreements, arrangements, deposits, advances, recoverables and receivables, whether from government, semi-government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions permissions, and approvals of whatsoever nature and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Sidhpur Undertaking;
- d. All employees engaged in or in relation to the Sidhpur Undertaking as on the Effective Date;
- e. All records, files, papers, engineering and process information, computer programs, computer software, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to the Sidhpur Undertaking;

Explanation A: Whether any particular asset or liability should be included or excluded as an asset or liability of the Sidhpur Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GAIL.

1.17 **“Sidhpur Windmill Undertaking”** means the Sidhpur Windmill business Undertaking of GRSL on a going concern basis including assets & liabilities pertaining to Sidhpur Windmill Undertaking. Without limiting generality of the foregoing, Sidhpur Windmill Undertaking shall include;

- a. All assets and liabilities of GRSL pertaining to Sidhpur Windmill Undertaking
- b. Without prejudice to the generality of the provisions of above, the Sidhpur Windmill Undertaking shall include –

The whole of the undertaking of Sidhpur Windmill Undertaking of GRSL, as a going concern, including all debts, liabilities, duties and obligations and all the assets and properties, whether moveable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and moveable plant and machinery, transmission cables, blades, Roaters, spares, vehicles, fixed assets,

work in progress, current assets, investments, reserves, provisions, funds, quota, rights, import quotas, licenses, registrations, copyrights, patents, trade names, trademarks and other industrial rights and licenses in respect of the Sidhpur Windmill Undertaking, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership flats, hire purchase and lease arrangements, computers, office equipment, telephones, telexes, facsimile connections, communication facilities, equipment and installations, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and owners of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by GRSL in connection with or pertaining or relatable to the Sidhpur Windmill Undertaking and all earnest money and/ or deposits including security deposits paid by GRSL in connection with or relating to Sidhpur Windmill Undertaking and approvals of whatsoever nature (including but not limited to benefits of tax relief including under the IT Act such as credit for advance tax, taxes deducted at source, minimum alternate tax etc., unutilized deposits or credits, benefits under the VAT / Sales Tax law, VAT/sales tax setoff, unutilized deposits or credits, benefits of any unutilized MODVAT / CENVAT / Service tax credits, etc.) relating to the Sidhpur Windmill Undertaking; For the purpose of this Scheme, it is clarified that liabilities pertaining to the Sidhpur Windmill Undertaking include:

- The liabilities which arise out of the activities or operations of the Sidhpur Windmill Undertaking.
 - Specific loans and borrowings (including debentures, if any) raised, incurred and utilized solely for the activities or operation of Sidhpur Windmill Undertaking.
 - Liabilities other than those referred, to in Sub-clauses a. and b. above, being the amounts of general or multipurpose borrowings of GRSL, allocated to Sidhpur Windmill Undertaking based on discussion between management of GRSL and GAIL
- c. All employees of GRSL employed in Sidhpur Windmill Undertaking as on the Effective Date.
- d. Any particular asset or liability should be included or excluded as an asset or liability of the Sidhpur Windmill Undertaking or otherwise shall be decided mutually by the Board of Directors or any committee thereof of GRSL and GAIL.

1.18 **“Sidhpur Undertakings”** means collectively Sidhpur Undertaking and Sidhpur Windmill Undertaking as defined in clause 1.16 and 1.17 respectively.

In this Part, unless the context otherwise requires:

- 1.1 the words denoting the singular shall include the plural and vice versa;
- 1.2 headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- 1.3 references to the word “include” or “including” shall be construed without limitation;
- 1.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.5 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- 1.6 word(s) and expression(s) which are used in this Scheme and not defined in part, shall, unless repugnant or contrary to the context or meaning hereof, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulations) Act, 1956 or Depositories Act, 1996 or other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1 The share capital of Gokul Refoils and Solvent Limited (i.e. Demerged Company / Transferor Company) as at 31 March 2014 is as under:

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

There has been no change in the share capital of GRSL subsequent to the above.

- 2.2 The share capital of Gokul Agro Resources Limited (i.e. Resulting Company / Transferee Co. 1) as at 3 July 2014, being the date of incorporation, is as under:

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

There has been no change in the capital structure of GARL subsequent to above.

- 2.3 The share capital of Gokul Agri International Limited (i.e. Transferee Co. 2) as at May 23, 2014, being the date of incorporation, is as under:

Particulars	Amount (in Rs.)
<u>Authorized Share Capital</u> 2,000,000 equity shares of Rs. 10/- each	20,000,000
TOTAL	20,000,000
<u>Issued, Subscribed and Paid-up share capital</u> 50,000 equity shares of Rs. 10/- each fully paid up	500,000
TOTAL	500,000

There has been no change in the capital structure of GAIL subsequent to above.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

PART II - DEMERGER OF GANDHIDHAM UNDERTAKING AND GANDHIDHAM WINDMILL UNDERTAKING FROM GRSL TO GARL

4. TRANSFER AND VESTING OF GANDHIDHAM UNDERTAKING AND GANDHIDHAM WINDMILL UNDERTAKING OF DEMERGED COMPANY

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Gandhidham Undertaking as defined in clause 1.5 and the whole of the Gandhidham Windmill Undertaking as defined in clause 1.6 shall (collectively referred to as "Demerged Undertakings" as described in clause 1.7 of the Scheme), pursuant to the provisions of Sections 391 to 394 and all other applicable provisions

of the Act and Section 2(19AA) of the Income-tax Act, 1961 and without any further act, instrument, deed, matter or thing, stand transferred to and vested into, as a going concern, so as to vest in GARL all rights, title and interest pertaining to the Demerged Undertakings.

- 4.2 Without prejudice to the generality of above, in respect of such of the assets of the Demerged Undertakings as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same may be transferred to and vested into GARL, as follows;
- a. All the moveable assets capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to GARL along with such other documents as may be necessary towards the end and intent that the property therein passes to GARL on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of GARL accordingly. The investments being part of Demerged Undertakings will be transferred to GARL by executing appropriate share transfer deeds. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GARL, being a date after the sanction of the Scheme by the High Court.
 - b. The moveable assets, other than those specified above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of GARL. GARL may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of GARL to recover or realize the same is in substitution of the right of GRSL and that appropriate entry should be passed in their respective books to record the aforesaid charges.
- 4.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Demerged Undertakings, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to GARL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of the Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.
- 4.4 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by GRSL required to carry on operations of the Demerged Undertakings shall stand vested in or transferred to GARL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GARL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to GARL as if they were originally obtained by GARL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by GRSL relating to the Demerged Undertakings, are concerned, the same shall vest with and be available to GARL on the same terms and conditions as applicable to Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to GARL.

- 4.5 All patents, trademarks, copyrights, or any kind of intellectual property, if any, registered with the concerned authority or application submitted at any time on or before the Effective Date or being used by GRSL, pertaining to the Demerged Undertakings shall stand transferred and vested in the name of GARL without any further act or deed. GARL, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authorities.
- 4.6 GRSL in relation to Demerged Undertakings may be entitled to various benefits under incentive schemes and policies in relation to the Demerged Undertakings and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Demerged Undertakings shall be transferred to and vested into GARL and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to Demerged Undertakings, to the extent statutorily available, shall be claimed by GARL.
- 4.7 Upon the coming into effect of this Scheme on the Appointed Date such of the borrowings of GRSL relating to Demerged Undertakings as identified by the Board of Directors of GRSL, shall without any further act or deed be and stand transferred to GARL, and shall thereupon become the debts and liabilities of GARL, which shall meet, discharge and satisfy the same.
- 4.8 The transfer of the borrowings in terms of the above clause shall be without prejudice to any agreements or arrangements including in respect of security entered into between GRSL and the lenders existing on the Appointed Date which shall continue in full force (till such time as the individual agreements are signed between the lenders and GARL) notwithstanding that the liability for repayment of the principal amount and payments of interest or any other dues is taken over by GARL. GRSL shall make repayments of such principal amounts and payments of interest or any other dues thereon on behalf of GARL, and GARL shall be under an obligation to place with GRSL funds at the relevant time so as to enable GARL to make payments to the lenders on or before their respective due dates.
- 4.9 The transfer and vesting of the Demerged Undertakings as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Demerged Undertakings to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertakings.

The security and charge over the assets forming part of the Demerged Undertakings which relate to any liabilities pertaining to the business other than the Demerged Undertakings, or liabilities of GRSL other than liabilities of the Demerged Undertakings, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities except ascertainable to Demerged Undertakings. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GARL shall continue with respect to such assets or any part thereof of GARL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Demerged Undertakings vested in GARL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by GRSL in relation to the Demerged Undertakings which shall vest

in GARL by virtue of the vesting of the Demerged Undertakings into GARL and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective. *Provided further* that all the loans, advances and other facilities sanctioned to GRSL in relation to the Demerged Undertakings by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to GARL and the said loans and advances may be drawn and utilized either partly or fully by GRSL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by GRSL in relation to the Demerged Undertakings (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to GARL and all the obligations of GRSL in relation to the Demerged Undertakings under any loan agreement shall be construed and shall become the obligation of GARL without any further act or deed on the part of the Resulting Company.

- 4.10 Where any of the liabilities and obligations attributed to the Demerged Undertakings on the Appointed Date has been discharged by GRSL on behalf of GARL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of GARL.
- 4.11 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Demerged Undertakings which GRSL owns or to which GRSL is a party and which cannot be transferred to GARL or to its successor in business, for any reason whatsoever, GRSL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of GARL to which the Demerged Undertakings is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

5. CONSIDERATION

- 5.1 Upon this Scheme becoming effective, GARL shall without any further application or deed, issue and allot shares, at par, credited as fully paid-up, to the extent indicated below to the shareholders of GRSL, and whose name appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following manner:
“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”
- 5.2 In so far as the issue of equity shares pursuant to the above clause is concerned, the same shall be issued and allotted in dematerialized form to those equity shareholders who hold equity Shares in GRSL in dematerialized form, in to the account with the Depository Participant in which the equity shares of GRSL are held or such other account with the Depository Participant as is intimated by the equity shareholders to the Resulting Company before the Record Date. All those equity shareholders of GRSL who hold equity Shares of GRSL in physical form shall also have the option to receive the shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to GARL before the Record Date. In the event that GARL has received notice from any equity shareholder of GRSL that equity shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her/its account with a Depository Participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the GARL, then GARL shall issue equity shares, in physical form to such equity Shareholders.
- 5.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of GRSL, the board of directors or any committee thereof of GRSL shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in GRSL as if such changes in

registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transfer of the share in GRSL and in relation to the shares issued by GARL after the effectiveness of this Scheme. The board of directors of GRSL and GARL shall be empowered to jointly remove such difficulties as may arise in the course of implementation of this Scheme and registration of new members in the Resulting Company on account of difficulties faced in the transaction period.

- 5.4 The equity shares issued by GARL in terms of clause 5.1 of the Scheme will be listed and/or admitted to trading on the Stock Exchanges, where the shares of GRSL are listed and/or admitted to trading, subject to necessary approval to be obtained from regulatory authorities and all necessary compliances and applications will be made in this respect by GARL.
- 5.5 Shares to be issued by GARL pursuant to clause 5.1 of the Scheme in respect of any Equity shares of GRSL which are held in abeyance under the provisions of Section 206A (corresponding notified Section 126 of the Companies Act, 2013) of the Act or otherwise, if any, shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by GARL.
- 5.6 Approval of this Scheme by the shareholders of GRSL shall be deemed to be the due compliance of the provisions of Section 81(1A) (corresponding section 62(1) of the Companies Act, 2013) and the other relevant and applicable provisions of the Act for the issue and allotment of equity shares by GARL to the equity shareholders of GRSL, as provided in this Scheme.
- 5.7 The Equity shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 5.8 There shall be no change in the shareholding pattern or control in GARL between the record date and the listing of the Equity shares allotted by GARL pursuant to the Scheme.
- 5.9 The Shares to be issued by GARL shall be subject to the Scheme and the Memorandum and Articles of Association of the Resulting Company.
- 5.10 The Resulting Company shall increase its Authorized Share Capital to facilitate issue of shares under this Scheme, by following the requisite procedure under applicable provisions of law and the resolution approving the Scheme shall be deemed to be the approval of increase in the authorized share capital of the Transferee Company.
- 5.11 The approval of this Scheme by the shareholders of both the companies under Sections 391 and 394 of the Act shall be deemed to have the approval under Sections 16, 31, 94 (corresponding section 13, 14 and 61 of the Companies Act 2013 respectively) and other applicable provisions of the Act and any other consents and approvals required in this regard.

6. ACCOUNTING TREATMENT IN THE BOOKS OF THE RESULTING COMPANY

On the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company shall account for demerger in its books as under:

- 6.1 GARL shall record the assets, liabilities and debts of the Demerged Undertakings, at their respective book values as appearing in the books of Demerged Company at the close of business on the day immediately preceding the Appointed Date.
- 6.2 GARL shall credit to the Share Capital account in its books of account, the aggregate face value of the equity shares issued and allotted under clause 5.1 of the Scheme to shareholder of Demerged Company.

- 6.3 Upon Scheme being effective and upon issue of shares by GARL to the shareholders of GRSL as envisaged in clause 5.1 of the Scheme, the shares of GARL held by GRSL (whether in its own name or jointly or through any nominee) shall stand automatically cancelled.
- 6.4 The difference, being the excess of value of Net Assets Value of the Demerged Undertakings from GRSL and recorded by GARL in terms of clause 6.1 above, over the amount credited as share capital as per clause 6.2 and after adjusting cancellation of shares held by GRSL (whether in its own name or jointly or through any nominee), shall be credited to Capital Reserve of GARL. Deficit, if any, shall be debited to Goodwill Account of GARL. ("**Net Assets Value**" shall be computed as the value of assets less the value of liabilities, of the Demerged Undertakings transferred to Resulting Company and recorded in Resulting Company in terms of clause 6.1 of the Scheme)
- 7. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY**
- On the Scheme becoming effective and with effect from the Appointed Date, the Demerged Company shall account for demerger in its books as under:
- 7.1 Demerged Company shall reduce from its books, the book value of assets and liabilities transferred as part of the Demerged Undertakings to the Resulting Company, pursuant to the Scheme.
- 7.2 Upon Scheme being effective, the Investments made by the Demerged Company in Equity Shares of the Resulting Company, appearing in the books of the Demerged Company shall stand cancelled and the same shall be adjusted against the Securities Premium Account of the Demerged Company as envisaged in clause 13.2 hereinbelow.
- 7.3 The amount being the Net Assets Value of the Demerged Undertakings transferred pursuant to the Scheme shall be adjusted against Securities Premium Account as envisaged in clause 13.1 hereinbelow, to the extent available. The balance shall be adjusted against the General Reserve Account to the extent available followed by Profit & Loss Account to the extent available. If the difference is a credit balance, the same shall be credited to Capital Reserve Account.
- 8. DECLARATION OF DIVIDEND**
- 8.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent GRSL from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.
- 8.2 GRSL shall not utilize the profits or income, if any, relating to the Demerged Undertakings for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of GARL.

PART III – TRANSFER OF SIDHPUR UNDERTAKING AND SIDHPUR WINDMILL UNDERTAKING FROM GRSL TO GAIL
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- 9. TRANSFER AND VESTING OF SIDHPUR UNDERTAKING AND SIDHPUR WINDMILL UNDERTAKING OF GRSL**
- 9.1 With effect from the Appointed Date and upon the Scheme becoming effective, the whole of the Sidhpur Undertaking as defined in clause 1.16 of the Scheme and the whole of the Sidhpur Windmill Undertaking as defined in clause 1.17 of the Scheme (collectively referred to as "Sidhpur Undertakings" as described in clause 1.18 of the Scheme) shall, pursuant to the provisions of Sections 391 to 394 of the Act and all other applicable provisions of the Act, and without any further act, instrument, deed, matter or thing, shall stand transferred to and vested into, as a going concern for considerations as detailed in clause 10 of the Scheme, so as to vest in GAIL all rights, title and interest pertaining to the Sidhpur Undertakings.

- 9.2 Without prejudice to the generality of above, in respect of such of the assets of the Sidhpur Undertakings as are moveable in nature or are otherwise capable of transfer and vesting by manual delivery or by endorsement and/or delivery or by physical possession including plant, machinery and equipment, the same may be transferred to and vested into GAIL, as follows:
- a. All the moveable assets of the Sidhpur Undertakings capable of being transferred and vested by delivery, including plant and machinery, shall be handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to GAIL along with such other documents as may be necessary towards the end and intent that the property therein passes to GAIL on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of GAIL accordingly. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GAIL, being a date after the sanction of the Scheme by the High Court. The investments being part of Sidhpur Undertaking will be transferred to GAIL by executing appropriate share transfer deeds. Such transfer shall be made on a date mutually agreed upon between the respective Boards of Directors of GRSL and GAIL, being a date after the sanction of the Scheme by the High Court.
 - b. The moveable assets of the Sidhpur Undertakings, other than those specified above, including intangible assets, actionable claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, bank balances and deposits including deposits paid in relation to outstanding litigations, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall, without any further act, instrument or deed, be transferred to and vested into as the property of GAIL. GAIL may, if required, give notice in such form as it may deem fit and proper to each person or debtor that, pursuant to the Scheme, the said person or debtor should pay the debt, loan or advance of the Sidhpur Undertakings or make good the same or hold the same to its account and that the right of GAIL to recover or realize the same is in substitution of the right of GRSL and that appropriate entry should be passed in their respective books to record the aforesaid charges.
- 9.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of every kind, nature and description of Sidhpur Undertakings, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to GAIL, so as to become from the Appointed Date the debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations, secured or unsecured, of GAIL and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities including accrued interest thereon, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.
- 9.4 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by GRSL required to carry on operations of Sidhpur Undertakings shall stand vested in or transferred to GAIL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of GAIL and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses etc. shall vest in and become available to GAIL as if they were originally obtained by GAIL. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by GRSL relating to Sidhpur Undertakings, are concerned, the same shall vest with and be available to GAIL on the same terms and conditions as applicable to GRSL, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to GAIL.

- 9.5 All patents, trademarks, copyrights, or any kind of intellectual property, if any, registered with the concerned authority or application submitted at any time on or before the Effective Date or being used by GRSL, pertaining to Sidhpur Undertakings shall stand transferred and vested in the name of GAIL without any further act or deed. GAIL, however, shall after the Scheme becoming effective file the relevant intimation with the concerned statutory authorities.
- 9.6 GRSL in relation to Sidhpur Undertakings may be entitled to various benefits under incentive schemes and policies in relation to the Sidhpur Undertakings respectively and pursuant to this Scheme, it is declared that the benefits under all of such schemes and policies pertaining to Sidhpur Undertakings respectively shall be transferred to and vested into GAIL and all benefits, entitlements and incentives of any nature whatsoever including benefits under income tax, excise (including modified value added tax, central value added tax), sales tax (including deferment of any tax), service tax, exemptions, concessions, remissions, subsidies and other incentives in relation to the Sidhpur Undertakings, to the extent statutorily available, shall be claimed by GAIL.
- 9.7 Upon the coming into effect of this Scheme on the Appointed Date such of the general and multipurpose borrowings as ascertainable to the Sidhpur Undertakings of GRSL as identified by the Board of Directors of GRSL, shall without any further act or deed be and stand transferred to GAIL, and shall thereupon become the debts and liabilities of GAIL, which shall meet, discharge and satisfy the same.
- 9.8 The transfer of the general and multipurpose borrowings as ascertainable to the Sidhpur Undertakings in terms of the abovementioned clause shall without prejudice to any agreements or arrangements including in respect of security entered into between GRSL and the lenders existing on the Appointed Date which shall continue in full force (till such time as the individual agreements are signed between the lenders and GAIL) notwithstanding that the liability for repayment of the principal amount and payments of interest or any other dues is taken over by GAIL. GRSL shall make repayments of such principal amounts and payments of interest or any other dues thereon on behalf of GAIL, and GAIL shall be under an obligation to place with GRSL funds at the relevant time so as to enable GAIL to make payments to the lenders on or before their respective due dates.
- 9.9 The transfer and vesting of the Sidhpur Undertakings as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to the Sidhpur Undertakings respectively to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Sidhpur Undertakings respectively.

The security and charge over the assets forming part of the Sidhpur Undertakings which relate to any liabilities pertaining to the business other than the Sidhpur Undertakings, or liabilities of GRSL other than liabilities of the Sidhpur Undertakings, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to any liabilities except ascertainable to Remaining Undertaking. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above. The provisions of this clause shall operate notwithstanding anything contained in any instrument, deed or writing or terms of sanction or issue or any security document, all of which instruments, deeds and writings shall stand modified and/or superseded by the foregoing provision.

Provided further that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of GAIL shall continue with respect to such assets or any part thereof of GAIL and this Scheme shall not operate to enlarge such securities, charges, hypothecation or mortgages and shall not extend or be deemed to extend, to any of the assets of the Sidhpur Undertakings vested in GAIL, provided always that this Scheme shall not operate to enlarge the security of any loan, deposit or facility created by GRSL in relation to the Sidhpur Undertakings which shall vest in GAIL by virtue

of the vesting of the Sidhpur Undertakings into GAIL and there shall not be any obligation to create any further or additional security therefore after the Scheme has become effective.

Provided further that all the loans, advances and other facilities sanctioned to GRSL in relation to the Sidhpur Undertakings by its bankers and financial institutions prior to the Appointed Date, which are partly drawn or utilized shall be deemed to be the loans and advances sanctioned to GAIL and the said loans and advances may be drawn and utilized either partly or fully by GRSL from the Appointed Date till the Effective Date and all the loans, advances and other facilities so drawn by GRSL in relation to the Sidhpur Undertakings (within the overall limits sanctioned by their bankers and financial institutions) shall on the Effective Date be treated as loans, advances and other facilities made available to GAIL and all the obligations of GRSL in relation to the Sidhpur Undertakings under any loan agreement shall be construed and shall become the obligation of GAIL without any further act or deed on the part of the GAIL.

9.10 Where any of the liabilities and obligations attributed to the Sidhpur Undertakings on the Appointed Date has been discharged by GRSL on behalf of GAIL after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of GAIL.

9.11 It is clarified that if any assets, (estate, claims, rights, title, interest in, or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever in relation to any of the Sidhpur Undertakings which GRSL owns or to which GRSL is a party and which cannot be transferred to GAIL or to its successor in business, for any reason whatsoever, GRSL shall hold such assets or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of GAIL to which the Sidhpur Undertakings is being transferred in terms of this Scheme, in so far as it is permissible so to do, till such time as the transfer is effected.

10. CONSIDERATION

Subject to the terms and conditions of this Scheme, in consideration of the transfer of the Sidhpur Undertakings, 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.

11. ACCOUNTING TREATMENT IN THE BOOKS OF GAIL

On the Scheme becoming effective and with effect from the Appointed Date, GAIL shall account for transfer in its books as under:

11.1 All the assets and liabilities related to Sidhpur Undertakings as appearing in the books of accounts of GRSL as on the Appointed Date shall stand transferred to and vested in GAIL pursuant to the Scheme and shall be recorded by GAIL at a value derived by apportioning consideration paid by it amongst all the assets and liabilities pertaining to Sidhpur Undertaking;

11.2 The excess, if any, of the balance recorded as per abovementioned clause over the consideration as detailed in clause 10 of the Scheme shall be recorded and credited as Capital reserves in the books of GAIL. Conversely, if the difference of balances as recorded as per abovementioned clause and the consideration as detailed in clause 10 of the Scheme is a shortfall, such amount shall be recorded as Goodwill, as the case may be.

12. ACCOUNTING TREATMENT IN THE BOOKS OF GRSL

On the Scheme becoming effective and with effect from the Appointed Date, GRSL shall account for transfer in its books as under:

12.1 The accounts representing the assets and liabilities pertaining to Sidhpur Undertakings shall stand reduced to the extent of the Book Value of the Sidhpur Undertakings upon transfer to GAIL;

- 12.2 Any difference between consideration received as per clause 10 above and the amount being net assets value in terms of clause 12.1 above shall be adjusted against the balance of Capital Reserve Account (including the amount appropriated as mentioned above in clause 16.1 of the Scheme) and / or against the balance of Securities Premium Account as the Board of Directors of GRSL may decide.

PART IV – RESTRUCTURING OF SHARE CAPITAL OF GRSL, GARL AND GAIL

13. RESTRUCTURE OF SHARE CAPITAL OF GRSL - UTILIZATION OF SECURITIES PREMIUM

- 13.1 Upon Scheme being effective and upon demerger and transfer of the Demerged Undertakings of GRSL to GARL, the Net Asset Value of the said Demerged Undertakings shall be adjusted against the Securities Premium Account of GRSL as envisaged in clause 7.3 hereinabove.
- 13.2 Upon Scheme being effective and upon issue of the shares by GARL to the shareholder of the GRSL in terms of clause 5.1 of the Scheme, the investment made by GRSL in the shares of GARL shall stand cancelled simultaneously as envisaged vide clause 7.2 hereinabove, the said amount shall be adjusted against the Securities Premium Reserve Account of GRSL.
- 13.3 The said utilization of the Securities Premium Account of GRSL, as specified in clause 13.1 and clause 13.2 of the Scheme, shall amount to reduction of capital under Sections 78 (corresponding section 52 of the Companies Act, 2013) read with Sections 100 to 103 of the Companies Act, 1956 and shall be effected as an integral part of the Scheme. The Order of the High Court sanctioning the Scheme shall be deemed to be the Order under Section 102 of the Act for the purpose of confirming the reduction. Since the aforesaid reduction does not involve either diminution of liability in respect of unpaid share capital or repayment of paid-up share capital, the provisions of Section 101(2) of the Act shall not be applicable. GRSL shall not be required to undertake the separate procedure for such reduction and it shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

14. RESTRUCTURE OF SHARE CAPITAL OF GARL

- 14.1 Upon the Scheme being effective, the Equity shares of Rs. 10/- each shall be subdivided in Equity shares of Rs. 2/- each.
- 14.2 Upon the Scheme being effective, the Authorized Share Capital of GARL shall be increased to Rs. 350,000,000 (Rupees Thirty Five Crores Only) without any further act or deed but subject to payment of requisite registration fees and applicable stamp duty. Consequently, the Memorandum of Association and Articles of Association of GARL shall be altered and clause V of Memorandum of Association of GARL shall be replaced with the following clause:
“The Authorized Share Capital of the Company is Rs. 350,000,000/- (Rupees Thirty Five Crores Only) divided into 175,000,000 (Seventeen Crore Fifty Lacs) Equity Shares of Rs. 2/- (Rupees Two Only) each.”
- 14.3 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alteration in the Memorandum and Articles of Association of the Resulting Company viz. Change in the Capital Clause referred above, shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of the Resulting Company while approving the Scheme as a whole, by virtue of written consent letters, have also resolved and accorded the relevant consents as required respectively under Sections 16, 31, 94 and 394 of the Companies Act, 1956 and Sections 13, 14 and 61 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

- 14.4 Upon the Scheme becoming effective and upon the issue of shares by GARL in accordance with clause 5 above, the existing share capital comprising of 50,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each aggregating to Rs. 500,000/- (Rupees Five Lakhs Only) of GARL held by GRSL (whether in its own name or jointly or through any nominee), as on the Record Date, shall without any application or deed, stand cancelled without any payment as envisaged in clause 6.3 of the Scheme.
- 14.5 However, considering the issue of the new Equity Shares to be issued by GARL to the shareholders of GRSL as envisage in clause 5.1 of the Scheme, being larger in value as compared to the cancellation as envisaged in clause 14.4 of the Scheme, there shall not be net reduction of the Share Capital of GARL. Hence, the provisions of law under Sec. 100 to 103 shall not be applicable.
- 15. INCREASE IN THE AUTHORISED CAPITAL OF GAIL**
- 15.1 Upon the Scheme being effective, the Authorized Share Capital of GAIL shall be increased to Rs. 500,000,000 (Rupees Fifty Crores Only) without any further act or deed but subject to payment of requisite registration fees and applicable stamp duty. Consequently, the Memorandum of Association and Articles of Association of GAIL shall be altered and clause V of Memorandum of Association of GAIL shall be replaced with the following clause:
“The Authorized Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty Crores Only) divided into 50,000,000 Equity Shares of Rs. 10/- (Rupees Ten Only) each.”
- 15.2 Under the accepted principle of Single Window Clearance, it is hereby provided that the aforesaid alteration in the Memorandum and Articles of Association of GAIL viz. Change in the Capital Clause referred above, shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of GAIL while approving the Scheme as a whole, by virtue of written consent letters, have also resolved and accorded the relevant consents as required respectively under Sections 16, 31, 94 and 394 of the Companies Act, 1956 and Sections 13, 14 and 61 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

PART V – REORGANIZATION OF GRSL

16. REORGANIZATION OF GRSL

With effect from the Appointed Date, the Fixed Assets of the Remaining Undertaking of GRSL shall be reinstated at their respective fair values as on the Appointed Date as may be determined by Board of Directors of GRSL. Such revaluation shall be carried out on the basis of the report of competent valuer appointed by the Board of Directors of GRSL. In this regard, GRSL shall account for revaluation in its books of accounts as under:

- 16.1 The respective Asset account shall be debited or credited based on any upward or downward valuation of the assets with the corresponding effect being given in Capital Reserve Account.
- 16.2 The balance of Capital Reserve Account (including the amount appropriated as mentioned in the above clause) shall be available to be utilized by the Demerged Company towards the adjustment specified in clause 12.2 of the Scheme and towards “Expenses” or “Specified items” as defined in clause 1.9 of the Scheme as may be considered appropriate by the Board of Directors of GRSL from time to time.
- 16.3 The effect of above stated treatment will be given in the stand alone and consolidated annual accounts (financials) of the Demerged Company, as the Board of Directors of GRSL may deem fit by giving required disclosures.

17. CONDUCT OF BUSINESS AFTER APPOINTED DATE UNTIL THE EFFECTIVE DATE

- 17.1 GRSL in respect of the Demerged Undertakings, shall carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for GARL.

Similarly, GRSL in respect of Sidhpur Undertakings shall also carry on and be deemed to have been carrying on the business and activities and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for GAIL.

GRSL hereby undertakes to hold the Undertakings transferred with utmost prudence until the Effective Date.

- 17.2 GRSL in respect of the Demerged Undertakings shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of GARL, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the Demerged Undertakings or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the Demerged Undertakings or a substantial expansion of the Demerged Undertakings;

Similarly, GRSL in respect of the Sidhpur Undertakings, shall carry on the business and activities with reasonable diligence, business prudence and shall not without the prior written consent of GAIL, alienate, charge, mortgage, encumber or otherwise deal with or dispose off the Sidhpur Undertakings, or any part thereof except in respect of activities in the ordinary course of business nor shall it undertake any new businesses within the Sidhpur Undertakings, or a substantial expansion of the Sidhpur Undertakings.

- 17.3 With effect from the Appointed Date, all the profits or income accruing or arising to GRSL in respect of the Demerged Undertakings or expenditure or losses arising to or incurred by GRSL in respect of the Demerged Undertakings, , shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of GARL, as the case may be;

Similarly, with effect from the Appointed Date, all the profits or income accruing or arising to GRSL in respect of the Sidhpur Undertakings, or expenditure or losses arising to or incurred by GRSL in respect of the Sidhpur Undertakings, shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses (as the case may be) of GAIL, as the case may be.

- 17.4 GRSL shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees related to Demerged Undertakings, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of GARL.

Similarly, GRSL shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees related to Sidhpur Undertakings, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of GAIL.

- 17.5 GRSL shall not vary the terms and conditions of any agreements or contracts in relation to the Demerged Undertakings, except in the ordinary course of business or without the prior consent of GARL, or pursuant to any pre-existing obligation undertaken by them, as the case may be.

Similarly, GRSL shall not vary the terms and conditions of any agreements or contracts in relation to the Sidhpur Undertakings, except in the ordinary course of business or without the prior consent of GAIL or pursuant to any pre-existing obligation undertaken by them, as the case may be.

- 17.6 GRSL, GARL and GAIL shall be entitled, pending sanction of the Scheme, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law or rules for such consents, approvals and sanctions, which may be required pursuant to this Scheme.

18. LEGAL PROCEEDINGS

- 18.1 All legal proceedings, of whatsoever nature by or against GRSL pending and/or arising after appointed date but before the Effective Date and relating to the Demerged Undertakings, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against GARL, be in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company.

Similarly, all legal proceedings, of whatsoever nature by or against GRSL pending and/or arising after appointed date but before the Effective Date and with respect to the Sidhpur Undertakings, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against GAIL, be in the same manner and to the same extent as would or might have been continued and enforced by or against GRSL.

- 18.2 After the Effective Date, if any proceedings are taken against GRSL in respect of the matters referred to in the clause 18.1 above relating to Demerged Undertakings, the Demerged Company shall defend the same at the cost of GARL and GARL shall reimburse and indemnify GRSL against all liabilities and obligations incurred by GRSL in respect thereof.

Similarly, after the Effective Date, if any proceedings are taken against GRSL in respect of the matters referred to in the clause 18.1 above relating to Sidhpur Undertakings, GRSL shall defend the same at the cost of GAIL and GAIL shall reimburse and indemnify GRSL against all liabilities and obligations incurred by GRSL in respect thereof.

- 18.3 GARL undertakes to have all respective legal or other proceedings initiated by or against GRSL referred to in clause 18.1 and/or clause 18.2 above relating to Demerged Undertakings, transferred into its name and to have the same continued, prosecuted and enforced by or against GARL as the case may be, to the exclusion of GRSL.

Similarly, GAIL undertakes to have all respective legal or other proceedings initiated by or against GRSL referred to in clause 18.1 and/or clause 18.2 above relating to Sidhpur Undertakings, transferred into its name and to have the same continued, prosecuted and enforced by or against GAIL as the case may be, to the exclusion of GRSL.

19. CONTRACTS, DEEDS, ETC.

- 19.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Demerged Undertakings, shall continue in full force and effect against or in favour of GARL and may be enforced effectively by or against GARL as fully and effectually as if, instead of GRSL, GARL had been a party thereto.

Similarly, notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds,

agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Sidhpur Undertakings, shall continue in full force and effect against or in favour of GAIL and may be enforced effectively by or against GAIL as fully and effectually as if, instead of GRSL, GAIL had been a party thereto.

- 19.2 GARL 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement, with respect to Demerged Undertakings, to which GRSL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. GARL shall, be deemed to be authorized to execute any such writings on behalf of GRSL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of GRSL.

Similarly, GAIL, 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement, with respect to Sidhpur Undertakings, to which GRSL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. GAIL shall, be deemed to be authorized to execute any such writings on behalf of GRSL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of GRSL.

20. SAVING OF CONCLUDED TRANSACTIONS

- 20.1 The transfer and vesting of the assets, liabilities and obligations of GRSL as per this Scheme and the continuance of the proceedings by or against the Resulting Company under clause 4 & and clause 18 hereof relating to Demerged Undertakings, shall not affect any transaction or proceedings already concluded by GRSL on or before the Effective Date, to that end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by GRSL as acts deeds and things done and executed by and on behalf of GARL.

Similarly, the transfer and vesting of the assets, liabilities and obligations of GRSL as per this Scheme and the continuance of the proceedings by or against GAIL under clause 9 and clause 18 hereof relating to Sidhpur Undertakings, shall not affect any transaction or proceedings already concluded by GRSL on or before the Effective Date, to that end and intent that GAIL accepts and adopts all acts, deeds and things done and executed by GRSL as acts deeds and things done and executed by and on behalf of GAIL.

21. STAFF, WORKMEN & EMPLOYEES

- 21.1 Upon the coming into effect of this Scheme, all employees of GRSL engaged in or in relation to the Demerged Undertakings, and who are in such employment as on the Effective Date shall become the employees of GARL from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by GRSL and without any interruption of or break in service as a result of the transfer of the Demerged Undertakings.

Similarly, upon the coming into effect of this Scheme, all employees of GRSL engaged in or in relation to the Sidhpur Undertakings and who are in such employment as on the Effective Date shall become the employees of the GAIL from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by Demerged Company and without any interruption of or break in service as a result of the transfer of the Sidhpur Undertakings.

- 21.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by GRSL for the employees related to the Demerged Undertakings, (collectively referred to as the “Funds”), the Funds and such of the investments made by the Funds which are referable to the employees related to the Demerged Undertakings, being transferred to GARL, in terms of the Scheme shall be transferred to GARL and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of GARL, either be continued as separate funds of GARL for the benefit of the employees related to the Demerged Undertakings, or be transferred to and merged with other similar funds of GARL. In the event that GARL does not have its own funds in respect of any of the above, GARL may, subject to necessary approvals and permissions, continue to contribute to relevant funds of GRSL, until such time that GARL creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the Demerged Undertakings, shall be transferred to the funds created by GARL. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of GRSL and GARL may decide to continue to make the said contributions to the Funds of GRSL. It is clarified that the services of the employees of the Demerged Undertakings, will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

Likewise, in so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits created by GRSL for the employees related to the Sidhpur Undertakings (collectively referred to as the “Funds”), the Funds and such of the investments made by the Funds which are referable to the employees related to the Sidhpur Undertakings being transferred to GAIL, in terms of the Scheme shall be transferred to GAIL and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of GAIL, either be continued as separate funds of GAIL for the benefit of the employees related to the Sidhpur Undertakings or be transferred to and merged with other similar funds of GAIL. In the event that GAIL does not have its own funds in respect of any of the above, GAIL may, subject to necessary approvals and permissions, continue to contribute to relevant funds of GRSL, until such time that GAIL creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees related to the Sidhpur Undertakings shall be transferred to the funds created by GAIL. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of GRSL and GAIL may decide to continue to make the said contributions to the Funds of GRSL. It is clarified that the services of the employees of the Sidhpur Undertakings will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.

- 21.3 Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertakings and Sidhpur Undertakings shall be decided by the Board of Directors or Committee thereof of GRSL, GARL and GAIL.

22. REMAINING UNDERTAKING OF GRSL

- 22.1 It is clarified that, the Remaining Undertaking of GRSL shall continue with GRSL as follows:

- (a) The Remaining Undertaking of GRSL and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be managed by GRSL.
- (b) All legal and other proceedings by or against GRSL under any statute, whether pending on the Appointed Date or which may be initiated in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking of GRSL (including those relating to any property, right, power, liability, obligation or duty, of GRSL in respect of the Remaining Undertaking of GRSL) shall be continued and enforced by or against GRSL.

- 22.2 With effect from the Appointed Date and including the Effective Date –
- (a) GRSL shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Undertaking of GRSL for and on its own behalf;
 - (b) All profit accruing to GRSL thereon or losses arising or incurred by it relating to the Remaining Undertaking of Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of GRSL

23. TAX CREDITS

- 23.1 GARL will be the successors of GRSL vis-à-vis the Demerged Undertakings. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Demerged Undertakings and the obligations if any for payment of the tax on any assets forming part of the Demerged Undertakings shall be deemed to have been availed by the Resulting Company or as the case may be deemed to be the obligations of the Resulting Company. Consequently, as the Scheme does not contemplate removal of any asset by the Resulting Company from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by Demerged Company.

Similarly, GAIL will be the successors of GRSL vis-à-vis the Sidhpur Undertakings. Hence, it will be deemed that the benefit of any tax credits whether central, state or local, availed vis-à-vis the Sidhpur Undertakings and the obligations if any for payment of the tax on any assets forming part of the Sidhpur Undertakings shall be deemed to have been availed by GAIL or as the case may be deemed to be the obligations of GAIL. Consequently, as the Scheme does not contemplate removal of any asset by GAIL from the premises in which it is installed, no reversal of any tax credit needs to be made or is required to be made by GRSL.

- 23.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Demerged Company relating to the Demerged Undertakings, including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of the Resulting Company.

Similarly, with effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by GRSL relating to the Sidhpur Undertakings including all or any refunds/credit/claims relating thereto shall be treated as the asset/liability or refunds/credit/claims, as the case may be, of GAIL.

- 23.3 Demerged Company and the Resulting Company are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Demerged Undertakings of Demerged Company as vested with the Resulting Company upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

Similarly, GRSL and GAIL are expressly permitted to revise their respective tax returns including tax deducted at source (TDS) certificates/ returns and claim refunds, advance tax credits, excise and service tax credits, set off, etc., on the basis of the accounts of the Sidhpur Undertakings of GRSL as vested with GAIL upon coming into effect of this Scheme, and its right to make such revisions in the related tax returns and related certificates, as applicable, and the right to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

24. APPLICATIONS TO HIGH COURT OR OTHER APPROPRIATE AUTHORITIES

- 24.1 GRSL, GARL and GAIL shall, with all reasonable dispatch, make necessary applications to the High Court or such other appropriate authority, where the registered offices of the GRSL, GARL and GAIL are situated, for seeking order for dispensing with or convening, holding and conducting of meeting of the members and/or creditors of the GRSL, GARL and GAIL, as may be directed by the High Court or such other appropriate authority.
- 24.2 On the Scheme being approved by the requisite majorities of the members and / or creditors of the GRSL, GARL and GAIL, whether at a meeting or otherwise, as prescribed under the law and / or as directed by the High Courts or such other appropriate authority or GRSL, GARL and GAIL shall, with all reasonable dispatch, apply to the High Court or such other appropriate authority for sanctioning of the Scheme under Section 391 to 394 of the Act, and for such other order or orders, as the said High Courts or such other authority may deemed fit for carrying this Scheme into effect.

25. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

- 25.1 GRSL, GARL and GAIL by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the High Courts or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. The GRSL, GARL and GAIL by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be 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. In case, post approval of the Scheme by the High Court, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of GRSL, GARL and GAIL will have complete power to take the most sensible interpretation so as to render the Scheme operational.
- 25.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of GRSL, GARL and GAIL may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

26. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

- The Scheme is and shall be conditional upon and subject to the followings:
- 26.1 The Scheme being approved by respective requisite majorities in numbers and value of such classes of persons including the member and creditors of the companies as may be directed by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority as may be applicable;
- 26.2 The Scheme being sanctioned by the Hon'ble High Court of Judicature of Gujarat at Ahmedabad and / or any other competent authority, as may be applicable under Section 391 to 394 of the Act; and
- 26.3 Certified Copies of the Order of the Hon'ble High Court or such other competent authority, as may be applicable, sanctioning this Scheme being filed with the Registrar of Companies, Gujarat.

27. EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

- 27.1 In the event of any of the said sanctions and approvals referred to in above clause not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, 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 GRSL, GARL and GAIL or their respective shareholders or creditors or employees or any other person and 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.

28. COSTS, CHARGES & EXPENSES

All costs, charges and expenses including stamp duty and registration fee of any deed, document, instrument or High Court's order including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme shall be borne by GRSL and GARL in equal share.

Ref: DCS/AMAL/BS/24(f)/208/2014-15

November 14, 2014

The Company Secretary
Gokul Refoils and Solvent Limited
State Highway No.41
Near Sujanpur Patia,
Sidhpur 384151

Dear Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Gokul Refoils and Solvent Limited, Gokul Agro Resources Limited and Gokul Agri International Limited.

We refer to your draft Scheme of Arrangement between Gokul Refoils and Solvent Limited (GRSL), Gokul Agro Resources Limited (GARL) and Gokul Agri International Limited (GAIL).

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated November 14, 2014 given the following comment(s) on the draft scheme of arrangement:

- ***Company to ensure that additional information with respect to shareholding pattern submitted to the Exchange and audited financials submitted vide GRSL's email/letter dated November 5, 2014 is displayed from the date of receipt of this letter on the websites of the listed company.***
- ***The company shall duly comply with various provisions of the Circulars.***

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

However, the listing of equity shares of Gokul Agro Resources Limited (GARL) on the BSE Limited, shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. Further, GARL shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of GARL is at the discretion of the Exchange. In addition to the above, the listing of GARL pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

...2/-

1. To submit the Information Memorandum containing all the information about GARL and its group companies in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information about GDNL in line with the details required as per the aforesaid SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about GARL to BSE on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - iii) The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."
 - iv) "There shall be no change in the shareholding pattern in GARL between the record date and the listing which may affect the status of this approval."

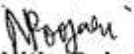
Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of arrangement.

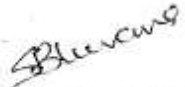
The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. Copy of the High Court approved Scheme;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d. Status of compliance with the Observation Letter/s of the stock exchanges;
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of this Circular.

Yours faithfully,


Nitin Pujari
Manager


Bhuvana Sriram
Dy. Manager

Ref: NSE/LIST/3574

November 14, 2014

The Company Secretary
Gokul Refoils and Solvent Limited
Gokul House, 43, Shreemali CHSL,
Opp. Shikhar Building, Navrangpura,
Ahmedabad - 380009

Kind Attn.: Mr. Harish Motwani

Dear Sir,

Sub.: Observation letter for Composite Scheme of Arrangement between Gokul Refoils and Solvent Limited and Gokul Agro Resources Limited and Gokul Agri International Limited and their respective shareholders and creditors

This has reference to draft Composite Scheme of Arrangement between Gokul Refoils and Solvent Limited and Gokul Agro Resources Limited and Gokul Agri International Limited and their respective shareholders and creditors under Sections 391 to 394, Sections 78, 100 To 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 to NSE vide your letter dated August 12, 2014.

Based on our letter reference no NSE/LIST/252236-S submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI vide its letter dated November 14, 2014, has given following comments on the draft scheme of arrangement:

"a) The Company to ensure that additional information with respect to shareholding pattern and audited financials submitted by Gokul Refoils and Solvent Limited is displayed from the date of receipt of this letter on the websites of the listed company along with various documents submitted pursuant to the Circulars.

b) The Company shall duly comply with various provisions of the Circulars."

Accordingly, we do hereby convey our 'no-objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the scheme with the Hon'ble High Court.

However, the listing of equity shares of Gokul Agro Resources Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, Gokul Agro Resources Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange's criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of Gokul Agro Resources Limited is at the discretion of the Exchange.



The listing of Gokul Agro Resources Limited pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Gokul Agro Resources Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.
2. To publish an advertisement in the newspapers containing all the information about Gokul Agro Resources Limited in line with the details required as per SEBI circular no. SEBI/CFD/DIL/5/2013 dated February 4, 2013. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about Gokul Agro Resources Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) "The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange."
 - (b) "There shall be no change in the shareholding pattern or control in Gokul Agro Resources Limited between the record date and the listing which may affect the status of this approval."

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from November 14, 2014, within which the scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure II of SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

This Document is Digitally Signed



Tip Sons

August 12, 2014

The Board of Directors
Gokul Refoils and Solvent Limited
 Gokul House,
 43 - Shreemali Co-op. Housing Society Ltd.,
 Opp. Sikhar Building, Navrangpura,
 Ahmedabad - 380 009, Gujarat, India

The Board of Directors
Gokul Agro Resources Limited
 89, Meghpar, Borichi, Galpadar Road,
 Near Sharma Resorts, Gandhidham - 370240,
 Gujarat, India

Dear Sirs,

Subject: Fairness Opinion on the Share Exchange Ratio for issue of Equity Shares of Gokul Agro Resources Limited to the shareholders of Gokul Refoils and Solvent Limited in consideration for the demerger of "Gandhidham Undertaking" and "Gandhidham Windmill Undertaking" of Gokul Refoils and Solvent Limited into Gokul Agro Resources Limited

1. Background

Gokul Refoils and Solvent Limited has approached us for issue of a Fairness Opinion Certificate on the Share Exchange Ratio Report dated July 4, 2014, issued by M/s. SSPA & Co., Chartered Accountants, Mumbai (referred to in this document as "Valuer"), in respect of issue of Equity Shares of Gokul Agro Resources Limited to the shareholders of Gokul Refoils and Solvent Limited in consideration for the demerger of "Gandhidham Undertaking" and "Gandhidham Windmill Undertaking" ("Gandhidham Undertakings") of Gokul Refoils and Solvent Limited into Gokul Agro Resources Limited as a part of Scheme of Arrangement amongst Gokul Refoils and Solvent Limited (hereinafter referred to as "GRSL") & Gokul Agro Resources Limited (hereinafter referred to as "GARL") & Gokul Agri International Limited (hereinafter referred to as "GAIL"), as required under Clause 24 (h) of the Listing Agreement.

Further we have been informed that the management of GRSL is proposing to transfer "Sidhpur Undertaking" and "Sidhpur Windmill Undertaking" ("Sidhpur Undertakings") of Gokul Refoils and Solvent Limited to Gokul Agri International Limited for a consideration, to be agreed upon on a later date.

2. Source of Information

For the purpose of issuing Fairness Opinion Certificate, we have relied upon the following documents:



Tipsons Consultancy Services Pvt. Ltd.

(MERCHANT BANKER, SEBI Regn. No. INM00011849)

Regd. & Corp. Office : 401, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad - 380015.

Website : www.tipsons.com Phone : 079 - 3000 2004, 3042 7790, 3048 0295 Fax : 079 - 3048 0298

CIN - U74140GJ2010PTC062799



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- (i) Share Exchange Ratio Report issued by issued by M/s. SSPA & Co., Chartered Accountants, Mumbai dated July 4, 2014;
- (ii) Memorandum of Association and Articles of Association of GRSL and GARL;
- (iii) Draft Scheme of arrangement amongst Gokul Refoils and Solvent Limited and Gokul Agro Resources Limited and Gokul Agri International Limited;
- (iv) Audited Balance Sheet of GRSL as on March 31, 2014;
- (v) Management Certified position of assets and liabilities of "Gandhidham Undertakings" of GRSL as on March 31, 2014;
- (vi) Such other information and explanations as we required and which have been provided by the management of Companies.

3. Exclusions and Limitations

- (i) We have relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by GRSL and GARL. We have therefore relied upon all specific information as received and decline any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.
- (ii) This Fairness Opinion Certificate have been prepared with an objective to give an opinion on Fairness of the share exchange ratio as suggested in the Exchange Ratio Report made out by the Valuer for the purpose of the said scheme of arrangement and, therefore, the values contained in this Report have no relevance for purposes other than those related to the scheme of arrangement.
- (iii) We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.

4. Background of the Companies

- a. GRSL is a listed company, having its registered office at State Highway No. 41, Near Sujapur Patia, Sidhpur – 384151. The Company operates in agro-based commodities, which includes product groups, such as Soya bean oil, Palmolin, Cotton seed oil, sunflower oil, mustard seed oil, castor oil, oil cakes, de oiled cakes, vanaspati, oil seeds and other agro commodities. The Company operates in Agro-based Commodities segment. The Company owns production plants in the states of Gujarat and West Bengal in India namely Sidhpur, Gandhidham, and Haldia operate in conjunction to give the optimum yield. GRSL has two brands in edible oil category Gokul and Zaika.
- b. GARL is a company incorporated on July 3, 2014 having its registered office at 89, Meghpar, Borichi, Galpadar Road, Near Sharma Resorts, Gandhidham - 370240, Gujarat, India. We have been informed that the company is a wholly owned subsidiary of GRSL. GARL is engaged in the business of 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.



Tipsons Consultancy Services Pvt. Ltd.

CIN - U74140GJ2010PTC062799

(MERCHANT BANKER, SEBI Regn. No. INM00011849)

Regd. & Corp. Office: 401, Sheraton House, Opp. Ketav Petrol Pump, Polytechnic Road, Ambawadi, Ahmedabad – 380015
Website: www.tipsons.com, Phone: 079 – 3000 2004, 3042 7790, 3048 0295, Fax: 079 3048 0298



Tip Sons

5. Fairness Opinion on Share Exchange Ratio Report

Based on our examination of the Share Exchange Report issued by the Valuer and subject to the foregoing, we are of the opinion that the Share Exchange Ratio mentioned below and provided in the Share Exchange Report is fair to the Equity Shareholders of Gokul Refoils and Solvent Limited.

"1 (One) Equity Share of Rs. 2 each fully paid up of GARL for every 1 (One) existing Equity Share of GRSL of Rs. 2 each fully paid up to equity shareholders of GRSL".

For, Tipsons Consultancy Services Pvt. Ltd.

Jaykishan Pamnani
Asst. Vice President
Ahmedabad
August 12, 2014



Tipsons Consultancy Services Pvt. Ltd.

CIN - U74140GJ2010PTC062799

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Gokul Refoils & Solvent Ltd.

Corporate Office :
"Gokul House", 43-Shreemali Co-op. Housing Society Ltd.
Opp. Shikhar Building, Navrangpura,
Ahmedabad-380 009. Gujarat (India)
Ph. : +91-79-66304555, 66615253/54/55
Fax : +91-79-66304543 Email : grsl@gokulgroup.com

CIN:-L15142GJ1992PLC018745

Annexure 1

Composite Scheme of Arrangement between Gokul Refoils and Solvent Limited ('GRSL') and Gokul Agro Resources Limited ('GARL') and Gokul Agri International Limited ('GAIL') and their respective shareholders and creditors

Complaint Report

Period of Compliant Report: 21 August 2014 to 11 September 2014

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
1.	Not Applicable	Not Applicable	Not Applicable
2.	Not Applicable	Not Applicable	Not Applicable
3.	Not Applicable	Not Applicable	Not Applicable



Regd. Office & Works : State Highway No-41, Nr. Sujanpur Patta, Sidhpur-384 151. Dist. Patan, Gujarat (India)

Phone : +91-2767 - 222075, 220975 Fax : +91-2767-223475 E-mail : grsl@gokulgroup.com

Gandhidham Unit : 89, Meghpar-Borichi, Galpadar Road, Nr. Sharma Resort, Ta-Arjar, Dist. Kutch-370 110 Gujarat (India)

Phone : +91-2836-247075 / 76 / 77 / 78 / 79 Fax : +91-2836-247080

Surat Unit : N.H. No-8, Nr. Kamrej Sugar Factory, At : Navi Pardi, Ta. : Kamrej, Dist : Surat, Gujarat (India). E-mail : grsl@gokulgroup.com

Haldia Refinery Unit : J.L.N. 149 Plot No Near Essar Petrol pump, HPL Link Road, P.O. Debhog City Centre, P.S. Bhabanipur, Haldia Purba - Medanipur -721657 (West Bengal) Phone : 03224 252839

**IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 289 OF 2014**

In the matter of Sections 391 to 394 read with Sec. 78, 100 to 103 of the Companies Act, 1956;

AND

In the matter of

Gokul Refoils and Solvent Limited.

A Company incorporated under the Companies Act, 1956 and having its registered office at State Highway No. 41,

Nr. Sujanpur Patia, Sidhpur - 384151 in the State of Gujarat

AND

In the matter of Composite Scheme of Arrangement in the nature of de-merger and transfer of Gandhidham

Undertakings of Gokul Refoils and Solvent Limited to Gokul

Agro Resources Limited and transfer of Sidhpur Undertakings

to Gokul Agri International Limited and consequential

restructure of the share capital of Gokul Refoils and Solvent Limited

Gokul Refoils and Solvent Limited,)
A Company incorporated under the)
Companies Act, 1956 and having its)
registered office at State Highway No. 41,)
Nr. Sujanpur Patia, Sidhpur - 384151)
in the State of Gujarat.....)

..... Applicant De-merged Company

FORM OF PROXY

I, the undersigned, the Equity Shareholder of Gokul Refoils and Solvent Limited, do hereby appoint Mr. / Ms. of and failing him/her of as my Proxy to act for me at the Court convened meeting of the Equity Shareholders of the Applicant De-merged Company to be held on Tuesday, the 23rd day of December 2014 at 11.00 am at the registered office of the Company at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151 in the State of Gujarat, for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Composite Scheme of Arrangement in the nature of de-merger and transfer of Gandhidham Undertakings (Gandhidham Undertaking and Gandhidham Windmill Undertaking) of Gokul Refoils and Solvent Limited to Gokul Agro Resources Limited, transfer of Sidhpur Undertakings (Sidhpur Undertaking and Sidhpur Windmill Undertaking) of Gokul Refoils and Solvent Limited to Gokul Agri International Limited and consequential restructure of the share capital in the form of Utilization of Security Premium Account of Gokul Refoils and Solvent Limited (the "**Scheme**"), and at such meeting and any adjournment / adjournments thereof, to vote, for me and in my name (here, if for insert "for", if against insert "against" and in the latter case, strike out the words below after "Scheme") the said Scheme either with or without modification(s) as my proxy may approve.

Dated this Day of 2014

Signature

Name:

Address:

.....

.....

Affix Re.
1
Revenue
Stamp

Signature across the Stamp

Note:

1. The Form of Proxy must be deposited at the Registered Office of the Company at Sidhpur, not less than forty eight hours before the time of holding the aforesaid meeting.
2. If you are a body corporate, as the shareholder, a copy of the Resolution of the Board of Directors or the governing body authorizing such person to act as its representative/proxy at the meeting and certified to be a true copy by a Director, the manager, the secretary or any other authorised officer of such body corporate be lodged with the Company at its registered office not later than 48 hours before the meeting.
3. A proxy need not be a shareholder of Gokul Refoils and Solvent Limited.
4. All alterations made in the Form of Proxy should be initialled.
5. Self addressed and pre-paid envelope is enclosed herewith.



Gokul Refoils & Solvent Ltd.

State Highway No. 41, Nr. Sujanpur Patia,
Sidhpur- 384151. Dist. Patan, Gujarat (India)
Phone: +91-2767- 222075, 220975
Fax: +91- 2767-223475
Website: www.gokulgroup.com
Email: csgrrsl@gokulgroup.com
CIN: L15142GJ1992PLC018745

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP ID* : _____ Folio No. _____

Client ID* : _____ No. of share(s) held: _____

NAME OF THE EQUITY SHAREHOLDER / PROXY HOLDER

ADDRESS OF THE EQUITY SHAREHOLDER / PROXY HOLDER

I/We hereby certify that I/we am/are registered equity shareholder/proxy for the registered equity shareholder of the Company. I/We hereby record my presence at the meeting of the Equity Shareholders of the Company convened pursuant to the Order dated 21st November 2014 of the Hon'ble High Court of Gujarat on Tuesday, 23rd December, 2014 at 11:00 am at the registered office of the Company at State Highway No. 41, Nr. Sujanpur Patia, Sidhpur-384151. Dist. Patan, Gujarat (India).

Member/ Proxy name in block letters

Member/Proxy signature

*Applicable for investors holding shares in electronic forms

Note: Equity Shareholders who come to attend the meeting are requested to bring with them copy of the Composite Scheme of Arrangement.



Gokul Refoils & Solvent Ltd.

State Highway No. 41, Nr. Sujanpur Patia, Sidhpur - 384151. Dist. Patan, Gujarat (India)

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Website: www.gokulgroup.com Email: csgsl@gokulgroup.com CIN: L15142GJ1992PLC018745