

ISHWARSHAKTI HOLDINGS & TRADERS LIMITED

Regd., Office: Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai – 400001
Tel.: 4050 0900 - 4050 0999 Fax: 9122 22624989 E-mail ID: ishwarshakti@rediffmail.com
CIN: L51100MH1983PLC030782

November 29, 2023

To,
BSE Limited
Corporate Relationship Department
1st Floor, Rotunda Building,
P J Towers, Dalal Street,
Mumbai - 400001
Scrip Code: 506161

Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Notice of Meeting of the Equity Shareholders of Ishwarshakti Holdings & Traders Limited ('Company') convened as per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench to consider and approve the Scheme of Arrangement of SEKSARIA INDUSTRIES PRIVATE LIMITED ("Demerged Company No. 1") and SEKSARIA AGRITECH PRIVATE LIMITED (Resulting Company No. 1") and ISHWARSHAKTI HOLDINGS & TRADERS LIMITED (Demerged Company No. 2") with SEKSARIA FINANCE LIMITED ("Resulting Company No. 2") and their respective shareholders ("the Scheme")

Dear Sir/Madam,

This is to inform that as per the direction of the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated November 1, 2023, the Company is to convene and hold a meeting of the Equity Shareholders of the Company ("Meeting") on Saturday, January 6, 2024 at 3.00 p.m. at Kilachand Conference Room, 2nd Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, Maharashtra, to consider and approve the subject Scheme.

We hereby enclose a copy of the notice convening the Meeting along with the explanatory statement and other annexures which are being sent to the equity shareholders of the Company ("Notice").

Further, the Company has fixed December 29, 2023 as Book Closure date for the purpose of E-voting.

We further wish to intimate you that in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall provide its Members the facility to exercise the votes electronically as per details set out in the Notice convening the Meeting for the aforesaid purpose, the Company has fixed September 29, 2023 as cut-off date for the purpose of determining the eligibility of Members to vote either through Remote E-voting or voting at the Meeting place.

The Remote E-voting period will commence on January 3, 2024 (9.00 a.m. IST) and will end on January 5, 2024 (5.00 p.m. IST).

This is for the information and records of the Exchange.

Thanking You.

Yours faithfully,
For Ishwarshakti Holdings & Traders Limited

Sameer Kisan Khedekar
Digitally signed by
Sameer Kisan Khedekar
Date: 2023.11.29
09:39:20 +05'30'

Sameer Khedekar
Company Secretary & Compliance Officer
Membership No. 38695

Encl.: As per Index

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ISHWARSHAKTI HOLDINGS & TRADERS LIMITED

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Tel.: 4050 0900 - 4050 0999 Fax: 9122 22624989 E-mail ID: ishwarshakti@rediffmail.com
CIN: L51100MH1983PLC030782

BEFORE THE NATIONAL COMPANY LAW
TRIBUNAL
MUMBAI BENCH
IN
COMPANY SCHEME APPLICATION NO. 221
/MB-I/ OF 2023

In the matter of Companies Act, 2013

AND

In the matter of Companies Act, 2013 and Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016'

In the matter of Scheme of Arrangement of

- (i) Seksaria Industries Private Limited ("SIPL") .. Applicant Co. No 1 /Demerged Co. 1
- (ii) Seksaria Agritech Private Limited ("SAPL") .. Applicant Co. No 2 /Resulting Co. 1
- (iii) Ishwarshakti Holdings & Traders Limited ("Ishwarshakti") .. Applicant Co. No 3 /Demerged Co. 2
- (iv) Seksaria Finance Limited ("SFL") .. Applicant Co. No 4 /Resulting Co. 2

In the matter of Ishwarshakti Holdings & Traders Limited ("Ishwarshakti") having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS (WHICH INCLUDES PUBLIC SHAREHOLDERS) OF THE APPLICANT COMPANY NO. 3

To,

All the equity shareholders of Ishwarshakti Holdings & Traders Limited ("Ishwarshakti") (the "Applicant Company No.3"):

NOTICE is hereby given that by an Order dated 1st November, 2023 (the **“Order”**), the Hon'ble National Company Law Tribunal, Bench at Mumbai (**“NCLT”**) has directed a meeting to be held of the equity shareholders of the Applicant Company No. 3/Ishwarshakti for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme of Arrangement between (i) Seksaria Industries Private Limited (**“SIPL”**) .. Applicant Co. No 1 /Demerged Co. 1, (ii) Seksaria Agritech Private Limited (**“SAPL”**) .. Applicant Co. No 2 /Resulting Co. 1, (iii) Ishwarshakti Holdings & Traders Limited (**“Ishwarshakti”**) .. Applicant Co. No 3 /Demerged Co. 2 and (iv) Seksaria Finance Limited (**“SFL”**) .. Applicant Co. No 4 /Resulting Co. 2 and their respective shareholders (**“Scheme”**).

In pursuance of the said Order and as directed therein further notice is hereby given that a meeting of the equity shareholders of Ishwarshakti will be held at Kilachand Conference Room, 2nd Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, Maharashtra, on Saturday, January 6, 2024 at 3.00 p.m. at which time and place you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s):

“RESOLVED THAT pursuant to the provisions of Sections 230 - 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification or re-enactment thereof) as may be applicable, the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated 10th day of March 2017, the No Objection letter issued by the BSE Limited, dated 17th day of April, 2023 and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Bench at Mumbai (**“NCLT”**) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the arrangement embodied in the Scheme of Arrangement between (i) Seksaria Industries Private Limited (**“SIPL”**) .. Applicant Co. No 1 /Demerged Co. 1, (ii) Seksaria Agritech Private Limited (**“SAPL”**) .. Applicant Co. No 2 /Resulting Co. 1, (iii) Ishwarshakti Holdings & Traders Limited (**“Ishwarshakti”**) .. Applicant Co. No 3 /Demerged Co. 2 and (iv) Seksaria Finance Limited (**“SFL”**) and their respective shareholders (**“Scheme”**) placed before this meeting and initialled by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT *the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.”*

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the registered office of the Applicant Company at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai - 400001, Maharashtra, India, not later than 48 (forty eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of Ishwarshakti.

TAKE FURTHER NOTICE that in compliance with the provisions of (i) Section 230(4) read with Sections 108 and 110 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 22 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; (iv) Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and (v) Circular No. CFD/DIL3/CIR/2017/21 dated 10 day of March 2017 issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of e-voting so as to enable the equity shareholders, which includes the Public Shareholders (as defined in the Notes below), to consider and approve the Scheme by way of the aforesaid resolution.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures, can be obtained free of charge at the registered office of the Applicant Company at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai - 400001, Maharashtra, India or at the office of its advocates, M/s. ASR & Associates, at 26, The Arcade, World Trade Centre, Cuffe Parade, Mumbai - 400005.

NCLT has appointed Mr. Sushil Kumar Agarwal, Retd. IRS, and in his absence, Mr. Deepak Kumar Bubna, Audit Committee Member, to be the Chairman of the said meeting including for any adjournment or adjournments thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the subsequent approval of NCLT.

A copy of the Explanatory Statement, under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures are enclosed.

Sd/-

Dated this 29th day of November, 2023

Mr. Sushil Kumar Agarwal

Registered office: Seksaria Chambers,
5th Floor, 139, Nagindas Master Road,
Fort, Mumbai - 400001, Maharashtra

Chairman appointed for the meeting

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members/proxies/authorized representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from **December 29, 2023 to January 5, 2024** (both days inclusive) for the purpose of the General Meeting.

6. NCLT by its said Order has directed to hold a meeting of the equity shareholders of the Applicant Company which shall be convened and held at Kilachand Conference Room, 2nd Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, Maharashtra on Saturday, the January 6, 2024 at 3.00 p.m. for the purpose of considering, and if thought fit, approving, with or without modification(s), the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.
7. SEBI, vide its circulars dated November 3, 2021 and December 14, 2021, has mandated Members holding shares in physical form to submit PAN, KYC and Nomination details in specified forms. Members may access www.ishwarshakti.com for Form ISR-1 to register PAN/email id/bank details/other KYC details, Form ISR-2 to update signature and Form ISR-3 for declaration to opt out. Members may make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website and on the website of the Company's Registrar and Transfer Agent.
8. In case a holder of physical securities fails to furnish PAN, KYC details and Nomination by March 31, 2024, Bigshare Services India Private Limited will be obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management. Members can contact the Company or Company's Registrar and Transfer Agent, M/s. Bigshare Services Private Limited for assistance in this regard.
10. The quorum for this meeting of the Equity Shareholders of the Company shall be prescribed under Section 103 of the Companies Act, 2013.
11. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Applicant Company between 10.30 a.m. and 6.30 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
12. The Notice, together with the documents accompanying the same, is being sent to all the equity shareholders either by courier service or electronically by e-mail to those equity shareholders who have registered their e-mail ids with the Applicant Company/registrar and share transfer agents/ NSDL/CDSL, whose names appear in the register of members/list of beneficial owners as

received from NSDL/CDSL as on 17th day of November, 2023. The Notice will be displayed on the website of the Applicant Company <https://ishwarshakti.com/> and on the website of CDSL www.evotingindia.com.

13. The notice convening the meeting will be published through advertisement in (i) Business Standard in the English language; and (ii) Navshakti in Marathi language.
14. To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with Bigshare Services Private Limited/Depositories.

15. Updation of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Transfer Agent to record additional details of Members, including their Permanent Account Number details ("PAN"), email address, bank details for payment of dividend, etc.

Further, the Securities and Exchange Board of India ("SEBI") has mandated the submission of PAN by every participant in the securities market.

A form for capturing the above details is appended to this Notice. Members holding shares in physical form are requested to submit the filled in form to the Company or its Registrars and Transfer Agent. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant.

16. Information and other instructions relating to e-voting are as under:

In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS2) issued by the Institute of Companies Secretaries of India, the Company is pleased to provide to its members facility to exercise their right to vote on resolution/s proposed to be considered at the General Meeting by electronic means and the business may be transacted through e-voting services arranged Central Depository Services Limited ("CDSL"). The Members may cast their votes using an electronic voting system from a place other than the venue of the General Meeting ("remote e-voting"). Instructions for e-voting are given here in below.

The e-voting period will commence at 09.00 a.m. on January 3, 2024 and will end at 5.00 p.m. on January 5, 2024. The Company has appointed Mr. Milan Mehta, Practicing Company Secretary (Membership No. FCS No. 6401), to act as the Scrutinizer, for conducting the scrutiny

of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

The facility for voting through electronic voting system shall be made available at the General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

The Members who have cast their vote by remote e-voting prior to the General Meeting may also attend the meeting but shall not be entitled to cast their vote again.

17. The instructions for equity shareholders voting electronically are as under:

The voting period begins 09.00 a.m. on January 3, 2024 and will end at 5.00 p.m. on January 5, 2024. During this period Members' of the Company, holding shares either in physical as on December 29, 2023, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The details of the process and manner for remote e-voting for EGM are explained herein below:

Step 1: Access to NSDL e-voting system:

(A) Login method for e-voting for Individual Shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020, on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the

	<p>meeting.</p> <ol style="list-style-type: none"> 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e- Voting page of the e-Voting service provider for casting your vote during the remote e- Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of alle-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System

	<p>Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800225533

18. Any queries/grievances in relation to the voting by e-voting may be addressed to Mr. Sameer Khedekar, Company Secretary of the Applicant Company at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai - 400001, Maharashtra, or through email to cs.ishwarshaktiholdings@seksaria.in. He can also be contacted at 022-40500900/0999.

Route Map of Venue of General Meeting

Venue: Kilachand Conference Room, 2nd Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, Maharashtra



ATTENDANCE SLIP

GENERAL MEETING ON SATURDAY, JANUARY 6, 2024 AT 3.00 P.M. (IST)

Folio No. DP ID/ (Client ID) :

Name of the Member :

Address of the Member :

Number of Shares Held :

I hereby record my presence at the General Meeting of the Company held at Kilachand Conference Room, 2nd Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, Maharashtra, India, on Saturday, January 6, 2024.

Name of the Member/Proxy* :

Signature of the Member/Proxy* :

*Strike out whichever is not applicable.

- (1) A shareholder/proxyholder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same at the entrance of the meeting hall, duly signed.
- (2) A shareholder/proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference of the meeting.

E-VOTING

Users who wish to opt for e-voting may use the following login credential

EVSN (Remote E-Voting Event No.)	USER ID	PASSWORD
231125007		

Note: The Voting period starts from Wednesday, January 3, 2024 (9:00 A.M.) and ends on Friday, January 5, 2024 (5:00 P.M.). The voting module shall be disabled by CDSL for voting thereafter.

Please follow for e-voting procedure as given in the Notice of General Meeting.

Form MGT-11**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

GENERAL MEETING ON JANUARY 6, 2024 AT 3:00 P.M. (IST)

Name of the Member(s)	:	
Address of the Member	:	
E-mail	:	
Folio No./DP ID/(Client ID)	:	

I/We, being member(s) of _____ shares of **Ishwarshakti Holdings & Traders Limited**, hereby appoint

Name	:	
E-mail	:	
Address	:	
Signature	:	

or failing him/her

Name	:	
E-mail	:	
Address	:	
Signature	:	

or failing him/her

Name	:	
E-mail	:	
Address	:	
Signature	:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the General Meeting to be held on Saturday, January 6, 2024 at 3:00 P.M. (IST) at Kilachand Conference Room, 2nd Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, Maharashtra, India, and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolutions		Vote		
		For	Against	Abstain
1.	Approval of the Scheme of Amalgamation of SEKSARIA INDUSTRIES PRIVATE LIMITED (“Demerged Company No. 1”) and SEKSARIA AGRITECH PRIVATE LIMITED (Resulting Company No. 1”) and ISHWARSHAKTI HOLDINGS & TRADERS LIMITED (Demerged Company No. 2”) with SEKSARIA FINANCE LIMITED (“Resulting Company No. 2”) and their respective shareholders (“the Scheme”)			

Affix revenue
stamp of not less
than Rupee 1

Signed this _____ day of _____

Name of the Member/ Proxy	:	
Signature of the Member/ Proxy	:	

NOTE:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.**
- 2. A proxy need not be a member of the Company.**

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH

IN

COMPANY SCHEME APPLICATION NO. 221 /MB-I/ OF 2023

In the matter of Companies Act, 2013

AND

In the matter of Companies Act, 2013 and Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016'

In the matter of Scheme of Arrangement of

- (i) Seksaria Industries Private Limited ("SIPL") .. Applicant Co. No 1 /Demerged Co. 1
- (ii) Seksaria Agritech Private Limited ("SAPL") .. Applicant Co. No 2 /Resulting Co. 1
- (iii) Ishwarshakti Holdings & Traders Limited ("Ishwarshakti") .. Applicant Co. No 3 /Demerged Co. 2
- (iv) Seksaria Finance Limited ("SFL") .. Applicant Co. No 4 /Resulting Co. 2

EXPLANATORY STATEMENT UNDER SECTION 230 OF THE COMPANIES ACT, 2013

1. As per Section 230 (1) of Companies Act, 2013, and by and under an Order passed by Hon'ble Mumbai Bench, National Company Law Tribunal Mumbai, on 1st November, 2023 in Company Application No. 221/MB-1/of 2023 a meeting of the Shareholders of Ishwarshakti Holdings & Traders Limited ("Ishwarshakti") (the said "Company") is being convened on Saturday, January 6, 2024 at 3.00 p.m. at Kilachand Conference Room, 2nd Floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400020, Maharashtra for the purpose of considering, and if thought fit, approving with or without modification, the draft scheme of arrangement proposed to be made between (i) Seksaria Industries Private Limited ("SIPL") (ii) Seksaria Agritech Private Limited ("SAPL") (iii) Ishwarshakti Holdings & Traders Limited ("Ishwarshakti") and (iv) Seksaria Finance Limited ("SFL") under Section 232 read with Section 230 of Companies Act, 2013. A copy of the proposed Scheme of Arrangement is annexed to this Explanatory Statement as **Annexure "A"**.
2. Copy of the Scheme alongwith other documents hereinafter will also be available for inspection at the Registered Office of the Company at Seksaria Chambers, 5th Floor, 139,

Nagindas Master Road, Fort, Mumbai 400001 between 10.30 a.m. and 6.30 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of the meeting.

3. All persons entitled to attend and vote at the meeting may vote in the meeting in person or by proxy or where applicable through electronic means.
4. This composite Scheme of Arrangement (“Scheme”) is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for:-
 - a. Demerger on a going concern basis of Seksaria Industries Private Limited (“Demerged Company No. 1”/ “SIPL”) into Seksaria Agritech Private Limited (“Resulting Company No. 1”/“SAPL”) as stated hereinafter.
 - b. Demerger of Ishwarshakti Holdings & Traders Limited (Demerged Company No. 2/” “Ishwarshakti”) into Seksaria Finance Limited (“Resulting Company No.2”/ “SFL”) as stated hereinafter.
 - c. This is for the purpose of dividing two distinct business segment of Ishwarshakti, which are :
 - i) Sugar Business segment carried on by Ishwarshakti through its shareholding in SIPL, i.e. 50% i.e. 49,000 paid up equity share capital of SIPL/Demerged Company No. 1 and carried on by SIPL as stated herein, inter alia through its shareholding in Seksaria Biswan and U.P. NIC, being 49.90% i.e. 11,734,530 of fully paid up equity shares of Seksaria Biswan held by SIPL and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by SIPL, as also through its own shareholdings in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e 50% i.e 7,500 fully paid up Equity Shares of face value of Rs. 100/- each. ; and
 - ii) Seksaria Industries Private Limited (“SIPL/ Demerged Company No.1”) is doing sugar business through its shareholding, i.e. 49.90% i.e. 11,734,530 fully paid up equity shares of The Seksaria Biswan Sugar Factory Limited (“Seksaria Biswan”) held by SIPL and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of U.P. National Industrial Corporation Private Limited (“UP NIC”) held by SIPL. Under Part II of the proposed Scheme, the said sugar business will be demerged and transferred to Seksaria Agritech Private Limited (“**Resulting Company No. 1**” or “**SAPL**”). Sugar Business segment

carried on by Ishwarshakti through its shareholding in SAPL after Part II of the Scheme becomes effective, and carried on by SAPL through its shareholding in UP NIC and Seksaria Biswan, and also carried on through Ishwarshakti's direct shareholding in Seksaria Biswan and UP NIC; and

iii) Non-sugar Business segment which comprises of real estate, optical, confectionaries and financial services, being carried out through direct/indirect shareholding of Ishwarshakti in other group companies.

5. This Scheme is divided into following parts
 - a. PART I: deals with Definitions and share capital.
 - b. PART II: deals with demerger of Demerged Undertaking No. 1 of SIPL into Resulting Company No. 1.
 - c. PART III: deals with demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2.
 - d. PART IV: deals with general terms and conditions.
6. Expressions used in this Explanatory Statement, if defined in the proposed Scheme, shall have the same meaning as those defined in the Scheme.
7. **Details of the Demerged Company No.1:**
 - a) The Demerged Company No.1 is a private limited company incorporated and registered under the provisions of the Companies Act, 1956.
 - b) The Registered Office of the Demerged Company No.1 is situated at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400 001 Maharashtra.
 - c) Corporate Identification (CIN) No.U17120MH1948PTC006225
 - d) Global Location No. (GLN): N.A.
 - e) PAN No.: AAACS6145H
 - f) Email address : industries@seksaria.in
 - g) Web site: N.A.
 - h) The objects for which the Demerged Company No. 1 has been established are set out in its Memorandum of Association. The main objects of the Demerged Company No. 1 are as follows:
 - i) To carry on business as Managing Agents of the Prakash Cotton Mills Ltd., a Company registered under the Indian Companies Act, and having its registered Office in Bombay and to enter into an agreement with the said Company as may be agreed upon between this Company and the Directors of the said Prakash Cotton Mills. Ltd

- ii) To carry on in India and/or elsewhere in the world business as merchants, Dealers on their own account or otherwise as Capitalists, concessionaries, manufacturers, mill owners, factory proprietors, exporters, importers, financiers, factors, shippers, agents, Adatias, commissioner agents, Brokers and collectors, in all or any kinds merchandise and/or produce and/or commodity and to work as rent farmers, constituted attorneys for any person, firm or company for any purpose whatever.
- iii) To carry on business of chemicals and manures, pottery, cement and paper manufacturing, Glass manufacturing, Iron Foundry, Steel and Steel Re Rollers, and coal miners, distillers, dye makers, gas makers, metallurgists and mechanical engineers and contactors, ship-owners, and charterers and carriers by land and sea, warfingers, warehouseman, barge owners, planters, farmers, and so far as may be deemed expedient the business of general merchants whether manufacturing or otherwise which may seem to the company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or right
- i) The authorized share capital of the Demerged Company No.1 as on 31st March 2023 is Rs.1,10,00,000/- (Rupees One Crore Ten Lakhs Only) divided into 1,10,000 Equity share of Rs. 100/- each.
- j) The issued, subscribed, and paid-up share capital of the Demerged Company No.1 as on 31st March 2023 is Rs. 98,00,000/- (Rupees Ninety Eight Lakhs Only) divided into 98,000 Equity share of Rs. 100/- each fully paid up.
- k) As of today the share capital of the Demerged Company No.1 is the same as stated above.
- l) The Demerged Company No.1 is in the business of buying and selling of flats, shops, construction, optical shops.
- m) The Demerged Company No.1 is not a listed company.
- n) There is no change of name or change of address of registered office or object clause of the Demerged Company No.1 in last five years.
- o) List of Promoters and Directors of the Demerged Company No.1 with their shareholding and address is as under:

Sr. No.	Name	Address	Shareholding
1.	Mr. Kailashchandra Kesardeo Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	18,260
2.	Mr. Vinay K. Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	4,500
3.	Mr. Vivek K. Seksaria	Podar House, 5 th Floor, 10, Marine Drive, Mumbai – 400020	4,815
4.	Mr. Yashasvi Seksaria	Podar House, Flat No. 12, 10, Marine Drive, Mumbai – 400020	2,000

7. **Details of the Resulting Company No.1:**

- (a) The Resulting Company No.1 is a private limited company under the provisions of the Companies Act, 1956.
- (b) The Registered Office of the Resulting Company No.1 is situated at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400 001.
- (c) Corporate Identification (CIN) No.- U15490MH2021PTC358800.
- (d) Global Location No. (GLN): N.A.
- (e) PAN No.: ABFCS9194Q
- (f) Email Address: vivek@seksaria.in
- (g) Website: N.A.
- (h) The objects for which the Resulting Company No. 1 has been established are set out in its Memorandum of Association. The main objects of the Resulting Company No. 1 are as follows:
- To purchase, manufacture, produce, boil, prepare, brew, import, export, buy, sell and generally to deal in all varieties of sugar candy, jaggery, khandasari sugar, sugar beet, sugar cane, molasses, syrups, melada, alcohol, spirits and all products and by-products, thereof such as confectionery, glucose, bagasse boards, alcohol and food products generally
- (i) The authorized share capital of the Resulting Company No.1 as on 31st March 2023 is Rs. 1,00,000/- (Rupees One Lakh Only) divided into 10,000 Equity share of Rs. 10/- each.
- (j) The issued, subscribed, and paid-up share capital of the Resulting Company No.1 as on 31st March 2023 is Rs.1,00,000/- (Rupees One Lakhs Only) divided into 10,000 Equity shares Rs. 10/- each fully paid up.

- (k) As of today the share capital of the Resulting Company No.1 is the same as stated above.
- (l) The business carried on by the Resulting Company No.1 is agricultural and allied services.
- (m) The Resulting Company No.1 is not a listed company.
- (n) There is no change of name or change of address of registered office or object clause of the Resulting Company No.1 in last five years.
- (o) List of Promoters and Directors of the Resulting Company No.1 is as under:

Sr. No.	Name	Address	Shareholding
1.	Mr. Kailashchandra Kesardeo Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	3,300
2.	Mr. Vivek K. Seksaria	Podar House, 5 th Floor, 10, Marine Drive, Mumbai – 400020	3,300
3.	Mr. Yashasvi Seksaria	Podar House, Flat No. 12, 10, Marine Drive, Mumbai – 400020	3,400

8. Details of the Demerged Company No.2:

- (a) The Demerged Company No.2 is a public limited company incorporated and registered under the provisions of the Companies Act, 1956.
- (b) The Registered Office of the Demerged Company No.2 is situated at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai - 400001 Maharashtra.
- (c) Corporate Identification (CIN) No: L51100MH1983PLC030782
- (d) Global Location No. (GLN): N.A.
- (e) PAN No.: AAACI0986L
- (f) Email Address: ishwarshakti@rediffmail.com
- (g) Web site: <https://ishwarshakti.com/>
- (h) The objects for which the Demerged Company No. 2 has been established are set out in its Memorandum of Association. The main objects of the Demerged Company No. 2 are as follows The main objects for which the Demerged Company No. 2 was incorporated is as under:
- To carry on the business of buyers, sellers, suppliers, traders, merchants, importers, exporters, transporters, indenters, brokers, agents, assemblers, packers, distributors, financiers, hire purchase and dealers of and in all kinds of

agricultural produces, industrial products, industrial components, electronic parts, minerals, ferrous and nonferrous metals , industrial and other gasses, alcohol, edible and non-edible fats, consumer goods, household goods, hardware and stores, plant and machinery stores, spare parts and accessories, commercial and manmade fibers, textiles of all kinds, ready-made garments, wool, silk, hemp, flax and other fibrous substances, blankets and any products of cotton, and yarn, cement, chemicals, plastic, resins and plastic products, papers and paper products and packing materials.

- To finance Industrial Enterprises and to carry on business as an investment company by investing, acquiring, holding and dealing in shares, securities, moveable, immovable properties, financiers.
 - To carry on the business of investment company an invest and acquire, hold, sell and otherwise deal in shares, debentures, stocks, bonds, obligations and securities issued or guaranteed by any company or by any Government, semi Government, State, Public Body or Authority, whether in India or otherwise.
- (i) The authorized share capital of the Demerged Company No.2 as on 31st March 2023 is Rs.2,00,00,000/-(Rupees Crores Only) divided into 20,00,000 Equity share of Rs. 10/- each.
- (j) The issued, subscribed, and paid-up share capital of the Demerged Company No.2 as on 31st March 2023 is Rs.1,44,00,000/- (Rupees One Crore Fourty Four Lakhs Only) divided into 14,40,000 Equity share of Rs. 10/- each fully paid up.
- (k) As of today the share capital of the Demerged Company No.2 is the same as stated above.
- (l) The Demerged Company No.2 is in the business of financial Industrial Enterprises and to carry on business as an Investment company by investing, acquiring, holding and dealing in shares, securities, movable, immovable properties and also carries business as investment company to invest and acquire, hold, sell, and otherwise deal in shares, debentures, stocks, bonds. It also has sugar business as more particularly stated hereinafter.
- (m) Demerged Company No.2 is a listed company, listed with Bombay Stock Exchange.
- (n) There is no change of name or change of address of registered office or object clause of the Demerged Company No.2 in last five years.
- (o) List of Promoters and Directors of the Company is as under:

Sr. No.	Name	Address	Shareholding
1.	Kesardeo and Sons HUF	Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001	500
2.	Vivek & Sons HUF	Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001	1100
3.	Vinay Corporation (HUF)	Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001	500
4.	Kailashchandra & Sons HUF	Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001	500
5.	Kailash Chandra Kesardeo HUF	Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001	2150
6.	Vivek Kailashchandra Seksaria	Podar House, 5 th Floor, 10, Marine Drive, Mumbai – 400020	138560
7.	Kailashchandra Kesardeo Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	132260
8.	Vinay K Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	139090
9.	Radhika Vinay Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	131910
10.	Aparna Seksaria	Podar House, 5 th Floor, 10, Marine Drive, Mumbai – 400020	138200
11.	Geeta Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	134200

12.	Yashasvi Vivek Seksaria	Podar House, Flat No. 12, 10, Marine Drive, Mumbai – 400020	67700
13.	Anushree Fabrics Pvt Ltd	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	13130
14.	Bhavnagar Oil Mill Pvt Ltd	Bunder Road, Bhavnagar – 364001, Gujarat	139000
15.	Shyam Sunder Saraf	Krishna Niwas, 648/A, Betiahata South, Near Premchand Park, Gorakhpur – 273001	40000
16.	Ashutosh Saraf	Saraf Chambers, Hindi Bazar, Gorakhpur – 273005	1200

9. **Details of the Resulting Company No.2**

- (a) The Resulting Company No.2 is a private limited company incorporated under the provisions of the Companies Act, 1956.
- (b) The Registered Office of the Resulting Company No.2 is situated at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001
- (c) Corporate Identification (CIN) No.- U67110MH2021PLC358689
- (d) Global Location No. (GLN): N.A.
- (e) PAN No.: ABFCS8818M
- (f) Email Address: vivek@seksaria.in
- (g) Website: N.A.
- (h) The objects for which the Resulting Company No. 2 has been established are set out in its Memorandum of Association. The main objects of the Resulting Company No. 2 are as follows:
 - To carry on the business of finance company and deploy funds and other monies of company for the purchase, sale, exchange, surrender, subscription, acquisition, acquisition, undertaking, conversion or otherwise dealing in shares, stocks, units, debentures including debenture stock, bonds, securities, warrants,

negotiable instruments, T-bills, deposits, commercial papers, options, futures, derivatives, money market and capital market securities, and securities of any kind issued or guaranteed by any government, local authorities, public sector undertakings, corporations, trusts, funds, and other organizations, entities, persons, and companies including securities issued by asset management company, asset reconstruction company, asset securitization company and any other company in any manner, of whatever nature, in India or elsewhere

- (i) The authorized share capital of the Resulting Company No.2 as on 31st March 2023 is Rs. 5,00,000/- (Rupees Five Lakhs Only) divided into 50,000 Equity share of Rs. 10/- each.
- (j) The issued, subscribed, and paid-up share capital of the Resulting Company No.2 as on 31st March 2023 is Rs. 5,00,000/- (Rupees Five Lakhs Only) divided into 50,000 Equity share of Rs. 10/- each.
- (k) As of today the share capital of the Resulting Company No.2 is the same as stated above.
- (l) The Resulting Company No.2 is in the business of finance and investment.
- (m) The Resulting Company No.2 is not a listed company.
- (n) There is no change of name or change of address of registered office or object clause of the Resulting Company No.2 in last five years.
- (o) List of Promoters and Directors of the Resulting Company No.2 is as under:

Sr. No.	Name	Address	Shareholding
1.	Mr. Kailashchandra Kesardeo Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	10,000
2.	Mr. Vivek K. Seksaria	Podar House, 5 th Floor, 10, Marine Drive, Mumbai – 400020	10,000
3.	Mr. Yashasvi Seksaria	Podar House, Flat No. 12, 10, Marine Drive, Mumbai – 400020	10,000
4.	Mrs. Geeta Seksaria	Seksaria Building, 5 th Floor, 74, Marine Drive, Marine Lines, Mumbai – 400020	9,800

5.	Mrs. Aparna Seksaria	Podar House, 5 th Floor, 10, Marine Drive, Mumbai – 400020	10,000
6.	Mr. Deepak Kumar Bubna	37, Jyoti Sadan, 3rd Floor, Flat No 11, Marine Drive, Churchgate, Mumbai- 400020	100
7.	Mr. Rajiv Podar	10 Podar House, A Road, Netaji Subhash Road, Marine Drive, Mumbai – 400020	100

10. **Shareholding Pattern/ Crossholdings:**

(i) Pre and post Arrangement shareholding pattern:

- Seksaria Industries Private Limited- Demerged Company No. 1 (unlisted)

- Seksaria Agritech Private Limited- Resulting Company No.1 (unlisted)

			Demerged Company NO. 1		Resulting company No. 1 Seksaria Agritech Private Limited.			
			Pre-arrangement		Pre-arrangement (Refer Note 1 below)		Post-arrangement	
Sr	Description	Name of Shareholder of Seksaria Industries Private Limited	No. of shares	%	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
	Individuals/ Hindu Undivided Family	Names of Promoter						
		KESARDEO AND SONS HUF	100	0.10			1000	0.10
		KAILASHCHANDRA & SONS HUF	10675	10.89			106750	6.30
		KAILASHCHANDRA KESARDEO HUF	5250	5.36			52500	5.36
		VIVEK KAILASHCHANDRA SEKSARIA	4815	4.91	3300	33.00	48150	4.91

		KAILASHCHANDRA KESARDEO SEKSARIA	18260	18.63	3300	33.00	182600	18.63
		VINAY K SEKSARIA	4500	4.59			45,000	4.59
		RADHIKA VINAY SEKSARIA	1650	1.68			16,500	1.68
		APARNA SEKSARIA	1000	1.02			10,000	1.02
		GEETA SEKSARIA	50	0.05			500	0.05
		YASHASVI VIVEK SEKSARIA	2000	2.04	3400	34.00	20,000	2.04
	Sub total (1) (A)		48300	49.29			483000	49.29
(b)	Central Government/ State Government(s)							
©	Bodies Corporate	Ishwarshakti Holdings & Traders Limited	49,000	50.00			4,90,000	50.00
		Bhavnagar Oil Mills Private Limited	700	0.71			7,000	0.71
	Sub Total (1) (C)		49,700	50.71			4,97,000	50.71
(d)	Financial Institutions/ Banks							
(e)	Any Others							
	Sub Total (A)		98,000	100.00	10,000	100.00	9,80,000	100.00
2	Foreign							
(a)	Individuals (Non- Residents Individuals/ Foreign Individuals)							
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Any Others							
	Sub Total(A)(2)							
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)							
(B)	Public shareholding							
1	Institutions							

(a)	Mutual Funds/ UTI							
(b)	Financial Institutions / Banks							
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies							
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							
(h)	Any Other							
	Sub-Total (B)(1)							
2	Non-institutions							
(a)	Bodies Corporate							
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh							
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.							
(c)	Any Other							
	Sub-Total (B)(2)							
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)							
	TOTAL (A)+(B)							
(C)	Shares held by Custodians and against which DRs have been issued							
	GRAND TOTAL (A)+(B)+(C)		98,000	100.00	10,000	100.00	9,80,000	100.00

Note 1: Existing 10,000 equity shares of Resulting Company No. 1 (SAPL) will be canceled as per Scheme Para No. 5.11 on page No.31 Consequently, pursuant to the demerger, every shareholder of Seksaria Industries Private Limited (the Demerged Company No. 1) will become shareholder of Seksaria Agritech Private Limited (Resulting Company No.1) in the same proportion as shares held by such shareholders in Seksaria Industries Private Limited.

(ii) Pre and post Arrangement shareholding pattern:

- Ishwarshakti Holdings & Traders Limited- Demerged Company No. 2

(Listed)

- Seksaria Finance Limited- Resulting Company No.2 (will be listed as per the scheme para No. 14.13 page no 41)

			Demerged Company NO. 2		Resulting company No. 2			
					Seksaria Finance Limited			
			Pre-arrangement		Pre-arrangement (Refer Note 1 below)		Post-arrangement	
Sr	Description	Name of Shareholder of Ishwarshakti Holdings & Traders Limited.	No. of shares	%	No. of shares	%	No. of shares	%
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
	Individuals/ Hindu Undivided Family	Names of Promoter						
		KESARDEO AND SONS HUF	500	0.03			3,500	0.03
		VIVEK & SONS HUF	1,100	0.08			7,700	0.08
		VINAY CORPORATION (HUF)	500	0.03			3,500	0.03
		KAILASHCHANDRA & SONS HUF	500	0.03			3,500	0.03
		KAILASHCHANDRA KESARDEO	2,150	0.15			15,050	0.15

		VIVEK KAILASHCHANDRA SEKSARIA	1,38,560	9.62	10,000	20.00	9,69,920	9.62
		KAILASHCHANDRA KESARDEO SEKSARIA	1,32,260	9.18	10,000	20.00	9,25,820	9.18
		VINAY K SEKSARIA	1,39,090	9.66			9,73,630	9.66
		RADHIKA VINAY SEKSARIA	1,31,910	9.16			9,23,370	9.16
		SHYAM SUNDER SARAF	40,000	2.78			2,80,000	2.78
		APARNA SEKSARIA	1,38,200	9.60	10,000	20.00	9,67,400	9.60
		GEETA SEKSARIA	1,34,200	9.32	9,800	19.60	9,39,400	9.32
		YASHASVI VIVEK SEKSARIA	67,700	4.70	10,000	20.00	4,73,900	4.70
		Sub-group Total	9,26,670	64.35	50,000	100.00	64,86,690	64.35
(b)	Central Government/ State Government(s)	Names						
		NIL						
(c)	Bodies Corporate	Names						
		ANUSHREE FABRICS PRIVATE LIMITED	13,130	0.91			91,910	0.91
		BHAVNAGAR OIL MILLS PRIVATE LIMITED	1,39,000	9.65			9,73,000	9.65
	Total (1) (C)		1,52,130	10.56			10,64,910	10.56
(d)	Financial Institutions/ Banks		-	-	-	-	-	-
(e)	Any Others		-	-	-	-	-	-
	Sub Total(A)(1)		10,78,800	74.91				
2	Foreign							
(a)	Individuals (Non- Residents Individuals/ Foreign Individuals)	ASHUTOSH SARAF	1,200	0.08			8,400	0.08
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Any Others							

	Sub Total(A)(2)		1,200	0.08			8,400	0.08
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		10,80,000	74.99			75,60,000	
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI							
(b)	Financial Institutions / Banks							
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies							
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors							
(h)	Any Other							
	Sub-Total (B)(1)							
2	Non-institutions							
(a)	Bodies Corporate	NAWAL FINANCE PRIVATE LIMITED	64,000	4.44			4,48,000	4.44
		PREMIER CONSULTANT AND TRADERS LTD	64,870	4.50			4,54,090	4.50
		Others Less than 1%	7,110	0.49			49,770	0.49
	Sub Total (2) (a)		1,35,980	9.44			9,51,860	9.44
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	NIMESH MAKHARIA	20,000	1.38			1,40,000	1.38

		Less than 1 lakh of Capital (136 nos)	54,360	3.78			3,80,520	3.78
	Sub Total (b-I)		74,360	5.16			5,20,520	5.16
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	LAKSHMIDEVI PURUSHOTTAMDAS SARAF	81,700	5.67			5,71,900	5.67
		RAJUDEVI AGARWAL	67,960	4.71			4,75,720	4.71
	Sub Total (b II)		2,24,020	15.55			1568140	15.55
(c)	Any Other							
	Sub-Total (B)(2)							
(B)	Total Public Shareholding (B)= (B)(I)+(B)(II)		3,60,000	25.00			25,20,000	25.00
(C)	Shares held by Custodians and against which DRs have been issued		Nil	Nil	Nil	Nil	Nil	Nil
	GRAND TOTAL (A)+(B)+(C)		14,40,000	100.00	50,000	100.00	1,00,80,000	100.00

Note 1: Existing 50,000 equity shares of Resulting Company No 2 (SFL) will be cancelled as per Scheme Para No. 14.11 Consequently, pursuant to the demerger, every shareholder of Ishwarshakti Holdings & Traders Limited (the Demerged listed Company No. 2) will become shareholder of Seksaria Finance Limited (Resulting Company No.2) in the same proportion as shares held by such shareholders in Ishwarshakti Holdings & Traders Limited.

11. **Rationale for the proposed Arrangement**

- (a) Ishwarshakti has two distinct business segments as stated above in para 4 (c) sugar business and non-sugar, other business.
- (b) The nature of risk, competition, challenges, opportunities, and business methods for the Sugar Business is separate and distinct from the Non-Sugar Business. Further, the manner in which the Sugar Business is required to be handled and managed is not similar to that of the Non-Sugar Business and the segregation would result in simplification of the group structure.

- (c) Each of the businesses have significant potential for growth and profitability and can attract different set of investors, strategic partners, lenders, etc. Therefore, as these businesses approach their next phase of growth, it would be strategically apt to segregate the Sugar and the Non-Sugar Business.
- (d) The segregation shall enable them to move forward independently, with greater focus and specialization, building on their respective capabilities and their strong brand presence. It will also help to efficiently channelize resources required for all the businesses to focus on the growing businesses, attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on each business segment under separate entities.
- (e) The Scheme will also enable Ishwarshakti and SFL to focus and enhance its business by streamlining operations and its management structure thereby ensuring better and more efficient management control.
- (f) Bifurcation of these businesses will enable unlocking value of each vertical thereby paving way for focused growth with a view to create significant stakeholder value and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.
- (g) Thus, the demerger of Ishwarshakti would help in achieving the desired operating structure and shall inter alia have following benefits:
 - (i) Create sector focused companies;
 - (ii) Streamline the management structure;
 - (iii) Unlock value for shareholders;
 - (iv) Ring-fence businesses from each other; and
 - (v) Better risk management.

12. **Relevant features of the proposed Scheme:**

A copy of the Scheme is annexed hereto as **Annexure "A"** and it provides for

- demerger of Demerged Undertaking No. 1 of SIPL into Resulting Company No. 1.
- demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2.
- *Part C- 1) "**Appointed Date**" means the 1st day of April, 2021 or such other date as may be fixed by the Hon'ble National Company Law Tribunal at Mumbai or the Board of Directors or by such other authority having jurisdiction under law.*

- **“Demerged Undertaking No. 1”** means the Sugar business of SIPL/Demerged Company No. 1, carried on by Demerged Company No. 1 directly through its shareholding, i.e. 49.90% i.e. 11,734,530 fully paid up equity shares of The Seksaria Biswan Sugar Factory Limited (“Seksaria Biswan”) held by Demerged Company No. 1 and , 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non- cumulative compulsory convertible preference shares of U.P. National Industrial Corporation Private Limited (“UP NIC”) held by Demerged Company. No. 1, on a going concern basis, including the manufacturing and/or allied activities being carried out at their factories/ units, and all assets (movable/ immovable) and liabilities which relate thereto or necessary therefore as on Appointed Date and including (without limitation):-
 - all assets, titles, properties wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, tenancy rights, including all plant and machinery, buildings, offices, installations, capital work-in-progress, vehicles, furniture, fixtures, office equipment, appliances, computer installations, electrical, appliances, accessories, investments, receivables, loans advances, and rights, including rights arising under contracts, all operations and activities relating to Demerged Undertaking No. 1, balances with banks, all contracts, rights and benefits pertaining to or relatable to the Sugar Business (collectively referred to as “Assets of Demerged Company No.1”);
 - all debts, liabilities, guarantees, assurances, obligations, commitments, present and future of all nature or description and the specific contingent liabilities pertaining to or relatable to the Demerged Undertaking No. 1 (collectively referred to as “Liabilities of Demerged Company. No. 1”);
 - All contracts, agreements, licenses, leases, Memorandum of Understandings, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Demerged Company No. 1 is a party exclusively relating to the Demerged Undertaking No. 1, business, activities and operations pertaining to the Demerged Undertaking No. 1 or otherwise identified to be for the exclusive benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or

conferred upon or held or availed of by Demerged Company No.1 in relation to its Demerged Undertaking No. 1, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking No. 1, and all other rights, title, interests, privileges and benefits of every kind in relation to Demerged Undertaking No. 1 and held by Demerged Company No. 1.

- *all rights and licences, all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes/ of Central/State Governments, quality certifications and approvals, approvals (both Indian and foreign), product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licences, municipal permissions, goodwill, consents, tenancies, if any, in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking No. 1, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverables, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company No. 1 in relation to the Demerged Undertaking No. 1, funds belonging to or proposed to be utilised for the Demerged Undertaking No. 1, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking No. 1;*
- *all permanent employees exclusively engaged in the Demerged Undertaking No. 1 and those permanent employees that are determined by the Board of Directors of Demerged Company No.1 to be substantially engaged in or in relation to the Demerged Undertaking No. 1;*
- *all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by Demerged Company No. 1 directly or indirectly in connection with or in relation to the Demerged Undertaking No. 1;*

- *all books, records, files, papers, specifications and process, information, records of standard operating procedures, computer programmes along with their license, manuals and backup copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking No. 1;*
- *all trademarks, tradenames, brands, service marks, patents and domain names, copyrights, industrial designs, applications made for trademarks, trade names, service marks, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Demerged Undertaking No. 1;*
- *Any other asset/ liability which is deemed to be pertaining to the Demerged Undertaking No. 1 by the Board of Demerged Company No. 1*
- *Any question that may arise as to whether a specific asset or liability pertained to or does not pertain to Demerged Undertaking No. 1 or whether it arises out of the activities or operations of Demerged Undertaking No. 1 shall be decided by the Board of Directors of Demerged Company No. 1.*
- ***“Demerged Undertaking No.2” shall mean the Sugar business of Ishwarshakti/ Demerged Company No. 2, carried on by Demerged Company No. 2 through its shareholding i.e. 50% i.e. 4,90,000 paid up equity share capital of Resulting Company No. 1 after Part II becomes effective, and carried on by Resulting Company No. 1 inter alia through its shareholding in Seksaria Biswan and UP NIC, being 49.90% i.e.11,734,530 of fully paid up equity shares of Seksaria Biswan held by Resulting Company No. 1 and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non- cumulative compulsory convertible preference shares of UP NIC held by Resulting Company. No. 1, as also through its shareholdings in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e. 50% i.e., 7,500 fully paid up equity shares of UP NIC held by Demerged Company No. 2 on a going concern basis, including the manufacturing and/or allied activities being carried out at their factories/ units, and all assets (movable/ immovable) and liabilities which relate thereto or necessary therefore as on Appointed Date and including (without limitation):-***

- *all assets, titles, properties wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all plant and machinery, buildings, offices, installations, capital work-in-progress, vehicles, furniture, fixtures, office equipment, appliances, computer installations, electrical, appliances, accessories, investments, receivables, loans advances, and rights, including rights arising under contracts, all operations and activities relating to Demerged Undertaking No. 2, balances with banks, all contracts, rights and benefits pertaining to or relatable to the Sugar Business (collectively referred to as “Assets of Demerged Company. No.2”);*
- *all debts, liabilities, guarantees, assurances, obligations, commitments present and future of all nature or description and the specific contingent liabilities pertaining to or relatable to the Demerged Undertaking No. 2 (collectively referred to as “Liabilities of Demerged Company. No. 2”);*
- *All contracts, agreements, licenses, leases, Memorandum of Understandings, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Demerged Company No. 2, and Resulting Company No. 1 are party, exclusively relating to the Demerged Undertaking No. 2, business, activities and operations pertaining to the Demerged Undertaking No. 2 or otherwise identified to be for the exclusive benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by Demerged Company No.2 and Resulting Company No. 1 in relation to its Demerged Undertaking No. 2, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking No. 2, and all other rights, title, interests, privileges and benefits of every kind in relation to Demerged Undertaking No. 2;*
- *all rights and licences, all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes/ of Central/State Governments, quality certifications and*

approvals, approvals (both Indian and foreign), product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licences, municipal permissions, goodwill, consents, tenancies, if any, in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking No. 2, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company No. 2 and Resulting Company No. 1 in relation to the Demerged Undertaking No. 2, funds belonging to or proposed to be utilised for the Demerged Undertaking No. 2, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking No. 2;

- *all permanent employees exclusively engaged in the Demerged Undertaking No. 2 and those permanent employees that are determined by the Board of Directors of Demerged Company No. 2 to be substantially engaged in or in relation to the Demerged Undertaking No. 2;*
- *all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by Demerged Company No. 2 or by Resulting Company No. 1, directly or indirectly in connection with or in relation to the Demerged Undertaking No. 2;*
- *all books, records, files, papers, specifications and process, information, records of standard operating procedures, computer programmes along with their license, manuals and backup copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking No. 2;*
- *all trademarks, tradenames, brands, service marks, patents and domain names, copyrights, industrial designs, applications made for trademarks, trade names,*

- service marks, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Demerged Undertaking No. 2;*
- *Any other asset/ liability which is deemed to be pertaining to the Demerged Undertaking No. 2 by the Board of Demerged Company No. 2 and Resulting Company No. 1*
 - *Any question that may arise as to whether a specific asset or liability pertained to or does not pertain to Demerged Undertaking No. 2 or whether it arises out of the activities or operations of Demerged Undertaking No. 2 shall be decided by the Board of Directors of Demerged Company No. 2.*
 - **“Effective Date”** *means last of the dates on which the certified copies of the orders of NCLT sanctioning the Scheme is filed by Resulting Company No. 1 and Resulting Company No. 2, with the Registrar of Companies, Maharashtra. References in this Scheme to the date of ‘coming into effect of this Scheme” or “effectiveness of the Scheme” shall mean the Effective Date.*
 - **TRANSFER OF DEMERGED UNDERTAKING NO. 1.**
 - *Upon coming into effect of this Scheme and with effect from the Appointed Date and in accordance with provisions of Section 2(19AA) of the Income Tax Act, 1961 and subject to the provisions of the Scheme, the whole of the Demerged Undertaking No. 1 of Demerged Company No. 1 as defined in Clause 1(g) shall, pursuant to the order of Hon’ble NCLT and pursuant to provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same, be vested and/or deemed to be vested in Resulting Company No. 1 on a going concern basis so as to become the assets of Resulting Company No. 1.*
 - *Consideration:*
 - *Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 1 into Resulting Company No. 1 in terms of this Scheme, Resulting Company No. 1 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.1 whose name appears in the register of members of Demerged Company No. 1 as on the Record Date 1 as may be stipulated by the Board of Directors of Demerged Company No.1 or to such of their heirs, executors, administrators or the*

successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

- **10(Ten) fully paid up Equity Shares of Rs.10/- each of Resulting Company No. 1 shall be issued and allotted as fully paid up for every 1 (one) Equity Share of Rs.100/- each fully paid up held in Demerged Company No. 1**
- *Simultaneously with the issuance and allotment of equity shares by the Resulting Company No.1 in accordance with paragraph 5.1 above, the initial issued and paid up equity share capital of the Resulting Company No. 1 comprising of 10000 Equity share of Rs.10/- each, aggregating to Rs.1,00,000/-, as held by the existing Equity Shareholders of the Resulting Company No. 1 shall be cancelled at face value of such shares. The share certificates held by the existing Equity Shareholders representing the equity shares in the Resulting Company No. 1 shall be deemed to be cancelled.*
- *Pursuant to the demerger, every shareholder of Demerged Company NO. 1 will become shareholder of the Resulting Company No. 1 in the same proportion as shares held by such shareholders in Demerged Company No. 1. Further, there will be not be any change in the shareholding pattern of Demerged Company No. 1 as shareholding pattern of the Resulting Company No. 1 pursuant to and after the Scheme coming into effect would be same as that of the Demerged Company No. 1 and every shareholder in the Resulting Company No. 1 would be same as of Demerged Company No.1 and hold equity shares in the same proportion as held by it in the Demerged Company No. 1.*
- **ACCOUNTING TREATMENT FOR PART II** (as per Part II, Clause 6 of the proposed Scheme)
- **TAX TREATMENT FOR PART II** (as per Part II Clause 7 of the proposed Scheme)
- **Contracts and Deeds** (as per Part II Clause 8 of the proposed Scheme)
- **Legal Proceedings** (as per Part II Clause 9 of the proposed Scheme)
- **Staff, workmen and Employees** (as per Part II Clause 10 of the proposed Scheme)
- **TRANSFER OF DEMERGED UNDERTAKING NO. 2.**
 - *Upon coming into effect of this Scheme and with effect from the Appointed Date and in accordance with provisions of Section 2(19AA) of the Income Tax Act, 1961, upon vesting of Demerged Undertaking No. 1 of Demerged*

Company No.1 in Resulting Company No. 1, and subject to the provisions of the Scheme, the entire Sugar business and whole of the Demerged Undertaking No. 2 of Demerged Company No. 2 as defined in Clause 1(h) shall, pursuant to the order of Hon'ble NCLT and pursuant to provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be vested and/or deemed to be vested in Resulting Company No. 2 on a going concern basis so as to become the assets of Resulting Company No. 2.

○ **Consideration**

- *Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 2 into , Resulting Company No. 2 in terms of this Scheme, Resulting Company No. 2 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.2 whose name appears in the register of members of Demerged Company No. 2 as on the Record Date 2 as may be stipulated by the Board of Directors of Demerged Company No.2 or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:*
- **7 (Seven) fully paid up Equity Shares of Rs. 10 each of Resulting Company No. 2 shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Rs.10 each fully paid up held in Demerged Company No. 2**
- *Resulting Company No. 2 shall take necessary steps to increase or alter or reclassify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme. Presently the Authorised Share Capital of the Resulting Company No. 2 is Rs.5,00,000/- (Rupees Five Lakhs only) (i.e. 50,000 equity Shares of Rs.10/- each) As a part of the Scheme and to issue shares to the shareholders of the Demerged Company No.2 as per clause 14.1, the Resulting Company No. 2 shall increase its authorised Share Capital to Rs.10,10,00,000/- (Rupees Ten Crores Ten Lakhs only) (1,01,00,000 equity Shares of Rs.10/- each and the Memorandum of Association of Resulting Company No. 2 be amended accordingly. It is clarified that approval of shareholders of Resulting Company No. 2 to this Scheme shall be deemed to*

be their consent /approval for amendement/alteration of Memorandum of Association of the Resulting Company No. 2 as may be required under the Act.

- *Simultaneously with the issuance and allotment of equity shares by the Resulting Company No.2 in accordance with paragraph 14.1 above, the initial issued and paid up equity share capital of the Resulting Company No. 2 comprising of 50,000 Equity share of Rs.10/- each, aggregating to INR 5,00,000/-, as held by the existing Equity Shareholders of the Resulting Company No.2 shall be cancelled at face value of such shares. The share certificates held by the existing Equity Shareholders representing the equity shares in the Resulting Company No. 2 shall be deemed to be cancelled and not tradable from and after such cancellation.*
- *Pursuant to the demerger, every shareholder of Demerged Company NO. 2 will become shareholder of the Resulting Company No. 2 in the same proportion as shares held by such shareholders in Demerged Company No. 2. Further, there will be not be any change in the shareholding pattern of Demerged Company No. 2 as shareholding pattern of the Resulting Company No. 2 pursuant to and after the Scheme coming into effect would be same as that of the Demerged Company No. 2 and every shareholder in the Resulting Company No. 2 would be same as of Demerged Company No. 2 and hold equity shares in the same proportion as held by it in the Demerged Company No. 2*
- *Resulting Company No. 2 shall apply for listing of the equity shares issued pursuant to Clause 14.1 on the Stock Exchanges in terms of the SEBI Circular. The equity shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of Demerged Company No. 2 are listed and admitted to trading, as per the Applicable Law. Resulting Company No. 2 shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange.*

- Accounting Treatment for Part II (as per Part III, Clause 15 of the proposed Scheme)
- Tax Treatment For Part II (as per Part III Clause 16 of the proposed Scheme)
- *Contracts and Deeds* (as per Part III Clause 17 of the proposed Scheme)
- *Legal Proceedings* (as per Part III Clause 18 of the proposed Scheme)
- *Staff, workmen and Employees* (as per Part III Clause 19 of the proposed Scheme)
- **Conditions:**
 - *It is specified that with respect to the Part III of the Scheme, i.e. demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2, the scheme is conditional upon scheme being approved by the public shareholders of Demerged Company No. 2 through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if vote cast by the public shareholders of Demerged Company No. 2 in favour of the proposed Scheme are more than the number of votes cast by the public shareholders against it*

NOTE: The Clauses hereinabove are some of the important provisions of the Scheme stated in brief. You are requested to read as Annexure “A” the entire text of the Scheme (which is annexed hereto as Annexure “A”) to get fully acquainted with the provisions thereof. Copies of the following Valuation Reports required for deciding Share Swap ratio is annexed hereto as “Annexure B-1 to B-6”.

- (i) Valuation Report dated 21st February, 2022 from Mr. Jayesh Pranal Desai, Registered Valuer for Demerged Company No. 1 and Resulting Company No 1,
- (ii) Share Entitlement Report dated 4th February, 2022 by M/s B.L. Dasharda & Associates, Chartered Accountant (for Demerged Company No. 1 and resulting Company NO. 1)
- (iii) Valuation Report dated 17th January, 2022 from Mr. Someshwar Rao, Registered Valuer for Demerged Company No 2 and Resulting Company No. 2,
- (iv) Share Entitlement Report dated 14th January, 2022 by M/s B.L. Dasharda & Associates, Chartered Accountant for Demerged Company No 2 and Resulting Company No. 2,
- (v) Fairness Report dated 25th February, 2022 from Safron Capital Advisors Private Limited (for Demerged Company No. 2 and resulting Company NO. 2)
- (vi) RBSA Valuation Report for Sugar Business of Ishwarshakti dated 24th March 2023.

13. **Board Approval:**

- a) The Board of Directors of all the four companies at their individual meeting held on 2nd November, 2021, unanimously decided to separate their sugar and non sugar business and

for that purpose considered entering into Scheme of Arrangement subject to various approvals and sanctions.

- b) The Board of Directors of the Demerged Company No. 1 at their meeting held on 25th February, 2022, the Board of Directors approved the Draft of proposed Scheme of Arrangement prepared by M/s. Deven Dwarkadas and Partners, Advocate and Solicitors and the Valuation Report dated 21st February, 2022 from Mr. Jayesh Pranlal Desai, Registered Valuer, Share Entitlement Report dated 4th February, 2022 by M/s B.L. Dasharda & Associates, Chartered Accountant and has approved the Share exchange Ratio suggested, i.e. **10(Ten) fully paid up Equity Shares of Rs.10/- each of Resulting Company No. 1 shall be issued and allotted as fully paid up for every 1 (one) Equity Share of Rs.100/- each fully paid up held in Demerged Company No. 1**
- c) The Board of Directors of the Resulting Company NO. 2 at their meeting held on 25th February, 2022,unanimously approved the Draft of proposed Scheme of Arrangement prepared by M/s. Deven Dwarkadas and Partners, Advocate and Solicitors and the Valuation Report dated 21st February, 2022 from Mr. Jayesh Pranlal Desai, Registered Valuer, Share Entitlement Report dated 4th February, 2022 by M/s B.L. Dasharda & Associates, Chartered Accountant and has unanimously approved the Share exchange Ratio suggested i.e. as stated in para (b) above,
- d) The Board of Directors of the Demerged Company No. 2 at their meeting held on 25th February, 2022, unanimously approved the Draft Scheme of Arrangement prepared by M/s. Deven Dwarkadas and Partners, Advocate and Solicitors, Valuation Report dated 17th January, 2022 from Mr. Someshwar Rao, Registered Valuer, Share Entitlement Report dated 14th January, 2022 by M/s B.L. Dasharda & Associates, Chartered Accountant , Fairness Report dated 22nd February, 2022 from Safron Capital Advisors Private Limited and has unanimously approved the Share exchange Ratio suggested, i.e.
7 (Seven)fully paid up Equity Shares of Rs. 10 each of Resulting Company No. 2 shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Rs.10 each fully paid up held in Demerged Company No. 2
- e) The Board of Directors of the Resulting Company No. 2 at their meeting held on 25th February, 2022, unanimously approved the Draft Scheme of Arrangement prepared by M/s. Deven Dwarkadas and Partners, Advocate and Solicitors, Valuation Report dated 17th January, 2022 from Mr. Someshwar Rao, Registered Valuer, Share Entitlement Report dated 14th January, 2022 by M/s B.L. Dasharda & Associates, Chartered Accountant , Fairness Report dated 22nd February, 2022 from Safron Capital Advisors Private Limited

and has unanimously approved the Share exchange Ratio suggested i.e as stated in para (d) above.

14. **Consents Received From Shareholders:**

- a) Demerged Company No.1 has received 100% (12 shareholders) consent from its Shareholders.
- b) Resulting Company No.1 has received 100% (3 Shareholders) consent from its Shareholders.
- c) Demerged Company No.2 has is a listed company and a meeting of the shareholders of the Company is to be held.
- d) The Resulting Company No. 2 has received 100% (7 shareholders) consent from its Shareholders.

15. **Pre and Post Capital Structure:**

CAPITAL STRUCTURE OF DEMERGED COMPANY NO.1:

Particulars	Seksaria Industries Private Limited	
	Pre	Post
AUTHORISED SHARE CAPITAL	1,10,00,000	1,10,00,000
NO OF EQUITY SHARES	1,10,000	1,10,000
PAID - UP SHARE CAPITAL	98,00,000	98,00,000
NO OF SHARES	98,000	98,000
FACE VALUE	100/-	100/-

CAPITAL STRUCTURE OF RESULTING COMPANY NO.1:

Particulars	Seksaria Agritech Private Limited	
	Pre	Post
AUTHORISED SHARE CAPITAL	1,00,000	98,00,000
NO OF EQUITY SHARES	10,000	9,80,000
PAID - UP SHARE CAPITAL	1,00,000	98,00,000
NO OF SHARES	10,000	9,80,000
FACE VALUE	10/-	10/-

- Increase in Authorized Capital post Scheme As stated in para 5.3 of the Scheme

CAPITAL STRUCTURE OF DEMERGED COMPANY NO.2:

Particulars	Ishwarshakti Holdings & Traders Limited	
	Pre	Post
AUTHORISED SHARE CAPITAL	2,00,00,000	2,00,00,000
NO OF EQUITY SHARES	20,00,000	20,00,000
PAID - UP SHARE CAPITAL	1,44,00,000	1,44,00,000
NO OF SHARES	14,40,000	14,40,000
FACE VALUE	10/-	10/-

CAPITAL STRUCTURE OF RESULTING COMPANY NO.2:

Particulars	Seksaria Finance Limited	
	Pre	Post
AUTHORISED SHARE CAPITAL	5,00,000	10,10,00,000
NO OF EQUITY SHARES	50,000	1,01,00,000
PAID - UP SHARE CAPITAL	5,00,000	10,08,00,000
NO OF SHARES	50,000	1,00,80,000
FACE VALUE	10/-	10/-

- Increase in Authorized Capital post Scheme As stated in para 14.3 of the Scheme

16. **Creditors:**

(a) There is no likelihood that any creditor of any of the four Companies would lose or be prejudiced as a result of the Scheme being sanctioned, since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence the Scheme does not in any way adversely affect the interests of any creditor of any of the four companies. As stated hereinafter, none of the companies have any secured creditors and the unsecured creditors of all four companies have given their specific permission to the Scheme..

(b) Regarding creditors of all the Companies, the position is as under:

- Demerged Company No.1 – No secured creditors. All 100% unsecured creditors (44 in number) have given consent to the proposed Scheme of Arrangement.
- Resulting Company No.1 - No secured creditor. All 100% unsecured creditors (2) have given consent to the proposed Scheme.
- Demerged Company No.2 – No secured creditors. All 100% unsecured creditors have given consent to the proposed Scheme.

- Resulting Company No.2 – No secured creditor. All 100% unsecured creditors (1) have given consent to the proposed Scheme.

17. **Interest of the Directors:**

(a) The Directors of the aforesaid four Companies may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding in the Company, or to the extent the said Directors are common Directors in all the Companies, or to the extent the said Directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold shares in any of the Companies.

(b) A list of the Directors of the all four Companies and their holdings is as under:

- Directors of Demerged Company No. 1:-**

Sr. No	Name	Holding in Resulting Co. No.1	Holding in Demerged Co. No. 1	Holding in Resulting Co. No. 2
1.	Mr. Kailashchandra Seksaria DIN No. 00115565	3,300	18,260	10,000
2.	Mr. Vinay Seksaria DIN No. 00116582	-	4,500	-
3.	Mr. Vivek Seksaria DIN No. 00116698	3,300	4,815	10,000
4.	Mr. Yashasvi Seksaria DIN No. 06967653	3,400	2,000	10,000

- Directors of Resulting Company No. 1:-**

Sr. No.	Name	Holding in Demerged CO. No. 1	Holding in Demerged Co. No. 2	Holding in Resulting CO. No. 2
1.	Mr. Kailashchandra Seksaria DIN :00115565	18,260	1,32,260	10,000
2.	Mr. Vivek Seksaria DIN: 00116698	4,815	1,38,560	10,000
3.	Mr. Yashasvi Seksaria DIN: 06967653	2,000	67,700	10,000

- Directors of Demerged Company No. 2:-

Sr. No	Name	Holding in Demerged CO. No.1	Holding in Resulting Co. No. 1	Holding in Resulting Co. No. 2
1.	Mr. Vijaykumar Mahabirprasad Jatia DIN: 00096977	-	-	-
2.	Mr. Kailashchandra Seksaria DIN: 00115565	18,260	3,300	10,000
3.	Mr. Vinay Seksaria DIN: 00116582	4,500	-	-
4.	Mr. Vivek Seksaria DIN :00116698	4,815	3,300	10,000
5.	Mr. Deepakkumar Bubna DIN: 05144658	-	-	100
6.	Mr. Geeta Seksaria DIN: 06960055	50	-	9,800
7.	Mr. Yashasvi Seksaria DIN: 06967653	2,000	3,400	10,000

- Directors of Resulting Company No. 2:-

Sr. No	Name	Holding in Demerged CO. No.1	Holding in Demerged Co. No. 2	Holding in Resulting CO. No. 1
1.	Mr. Kailashchandra Seksaria DIN: 00115565	18,260	1,32,260	3,300
2.	Mr. Vivek Seksaria DIN: 00116698	4,815	1,38,560	3,300
3.	Mr. Yashasvi Seksaria DIN: 06967653	2,000	67,700	3,400

18. **The details of the shareholding of the Directors and the Key Managerial Personnel (KMP) of all the four Companies in each of the Companies as on pre and post Arrangement are as follows:**

Demerged Company No. 1 (Seksaria Industries Private Limited):

Sr. No.	Name	Pre Shareholding	Post Shareholding
1.	Mr. Kailashchandra Kesardeo Seksaria	18,260	18,2600
2.	Mr. Vinay K. Seksaria	4,500	45,000
3.	Mr. Vivek K. Seksaria	4,815	48,150
4.	Mr. Yashasvi Seksaria	2,000	20,000

Resulting Company No. 1 (Seksaria Agritech Private Limited):

Sr. No.	Name	Pre Shareholding	Post Shareholding
1.	Mr. Kailashchandra Kesardeo Seksaria	3,300	-
2.	Mr. Vivek K. Seksaria	3,300	-
3.	Mr. Yashasvi Seksaria	3,400	-

Demerged Company No. 2 (Ishwarshakti Holdings & Traders Limited):

Sr. No.	Name	Pre Shareholding	Post Shareholding
1.	Kailashchandra Kesardeo Seksaria	132260	925820
2.	Vinay K Seksaria	139090	973630
3.	Vivek Kailashchandra Seksaria	138560	969920
4.	Geeta Seksaria	134200	939400
5.	Yashasvi Vivek Seksaria	67700	473900
6.	Vijaykumar Jatia	-	-
7.	Deepakkumar Bubna	-	-
8.	Shyamsunder Agarwal	-	-
9.	Sameer Khedekar	-	-

Resulting Company No. 2 (Seksaria Finance Limited):

Sr. No.	Name	Pre Shareholding	Post Shareholding
1.	Mr. Kailashchandra Kesardeo Seksaria	10,000	-
2.	Mr. Vivek K. Seksaria	10,000	-
3.	Mr. Yashasvi Seksaria	10,000	-

19. **Details of Pre and Post Arrangement number of shareholders in all companies:**

**(i) Name of the Company: Ishwarshakti Holdings & Traders Limited (Scrip Code: 506161) –
Transferor/ Demerged Company No. – 2 (Listed)**

Category	Pre	Post
A. Promoter	16	16
B. Public	145	145
C. Non-Promoter Non-Public		
C1) Shares underlying DR's	0	0
C2) Shares held by Employee Trust	0	0
Total	161	161

(ii) Name of the Company: SEKSARIA FINANCE LIMITED (Transferee/Resulting Company No. 2)

Category	Pre	Post
A. Promoter	7	16
B. Public	0	145
C. Non-Promoter Non-Public	0	0
C1) Shares underlying DR's	0	0
C2) Shares held by Employee Trust	0	0
Total	7	161

Note 1: Existing 50,000 equity shares of transferee Company (SFL) will be cancelled as per Scheme Para No. 14.11 Consequently, pursuant to the demerger, every shareholder of Ishwarshakti Holdings & Traders Limited (the Demerged listed Company No. 2) will become shareholder of Seksaria Finance Limited (Resulting Company No.2) in the same proportion as shares held by such shareholders in Ishwarshakti Holdings & Traders Limited.

(iii) Name of the Company: Seksaria Industries Private Limited – Transferor/ Demerged Company No. 1 (unlisted)

Category	Pre	Post
A. Promoter	12	12
B. Public	0	0
C. Non-Promoter Non-Public	0	0
C1) Shares underlying DR's	0	0
C2) Shares held by Employee Trust	0	0
Total	12	12

(iv) Name of the Company: Seksaria Agritech Private Limited (Transferee/ Resulting Company No. 1- (unlisted)

Category	Pre	Post
A. Promoter	3	12
B. Public	0	0
C. Non-Promoter Non-Public	0	0
C1) Shares underlying DR's	0	0
C2) Shares held by Employee Trust	0	0
Total	3	12

Note 1: Existing 10,000 equity shares of transferee Company (SAPL) will be canceled as per Scheme Para No. 5.11 Consequently, pursuant to the demerger, every shareholder of Seksaria Industries Private Limited (the Demerged Company No. 1) will become shareholder of Seksaria Agritech Private Limited (Resulting Company No.1) in the same proportion as shares held by such shareholders in Seksaria Industries Private Limited.

20. **Investigation Proceedings etc.:** No investigation proceedings have been instituted or are pending under the Companies Act, 2013, against any of the four Companies. The Scheme does not in any way violate, override or circumscribe the provisions of securities laws.
21. **Effect of the proposed Scheme of Arrangement on:**
- a) **Key Managerial Persons:** There will be no adverse effect on any of the key managerial persons.
 - b) **Directors:** As stated in para 18 above.
 - c) **Promoters:** As stated in para 18 above.
 - d) **Non-promoter members:** As stated in the Scheme, no adverse effect on them. The shareholders of the Demerged Company Nos. 1 and 2 will get shares in the Resulting Company Nos. 1 and 2 as per clause 5 & 14 of the Scheme.
 - e) **Depositors: N.A.**
 - f) **Creditors:** As stated in para 16 above, the creditors have already given consent to the proposed Scheme. No sacrifice or waiver is at all called for from creditors of any of Companies, nor are their rights sought to be modified in any manner.
 - g) **Debenture holders: N.A.**
 - h) **Deposit Trustees and debenture trustee:** There are no Deposit Trustees or Debenture Trustees in any of the Company.
 - i) **Employees:** The employees of all the companies will not be affected at all. On the Scheme becoming effective all employees of the Demerged Companies No. 1 and 2 in service on the Effective Date, shall be deemed to have become the employees of the Resulting Companies No 1 and 2 respectively with effect from the Effective Date without any break or interruption in their services and the terms and conditions of their employment with the Tra respective Resulting Companies No 1 and 2 shall not be less favorable than those applicable to them with the Demerged Companies Nos 1 and 2 .
 - j) **Consent from the Bombay Stock Exchange:** As Ishwarshakti is a listed company , it had applied to the Stock Exchange for approval of the proposed Scheme of Arrangement. On 17th April, 2023, the BSE has by its letter given its consent to the proposed Scheme

subject to certain conditions. A copy of the same is annexed hereto as **Annexure “C”** and is also available for inspection.

22. The pre-Scheme shareholding pattern of the companies as on 31st March, 2023 and the post-Scheme (expected) shareholding pattern of all four Companies are as stated under para 18 above.
23. Pre and Post Assets and liabilities as required to be disclosed as per para (h) of BSE NOC:

Pre and Post Assets and liabilities of Demerged Company No. 1:

Particulars	Pre (in Rupees)	Post (in Rupees)
Equity Capital		
Issued, Subscribed and Paid Up Share Capital	98,00,000	98,00,000
Add: Free Reserves (Excluding Revaluation Reserve & Securities Premium)		
General Reserve	-	-
Surplus in the statement of Profit & Loss	78,40,94,729	54,26,00,681
NETWORTH	79,38,94,729	55,24,00,681

** As per Certificate issued by M/s. B.L. Dasharda & Associates dated February 25, 2022*

Pre and Post Assets and liabilities of Resulting Company No. 1:

Particulars	Pre (in Rupees)	Post (in Rupees)
Equity Capital		
Issued, Subscribed and Paid Up Share Capital	1,00,000	98,00,000
Add/Less: Free Reserves (Excluding Revaluation Reserve & Securities Premium)		
Surplus in the statement of Profit & Loss	-10,120	-10,120
Miscellaneous Expenditure (to the extent not written off or adjusted)	-35,264	-35,264
Capital Reserve	-	23,17,94,048
Preliminary Expenses (increasing authorized capital)	-	-2,19,000
NETWORTH	54,616	24,13,29,664

** As per Certificate issued by M/s. Agrawal Ashok & Associates dated February 26, 2022*

Pre and Post Assets and liabilities of Demerged Company No. 2:

Particulars	Pre (in Rupees)	Post (in Rupees)
Equity Capital		
Issued, Subscribed and Paid Up Share Capital	1,44,00,000	1,44,00,000
Add: Free Reserves (Excluding Revaluation Reserve &		

Securities Premium)		
General Reserve	85,59,388	-
Surplus in the statement of Profit & Loss	36,56,520	(47,79,178)
NETWORTH	2,66,15,908	96,20,822

* As per Certificate issued by M/s. B.L. Dasharda & Associates dated February 25, 2022

Pre and Post Assets and liabilities of Resulting Company No. 2:

Particulars	Pre (in Rupees)	Post (in Rupees)
Equity Capital		
Issued, Subscribed and Paid Up Share Capital	5,00,000	10,08,00,000
Add/Less: Free Reserves (Excluding Revaluation Reserve & Securities Premium)		
Surplus in the statement of Profit & Loss	-10,120	-10,120
Miscellaneous Expenditure (to the extent not written off or adjusted)	-47,064	-47,064
Capital Reserve	-	5,00,000
Preliminary Expenses (increasing authorized capital)	-	-10,68,500
NETWORTH	4,42,816	10,01,74,316

* As per Certificate issued by M/s. Agrawal Ashok & Associates dated February 26, 2022

24. Details of all ongoing adjudication and recovery proceedings, prosecution initiated and enforcement action taken against the Company, promoters and Directors: There are NOT any ongoing adjudication and recovery proceedings, prosecution initiated and enforcement action taken against the Company, promoters and Directors.
25. Details of Corporate Guarantee, Performance Guarantee and contingent liabilities, if any: The Applicant Companies did NOT give any Corporate Guarantee, Performance Guarantee and contingent liabilities.
26. **INSPECTION:**
The following documents are available for inspection at the Registered Office of the Demerged Company No. 2 between 10.30 a.m. and 6.30 p.m. on all working days (except Saturdays, Sundays and public holidays) up to the date of the meeting.
- (i) The Proposed Scheme of Arrangement.
 - (ii) Copy of the order of Hon'ble NCLT Mumbai Bench dated 1st November, 2023 alongwith all the proceedings filed..
 - (iii) The Memorandum and Articles of Association of all the four Companies.

- (iv) The Annual Reports of all the four companies for the LAST THREE YEARS I.E. 2020-21, 2021-22, 2022-23 and unaudited /provisional financial results of all the four Companies upto 30th September, 2023.
- (v) Audit Committee Reports of Ishwarshakti dated 23rd February 2022
- (vi) (a) Valuation Report dated 17th January, 2022 from Mr. Someshwar Rao, Registered Valuer, (b) Share Entitlement Report dated 14th January, 2022 by M/s B.L. Dasharda & Associates, Chartered Accountant , and (c) Fairness Report dated 22nd February, 2022 from Safron Capital Advisors Private Limited (for Demerged Company No. 2 and resulting Company NO. 2)
- (vii) (a) Valuation Report dated 21st February, 2022 from Mr. Jayesh Pranlal Desai, Registered Valuer, and (b) Share Entitlement Report dated 4th February, 2022 by M/s B.L. Dasharda & Associates, Chartered Accountant (for Demerged Company No. 1 and resulting Company NO. 1)
- (viii) RBSA Valuation Report for Sugar Business of Ishwarshakti dated 24th March 2023.
- (ix) Certified copies of the Board Resolutions passed by all four Companies dated 2nd November 2021 and 25th February 2022.
- (x) Statutory Auditors Certificate dated 23rd February 2022 confirming the compliance with accounting treatment.
- (xi) NOC /consent from the Bombay Stock Exchange dated 23-4-2023.

NOTE:

This statement may be treated as the statement under Section 230 of the Companies Act, 2013. A copy of the Scheme and this statement may be obtained from the Registered Office of the Company. Copies of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Company to its shareholders/creditors, free of charge, within one (1) day (except Saturdays, Sundays and public holidays) on a requisition being so made for the same by the shareholders/creditors of the Company from their registered office or from the office of their Advocate, M/s. ASR & Associates having their office at 26, The Arcade, World Trade Centre, Cuffe Parade, Mumbai – 400005.

Dated this 29th day of November, 2023

Sd/-

Address: Seksaria Chambers, 5th Floor, 139,
Nagindas Master Road, Fort, Mumbai 400001

Mr. Sushil Kumar Agarwal
Chairman appointed for the meeting

=====X=====

**DRAFT COMPOSITE SCHEME OF ARRANGEMENT
UNDER SECTIONS 230 TO 232
OF THE COMPANIES ACT, 2013
BETWEEN**

**SEKSARIA INDUSTRIES PRIVATE LIMITED.DEMERGED COMPANY NO.1
AND**

SEKSARIA AGRITECH PRIVATE LIMITED.... RESULTING COMPANY NO. 1

AND

ISHWARSHAKTI HOLDINGS & TRADERS LIMITED. – DEMERGED COMPANY NO. 2

SEKSARIA FINANCE LIMITEDRESULTING COMPANY NO. 2

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

IN RESPECT OF SUGAR UNDERTAKING OF DEMERGED COMPANY NO. 1 AND DEMERGED COMPANY NO. 2

A. **PREAMBLE-** This composite Scheme of Arrangement ("Scheme") is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013, rules and regulations thereunder, for:-

- a. Demerger on a going concern basis of Seksaria Industries Private Limited ("Demerged Company No. 1"/ "SIPL") into Seksaria Agritech Private Limited ("Resulting Company No. 1"/ "SAPL") as stated hereinafter.
- b. Demerger of Ishwarshakti Holdings & Traders Limited (Demerged Company No. 2"/ "Ishwarshakti") into Seksaria Finance Limited ("Resulting Company No. 2"/ "SFL") as stated hereinafter.

B. **RATIONAL FOR THE SCHEME-**

The proposed restructuring would:

- a. Result in simplification of the group segregation structure of the Sugar and Non sugar business comprising of real estate, optical, confectionaries and finance between the two sets of shareholders to ease out the business operation.
- b. Enable each business being unrelated to pursue respective growth and investment opportunities.
- c. Result in economics in business operations, provide optimal utilization of resources and greater administrative efficiencies.

C. **PARTS OF THE SCHEME:**

This Scheme is divided into following parts

- a. PART I: deals with Definitions and share capital.
- b. PART II: deals with demerger of Demerged Undertaking No. 1 of SIPL into Resulting Company No. 1.
- c. PART III: deals with demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2.
- d. PART IV: deals with general terms and conditions.

PART I DEFINITIONS & SHARE CAPITAL

1) **DEFINITIONS:** In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning :

- a) **"Act"** means the Companies Act, 2013, all rules and regulations thereunder and any statutory modification or re-enactment thereof.
- b) **"Appointed Date"** means the **1st day of April, 2021** or such other date as may be fixed by the Hon'ble National Company Law Tribunal at Mumbai or the Board of Directors or by such other authority having jurisdiction under law.
- c) **"Appropriate Authority"** means any applicable Central, State or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited to Securities and Exchange Board of India, Stock Exchanges, Regional Director, Registrar of Companies, Official Liquidator, High Court, National Company Law Tribunal and Reserve Bank of India;
- d) **"Board of Directors"** in relation to each of the Company involved in the present Scheme shall mean the Board of Directors of such company and unless repugnant to the subject, context or meaning thereof, shall deemed to include every committee (including any committee of directors) or any person authorised by the Board or by any such committee.
- e) **"Demerged Company No. 1"** or **"SIPL"** means Seksaria Industries Private Limited., (CIN No. U17120MH1948PTC006225) a private limited company incorporated under Companies Act, 1956 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.
- f) **"Demerged Company No. 2"** or **"Ishwarshakti"** shall mean Ishwarshakti Holdings & Traders Limited, (CIN No. L51100MH1983PLC030782) a public limited company incorporated under the Companies Act, 1956 listed with Bombay Stock Exchange and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai - 400001.
- g) **"Demerged Undertaking No. 1"** means the Sugar business of SIPL/Demerger Company No. 1, carried on by Demerged Company No. 1 directly through its shareholding, i.e. 49.90% i.e. 11,734,530 fully paid up equity shares of The Seksaria Biswan Sugar Factory Limited ("Seksaria Biswan") held by Demerged Company No. 1 and , 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non- cumulative compulsory convertible preference shares of U.P. National Industrial Corporation Private Limited ("UP NIC") held by Demerged Company. No. 1, on a going concern basis, including the manufacturing and/or allied activities being carried out at their factories/ units, and all assets (movable/ immovable) and liabilities which relate thereto or necessary therefore as on Appointed Date and including (without limitation):-
 - i) all assets, titles, properties wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, tenancy rights, including all plant and machinery, buildings, offices, installations, capital work-in-progress, vehicles, furniture, fixtures, office equipment, appliances, computer installations, electrical, appliances, accessories, investments, receivables, loans advances, and rights, including rights arising under contracts, all operations and activities relating to Demerged Undertaking No. 1, balances with banks, all contracts, rights and benefits pertaining to or relatable to the Sugar Business (collectively referred to as **"Assets of Demerged Company No.1"**);
 - ii) all debts, liabilities, guarantees, assurances, obligations, commitments, present and future of all nature or description and the specific contingent liabilities pertaining to or relatable to the Demerged Undertaking No. 1 (collectively referred to as **"Liabilities of Demerged Company. No. 1"**);
 - iii) All contracts, agreements, licenses, leases, Memorandum of Understandings, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Demerged Company No. 1 is a party exclusively relating to the Demerged Undertaking No. 1, business, activities and operations pertaining to the Demerged Undertaking No. 1 or otherwise identified to be for the exclusive benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by Demerged Company No.1 in relation to its Demerged Undertaking No. 1, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking No. 1, and all other rights, title, interests, privileges and benefits of every kind in relation to Demerged Undertaking No. 1 and held by Demerged Company No. 1.
 - iv) all rights and licences, all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of Central/State Governments, quality certifications and approvals, approvals (both Indian and foreign), product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licences, municipal permissions, goodwill, consents, tenancies, if any, in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking No. 1, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverables, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company No. 1 in relation to the Demerged Undertaking No. 1, funds belonging to or proposed to be utilised for the Demerged Undertaking No. 1, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking No. 1;
 - v) all permanent employees exclusively engaged in the Demerged Undertaking No. 1 and those permanent employees that are determined by the Board of Directors of Demerged Company No.1 to be substantially engaged in or in relation to the Demerged Undertaking No. 1;
 - vi) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by Demerged Company No. 1 directly or indirectly in connection with or in relation to the Demerged Undertaking No. 1;
 - vii) all books, records, files, papers, specifications and process, information, records of standard operating procedures, computer programmes along with their license, manuals and backup copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking No. 1;
 - viii) all trademarks, tradenames, brands, service marks, patents and domain names, copyrights, industrial designs, applications made for trademarks, trade names, service marks, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Demerged Undertaking No. 1;
 - ix) Any other asset/ liability which is deemed to be pertaining to the Demerged Undertaking No. 1 by the Board of Demerged Company No. 1Any question that may arise as to whether a specific asset or liability pertained to or does not pertain to Demerged Undertaking No. 1 or whether it arises out of the activities or operations of Demerged Undertaking No. 1 shall be decided by the Board of Directors of Demerged Company No. 1.
- h) **"Demerged Undertaking No.2"** shall mean the Sugar business of Ishwarshakti/ Demerged Company No. 2, carried on by Demerged Company No. 2 through its shareholding i.e. 50% i.e. 4,90,000 paid up equity share capital of Resulting Company No. 1 after Part II becomes effective, and carried on by Resulting Company No. 1 *inter alia* through its shareholding in Seksaria Biswan and UP NIC, being 49.90% i.e.11,734,530 of fully paid up equity shares of Seksaria

Biswan held by Resulting Company No. 1 and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by Resulting Company No. 1, as also through its shareholdings in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e. 50% i.e., 7,500 fully paid up equity shares of UP NIC held by Demerged Company No. 2 on a going concern basis, including the manufacturing and/or allied activities being carried out at their factories/ units, and all assets (movable/ immovable) and liabilities which relate thereto or necessary therefore as on Appointed Date and including (without limitation):-

- i) all assets, titles, properties wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all plant and machinery, buildings, offices, installations, capital work-in-progress, vehicles, furniture, fixtures, office equipment, appliances, computer installations, electrical, appliances, accessories, investments, receivables, loans advances, and rights, including rights arising under contracts, all operations and activities relating to Demerged Undertaking No. 2, balances with banks, all contracts, rights and benefits pertaining to or relating to the Sugar Business (collectively referred to as "Assets of Demerged Company No.2");
 - ii) all debts, liabilities, guarantees, assurances, obligations, commitments present and future of all nature or description and the specific contingent liabilities pertaining to or relating to the Demerged Undertaking No. 2 (**collectively referred to as "Liabilities of Demerged Company No. 2"**);
 - iii) All contracts, agreements, licenses, leases, Memorandum of Understandings, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Demerged Company No. 2, and Resulting Company No. 1 are party, exclusively relating to the Demerged Undertaking No. 2, business, activities and operations pertaining to the Demerged Undertaking No. 2 or otherwise identified to be for the exclusive benefit of the same, including but not limited to the relevant licenses, water supply/ environment approvals, and all other rights and approvals, electricity permits, telephone connections, building and parking rights, pending applications for consents or extension, all incentives, tax benefits, deferrals, subsidies, concessions, benefits, grants, rights, claims, liberties, special status and privileges enjoyed or conferred upon or held or availed of by Demerged Company No.2 and Resulting Company No. 1 in relation to its Demerged Undertaking No. 2, permits, quotas, consents, registrations, lease, tenancy rights in relation to offices and residential properties, permissions, incentives, if any, in relation to its Demerged Undertaking No. 2, and all other rights, title, interests, privileges and benefits of every kind in relation to Demerged Undertaking No. 2;
 - iv) all rights and licences, all assignments and grants thereof, all permits, registrations, quota rights, import quotas, rights (including rights under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes/ of Central/State Governments, quality certifications and approvals, approvals (both Indian and foreign), product registrations (both Indian and foreign), regulatory approvals, entitlements, industrial and other licences, municipal permissions, goodwill, consents, tenancies, if any, in relation to the office and/or residential properties for the employees, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking No. 2, either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverable, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Demerged Company No. 2 and Resulting Company No. 1 in relation to the Demerged Undertaking No. 2, funds belonging to or proposed to be utilised for the Demerged Undertaking No. 2, privileges, all other claims, rights and benefits, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking No. 2;
 - v) all permanent employees exclusively engaged in the Demerged Undertaking No. 2 and those permanent employees that are determined by the Board of Directors of Demerged Company No. 2 to be substantially engaged in or in relation to the Demerged Undertaking No. 2;
 - vi) all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/or security deposits paid or received by Demerged Company No. 2 or by Resulting Company No. 1, directly or indirectly in connection with or in relation to the Demerged Undertaking No. 2;
 - vii) all books, records, files, papers, specifications and process, information, records of standard operating procedures, computer programmes along with their license, manuals and backup copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking No. 2;
 - viii) all trademarks, tradenames, brands, service marks, patents and domain names, copyrights, industrial designs, applications made for trademarks, trade names, service marks, trade secrets, product registrations and other intellectual property and all other interests exclusively relating to the goods or services being dealt with by the Demerged Undertaking No. 2;
 - ix) Any other asset/ liability which is deemed to be pertaining to the Demerged Undertaking No. 2 by the Board of Demerged Company No. 2 and Resulting Company No. 1
Any question that may arise as to whether a specific asset or liability pertained to or does not pertain to Demerged Undertaking No. 2 or whether it arises out of the activities or operations of Demerged Undertaking No. 2 shall be decided by the Board of Directors of Demerged Company No. 2.
- i) **"Effective Date"** means last of the dates on which the certified copies of the orders of NCLT sanctioning the Scheme is filed by Resulting Company No. 1 and Resulting Company No. 2, with the Registrar of Companies, Maharashtra. References in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of the Scheme" shall mean the Effective Date.
- j) **"National Company Law Tribunal" or "Tribunal" or "NCLT"** means the National Company Law Tribunal as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any Scheme of Arrangement, Compromise or Reconstruction of companies under Sections 230 – 232 of the Companies Act, 2013;
- k) **"Resulting Company No. 1" or "SAPL"** shall mean Seksaria Agritech Private Limited, (CIN No. U15490MH2021PTC358800) a private limited company incorporated under the Companies Act, 2013 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.
- l) **"Resulting Company No. 2" or "SFL"** shall mean Seksaria Finance Limited, (CIN No. U67110MH2021PLC358689) a public limited company incorporated under the Companies Act, 2013 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.
- m) **"Record Date No. 1"** means date to be fixed by Board of Directors of Resulting Company No. 1 in consultation with SIPL for the purpose of determining the equity shareholders of SIPL for issue of shares to shareholders of SIPL pursuant to this Scheme.
- n) **"Record Date No. 2"** means date to be fixed by the Board of Directors of Resulting Company No. 2 in consultation with Ishwarshakti for the purpose of determining the equity shareholders of Ishwarshakti for issue of shares to shareholders of Ishwarshakti pursuant to this Scheme.
- o) **"Remaining Business of Demerged Company No. 1"** means all other businesses, divisions, assets and liabilities of Demerged Company No. 1 including real estate, optical, confectionaries and finances being carried out directly and/ or through shareholding of Demerged Company No. 1 in other group companies other than the Demerged Undertaking No. 1 as defined in sub Clause 1(g)
- p) **"Remaining Business of Demerged Company No. 2"** means all other business, divisions, assets and liabilities of Demerged Company No. 2 including financial services, real estate, optical, confectionaries and finances being carried out directly and/ or through shareholding of Demerged Company No. 2 in other group companies other than Demerged Undertaking No. 2 as defined in Clause 1(h)
- q) **"Scheme of Arrangement/ Demerger" or "this Scheme" or "the Scheme"** means this Scheme of Arrangement in its present form or with any modifications made under Clause 23 of the Scheme.
- r) **"Seksaria Biswan"** means the The Seksaria Biswan Sugar Factory Limited, (CIN No. U40102MH1939PLC002892) a public limited company incorporated under Companies Act, 1956 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.
- s) **"UP NIC"** means U.P. National Industrial Corporation Private Limited, (CIN No. - U92111UP1947PTC001681) a private limited company incorporated under Companies Act, 1956 and having its office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001.

NOTE: All terms and words not defined in this Scheme shall, unless repugnant to or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and 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) **DATE OF COMING INTO EFFECT**

- A. The Scheme shall come into legal operations from the Appointed Date, though it shall be effective from the Effective Date.
- B. The various part of the Scheme shall be deemed to have taken effect in the following sequence:
 - (a) Firstly, Part II of the Scheme (relating to demerger of Demerged Undertaking No. 1 of SIPL into Resulting Company No. 1) shall be deemed to have taken effect prior to Part III of the Scheme, and
 - (b) Thereafter, Part III of the Scheme (relating to demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2) shall be deemed to have taken effect after Part II.

3) **SHARE CAPITAL:**

a) The authorised, issued, subscribed and paid-up capital of Demerged Company No. 1 as on 31st March, 2021 is as follows:

Particulars	Amount (Rs)
Authorised Capital 1,10,000 Equity shares of Rs. 100/-each	1,10,00,000
Issued, subscribed and paid up capital 98,000 Equity share of Rs. 100/- each	98,00,000

As of date the authorized, issued, subscribed and paid up capital of SIPL remains the same.

b) The authorised, issued, subscribed and paid up capital of Resulting Company No. 1 as on date is as follows:

Particulars	Amount (Rs)
Authorised Capital 10,000 Equity shares of Rs.10/- each	1,00,000/-
Issued, subscribed and paid up capital 10000 Equity share of Rs.10/- each	1,00,000/-

c) The authorised, issued, subscribed and paid-up capital of Demerged Company No. 2 as on 31st March, 2021 is as follows:

Particulars	Amount (Rs)
Authorised Capital – 20,00,000 Equity shares of Rs.10/- each	2,00,00,000/-

Issued, subscribed and paid up capital 14,40,000 Equity share of Rs.10/- each	1,44,00,000/-
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As of date the authorized, issued, subscribed and paid up capital of Ishwarshakti remains the same.

d) The authorised, issued, subscribed and paid up capital of Resulting Company No. 2 as on date is as follows:

Particulars	Amount (Rs)
Authorised Capital 50,000 Equity shares of Rs.10/- each	5,00,000/-
Issued, subscribed and paid up capital 50,000 Equity share of Rs.10/- each	5,00,000/-

e) This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect other parts of the Scheme.

PART II

DEMERGER OF DEMERGED UNDERTAKING NO. 1 OF SIPL INTO RESULTING COMPANY NO. 1, SAPL

4. TRANSFER OF DEMERGED UNDERTAKING NO. 1.

- 4.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and in accordance with provisions of Section 2(19AA) of the Income Tax Act, 1961 and subject to the provisions of the Scheme, the whole of the Demerged Undertaking No. 1 of Demerged Company No. 1 as defined in Clause 1(g) shall, pursuant to the order of Hon'ble NCLT and pursuant to provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same, be vested and/or deemed to be vested in Resulting Company No. 1 on a going concern basis so as to become the assets of Resulting Company No. 1.
- 4.2. All assets acquired in the Demerged Undertaking No. 1 after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking No. 1 or pertaining to the Demerged Undertaking No. 1, shall also stand transferred to and vested in Resulting Company No. 1 upon the coming into effect of the Scheme, at their book value.
- 4.3. In respect of such of the assets of the Demerged Undertaking No. 1 as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by Demerged Company No. 1 and shall become the property of Resulting Company No. 1 as an integral part of the Demerged Undertaking No. 1 transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of Demerged Company No. 1 and the Board of Directors of Resulting Company No. 1 within thirty days from the Effective Date.
- 4.4. In respect of such of the assets of the Demerged Undertaking No. 1 other than those referred to in Clause 4.3 above, the same shall, as more particularly provided in Clause 4.1 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company No. 1 on the Appointed Date pursuant to the order of Hon'ble NCLT and pursuant to the provisions of Section 230 to 232 of the Act or other provisions of law as applicable.
- 4.5. It is hereby clarified that the rest of the assets and liabilities (other than those forming part of the Demerged Undertaking No. 1 or otherwise specified in this Scheme), if any, of Demerged Company No. 1 shall continue to vest in Demerged Company No. 1.
- 4.6. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operations of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company No. 1, and the rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking No. 1 and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Undertaking No. 1, be transferred to and vested in Resulting Company No. 1. Insofar as the various incentives, tax deferral benefits, subsidies (including applications for subsidies) rehabilitation schemes, grants, special status and other benefits of privileges enjoyed, granted by any Government body, local authority or by any other persons, or availed of by Demerged Company No. 1 is concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking No. 1, vest with and be available to Resulting Company No. 1 on the same terms and conditions.
- 4.7. All Demerged Undertaking No. 1's Liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of Demerged Company No. 1 shall stand vested in Resulting Company No. 1 and shall upon the Scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company No. 1, and Resulting Company No. 1, shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that 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, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 4.8. It is clarified that upon the coming into effect of the Scheme, the following liabilities and obligations of Demerged Company No. 1 as on the Appointed Date and being a part of the Demerged Undertaking No. 1 shall without any further act, instrument or deed be and shall stand transferred to Resulting Company No. 1, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against Resulting Company No. 1 as if it had entered into such loans or incurred such borrowings and Resulting Company No. 1 undertakes to meet, discharge and satisfy the same;
- The liabilities which directly and specifically arose out of the activities or operations of the Demerged Undertaking No. 1;
 - Specific loans or borrowings raised, if any, and incurred and utilized solely for the activities or operations of the Demerged Undertaking No. 1;
 - In cases other than those referred to in sub-clause (a) and (b) above, proportionate part of the general or multipurpose borrowings and liabilities of Demerged Company No. 1 allocable to the Demerged Undertaking No. 1 in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of Demerged Company No. 1 immediately before the demerger. It is hereby clarified that upon the coming into effect of this Scheme, where any regulatory approvals are required for the purposes of apportioning the general or multipurpose borrowings as provided herein, the same shall be obtained by Demerged Company No. 1 and/or Resulting Company No. 1 by way of specific applications in this behalf.
- 4.9. Where any of the liabilities and obligations of the Demerged Company No. 1 relating to Demerged Undertaking No. 1 as on the Appointed Date deemed to be transferred to the Resulting Company No. 1 have been discharged by Demerged Company No. 1 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company No. 1, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company No. 1 for the operations of the Demerged Undertaking No. 1 after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company No. 1 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to Resulting Company No. 1 and shall become its liabilities and obligations.
- 4.10. Upon the coming into effect of this Scheme, the balances as on the Appointed Date of general or multipurpose borrowings shall be transferred to and assumed by Demerged Company No. 1 and Resulting Company No. 1 in the proportion provided in Clause 4.8(c) above. Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of Resulting Company No. 1. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, Resulting Company No. 1 may discharge such liability (including accretions thereto) by making payments on the respective due dates to Demerged Company No. 1, which in turn shall make payments to the respective creditors.
- 4.11. Upon the coming into effect of this Scheme, insofar as the security in respect of the liabilities of Demerged Company No. 1 as on the Appointed Date is concerned, it is hereby clarified that Demerged Company No. 1 and Resulting Company No. 1 shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.
- 4.12. All taxes payable by or refundable to the Demerged Undertaking No. 1 of Demerged Company No. 1, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of Resulting Company No. 1, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc., as would have been available to Demerged Undertaking No. 1 of Demerged Company No. 1, shall pursuant to this Scheme becoming effective, be available to Resulting Company No. 1.
- 4.13. All the Licenses of Demerged Undertaking No. 1 including approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Demerged Undertaking No. 1 or to the benefit of which the Demerged Undertaking No. 1 of Demerged Company No. 1 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of Resulting Company No. 1, and shall be in full force and effect in favour of Resulting Company No. 1 and may be enforced as fully and effectually as if, instead of Demerged Company No. 1, Resulting Company No. 1 had been a party or beneficiary or obligor thereto. Such of the other permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by Demerged Company No. 1, but relate to or benefiting Demerged Undertaking No. 1, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of Resulting Company No. 1, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of Resulting Company No. 1 as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Resulting Company No. 1 shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including

- the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.
- 4.14. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1, have been replaced with that of Resulting Company No. 1, Resulting Company No. 1 shall be entitled to operate the bank accounts of Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1, in the name of Demerged Company No. 1 in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1, after the Effective Date shall be accepted by the bankers of Resulting Company No. 1 and credited to the account of Resulting Company No.1, if presented by Resulting Company No. 1. Resulting Company No. 1 shall be allowed to maintain bank accounts in the name of Demerged Company No. 1 for such time as may be determined to be necessary by Resulting Company No. 1 for presentation and deposit of cheques and pay orders that have been issued in the name of Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1. It is hereby expressly clarified that any legal proceedings by or against Demerged Company No. 1, in relation to or in connection with the Demerged Undertaking No. 1, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company No. 1 shall be instituted, or as the case maybe, continued by or against Resulting Company No. 1 after coming into effect of the Scheme.
- 4.15. The provisions of this Clause insofar as they relate to the transfer of liabilities to Resulting Company No. 1 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- 4.16. It is hereby clarified that all assets and liabilities of the Demerged Undertaking No. 1 shall be transferred at values appearing in the books of account of the Demerged Company No. 1 as on the Appointed Date which are set forth in the closing balance sheet of Demerged Company No.1 as of the close of business hours on the date immediately preceding the Appointed Date
5. **CONSIDERATION**
- 5.1. Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 1 into Resulting Company No. 1 in terms of this Scheme, Resulting Company No. 1 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.1 whose name appears in the register of members of Demerged Company No. 1 as on the Record Date 1 as may be stipulated by the Board of Directors of Demerged Company No.1 or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:
10(Ten) fully paid up Equity Shares of Rs.10/- each of Resulting Company No. 1 shall be issued and allotted as fully paid up for every 1 (one) Equity Share of Rs.100/- each fully paid up held in Demerged Company No. 1
- 5.2. In case any equity shareholder's holding in Demerged Company No. 1, is such that the shareholder becomes entitled to a fraction of equity share of Resulting Company No.1, Resulting Company No.1 shall not issue fractional share to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a person nominated by the Board of Resulting Company No.1 on behalf of such shareholders, who shall sell such shares in the market at such price or prices within a period of 90 days from the date of allotment of shares, on such time or times as the Board may in its sole discretion decide and on such sale, he shall pay to Resulting Company No. 1, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon Resulting Company No.1 shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company No.1 in proportion to their respective fractional entitlements
- 5.3. Resulting Company No.1 shall take necessary steps to increase or alter or reclassify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme. Presently the Authorised Share Capital of the Resulting Company No. 1 is Rs.1,00,000 (Rupees One Lakhs only) (i.e. 10,000 equity Shares of Rs.10/- each) As a part of the Scheme and to issue shares to the shareholders of the Demerged Company No.1 as per clause 5.1, the Resulting Company No. 1 shall increase its authorised Share Capital to Rs.98,00,000/- (Rupees Ninety Eight Lakhs only) (9,80,000 equity Shares of Rs.10/- each and the Memorandum of Association of Resulting Company No. 1 be amended accordingly. It is clarified that approval of shareholders of Resulting Company No. 1 to this Scheme shall be deemed to be their consent /approval for amendment/alteration of Memorandum of Association of the Resulting Company No. 1 as may be required under the Act.
- 5.4. The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of Resulting Company No.1.
- 5.5. The equity shares issued and allotted by Resulting Company No. 1 in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of Resulting Company No.1.
- 5.6. The approval of this Scheme by the shareholders of Resulting Company No. 1 shall be deemed to be due compliance of the provisions of Sections 42, 62 of the Act and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company No.1 to the shareholders of Demerged Company No.1, as provided in this Scheme.
- 5.7. The consideration in the form of equity shares shall be issued and allotted by Resulting Company No. 1 in dematerialized form to all the shareholders of Demerged Company No.1 holding such shares in dematerialized form and in physical form to all those shareholders of Demerged Company No.1 holding such shares in physical form.
- 5.8. In the event of there being any pending and valid share transfer, whether lodged or outstanding of any shareholders of Demerged Company No.1, the Board of Directors of Demerged Company No. 1 shall be empowered even subsequent to Record Date 1 or the Effective Date, as the case may be, to effectuate such a transfer in Demerged Company No.1 as if such changes in the registered holder were operative on Record Date 1, in order to remove any difficulties arising to Demerged Company No. 1 or Resulting Company No. 1.
- 5.9. Resulting Company No. 1 shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by Resulting Company No.1 to the non-resident/ foreign citizen equity shareholders of Demerged Company No. 1. Resulting Company No. 1 shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company No. 1 to issue and allot equity shares to the non-resident/ foreign citizen equity shareholders of Demerged Company No.1.
- 5.10. The Board of Directors of Resulting Company No. 1 shall, if and to the extent required, apply for and obtain any approvals from concerned Government/regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of Demerged Company No. 1 pursuant to Clause 5.1 of the Scheme
- 5.11. 1. Simultaneously with the issuance and allotment of equity shares by the Resulting Company No.1 in accordance with paragraph **5.1** above, the initial issued and paid up equity share capital of the Resulting Company No. 1 comprising of 10000 Equity share of Rs.10/- each, aggregating to Rs.1,00,000/-, as held by the existing Equity Shareholders of the Resulting Company No. 1 shall be cancelled at face value of such shares. The share certificates held by the existing Equity Shareholders representing the equity shares in the Resulting Company No. 1 shall be deemed to be cancelled.
- 5.11.2 Pursuant to the demerger, every shareholder of Demerged Company No. 1 will become shareholder of the Resulting Company No. 1 in the same proportion as shares held by such shareholders in Demerged Company No. 1. Further, there will be not be any change in the shareholding pattern of Demerged Company No. 1 as shareholding pattern of the Resulting Company No. 1 pursuant to and after the Scheme coming into effect would be same as that of the Demerged Company No. 1 and every shareholder in the Resulting Company No. 1 would be same as of Demerged Company No.1 and hold equity shares in the same proportion as held by it in the Demerged Company No. 1.**
- 5.11.3** Such reduction of share capital of the Resulting Company No.1 as provided in paragraph **5.11.1** above, shall be effected as a part of the Scheme on the Effective Date, upon which the share capital of the Resulting Company No.1 shall be deemed to be reduced and the order of the NCLT sanctioning the Scheme shall also be deemed to be an order under Section 66 of the Act confirming such reduction of share capital of the Resulting Company No.1.
- 5.11.4** The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the Resulting Company No. 1 shall not be required to add the words "And Reduced" as suffix to its name.
- 5.11.5** The Resulting Company No. 1 shall only obtain necessary approvals from its Equity Shareholders for this Scheme pursuant to Section 230 and 232 read with Section 66 of the Act and no separate approval shall be required for the purpose of the aforesaid capital reduction.
- 5.12 The Board of Directors of Resulting Company No. 1 shall, if and to the extent required, apply for and obtain any approvals from concerned Government/regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of Demerged Company No.1 pursuant to Clause 5.1 of the Scheme.
- 6 **ACCOUNTING TREATMENT FOR PART II**
- 6.1 Upon the Scheme becoming effective, Resulting Company No. 1 and Demerged Company No. 1 shall account for demerger under Part II of the Scheme of the Demerged Undertaking No. 1 in their books of accounts with effect from the Appointed Date in accordance with applicable accounting principles prescribed under India Accounting Standard (Ind AS) or such other accounting principles as may be applicable or prescribed under the Act.
- 7 **TAX TREATMENT FOR PART II**
- 7.1 The Scheme is in compliance with the conditions relating to a "demerger" as specified under section 2 (19AA) of the Income-tax Act, 1961 ("IT Act"). If any provision of the Scheme is inconsistent with the provisions of section 2 (19AA) of the IT Act then the provisions of section 2 (19AA) shall prevail and the Scheme shall stand modified to that extent.
- 7.2 Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state sales tax, value added tax ("VAT") laws, GST Laws comprising (i) Central Goods and Services Tax Act, 2017, (ii) State Goods and Services Tax Act, 2017 as notified by respective States, (iii) Union Territory Goods and Services Tax Act, 2017, (iv) Integrated Goods and Services Tax Act, 2017, (v) Goods and Services Tax (Compensation to States) Act, 2017 and (vi) Rules, Notifications, Amendments and Circulars issued under the respective Acts, service tax laws comprising of chapter V of the Finance Act, 1994 and Rules, Notifications, Amendments and Circulars issued thereunder, stamp laws or other applicable law/ regulations (collectively, the "Tax Laws") dealing with taxes/duties/levies allocable or related to the Demerged Undertaking No. 1 of the Demerged Company No. 1 to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date related to the Demerged Undertaking No. 1 shall be vested with the Resulting Company No. 1.
- 7.3 All tax related compliances made and taxes (including income-tax, wealth tax, sales tax, excise duty, customs duty, , VAT, etc.) paid or payable by the Demerged Company No. 1 in respect of the operations and/or the profits of Demerged Undertaking No. 1 on and from the Appointed Date, shall be on

account of the Resulting Company No. 1 and, in so far as it relates to the tax payment (including without limitation income-tax, wealth tax, sales tax, excise duty, customs duty, GST, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company No. 1 in respect of the profits or activities or operation of Demerged Undertaking No. 1 on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company No. 1 and shall in all proceedings be dealt with accordingly. The provisions of the GST Laws with respect to the transfer of Demerged Undertaking No. 1 and transfer of input credit consequent to the Scheme shall be adhered to.

- 7.4 Any surplus in the taxation/duties/levies account including but not limited to advance income-tax and tax deducted at source ("TDS") and any tax credit entitlements under any Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction relating to the Demerged Undertaking No. 1 as on the date immediately preceding the Appointed Date shall also be transferred to the Resulting Company No. 1. Any tax deducted at source by the Demerged Company No. 1 and/or the Resulting Company No. 1 on transactions (if any) with the Resulting Company No. 1 and/or the Demerged Company No. 1 (as the case may be) between the Appointed Date and the Effective Date shall be deemed to be advance tax paid by the Resulting Company No. 1 and shall, in all proceedings, be dealt with accordingly.
- 7.5 On and from the Appointed Date: (a) any certificate for TDS or any other tax credit certificate relating to the Demerged Undertaking No. 1 is received in the name of the Demerged Company No. 1, it shall be deemed to have been received by the Resulting Company No. 1, which alone shall be entitled to claim credit for such tax deducted or paid; and (b) the benefit of all balances relating to input tax credit, CENVAT, service tax or VAT, being balances pertaining to the Demerged Undertaking No. 1 of the Demerged Company No. 1, if any, shall stand vested in the Resulting Company No. 1 as if the transaction giving rise to the said balance or credit was a transaction carried out by the Resulting Company No. 1.
- 7.6 Any refund under the Tax Laws due to the Demerged Company No. 1 in relation to the Demerged Undertaking No. 1 consequent to assessments made on the Demerged Company No. 1 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company No. 1.
- 7.7 Without prejudice to the generality of the above, all exemptions, deductions, set-offs, refunds, benefits, losses, entitlements, incentives, drawbacks, licenses and credits (including but not limited to MAT credit, taxes withheld/paid in foreign country etc.) under the income-tax, sales tax, custom duty, excise duty, GST, VAT, any Central Government/ State Government incentive schemes etc., in relation to the Demerged Undertaking No. 1 to which the Demerged Company No. 1 is/would be entitled to in terms of the applicable Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction, shall be available to and vest in the Resulting Company No. 1.
- 7.8 Each of the permissions, approvals, consents, sanctions, remissions, special reservations, service tax exemptions, incentives, concessions and other authorizations of the Demerged Company No. 1 pertaining to the Demerged Undertaking No. 1 shall stand transferred to the Resulting Company No. 1 pursuant to the order of the NCLT. The Resulting Company No. 1 shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the order of the NCLT.
- 7.9 The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company No. 1 in relation to the Demerged Undertaking No. 1 shall be made or deemed to have been made and duly complied with by the Resulting Company No. 1. The Resulting Company No. 1 shall be responsible for collecting sales tax forms and any other forms as may be applicable under the relevant Tax Laws (including without limitation the GST Laws) outstanding as on the Appointed Date from the customers of the Demerged Undertaking No. 1 with effect from the Effective Date.
- 7.10 The Demerged Company No. 1 and Resulting Company No. 1 are expressly permitted to file/revise its income-tax, wealth tax, service tax, vat, GST, excise, CENVAT/MODVAT and other statutory returns/ forms under the relevant Tax Laws, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. The Resulting Company No. 1 is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/duties paid by the Demerged Company No. 1 in relation to the Demerged Undertaking No. 1 shall be deemed to be the taxes/duties paid by the Resulting Company No. 1, and the Resulting Company No. 1 shall be entitled to claim credit for such taxes deducted/paid against its tax/duty liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes/duties are in the name of the Demerged Company No. 1.

8 CONTRACTS AND DEEDS.

- 8.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking No. 1 to which Demerged Company No. 1 is a party or to the benefit of which Demerged Company No. 1 may be eligible, and which are subsisting or having effect immediately before the effective Date, shall be in full force and effect on or against or in favour, as the case may be Resulting Company No. 1 and may be enforced as fully and effectually if instead of Demerged Company No. 1, Resulting Company No. 1 had been a party or beneficiary or obligee thereto.
- 8.2 Without prejudice to other provisions of the Scheme and notwithstanding that vesting of the Demerged Undertaking No. 1 with Resulting Company No. 1 occurs by virtue of this Scheme itself, Resulting Company No. 1 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Demerged Company No. 1 is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. Demerged Company No. 1 will, if necessary, also be a party to the above.

9 LEGAL PROCEEDINGS

- 9.1 Upon the coming into effect of the Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company No. 1 under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Demerged Undertaking No. 1 shall be continued and enforced by or against Resulting Company No. 1 after the Effective Date. In the event that the legal proceedings referred to herein require Demerged Company No. 1 and Resulting Company No. 1 to be jointly treated as parties thereto, Resulting Company No. 1 shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Demerged Company No. 1. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Demerged Undertaking No. 1 or not, the decision of the Board of Directors of Demerged Company No. 1 as to whether such proceeding relates to the Demerged Undertaking No. 1 or not, shall be conclusive evidence of the relationship with Demerged Undertaking No. 1.
- 9.2 Resulting Company No. 1 undertakes to have all legal proceedings initiated by or against Demerged Company No. 1 referred to in Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company No. 1 to the exclusion of Demerged Company No. 1. Both companies shall make relevant applications in that behalf.
- 9.3 Notwithstanding the above, in case the proceedings referred to in Clause 9.2 above cannot be transferred for any reason, Demerged Company No. 1 shall defend the same in accordance with the advice of Resulting Company No. 1 and at the cost of Resulting Company No. 1, and Resulting Company No. 1 shall reimburse, indemnify and hold harmless Demerged Company No. 1 against all liabilities and obligations incurred by Demerged Company No. 1 in respect thereof.

10 STAFF, WORKMEN & EMPLOYEES

- 10.1 All the permanent employees of Demerged Company No. 1 engaged in or in relation to the Demerged Undertaking No. 1 of Demerged Company No. 1, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of Resulting Company No. 1, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by Demerged Company No. 1 immediately preceding the Effective Date.
- 10.2 Services of the employees of Demerged Company No. 1 pertaining to the Demerged Undertaking No. 1 shall be taken into account from the date of their respective appointment with Demerged Company No. 1 for the purposes of all retirement benefits and all other entitlements for which they may be eligible. Resulting Company No. 1 further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with Demerged Company No. 1 shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with Demerged Company No. 1.
- 10.3 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of Demerged Company No. 1 pertaining to the Demerged Undertaking No. 1 are concerned, upon the Scheme becoming effective, Resulting Company No. 1 shall stand substituted for Demerged Company No. 1 in respect of the employees transferred with the Demerged Undertaking No. 1 for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking No. 1 of Demerged Company No. 1 in relation to such Funds or Trusts shall become those of Resulting Company No. 1. The Trustees including the Board of Directors of Demerged Company No. 1 and Resulting Company No. 1 or through any committee/ person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of Demerged Company No. 1.
- 10.4 With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, Demerged Company No. 1 shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Demerged Undertaking of Demerged Company No. 1, except with written consent of Resulting Company No. 1.
- 10.5 Resulting Company No. 1 undertakes to engage such of the permanent employees of Demerged Company No. 1 as are determined under Clause 10.1 of this Scheme of Arrangement, as being substantially engaged in the Demerged Undertaking No. 1 and who are in the employment of Demerged Company No. 1 as on the Effective Date, on terms and conditions not less favourable than those on which they are engaged by Demerged Company No. 1, without any interruption of service as a result of transfer of Demerged Undertaking No. 1 to Resulting Company No. 1. Resulting Company No. 1 undertakes to continue to abide by any agreement/settlement entered into by Demerged Company No. 1 in respect of the Demerged Undertaking No. 1. Resulting Company No. 1 agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with Demerged Company No. 1 shall also be taken into account, and agrees and undertakes to pay the same as and when payable.

11 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 11.1 With effect from the Appointed Date and up to and including the Effective Date:
(a) Demerged Company No. 1 shall carry on and be deemed to have carried on the business and activities in relation to Demerged Undertaking No. 1 and shall stand possessed of their properties and assets relating to Demerged Undertaking No. 1 for and in

- trust for Resulting Company No. 1 and all the profits/ losses accruing on account of the Demerged Undertaking No. 1 shall for all purposes be treated as profits/ losses of Resulting Company No.1.
- (b) Demerged Company No. 1 shall not utilize the profits or income, if any, relating to the Demerged Undertaking No. 1 for the purpose of declaring or paying any dividend 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 Resulting Company No. 1.
 - (c) Demerged Company No. 1 shall not without the prior written consent of the Board of Directors of Resulting Company No. 1 or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Demerged Undertaking No. 1 or any part thereof except in the ordinary course of its business.
 - (d) Demerged Company No. 1 shall not vary the existing terms and conditions of service of its permanent employees relating to Demerged Undertaking No. 1 except in the ordinary course of its business or without prior consent of Resulting Company No. 1 or pursuant to any pre-existing obligation undertaken by Demerged Company No. 1 as the case may be, prior to Effective Date.
- 11.2 Resulting Company No. 1 shall be entitled, pending the 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 Resulting Company No.1 may require pursuant to this Scheme.
- 12 **SAVING OF CONCLUDED TRANSACTIONS**
Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking No. 1 and continuance of the proceedings by or against Resulting Company No.1 shall not in any manner affect any transaction or proceedings already completed by Demerged Company No. 1 (in respect of the Demerged Undertaking No.1) on or before the appointed Date to the end and intent that Resulting Company No.1 accepts all such acts, deeds and things done and executed by and/or on behalf of Demerged Company No. 1 as acts, deeds and things done and executed by and on behalf of Resulting Company No. 1.
- PART III**
- 13 **TRANSFER OF DEMERGED UNDERTAKING NO. 2**
DEMERGER OF DEMERGED UNDERTAKING NO. 2 OF ISHWARSHAKTI AND RESULTING COMPANY NO. 2 SFL
- 13.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and in accordance with provisions of Section 2(19AA) of the Income Tax Act, 1961, upon vesting of Demerged Undertaking No. 1 of Demerged Company No.1 in Resulting Company No. 1, and subject to the provisions of the Scheme, the entire Sugar business and whole of the Demerged Undertaking No. 2 of Demerged Company No. 2 as defined in Clause 1(h) shall, pursuant to the order of Hon'ble NCLT and pursuant to provisions of Sections 230 to 232 of the Act and other applicable provisions of the Act and without further act, instrument or deed, but subject to the charges affecting the same be vested and/or deemed to be vested in Resulting Company No. 2 on a going concern basis so as to become the assets of Resulting Company No. 2.
 - 13.2 All assets acquired in the Demerged Undertaking No. 2 after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking No. 2 or pertaining to the Demerged Undertaking No. 2, shall also stand transferred to and vested to Resulting Company No. 2 upon the coming into effect of the Scheme, at their book value.
 - 13.3 In respect of such of the assets of the Demerged Undertaking No.2 as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by Demerged Company No. 2 and shall become the property of Resulting Company No. 2 as an integral part of the Demerged Undertaking No. 2 transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of Demerged Company No. 2 and the Board of Directors of Resulting Company No. 2 within thirty days from the Effective Date.
 - 13.4 In respect of such of the assets of the Demerged Undertaking No. 2 other than those referred to in Clause 13.3 above, the same shall, as more particularly provided in Clause 13.1 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in Resulting Company No. 2 on the Appointed Date pursuant to the order of Hon'ble NCLT and pursuant to the provisions of Section 230 to 232 of the Act or other provisions of law as applicable.
 - 13.5 It is hereby clarified that the rest of the assets and liabilities (other than those forming part of the Demerged Undertaking No. 2 or otherwise specified in this Scheme), if any, of Demerged Company No. 2 shall continue to vest in Demerged Company No.2.
 - 13.6 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with the provisions of relevant laws, consents, permissions, licences, certificates, authorities (including for the operations of bank accounts), powers of attorneys given by, issued to or executed in favour of the Demerged Company No. 2, and the rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking No. 2 and all quality certifications and approvals, trademarks, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Undertaking No. 2, be transferred to and vested in Resulting Company No. 2. Insofar as the various incentives, tax deferral benefits, subsidies (including applications for subsidies) rehabilitation schemes, grants, special status and other benefits of privileges enjoyed, granted by any Government body, local authority or by any other persons, or availed of by Demerged Company No. 2 are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking No. 2, vest with and be available to Resulting Company No. 2 on the same terms and conditions.
 - 13.7 All Demerged Undertaking No.2's Liabilities including debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of account or disclosed in the balance sheets of Demerged Company No. 2 shall stand vested in Resulting Company No. 2 and shall upon the Scheme becoming effective be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company No. 2, and Resulting Company No.2 shall, and undertake to meet, discharge and satisfy the same in terms of their respective terms and conditions, if any. It is hereby clarified that 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, duties and obligations have arisen in order to give effect to the provisions of this Clause.
 - 13.8 It is clarified that upon the coming into effect of the Scheme, the following liabilities and obligations of Demerged Company No. 2 as on the Appointed Date and being a part of the Demerged Undertaking No. 2 shall without any further act, instrument or deed be and shall stand transferred to Resulting Company No. 2, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against Resulting Company No. 2 as if it had entered into such loans or incurred such borrowings and Resulting Company No. 2 undertakes to meet, discharge and satisfy the same;
 - (a) The liabilities which directly and specifically arose out of the activities or operations of the Demerged Undertaking No. 2;
 - (b) Specific loans or borrowings raised, if any, and incurred and utilized solely for the activities or operations of the Demerged Undertaking No. 2;
 - (c) In cases other than those referred to in sub-clause (a) and (b) above, proportionate part of the general or multipurpose borrowings and liabilities of Demerged Company No. 2 allocable to the Demerged Undertaking No. 2 in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of Demerged Company No. 2 immediately before the demerger. It is hereby clarified that upon the coming into effect of this Scheme, where any regulatory approvals are required for the purposes of apportioning the general or multipurpose borrowings as provided herein, the same shall be obtained by Demerged Company No. 2 and/or Resulting Company No. 2 by way of specific applications in this behalf.
 - 13.9 Where any of the liabilities and obligations of the Demerged Company No. 2 relating to Demerged Undertaking No. 2 as on the Appointed Date deemed to be transferred to the Resulting Company No. 2 have been discharged by Demerged Company No. 2 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company No. 2, and all loans raised and used and all liabilities and obligations incurred by the Demerged Company No. 2 for the operations of the Demerged Undertaking No. 2 after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company No. 2 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to Resulting Company No. 2 and shall become its liabilities and obligations.
 - 13.10 Upon the coming into effect of this Scheme, the balances as on the Appointed Date of general or multipurpose borrowings shall be transferred to and assumed by Demerged Company No. 2 and Resulting Company No. 2 in the proportion provided in Clause 13.8(c) above. Thus, the primary obligation to redeem or repay such transferred liabilities shall be that of Resulting Company No. 2. However, without prejudice to such transfer of proportionate liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, Resulting Company No. 2 may discharge such liability (including accretions thereto) by making payments on the respective due dates to Demerged Company No. 2, which in turn shall make payments to the respective creditors.
 - 13.11 Upon the coming into effect of this Scheme, insofar as the security in respect of the liabilities of Demerged Company No. 2 as on the Appointed Date is concerned, it is hereby clarified that Demerged Company No. 2 and Resulting Company No. 2 shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.
 - 13.12 All taxes payable by or refundable to the Demerged Undertaking No.2 of Demerged Company No.2, including all or any refunds or claims shall be treated as the tax liability or refunds/claims, as the case may be, of Resulting Company No.2, and any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc, as would have been available to Demerged Undertaking No.2 of Demerged Company No.2, shall pursuant to this Scheme becoming effective, be available to Resulting Company No.2.
 - 13.13 All the Licenses of Demerged Undertaking No. 2 including approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description whatsoever in relation to the Demerged Undertaking No. 2 of Demerged Company No. 2, or to the benefit of which the Demerged Undertaking No. 2 of Demerged Company No. 2 may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall by endorsement, delivery or by operation of law pursuant to the vesting order of NCLT sanctioning the Scheme, and its filing with the Registrar of Companies concerned, shall be deemed to be approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature of Resulting Company No. 2, and shall be in full force and effect in favour of Resulting Company No. 2 and may be enforced as fully and effectually as if, instead of Demerged Company No. 2, Resulting Company No. 2 had been a party or beneficiary or obligor thereto. Such of the other permits,

licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by Demerged Company No. 2, but relate to or benefiting Demerged Undertaking No. 2, shall be deemed to constitute separate permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of Resulting Company No. 2, respectively, by the relevant authorities pursuant to the sanction of this Scheme by NCLT. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall take on record the order of NCLT sanctioning the Scheme on its file and make and duly record the necessary substitution or endorsement in the name of Resulting Company No. 2 as successor in interest, pursuant to the sanction of this Scheme by NCLT, and upon this Scheme becoming effective in accordance with the terms hereof. For this purpose, Resulting Company No. 2 shall file certified copies of such sanction order, and if required file appropriate applications, forms or documents with relevant authorities concerned for statistical, information and record purposes only, and there shall be no break in the validity and enforceability of approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses (including the licenses granted by any Governmental, statutory or regulatory bodies for the purpose of carrying on its business or in connection therewith), and certificates of every kind and description of whatsoever nature.

- 13.14 For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of the bank accounts of Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2, have been replaced with that of Resulting Company No. 2, Resulting Company No. 2 shall be entitled to operate the bank accounts of Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2, in the name of Demerged Company No. 2 in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2, after the Effective Date shall be accepted by the bankers of Resulting Company No. 2 and credited to the account of Resulting Company No. 2, if presented by Resulting Company No. 2. Resulting Company No. 2 shall be allowed to maintain bank accounts in the name of Demerged Company No. 2 for such time as may be determined to be necessary by Resulting Company No. 2 for presentation and deposition of cheques and pay orders that have been issued in the name of Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2. It is hereby expressly clarified that any legal proceedings by or against Demerged Company No. 2, in relation to or in connection with the Demerged Undertaking No. 2, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of Demerged Company No. 2 shall be instituted, or as the case maybe, continued by or against Resulting Company No. 2 after coming into effect of the Scheme.
- 13.15 The provisions of this Clause insofar as they relate to the transfer of liabilities to Resulting Company No. 2 shall operate notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.
- 13.16 It is hereby clarified that all assets and liabilities of the Demerged Undertaking No. 2 shall be transferred at values appearing in the books of account of Demerged Company No. 2 as on the Appointed Date which are set forth in the closing balance sheet of Demerged Company No. 2 as of the close of business hours on the date immediately preceding the Appointed Date

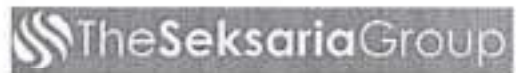
14 CONSIDERATION

- 14.1 Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 2 into , Resulting Company No. 2 in terms of this Scheme, Resulting Company No. 2 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.2 whose name appears in the register of members of Demerged Company No. 2 as on the Record Date 2 as may be stipulated by the Board of Directors of Demerged Company No.2 or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:
- 7 (Seven) fully paid up Equity Shares of Rs. 10 each of Resulting Company No. 2 shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Rs.10 each fully paid up held in Demerged Company No. 2**
- 14.2 In case any equity shareholder's holding in Demerged Company No. 2, is such that the shareholder becomes entitled to a fraction of equity share of Resulting Company No. 2, Resulting Company No. 2 shall not issue fractional share to such shareholder but shall consolidate such fractions and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the scheme. The Trust shall distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred), to the concerned shareholders of Demerged Company No. 2 in proportion to their respective fractional entitlements. The Demerged Company No. 2 shall submit to the Bombay Stock Exchange a report from its Audit Committee and the Independent Directors certifying that the listed entity has compensated the eligible shareholders. Both the reports shall be submitted within 7 days of compensating the shareholders.
- 14.3 Resulting Company No. 2 shall take necessary steps to increase or alter or reclassify, if necessary, its authorized share capital suitably to enable it to issue and allot the shares required to be issued and allotted by it under this Scheme. Presently the Authorised Share Capital of the Resulting Company No. 2 is Rs.5,00,000/- (Rupees Five Lakhs only) (i.e. 50,000 equity Shares of Rs.10/- each) As a part of the Scheme and to issue shares to the shareholders of the Demerged Company No.2 as per clause 14.1, the Resulting Company No. 2 shall increase its authorised Share Capital to Rs.10,10,00,000/- (Rupees Ten Crores Ten Lakhs only) (1,01,00,000 equity Shares of Rs.10/- each and the Memorandum of Association of Resulting Company No. 2 be amended accordingly. It is clarified that approval of shareholders of Resulting Company No. 2 to this Scheme shall be deemed to be their consent /approval for amendment/alteration of Memorandum of Association of the Resulting Company No. 2 as may be required under the Act.
- 14.4 The shares to be issued and allotted as above shall be subject to and in accordance with the Memorandum and Articles of Association of Resulting Company No.2.
- 14.5 The equity shares issued and allotted by Resulting Company No. 2 in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of Resulting Company No. 2.
- 14.6 The approval of this Scheme by the shareholders of Resulting Company No. 2 shall be deemed to be due compliance of the provisions of Section 42, 62 of the Act and all the other relevant and applicable provisions of the Act for the issue and allotment of shares by Resulting Company No. 2 to the shareholders of Demerged Company No. 2, as provided in this Scheme.
- 14.7 The consideration in the form of equity shares shall be issued and allotted by Resulting Company No. 2 in dematerialized form to all the shareholders of Demerged Company No. 2 holding such shares in dematerialized form and in physical form to all those shareholders of Demerged Company No. 2 holding such shares in physical form. Further, Resulting Company No. 2 shall ensure that the shares so allotted pursuant to this Clause are listed on the Stock Exchanges where existing shares of Resulting Company No. 2 are listed.
- 14.8 In the event of there being any pending and valid share transfer, whether lodged or outstanding of any shareholders of Demerged Company No.2, the Board of Directors of Demerged Company No. 2 shall be empowered even subsequent to Record Date 2 or the Effective Date, as the case may be, to effectuate such a transfer in Demerged Company No.2 as if such changes in the registered holder were operative on Record Date 2, in order to remove any difficulties arising to Demerged Company No. 2 or Resulting Company No. 2.
- 14.9 Resulting Company No. 2 shall, if and to the extent required to, apply for and obtain any approvals from the concerned regulatory authorities including the Reserve Bank of India, for the issue and allotment of equity shares by Resulting Company No. 2 to the non-resident/ foreign citizen equity shareholders of Demerged Company No. 2. Resulting Company No. 2 shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company No. 2 to issue and allot equity shares to the non-resident/ foreign citizen equity shareholders of Demerged Company No. 2.
- 14.10 The Board of Directors of Resulting Company No. 2 shall, if and to the extent required, apply for and obtain any approvals from concerned Government/regulatory authorities and undertake necessary compliance for the issue and allotment of equity shares to the members of Demerged Company No. 2 pursuant to Clause 14.1 of the Scheme.
- 14.11.1 Simultaneously with the issuance and allotment of equity shares by the Resulting Company No.2 in accordance with paragraph 14.1 above, the initial issued and paid up equity share capital of the Resulting Company No. 2 comprising of 50,000 Equity share of Rs.10/- each, aggregating to INR 5,00,000/-, as held by the existing Equity Shareholders of the Resulting Company No.2 shall be cancelled at face value of such shares. The share certificates held by the existing Equity Shareholders representing the equity shares in the Resulting Company No. 2 shall be deemed to be cancelled and not tradable from and after such cancellation.
- 14.11.2 **Pursuant to the demerger, every shareholder of Demerged Company NO. 2 will become shareholder of the Resulting Company No. 2 in the same proportion as shares held by such shareholders in Demerged Company No. 2. Further, there will be not be any change in the shareholding pattern of Demerged Company No. 2 as shareholding pattern of the Resulting Company No. 2 pursuant to and after the Scheme coming into effect would be same as that of the Demerged Company No. 2 and every shareholder in the Resulting Company No. 2 would be same as of Demerged Company No. 2 and hold equity shares in the same proportion as held by it in the Demerged Company No. 2**
- 14.11.3 Such reduction of share capital of the Resulting Company No.2 as provided in paragraph 14.11.1 above, shall be effected as a part of the Scheme on the Effective Date, upon which the share capital of the Resulting Company No.2 shall be deemed to be reduced and the order of the NCLT sanctioning the Scheme shall also be deemed to be an order under Section 66 of the Act confirming such reduction of share capital of the Resulting Company No.2.
- 14.11.4 The reduction would not involve a diminution of liability in respect of the unpaid share capital or payment of paid-up share capital and the Resulting Company No. 2 shall not be required to add the words "And Reduced" as suffix to its name.
- 14.11.5 The Resulting Company No. 2 shall only obtain necessary approvals from its Equity Shareholders for this Scheme pursuant to Section 230 and 232 read with Section 66 of the Act and no separate approval shall be required for the purpose of the aforesaid capital reduction.
- 14.12 Resulting Company No. 2 shall apply for listing of the equity shares issued pursuant to Clause 13.1 on the Stock Exchanges in terms of the SEBI Circular. The equity shares shall be listed and/or admitted to trading on the Stock Exchanges in India where the equity shares of Demerged Company No. 2 are listed and admitted to trading, as per the Applicable Law. Resulting Company No. 2 shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges. The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are provided by the relevant Stock Exchange.

- 15 **ACCOUNTING TREATMENT FOR PART III**
- 15.1 Upon the Scheme becoming effective, Resulting Company No. 2 and Demerged Company No. 2 shall account for demerger under Part III of the Scheme of the Demerged Undertaking No. 2 in their books of accounts with effect from the Appointed Date in accordance with IND AS 103 – “Business Combination” and/ or such other applicable IND AS or such other accounting principles as may be applicable or prescribed under the Act.
- 16 **TAX TREATMENT FOR PART III**
- 16.1 The Scheme is in compliance with the conditions relating to a “demerger” as specified under section 2 (19AA) of the IT Act. If any provision of the Scheme is inconsistent with the provisions of section 2 (19AA) of the IT Act then the provisions of section 2 (19AA) shall prevail and the Scheme shall stand modified to that extent.
- 16.2 Any tax liabilities under the IT Act, Wealth Tax Act, 1957, Customs Act, 1962, Central Excise Act, 1944, Maharashtra Value Added Tax Act, 2002, Central Sales Tax Act, 1956, any other state sales tax, VAT laws, GST Laws comprising (i) Central Goods and Services Tax Act, 2017, (ii) State Goods and Services Tax Act, 2017 as notified by respective States, (iii) Union Territory Goods and Services Tax Act, 2017, (iv) Integrated Goods and Services Tax Act, 2017, (v) Goods and Services Tax (Compensation to States) Act, 2017 and (vi) Rules, Notifications, Amendments and Circulars issued under the respective Acts, service tax laws comprising of chapter V of the Finance Act, 1994 and Rules, Notifications, Amendments and Circulars issued thereunder, stamp laws or other applicable law / regulations (collectively, the “Tax Laws”) dealing with taxes/duties/levies allocable or related to the Demerged Undertaking No. 2 of the Demerged Company No. 2 to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date related to the Demerged Undertaking No. 2 shall be vested with the Resulting Company No. 2.
- 16.3 All tax related compliances made and taxes (including income-tax, wealth tax, sales tax, excise duty, customs duty, VAT, etc.) paid or payable by the Demerged Company No. 2 in respect of the operations and/or the profits of Demerged Undertaking No. 2 on and from the Appointed Date, shall be on account of the Resulting Company No. 2 and, in so far as it relates to the tax payment (including without limitation income-tax, wealth tax, sales tax, excise duty, customs duty, GST, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company No. 2 in respect of the profits or activities or operation of Demerged Undertaking No. 2 on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company No. 2 and shall in all proceedings be dealt with accordingly. The provisions of the GST Laws with respect to the transfer of Demerged Undertaking No. 2 and transfer of input credit consequent to the Scheme shall be adhered to.
- 16.4 Any surplus in the taxation/duties/levies account including but not limited to advance income-tax and TDS and any tax credit entitlements under any Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction relating to the Demerged Undertaking No. 2 as on the date immediately preceding the Appointed Date shall also be transferred to the Resulting Company No. 2. Any tax deducted at source by the Demerged Company No. 2 and/or the Resulting Company No. 2 on transactions (if any) with the Resulting Company No. 2 and/or the Demerged Company No. 2 (as the case may be) between the Appointed Date and the Effective Date shall be deemed to be advance tax paid by the Resulting Company No. 2 and shall, in all proceedings, be dealt with accordingly.
- 16.5 On and from the Appointed Date: (a) any certificate for TDS or any other tax credit certificate relating to the Demerged Undertaking No. 2 is received in the name of the Demerged Company No. 2, it shall be deemed to have been received by the Resulting Company No. 2, which alone shall be entitled to claim credit for such tax deducted or paid; and (b) the benefit of all balances relating to input tax credit, CENVAT, service tax or VAT, being balances pertaining to the Demerged Undertaking No. 2 of the Demerged Company No. 2, if any, shall stand vested in the Resulting Company No. 2 as if the transaction giving rise to the said balance or credit was a transaction carried out by the Resulting Company No. 2.
- 16.6 Any refund under the Tax Laws due to the Demerged Company No. 2 in relation to the Demerged Undertaking No. 2 consequent to assessments made on the Demerged Company No. 2 and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company No. 2.
- 16.7 Without prejudice to the generality of the above, all exemptions, deductions, set-offs, refunds, benefits, losses, entitlements, incentives, drawbacks, licenses and credits (including but not limited to MAT credit, taxes withheld/paid in foreign country etc.) under the income-tax, sales tax, custom duty, excise duty, GST, VAT, any Central Government/ State Government incentive schemes etc., in relation to the Demerged Undertaking No. 2 to which the Demerged Company No. 2 is/would be entitled to in terms of the applicable Tax Laws of the Union and State Governments of India as well as any foreign jurisdiction, shall be available to and vest in the Resulting Company No. 2.
- 16.8 Each of the permissions, approvals, consents, sanctions, remissions, special reservations, service tax exemptions, incentives, concessions and other authorizations of the Demerged Company No. 2 pertaining to the Demerged Undertaking No. 2 shall stand transferred to the Resulting Company No. 2 pursuant to the order of the NCLT. The Resulting Company No. 2 shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the order of the NCLT.
- 16.9 The obligation for deduction of tax at source on any payment made by or to be made by the Demerged Company No. 2 in relation to the Demerged Undertaking No. 2 shall be made or deemed to have been made and duly complied with by the Resulting Company No. 2. The Resulting Company No. 2 shall be responsible for collecting sales tax forms and any other forms as may be applicable under the relevant Tax Laws (including without limitation the GST Laws) outstanding as on the Appointed Date from the customers of the Demerged Undertaking No. 2 with effect from the Effective Date.
- 16.10 The Demerged Company No. 2 and Resulting Company No. 2 are expressly permitted to file/revise its income-tax, wealth tax, service tax, vat, GST, excise, CENVAT/MODVAT and other statutory returns/ forms under the relevant Tax Laws, consequent to this Scheme becoming effective, notwithstanding that the period for filing/revising such returns may have lapsed. The Resulting Company No. 2 is expressly permitted to amend TDS/TCS and other statutory certificates and shall have the right to claim refunds, advance tax credits, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date. It is specifically declared that all the taxes/duties paid by the Demerged Company No. 2 in relation to the Demerged Undertaking No. 2 shall be deemed to be the taxes/duties paid by the Resulting Company No. 2, and the Resulting Company No. 2 shall be entitled to claim credit for such taxes deducted/paid against its tax/duty liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes/duties are in the name of the Demerged Company No. 2.
- 17 **CONTRACTS AND DEEDS.**
- 17.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking No. 2 to which Demerged Company No. 2 is a party or to the benefit of which Demerged Company No. 2 may be eligible, and which are subsisting or having effect immediately before the effective Date, shall be in full force and effect on or against or in favour, as the case may be Resulting Company No. 2 and may be enforced as fully and effectually if instead of Demerged Company No. 2, Resulting Company No. 2 had been a party or beneficiary or obligee thereto.
- 17.2 Without prejudice to other provisions of the Scheme and notwithstanding that vesting of the Demerged Undertaking No. 2 with Resulting Company No. 2 occurs by virtue of this Scheme itself, Resulting Company No. 2 may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which Demerged Company No. 2 is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. Demerged Company No. 2 will, if necessary, also be a party to the above.
- 18 **LEGAL PROCEEDINGS**
- 18.1 Upon the coming into effect of the Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against Demerged Company No. 2 under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each case relating to the Demerged Undertaking No. 2 shall be continued and enforced by or against Resulting Company No. 2 after the Effective Date. In the event that the legal proceedings referred to herein require Demerged Company No. 2 and Resulting Company No. 2 to be jointly treated as parties thereto, Resulting Company No. 2 shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Demerged Company No. 2. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Demerged Undertaking No. 2 or not, the decision of the Board of Directors of Demerged Company No. 2 as to whether such proceeding relates to the Demerged Undertaking No. 2 or not, shall be conclusive evidence of the relationship with Demerged Undertaking No. 2.
- 18.2 Resulting Company No. 2 undertakes to have all legal proceedings initiated by or against Demerged Company No. 2 referred to in Clause 18.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company No. 2 to the exclusion of Demerged Company No. 2. Both companies shall make relevant applications in that behalf.
- 18.3 Notwithstanding the above, in case the proceedings referred to in Clause 18.2 above cannot be transferred for any reason, Demerged Company No. 2 shall defend the same in accordance with the advice of Resulting Company and at the cost of Resulting Company No. 2, and Resulting Company No. 2 shall reimburse, indemnify and hold harmless Demerged Company No. 2 against all liabilities and obligations incurred by Demerged Company No. 2 in respect thereof.
- 19 **STAFF, WORKMEN & EMPLOYEES**
- 19.1 All the permanent employees of Demerged Company No. 2 engaged in or in relation to the Demerged Undertaking No. 2 of Demerged Company No. 2, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of Resulting Company No. 2, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by Demerged Company No. 2 immediately preceding the Effective Date.
- 19.2 Services of the employees of Demerged Company No. 2 pertaining to the Demerged Undertaking No. 2 shall be taken into account from the date of their respective appointment with Demerged Company No. 2 for the purposes of all retirement benefits and all other entitlements for which they may be eligible. Resulting Company No. 2 further agrees that for the purpose of payment of any retirement compensation, if any, such past services with Demerged Company No. 2 shall also be taken into account. The services of such employees shall not be treated as having been broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with Demerged Company No. 2.
- 19.3 It is provided that as far as the Provident Fund, Gratuity Fund and Pension and/ or Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of Demerged Company No. 2 pertaining to the Demerged Undertaking No. 2 are concerned, upon the Scheme becoming effective, Resulting Company No. 2 shall stand substituted for Demerged Company No. 2 in respect of the employees transferred with the Demerged Undertaking No. 2 for all purposes whatsoever relating to the administration or operation of such Funds or Trusts or in relation to the obligation to make contribution to the said Funds or Trusts in accordance with the provisions of such Funds or Trusts as provided in the respective Trust Deeds or other documents. It is the aim and the intent of the Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking No. 2 of Demerged Company No. 2 in relation to such Funds or Trusts shall become those of Resulting Company No. 2. The Trustees including the Board of

- Directors of Demerged Company No. 2 and Resulting Company No. 2 or through any committee/ person duly authorized by the Board of Directors in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees of Demerged Company No. 2.
- 19.4 With effect from the date of filing of this Scheme with NCLT and up to and including the Effective Date, Demerged Company No. 2 shall not vary or modify the terms and conditions of employment of any of its employees engaged in or in relation to the Demerged Undertaking of Demerged Company No. 2, except with written consent of Resulting Company No. 2.
- 19.5 Resulting Company No. 2 undertakes to engage such of the permanent employees of Demerged Company No. 2 as are determined under Clause 19.1 of this Scheme of Arrangement, as being substantially engaged in the Demerged Undertaking No. 2 and who are in the employment of Demerged Company No. 2 as on the Effective Date, on terms and conditions not less favourable than those on which they are engaged by Demerged Company No. 2, without any interruption of service as a result of transfer of Demerged Undertaking No. 2 to Resulting Company No. 2. Resulting Company No. 2 undertakes to continue to abide by any agreement/settlement entered into by Demerged Company No. 2 in respect of the Demerged Undertaking No. 2. Resulting Company No. 2 agrees that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with Demerged Company No. 2 shall also be taken into account, and agrees and undertakes to pay the same as and when payable.
- 20 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE**
- 20.1 With effect from the Appointed Date and up to and including the Effective Date:
- 20.1.1 Demerged Company No.2 shall carry on and be deemed to have carried on the business and activities in relation to Demerged Undertaking No. 2 and shall stand possessed of their properties and assets relating to Demerged Undertaking No. 2 for and in trust for Resulting Company No. 2 and all the profits/ losses accruing on account of the Demerged Undertaking No. 2 shall for all purposes be treated as profits/ losses of Resulting Company No.2.
- 20.1.2 Demerged Company No. 2 shall not utilize the profits or income, if any, relating to the Demerged Undertaking No. 2 for the purpose of declaring or paying any dividend 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 Resulting Company No. 2.
- 20.1.3 Demerged Company No. 2 shall not without the prior written consent of the Board of Directors of Resulting Company No. 2 or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to Demerged Undertaking No. 2 or any part thereof except in the ordinary course of its business.
- 20.1.4 Demerged Company No. 2 shall not vary the existing terms and conditions of service of its permanent employees relating to Demerged Undertaking No. 2 except in the ordinary course of its business or without prior consent of Resulting Company No. 2 or pursuant to any pre-existing obligation undertaken by Demerged Company No. 2 as the case may be, prior to Effective Date.
- 20.1.5 Resulting Company No. 2 shall be entitled, pending the 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 Resulting Company No. 2 may require pursuant to this Scheme.
- 21 SAVING OF CONCLUDED TRANSACTIONS**
- Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking No. 2 and continuance of the proceedings by or against Resulting Company No. 2 Resulting Company shall not in any manner affect any transaction or proceedings already completed by Demerged Company No. 2 (in respect of the Demerged Undertaking No. 2) on or before the appointed Date to the end and intent that Resulting Company No. 2 accepts all such acts, deeds and things done and executed by and/or on behalf of Demerged Company No. 2 as acts, deeds and things done and executed by and on behalf of Resulting Company No. 2.
- PART IV GENERAL TERMS & CONDITIONS**
- 22 APPLICATIONS TO NCLT/OTHER AUTHORITY.**
- 22.1 Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company 2 shall, with all reasonable dispatch, make applications to the Hon'ble NCLT where the registered offices of Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2 are situated or such other authority having jurisdiction under law, under Sections 230 to 232 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of Demerged Company No. 1 and Demerged Company No. 2 and the Resulting Company No. 1 and Resulting Company No. 2 as may be directed by the NCLT or such other authority having jurisdiction under law.
- 22.2 On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors of Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2 as directed by the NCLT or such other authority having jurisdiction under law, Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2 shall, with all reasonable dispatch, apply to the NCLT or such other authority having jurisdiction under law, for sanctioning the Scheme under Sections 230 to 232 and other applicable provisions of the Act, and for such other order or orders, as the said NCLT or such other authority having jurisdiction under law may deem fit for carrying this Scheme into effect.
- 23 MODIFICATION OR CLARIFICATION**
- 23.1 Demerged Company No. 1 and Demerged Company No. 2 (by their Directors or their committee thereof) and Resulting Company No. 1 and Resulting Company No. 2 (by their Directors or their committee thereof) may assent to any modification(s) or amendment(s) in this Scheme which the Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for implementing and/or carrying out the Scheme or which may be considered necessary due to any change in law and Demerged Company No. 1 and Demerged Company No. 2 (by their Directors or their committee thereof) and Resulting Company No. 1 and Resulting Company No. 2 (by their Directors or their committee thereof) be and is hereby authorised to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the NCLT or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 23.2 Any issue as to whether any asset or liability or incentives/subsidies etc. (more specifically mentioned in Clause 1(g) and Clause 1(h) hereof) pertains to or is relatable to the Demerged Undertaking No. 1 and Demerged Undertaking No. 2 or not shall be solely decided by the Board of Directors of Demerged Company No. 1 and Demerged Company No. 2 on the basis of evidence that they may deem relevant for the purpose (including the books or records of Demerged Company No. 1 and Demerged Company No. 2).
- 23.3 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of Demerged Company No. 1, Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme.
- 24 CONDITIONALITY OF SCHEME (Amended)**
- 24.1 The Scheme is conditional upon and subject to:
- (a) The Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of Demerged Company No. 1 and Demerged Company No. 2 and Resulting Company No. 1 and Resulting Company No. 2 as required under the Act approval of Appropriate Authorities being obtained and the requisite sanction and orders of the NCLT or of such other authority having jurisdiction under law, being obtained.
- (b) It is specified that with respect to the Part III of the Scheme, i.e. demerger of Demerged Undertaking No. 2 of Ishwarshakti into Resulting Company No. 2, the scheme is conditional upon scheme being approved by the public shareholders of Demerged Company No. 2 through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if vote cast by the public shareholders of Demerged Company No. 2 in favour of the proposed Scheme are more than the number of votes cast by the public shareholders against it and
- (c) The certified copies of the above orders of the NCLT or of such other authority having jurisdiction under law being filed with the Registrar of Companies.
- 25 COSTS, CHARGES AND EXPENSES**
- 25.1 All past, present and future costs, charges, levies, duties and expenses (save and except stamp duty payable pursuant to transfer of Demerged Undertaking No. 1 and Demerged Undertaking No. 2, if any, which shall be borne by Resulting Company No. 1 and Resulting Company No. 2) in relation to or in connection with or incidental to the Scheme or the implementation thereof shall be borne by Demerged Company No. 1 and Demerged Company No. 2 and all of the above costs (including stamp duty) shall be treated as costs relating to the demerger.
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FEBRUARY 21, 2022



SEKSARIA INDUSTRIES PVT LTD &
SEKSARIA AGRITECH PVT LTD

VALUATION REPORT



JAYESH P DESAI
REGISTERED VALUER
IBBI/RV/05/2019/11088

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Jayesh Pranlal Desai

Registered Valuer (S or FA)

(IBBI/RV/05/2019/11088)

A/12, Gm Pushpanjali Apartment

Borsa Pada Road, Kandivali – West

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Phone: 98690 18400

www.jayeshdesai.com

STRICTLY PRIVATE & CONFIDENTIAL

Date- 21/ Feb/ 2022

To, The Board of Directors Seksaria Industries Pvt. Ltd, Seksaria Chambers, 5 th Floor, 139 Nagindas Master Road, Fort Mumbai-400001, MH-IN	To, The Board of Directors Seksaria Agritech Pvt. Ltd, Seksaria Chambers, 5 th Floor, 139 Nagindas Master Road, Fort Mumbai-400001, MH-IN
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Dear Sir,

As requested by the Board of Directors of M/s Seksaria Industries Private Limited (hereinafter referred to as "SIPL"- Demerged Company No.1), M/s Seksaria Agritech Private Limited (hereinafter referred to as "SAPL"- Resulting Company No.1 & collectively known as "Companies") & with reference to the Engagement Letter dated 22nd Oct 2021, I have undertaken the valuation exercise for recommending the share swap ratio for the demerger of Undertakings of SIPL into SAPL pursuant to a Scheme of Demerger ("Scheme").

Status of Valuer

I have no material connection or involvement with the subject valuation or with the Client and can provide an objective and unbiased valuation. I am competent to undertake the valuation assignment and have sufficient skills and knowledge of the respective market to undertake the valuation.

Introduction

SIPL was incorporated on 18th March 1948 with CIN U17120MH1948PTC006225 & is involved majorly into Sugar business & sugar by-products. It's authorized & paid-up share capital stands at ₹ 1,10,00,000 & 98,00,000 respectively. Directors of SIPL include Kailashchandra Kesardeo Seksaria, Vinay Kailashchandra Seksaria & Vivek Kailash Seksaria.

SAPL was incorporated on 12th April 2021 with CIN U15490MH2021PTC358800. It's authorized & paid-up share capital is ₹1,00,000. SAPL is dealing in purchasing, manufacturing Sugar and its byproducts. Directors of SAPL include Kailashchandra Kesardeo Seksaria, Vivek Kailash Seksaria, and Yashasvi Vivek Seksaria.

SIPL operates the sugar business directly through its shareholding in M/s The Seksaria Biswan Sugar Factory Ltd, (hereinafter referred to as "SBSFL") & U.P. National Industrial Corporation Pvt Ltd (hereinafter referred to as "UPNIC"). SIPL holds 49.90% i.e., 11,734,530 fully paid equity shares of SBSFL. SIPL holds 31.50% i.e., 4,725 fully paid equity shares & 100% i.e., 0.01% Non-Cumulative Compulsory Convertible Preference Shares of UPNIC.

Context and Purpose

The Company is proposing to separate its Sugar and Non-Sugar Business, for which the Company is proposing to enter into a composite Scheme of Arrangement under which:

SIPL & SAPL



Page 2 of 7



- The Sugar business carried on by SIPL directly through its shareholding, i.e., 49.90% i.e., 11,734,530 fully paid-up equity shares of SBSFL and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UPNIC be vested and/ or deemed to be vested in SAPL on a going concern basis.
- With the issuance and allotment of equity shares by SAPL, the initial issued and paid-up equity share capital of SAPL, comprising of 10,000 equity shares of INR 10 each, aggregating to INR 1,00,000 as held by the existing Equity Shareholders of Seksaria Finance Limited (hereinafter referred to as "SFL") shall be cancelled at face value of such shares.
- Every shareholder of SIPL will become shareholder of SAPL in the same proportion as shares held by such shareholders in SIPL. Further, there will be not be any change in the shareholding pattern of SIPL.

I understand that the management is contemplating a scheme of arrangement of demerger of Undertakings of SIPL into SAPL with effect from 1st April 2021 under section 230 to 232 of the Companies Act, 2013 and other applicable provisions. In this regard I have been approached by Companies, for recommending the Swap Ratio for the proposed demerger of Undertakings of SIPL into SAPL. The Swap Ratio for this report refers to number of equity shares of SAPL which would be issued to equity shareholders of SIPL (in addition to) pursuant to the proposed demerger.

Conditions and Major Assumptions

The historical financial information about the Companies presented in this report, if any, is included solely for the purpose to arrive at value conclusion presented in this report, and it should not be used by anyone to obtain credit or for any other unintended purpose. Because of the limited purpose as mentioned in the report, it may be incomplete and may contain departures from generally accepted accounting principles prevailing in the country.

I have not audited, reviewed, or compiled the Financial Statements and express no assurance on them. The financial information about the company presented in this report includes normalization adjustments made solely for the purpose to arrive at value conclusions presented in this report. Normalization adjustments as reported are hypothetical in nature and are not intended to present restated historical financial results or forecasts of the future.

Valuation Date

I understand that the appointed date for the Proposed Demerger is April 1, 2021 or such other date as the National Company Law Tribunal (Tribunal) or other competent authority may otherwise direct/ fix. For the purpose of this valuation 31st March, 2021 has been considered as the "Valuation Date" considering closing day of the financial year.

Valuation Methodology and Approach

A Valuation approach is a general way of determining a value indication of a business, using one or more valuation methods. A valuation method is, within approaches, a specific way to determine value. There are three valuation approaches:

1. **The Asset Approach:** In this approach, one seeks to measure value through the calculation of assets net of liabilities. One can use book, market, or liquidation values of assets and liabilities in this approach.
2. **The Income Approach:** In this approach, one seeks to measure value by converting anticipated economic benefits (cash flow or income, with the former being the better measure) into a present single amount.
3. **The Market Approach:** In this approach, one seeks to measure value through comparing the subject company to other businesses or business interests that have sold.



The Asset Approach

As mentioned above, the valuer can use book values, fair market values, or liquidation values in the Underlying Assets approach.

1. Using Book Values

This method views the Company's fair market value as the book value of its stockholder equity. However, the net book value of a company only reflects its accounting history as expressed in nominal rupees, and this usually bear very little relationship to fair market values.

2. Using Market & Liquidation Values

In these Assets Approach methods (AAM), we restate assets and liabilities at their fair market values. The fair market value of stockholder's equity is then calculated by subtracting the fair market value of the liabilities from the fair market values of assets.

Income Approach Methods

The Income Approach methods are based on the concept that the value of a business is best measured by the present value of the net income, cash flow or dividend streams it can generate in the future. The present value calculations adjust the forecast future cash flows to today's fair market value by incorporating the time value of money as well as the associated business and economic risks of that enterprise.

1. Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm. Using the DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital - both debt and equity.
- Appropriate discount rate to be applied to cash flows i.e. the cost of capital:

2. Excess Earnings Method

The Excess Earnings Method is a hybrid asset and income approach. One calculates a reasonable return to demand for the tangible assets of the firm and subtracts that from the actual income, the difference being "excess returns." One would then capitalize the excess returns at a rate of return appropriate for intangible assets, which is higher than that for the total income or cash flows of the firm. The result of that calculation would be intangible assets of the firm. One would then add the intangible value to the tangible assets to obtain the value of all assets.

Market Approach Methods

1. Comparable Companies Multiple Methods

This method is also known as Guideline Public Company Method. It involves valuing an asset based on market multiples derived from the prices of market comparable companies traded on active market.

2. Comparable transactions method

This method involves deriving fair value by median price paid by acquirer to acquire the target in similar industry

Swap Ratio/ Demerger Share Entitlement Ratio

A swap ratio is a ratio at which an acquiring company will offer its own shares in exchange for the company during a merger or acquisition. When two companies merge or when one company acquires another, the transaction does not have to be an outright purchase of the target company's shares with cash. It can involve a stock conversion, which

is basically an exchange rate, described through the swap ratio. The goal of the swap ratio is to ensure that shareholders are not negatively impacted by the merger and maintain the same value as before.

The swap ratio is determined through a variety of factors, such as debt levels, dividends paid, earnings per share, and profits. Swap ratios are important because they aim to ensure that the shareholders of both companies maintain the same value as they did before, with the hopes of further growth through the synergies of a merged company.

Opinion on the Valuation and Share Entitlement Ratio for Demerger

As per the Scheme of Arrangement ("Scheme"), the Sugar Business Undertaking of SIPL is proposed to be demerged into SAPL. Once the Scheme is implemented, all the shareholders of SIPL would also become shareholders in the SAPL, and their shareholding in SAPL would mirror their shareholding in SIPL. Hence, no relative valuation of the two entities is required to be undertaken.

Share Swap Ratio is calculated as below:

Valuation Approach	SIPL		SAPL	
	INR	Weights(%)	INR	Weights(%)
Asset Approach	N/A	0%	N/A	0%
Market Approach	N/A	0%	N/A	0%
Income Approach	N/A	0%	N/A	0%
Relative Value Per Share	N/A	0%	N/A	0%

We understand that a Composite Scheme of Arrangement has been proposed as stated above between Seksaria Industries Private Limited – Demerged Company No. 1 and Seksaria Agritech Private Limited – Resulting Company No. 1 and Ishwarshakti Holdings & Traders Limited – Demerged Company No. 2 And Seksaria Finance Limited – Resulting Company No. 2 and their shareholders and creditors. The scheme of arrangement between Seksaria Industries Private Limited – Demerged Company No. 1 and Seksaria Agritech Private Limited – Resulting Company No. 1, provides that upon the scheme becoming effective, the existing paid-up share capital of Seksaria Agritech Private Limited (the Resulting Company. 1) shall be cancelled and pursuant to the demerger, every shareholder of Seksaria Industries Private Limited (the Demerged Company No. 1 listed) will become shareholder of Seksaria Agritech Private Limited in the same proportion as shares held by such shareholders in Seksaria Industries Private Limited. Further, there will not be any change in the shareholding pattern of Seksaria Industries Private Limited. Considering that the post scheme shareholding pattern of the Resulting Company No. 1 would be same as that of the Demerged Company No. 1 and every shareholder in the Resulting Company No. 1 would be same as that of the Demerged Company No. 1 and every shareholder in the Resulting Company No. 1 would hold equity shares in the same proportion as held by it in the Demerged Company No. 1, the requirement of valuation report is not applicable.

We further understand that the interest of the shareholders in SIPL will effectively remain unchanged and therefore, from that perspective shareholders interest would not be prejudicially affected. The Scheme does not envisage dilution of the holding of any one or more of shareholders as a result of operation of the Scheme.

In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommended the Share Entitlement Ratio for the Proposed Demerger as follows.

For every 1(one) Equity Share of face value INR 100/- each fully paid up of SIPL, issue 10 (Ten) Equity share of the SAPL/ Resulting Company No. 1 of Face Value INR 10/- each fully paid up for the demerger and vesting of Sugar Business into the Resulting Company.

The above recommended share entitlement Ratio is arrived at by considering Pre & Post demerger Capital Structure as provided by the Management (Annexure-I).



Source of Information

1. Shareholding pattern of Equity shareholders of SIPL & SAPL Pre & Post demerger provided by the Management (SIPL-Pre & SAPL-Post)
2. Audited Financial Statement of SIPL as on 31st March 2021 provided by the Management
3. Draft scheme of Demerger.
4. My discussions with Management from time to time and representations provided them of the Companies

Caveats

1. Our scope is limited to expression of our view on the proposed Share Entitlement Ratio and its impact on the economic interest of the shareholders of SIPL & SAPL and the resulting company. The Report should not be construed as, our opinion or certifying the compliance of the proposed restructuring with the provisions of any law including the Companies Act 1956, Companies Act 2013, FEMA, taxation related laws, capital market related laws, any accounting, taxation or legal implications or issues arising from Proposed Demerger.
2. Provision of valuation recommendations and considerations of the issues described herein are areas of my regular corporate advisory practice. The services do not represent accounting, assurance, financial due diligence review, consulting, transfer pricing or domestic/ international tax-related services that may otherwise be provided by me.
3. Report is subject to the limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
4. The scope of the assignment did not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of my work. The assignment did not involve to conduct a financial or technical feasibility study.
5. In addition, I do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of my report. The subject Company or its shareholders from any external agencies without my prior written permission.
6. This report and the information contained herein are absolutely confidential and are intended for the sole use of the Shareholders, National Company Law Tribunal, Mumbai and the Board of Directors of the subject Company for effective implementation of the Scheme. It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued. I will not accept any responsibility to any other party to whom this report may be shown or who may acquire a copy of the report, without my written consent.
7. During the course of work, I have relied upon information provided by the management of the Company. I have not reviewed the sources of information. A value is determined at a point in time, taking into consideration the commercial expediency.
8. This report is based on the information received from the sources mentioned herein and also on discussions with the management/representatives of the Company. I have assumed that they have furnished to me all information of the subject Company which may have an impact on my report.
9. Whilst all reasonable care has been taken to ensure that the facts stated in the report are accurate and the opinions given are fair and reasonable, neither me, nor any of my Officers or Employees shall in any way be responsible for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this report. I am not liable to any third party in relation to the issue of this report



Distribution of Report

The Analysis is confidential and has been prepared exclusively for SIPL & SAPL. It should not be used, reproduced, or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without my prior written consent. Such consent will only be given after full consideration of the circumstances at the time. However, I do understand that the Report will be shared with statutory authorities for filing.

Jayesh Prantlal Desai

Registered Valuer

(IBBI/RV/05/2019/11088)

UDIN:



Annexure – I Pre & Post Demerger Shareholding Pattern

NAME OF SHAREHOLDER	SIPL PRE		SAPL POST	
	No. of Shares	%	No. of Shares	%
Kesardeo & Sons HUF	100	0.10	1,000	0.10
Kailashchandra & Sons HUF	10,675	10.89	1,06,750	10.89
Kailashchandra Kesardeo HUF	5,250	5.36	52,500	5.36
Kailashchandra Kesardeo Seksaria	18,260	18.63	1,82,600	18.63
Vivek Kailashchandra Seksaria	4,815	4.91	48,150	4.91
Vinay K Seksaria	4,500	4.59	45,000	4.59
Radhika Vinay Seksaria	1,650	1.68	16,500	1.68
Aparna Seksaria	1,000	1.02	10,000	1.02
Geeta Seksaria	50	0.05	500	0.05
Yashasvi Vivek Seksaria	20,00	2.04	20,000	2.04
Ishwarshakti Holdings & Traders Limited	49,000	50.00	4,90,000	50.00
Bhavnagar Oil Mills Private Limited	700	0.71	7,000	0.71
Total	98,000	100.00	9,80,000	100.00



B. L. DASHARDA & ASSOCIATES
CHARTERED ACCOUNTANTS



Strictly Private and confidential

To,
Board of Directors
SEKSARIA INDUSTRIES PRIVATE LIMITED
Seksaria Chambers,
5th Floor, 139, Nagindas Master Road,
Fort, Mumbai- 400 001,
Maharashtra, India.

Date: 4th February, 2022

Sub: Recommendation of Share Entitlement Ratio for the proposed Scheme of Demerger of Sugar Business of Seksaria Industries Private Limited (Demerged Company No. 1) and be transferred to and vest in Seksaria Agritech Private Limited (Resulting Company No. 1).

Dear Sir/ Madam,

We refer to our engagement letter and subsequent discussions with the management of **Seksaria Industries Private Limited** (referred to as "SIPL/ Demerged Company No. 1") requesting **B. L. Dasharda & Associates** (hereinafter referred to as 'BLD') for recommendation of the Share Entitlement Ratio for the proposed demerger of the Sugar Business of SIPL (referred to as "Sugar Business") to be transferred and vested in Seksaria Agritech Private Limited ("SAPL/ Resulting Company No. 1") under the Draft Scheme of Arrangement under Section 230 to 232 together with Sections 13, 61, 64, 66 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "Draft Scheme") with effect from April 1, 2021 (hereinafter referred to as the "Appointed Date").

SCOPE AND PURPOSE OF THIS REPORT.

The Company, Seksaria Industries Private Limited, carries out Sugar Business directly through its shareholding in The Seksaria Biswan Sugar Factory Limited ("Seksaria Biswan") and U.P. National Industrial Corporation Private Limited ("UP NIC"), being 49.90% i.e. 11,734,530 of fully paid up equity shares of Seksaria Biswan held by SIPL and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by SIPL.

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B. L. DASHARDA & ASSOCIATES
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The Company is proposing to separate its Sugar and Non-Sugar Business, for which the Company is proposing to enter into a composite Scheme of Arrangement under which:

- the Sugar business carried on by Seksaria Industries Private Limited ("SIPL/Demerged Company No. 1") directly through its shareholding, i.e. 49.90% i.e. 11,734,530 fully paid up equity shares in Seksaria Biswan and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC, be vested and/ or deemed to be vested in SEKSARIA AGRITECH PRIVATE LIMITED ("SAPL"/"Resulting Company No. 1") on a going concern basis.
- It is also proposed that after the above arrangement becoming effective, sugar business carried on by Ishwarshakti, through its shareholding i.e. 50% i.e. 4,90,000 paid up equity share capital of SAPL after the above demerger becomes effective, and carried on by SAPL *inter alia* shareholding i.e. 49.90% (i.e. 11,734,530 of fully paid up equity shares of Seksaria Biswan held by SAPL and 31.50% i.e. fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by SAPL as above, as also through its shareholding in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e. 50% i.e. 7,500 fully paid up equity shares of UP NIC held by Ishwarshakti, be vested and/ or deemed to be vested in SEKSARIA FINANCE LIMITED ("SFL"/"Resulting Company No. 2"), on a going concern basis so as to become the assets of SFL.

We understand that the management of SIPL/ Demerged Company No. 1, is contemplating a demerger of the Sugar Business into SAPL/ Resulting Company No. 1 through a Composite Scheme of Arrangement.

In this connection, BLD has been requested by SIPL for a report recommending the Share Entitlement Ratio ("Report") to be placed before the Audit Committee/ Board of Directors of SIPL.

The Share Entitlement Ratio will be determined on the basis of the proposed capital structure of SAPL as desired by the management.

This report is for the above engagement.

This report is subject to the scope, assumption, exclusion, limitations, and disclaimers detailed hereinafter. As such, the report is to be read in totality and not in parts in conjunction with the relevant document referred to herein.



B. L. DASHARDA & ASSOCIATES
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SOURCE OF INFORMATION

In connection with this exercise, we have used the following information received from the management and/ or gathered from the public domain:

1. Draft Composite Scheme of Arrangement;
2. Existing share capital structure of SIPL;
3. Proposed share capital structure of SAPL; and
4. Other relevant details regarding SIPL, its undertaking and the proposed demerger exercise.

The company has been provided with the opportunity to review the draft report (excluding the recommended Share Entitlement Ratio) as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in our final report.

SCOPE LIMITATION, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS.

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting, or tax-related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than the report dated 4th February, 2022 of the Share Entitlement Ratio.

This Report, its contents and the result herein are (i) specific to the purpose as per the terms of our engagement and (ii) are based on the data described in the Section - Sources of information. Events and transactions occurring after the date hereof may affect this report and the assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this Report unless required by regulatory authorities.

The recommendation rendered in this Report only represent our recommendation based upon information till date furnished by the management (or its executives/ representatives) and obtained from other sources and the said recommendation shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligations to update this report.

The determination of a Share Entitlement Ratio is not a precise science and the conclusion arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the

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information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the proposed demerger shall take place will be with the Board of Directors of the companies who should take into account other factors such as their own assessment of the proposed demerger and input of other advisors.

In accordance with the terms of our engagement, we have assumed and relied upon without independent verification (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Company. We have not independently investigated or otherwise verified the data provided by the Company. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statement. Also, with respect to explanation and information sought from the company, we have been given to understand by the management that they have not omitted any relevant and material factors about the Company. Our conclusions are based on the assumption and information given by and on behalf of the Company and reliance on public information. The management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our analysis/ result. Accordingly, we assume no responsibility for any error in the information, furnished by the company or obtained from the public domain and their impact on the Report.

However, nothing has come to our attention to indicate that the information provided/ obtained was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of the Company.

This report does not look into the business/ commercial reasons behind the proposed demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed demerger as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.



B. L. DASHARDA & ASSOCIATES
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No investigation/ inspection of the Company's claim to the title of assets has been made for the purpose of this report and the Company's claim to such rights has been assumed to be valid.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the Company that have appointed us under the terms of our engagement letters and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the action taken, omissions of, or advice given by any other advisor to the Company. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentation, or willful default on part of the Company, their directors, employees, or agents.

We do not accept any liability to any third party in relation to the issue of this Report. This report is not a substitute for the third party's own due diligence /appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

The report should be used in connection with the Composite Scheme of Arrangement.

Neither the report nor its contents may be referred to or quoted in any registration statement prospectus, offering memorandum, annual report, loan agreement, or other agreement or document given to third parties other than in connection with the proposed Composite Scheme of Arrangement without our prior written consent except for disclosures to be made to relevant regulatory authorities including Stock Entitlement and SEBI.

This report does not in any manner address the prices at which equity shares of the company will trade following announcement of the proposed demerger and we express no opinion or recommendation as to how the shareholders of the Company should vote at any shareholders meeting(s) to be held in connection with the proposed demerger.

SHAREHOLDING PATTERN

SEKSARIA INDUSTRIES PRIVATE LIMITED

The issued and subscribed equity share capital of SIPL as on the date of the Reports is INR 98,00,000 consisting of 98,000 equity shares of the face value of INR 100 each. The shareholding pattern is as follows:



B. L. DASHARDA & ASSOCIATES
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Sr. no.	Shareholder	Percentage
1.	Promoter Group	100%
2.	Non-promoter Group	0%
	Total	100%

SAPL/ RESULTING COMPANY NO. 1.

Upon the Scheme becoming effective, the proposed issued and subscribed equity share capital of the SAPL/ Resulting Company No. 1 would be INR 98,00,000 lakh consisting of 9,80,000 equity shares of face value of INR 10 each. The desired shareholding pattern is as follows

Sr. no.	Shareholder	Percentage
1.	Promoter Group	100%
2.	Non-promoter Group	0%
	Total	100%

BASIS OF SHARE ENTITLEMENT RATIO

As per the Draft scheme, we understand that upon the Draft Scheme becoming effective and upon issuance of equity shares by SAPL to the shareholders of SIPL, the initial issued and paid-up equity share capital of Seksaria Agritech Private Limited, comprising of 10,000 equity shares of INR 10 each, aggregating to INR 1,00,000 as held by the existing Equity Shareholders of Seksaria Agritech Private Limited shall be cancelled at face value of such shares.

Once the implementation of the proposed demerger, the entire share capital of Seksaria Agritech Limited would be held by all the shareholders of Seksaria Industries Private Limited and the percentage holding of each shareholder in Seksaria Agritech Private Limited and Seksaria Industries Private Limited remains unchanged from the proportion of capital held by such shareholder presently in Seksaria Industries Private Limited. No shareholder under the Scheme, is required to dispose off any part of his shareholding either to any of the other shareholders or in the market or otherwise The Scheme does not

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envisage dilution of holding of any one or more shareholders as a result of the operation of the Scheme.

In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommended the Share Entitlement Ratio for the Proposed Demerger as follows.

For every 1(one) Equity Share of face value INR 100/- each fully paid up of SIPL, issue 10 (Ten) Equity share of the SAPL/ Resulting Company No. 1 of Face Value INR 10/- each fully paid up for the demerger and vesting of Sugar Business in to the Resulting Company.

The above recommended share entitlement Ratio is arrived at by considering the Capital Structure as desired by the Management.

For & on behalf of
B. L. Dasharda & Associates,
Chartered Accountants
F.R. No 112615W



Sushant Mehta

Partner

M.No.112489

Certificate No: 51F:073:293

Unique Document Identification Number (UDIN): 22112489ADBCSE1747

Dated: 4th February, 2022



B. L. DASHARDA & ASSOCIATES
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Annexure 1: Fair Share Entitlement Ratio recommended by **B.L. Dasharda & Associates**

As the proposed capital structure of the SAPL/ Resulting Company No. 1 is as desired by the management and considering the fact that the shareholding of the shareholders of SIPL in the SAPL/ Resulting Company No. 1 would mirror their shareholding in SIPL, there is no requirement of undertaking valuation exercise for determining Share Entitlement Ratio. Hence, we have not carried out our valuation of the Sugar Business.

Valuation Approach	Equity Value in INR	Weight
Cost Approach	N.A.	N.A.
Income Approach	N.A.	N.A.
Market Approach		
Market Price Method	N.A.	N.A.
Comparable Companies Multiple Method	N.A.	N.A.



CS A. SOMESWARA RAO

Registered Valuer-Securities or Financial Assets
IBBI No: IBBI/RV/02/2019/11544

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To
The Board of Directors
Ishwarshakti Holdings & Traders Limited
Seksaria Chambers, 5th Floor 139
Nagindas Master Road, Fort
Mumbai-400001, Maharashtra

The Company, Ishwarshakti Holdings & Traders Limited, carries out Sugar Business through its shareholding i.e. 50% i.e. 49,000 paid up equity share capital of Seksaria Industries Private Limited ("SIPL/Demerged Company No. 1") and carried on by SIPL *inter alia* through its shareholding in The Seksaria Biswan Sugar Factory Limited ("Seksaria Biswan") and U.P. National Industrial Corporation Private Limited ("UP NIC"), being 49.90% i.e. 11,734,530 of fully paid up equity shares of Seksaria Biswan held by SIPL and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by SIPL, as also through its shareholdings in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e. 50% i.e. 7,500 fully paid up equity shares of UP NIC.

The Company is proposing to separate its Sugar and Non-Sugar Business, for which the Company is proposing to enter into a composite Scheme of Arrangement under which:

- the Sugar business carried on by Seksaria Industries Private Limited ("SIPL/Demerged Company No. 1") directly through its shareholding, i.e. 49.90% i.e. 11,734,530 fully paid up equity shares in The Seksaria Biswan Sugar Factory Limited ("Seksaria Biswan") and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of U.P. National Industrial Corporation Private Limited ("UP NIC"), be vested and/ or deemed to be vested in SEKSARIA AGRITECH PRIVATE LIMITED ("SAPL"/"Resulting Company No. 1") on a going concern basis.
- It is also proposed that after the above arrangement becoming effective, sugar business carried on by ISHWARSHAKTI HOLDINGS & TRADERS LIMITED ("Ishwarshakti/Demerged Company No. 2"), through its shareholding i.e. 50% i.e. 4,90,000 paid up equity share capital of SAPL after the above demerger becomes effective, and carried on by SAPL *inter alia* through its shareholding i.e. 49.90% (i.e. 11,734,530 of fully paid up

A. Someswara Rao



equity shares of Seksaria Biswan held by SAPL and 31.50% i.e. fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by SAPL as above, as also through its shareholdings (i.e. of Ishwarshakti) in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e 50% i.e 7,500 fully paid up equity shares of UP NIC held by Ishwarshakti, be vested and/ or deemed to be vested in SEKSARIA FINANCE LIMITED ("SFL/ Resulting Company No. 2"), on a going concern basis so as to become the assets of SFL.

We have been approached for the purpose of preparing a valuation report determining fair value per share and fair exchange ratio.

Upon the Scheme becoming effective:

- (i) upon vesting of Demerged Undertaking No. 1 of Demerged Company No.1 in Resulting Company No1, and subject to the provisions of the Scheme, the entire Sugar business and whole of the Demerged Undertaking No. 2 of Demerged Company No. 2 shall be demerged from Ishwarshakti Holdings & Traders Limited and be transferred to and vest in Seksaria Finance Limited at Book Value, as a going concern with effect from the Appointed Date;

With the issuance and allotment of equity shares by Seksaria Finance Limited, the initial issued and paid-up equity share capital of Seksaria Finance Limited, comprising of 50,000 equity shares of INR 10 each, aggregating to INR 5,00,000 as held by the existing Equity Shareholders of Seksaria Finance Limited shall be cancelled at face value of such shares.

The following aspects have to be kept in mind when considering whether the proposed Share Entitlement Ratio for the proposed demerger is fair and reasonable:

- (i) once the Scheme is implemented all the shareholders of Ishwarshakti Holdings & Traders Limited would become the shareholders of Seksaria Finance Limited;
- (ii) the share of the earnings to which they are presently entitled to from Ishwarshakti Holdings & Traders Limited, would, on implementation of the Scheme, be received by them as shareholders of Ishwarshakti Holdings & Traders Limited and the Seksaria Finance Limited;
- (iii) at present the profits generated by Ishwarshakti Holdings & Traders Limited are available to the shareholders in a single entity viz. Ishwarshakti Holdings & Traders Limited. On implementation of the Scheme the profits generated by Ishwarshakti Holdings & Traders Limited would now be available to them as shareholders of Ishwarshakti Holdings & Traders Limited and Seksaria Finance Limited; and the effect of the Scheme is that each shareholder of Ishwarshakti Holdings & Traders Limited becomes the owner of two scrips instead of one; and

A. Somayajulu Rao



- (iv) as an integral part of the Scheme, the entire current equity share capital of Seksaria Finance Limited would be cancelled. Thus, upon implementation of the proposed demerger, the entire share capital of Seksaria Finance Limited would be held by all the shareholders of Ishwarshakti Holdings & Traders Limited and the percentage holding of each shareholder in Seksaria Finance Limited and Ishwarshakti Holdings & Traders Limited remains unchanged from the proportion of capital held by such shareholder presently in Ishwarshakti Holdings & Traders Limited. Any contemplated change in shareholding will only be as a result of the independent volition of the concerned shareholders or affecting all the shareholders as a class.

We refer to the SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23rd 2021 and NSE Circular NSE/CML/2021/48 dated November 24, 2021, annexed hereto as Annexure "A". In this regard, for scheme to be filed by a listed company with SEBI/Stock Exchanges, the listed company is required to obtain the valuation report to display workings, relative fair value per share and fair exchange ratio. The details as required to be submitted in the format as under:

Valuation Approach	Non-Sugar Based Division		Seksaria Finance Limited (Resulting Company No. 2)	
	Value per share	Weight	Value per share	Weight
Asset Approach				
Value per share	NOT APPLICABLE			
Exchange ratio (Rounded off)				

Ratio: For every (*) share of Ishwarshakti Holdings & Traders Limited of Rs.10 each, (*) fully paid up shares of SFL of Rs. 10 each will be issued and allotted.

However, as per Para (A)(4)(b) of Annexure PART I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23rd 2021, valuation report is not required in cases where there is no change in the shareholding pattern of the listed entity/resulting company. Further, Para (A)(4)(d) of the said Circular clarifies that "no change in shareholding pattern" would include a case where :

In case a listed entity (say, "entity A") demerges a unit and makes it a separate company (say, "entity B")

- i) *if the shareholding of entity B is comprised only of the shareholders of entity A; and*

A. Someshwar Rao



- ii) *if the shareholding pattern of entity B is the same as in entity A; and*
- iii) *every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger*

We understand that a Composite Scheme of Arrangement has been proposed as stated above between Seksaria Industries Private Limited – Demerged Company No. 1 and Seksaria Agritech Private Limited – Resulting Company No. 1 and; Ishwarshakti Holdings & Traders Limited – Demerged Company No. 2 (“listed company”) And Seksaria Finance Limited – Resulting Company No. 2 and their shareholders and creditors. The scheme of arrangement between Ishwarshakti Holdings & Traders Limited – Demerged Company No. 2 (“listed company”) And Seksaria Finance Limited – Resulting Company No. 2, provides that upon the scheme becoming effective, the existing paid-up share capital of Seksaria Finance Limited (the Resulting Company No. 2) shall be cancelled and pursuant to the demerger, every shareholder of Ishwarshakti Holdings & Traders Limited (the Demerged Company No. 2) will become shareholder of Seksaria Finance Limited in the same proportion as shares held by such shareholders in Ishwarshakti Holdings & Traders Limited. Further, there will be not be any change in the shareholding pattern of Ishwarshakti Holdings & Traders Limited. Considering that the post scheme shareholding pattern of the Resulting Company No. 2 would be same as that of the Demerged Company No. 2 and every shareholder in the Resulting Company No. 2 would be same as that of the Demerged Company No. 2 and every shareholder in the Resulting Company No. 2 would hold equity shares in the same proportion as held by it in the Demerged Company No. 2, in view of the provisions of Para (A)(4)(b) of Annexure PART I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23rd 2021, the requirement of valuation report is not applicable.

In our opinion and to the best of our understanding and according to the explanation given to us, considering the above, we certify that the valuation required by the SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23rd 2021 and NSE Circular NSE/CML/2021/48 dated November 24, 2021 in the manner specified therein will not be applicable in this case. Further, fairness opinion of the merchant banker on valuation will also not be required in this case.

This certificate is issued for onwards submission to the National Stock Exchange of India Limited, BSE Limited and to be used only for effective implementation of the proposed Scheme of Arrangement by Demerger and should not be used for any other purpose without our prior consent.

Yours Faithfully,

A. Someswara Rao

For CS A. SOMESWARA RAO
Registered Valuer: IBBI/RV/02/2019/11544



Date: 17/01/2022
Place: Hyderabad



B. L. DASHARDA & ASSOCIATES
CHARTERED ACCOUNTANTS



Strictly Private and confidential

To,
Board of Directors
ISHWARSHAKTI HOLDINGS & TRADERS LIMITED
Seksaria Chambers,
5th Floor, 139, Nagindas Master Road,
Fort, Mumbai-400 001,
Maharashtra, India.

Date: 14th January, 2022

Sub: Recommendation of share Entitlement Ratio for the proposed Scheme of Demerger of Sugar Business of Ishwarshakti Holdings & Traders Limited (Demerged Company No.2) and be transferred to and vest in Seksaria Finance Limited (Resulting Company No.2).

Dear Sir/ Madam,

We refer to our engagement letter and subsequent discussions with the Management of Ishwarshakti Holdings & Traders Limited (referred to as "Ishwarshakti/Demerged Company No. 2") requesting B.L. Dasharda & Associates (hereinafter referred to as 'Dasharda') for recommendation of the Share Entitlement Ratio for the proposed Demerger of the Sugar Business of ISHWARSHAKTI (referred to as "Sugar Business") and be transferred and vested in Seksaria Finance Limited ("SFL/Resulting Company No. 2") under the Draft Scheme of Arrangement under Section 230 to 232 together with Sections 13, 61, 64, 66 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "Draft Scheme") with effect from 01-04-2021 (hereinafter referred to as the "Appointed Date").

SCOPE AND PURPOSE OF THIS REPORT

Ishwarshakti carries out Sugar Business through its shareholding i.e. 50% i.e. 49,000 paid up equity share capital of Seksaria Industries Private Limited ("SIPL/Demerged Company No. 1") and carried on by SIPL *inter alia* through its shareholding in The Seksaria Biswan Sugar Factory Limited ("Seksaria Biswan") and U.P. National Industrial Corporation Private Limited ("UP NIC"), being 49.90% i.e. 11,734,530 of fully paid up equity shares of Seksaria Biswan held by SIPL and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by SIPL, as also through its shareholdings in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e. 50% i.e 7,500 fully paid up equity shares of UP NIC..

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Ishwarshakti is proposing to separate its Sugar and Non-Sugar Business, for which it is proposing to enter into a Composite Scheme of Arrangement under which:

- the Sugar business carried on by SIPL directly through its shareholding, i.e. 49.90% i.e. 11,734,530 fully paid up equity shares in Seksaria Biswan and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC, be vested and/ or deemed to be vested in Seksaria Agritech Private Limited ("SAPL" / "Resulting Company No. 1") on a going concern basis.
- It is also proposed that after the above arrangement becoming effective, sugar business carried on by Ishwarshakti, through its shareholding i.e. 50% i.e. 4,90,000 paid up equity share capital of SAPL after the above demerger becomes effective, and carried on by SAPL *inter alia* through its shareholding i.e. 49.90% (i.e. 11,734,530 of fully paid up equity shares of Seksaria Biswan held by SAPL and 31.50% i.e. fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by SAPL as above, as also through its shareholdings in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e 50% i.e. 7,500 fully paid up equity shares of UP NIC held by Ishwarshakti, be vested and/ or deemed to be vested in Seksaria Finance Limited ("SFL/ Resulting Company No. 2"), on a going concern basis so as to become the assets of SFL.

We understand that the management of Ishwarshakti/Demergered Company No. 2, is contemplating a demerger of the Sugar Business into SFL/ Resulting Company No. 2 through the Draft Scheme.

In this connection, Dasharda has been requested by Ishwarshakti for a report recommending the Share Entitlement Ratio ("Report") to be placed before the Audit Committee/ Board of Directors of the Ishwarshakti.

The share Entitlement Ratio will be determined on the basis of the proposed Capital Structure of the SFL as desired by the Management.

This report is for the above engagement.

This report is subject to the scope, assumption, exclusion, limitations, and disclaimers detailed hereinafter. As such, the report is to be read in totality and not in parts in conjunction with the relevant document referred to therein.





SOURCE OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and/or gathered from the public domain:

1. Draft Scheme of Arrangement.
2. Existing Share Capital Structure of Ishwarshakti
3. Proposed Share Capital Structure of SFL.
4. Other relevant details regarding Ishwarshakti, its undertaking and the Proposed Demerger exercise.

The company has been provided with the opportunity to review the draft report (excluding the recommended share Entitlement ratio) as part of our standard practice to make sure that factual inaccuracies/omissions are avoided in our final report.

SCOPE LIMITATION, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/tax due diligence, consulting, or tax-related services that may otherwise be provided by us or our affiliates.

The recommendation contained herein is not intended to represent value at any time other than the report dated 14th January, 2022 of the Share Entitlement Ratio.

This Report, its contents and the result herein are (i) Specific to the purpose as per the terms of our engagement and (ii) are based on the data described in the Section - Sources of information. Events and transactions occurring after the date hereof may affect this report and the assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this Report unless required by regulatory authorities.

The recommendation rendered in this Report only represent our recommendation based upon information till date furnished by the Management (or its executives/representatives) and obtained from other sources and the said recommendation shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligations to update this report.



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The determination of a Share Entitlement Ratio is not a precise science and the conclusion arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the proposed Demerger shall take place will be with the Board of Directors of the companies who should take into account other factors such as their own assessment of the proposed demerger and input of other advisors.

In accordance with the terms of our engagement, we have assumed and relied upon without independent verification (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Company. We have not independently investigated or otherwise verified the data provided by the Company. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statement. Also, with respect to explanation and information sought from the company, we have been given to understand by the Management that they have not omitted any relevant and material factors about the company. Our conclusions are based on the assumption and information given by and on behalf of the Company and reliance on public information. The management has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our analysis/result. Accordingly, we assume no responsibility for any error in the information, furnished by the company or obtained from the public domain and their impact on the Report.

However, nothing has come to our attention to indicate that the information provided/obtained was materially misstated/incorrect or would not afford reasonable grounds upon which to base the report.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Company.



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This report does not look into the business/commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction or other alternatives or whether or not such alternatives could be achieved or are available.

No investigation/inspection of the Company's claim to the title of assets has been made for the purpose of this report and the Company's claim to such rights has been assumed to be valid.

The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the company that have appointed us under the terms of our engagement letters and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the action taken, omissions of, or advice given by any other advisor to the Company. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentation, or willful default on part of the company, their directors, employees, or agents.

We do not accept any liability to any third party in relation to the issue of this Report. . This report is not a substitute for the third party's own due diligence /appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India.

The report should be used in connection with the Scheme.

Neither the report nor its contents may be referred to or quoted in any registration statement prospectus, offering memorandum, annual report, loan agreement, or other agreement or document given to third parties other than in connection with the proposed Scheme of Arrangement without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock Entitlement and SEBI.

This report does not in any manner address the prices at which equity shares of the company will trade the following announcement of the Proposal Demerger and we express no opinion or recommendation as to how the shareholders of the Company should vote at any shareholders meeting(s) to be held in connection with the Proposed Demerger.





SHAREHOLDING PATTERN

ISHWARSHAKTI HOLDINGS & TRADERS LIMITED

The issued and subscribed equity share capital of Ishwarshakti as on the date of the Reports is INR 1.44 Crores consisting of 14,40,000 equity shares of the face value of INR 10 each. The shareholding pattern is as follows:

Sr. no.	Shareholder	Percentage
1.	Promoter Group	75%
2.	Non-promoter Group	25%
	Total	100%

SFL/ RESULTING COMPANY No. 2

Upon Scheme becoming effective, the proposed issued and subscribed equity share capital of the Resulting Company No. 2 would be INR 10.08 crore consisting of 1,00,80,000 equity shares of face value of Rs. 10 each. The desired shareholding pattern is as follows

Sr. No.	Shareholders	Percentage
1	Promoters Group	75%
2	Non-Promoters Group	25%

BASIS OF SHARE ENTITLEMENT RATIO

As per the Draft scheme, we understand that upon the Draft Scheme becoming effective and upon issuance of equity shares by SFL to the shareholders of ISHWARSHAKTI, the initial issued and paid-up equity share capital of Seksaria Finance Limited, comprising of 50,000 equity shares of INR 10 each, aggregating to INR 5,00,000 as held by the existing Equity Shareholders of Seksaria Finance Limited shall be cancelled at face value of such shares.

Once the implementation of the proposed demerger, the entire share capital of Seksaria Finance Limited would be held by all the shareholders of Ishwarshakti Holdings & Traders Limited and the percentage holding of each shareholder in Seksaria Finance Limited and Ishwarshakti Holdings & Traders Limited remains unchanged from the proportion of capital held by such

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B. L. DASHARDA & ASSOCIATES
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shareholder presently in Ishwarshakti Holdings & Traders Limited. No shareholder under the Scheme, is required to dispose off any part of his shareholding either to any of the other shareholders or in the market or otherwise. The Scheme does not envisage dilution of holding of any one or more shareholders as a result of the operation of the Scheme.

In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommended the Share Entitlement Ratio for the Proposed Demerger as follows.

For every 1(one) Equity Share of face value INR 10/- each fully paid up of ISHWARSHAKTI, issue 7 (Seven) Equity share of the Resulting Company No. 2 of Face Value INR 10/- each fully paid up for the demerger and vesting of Sugar Business in to the Resulting Company.

The above recommended share entitlement Ratio is arrived at by considering the Capital Structure as desired by the Management.

For & on behalf of
B. L. Dasharda & Associates,
Chartered Accountants
F.R. No 112615W

Sushant Mehta

Partner

M.No.112489

Certificate No: 51F:018:262

Unique Document Identification Number (UDIN): 22112489ADHAQS8969

Dated: 14th January, 2022

B. L. DASHARDA & ASSOCIATES
CHARTERED ACCOUNTANTS



Annexure 1: Fair Share Entitlement Ratio recommended by B.L. Dasharda & Associates

As the proposed capital structure of the Resulting Company is as desired by the Management and considering the fact that the shareholding of the shareholders of Ishwarshakti in the Resulting Company No. 2 would mirror their shareholding in Ishwarshakti, there is no requirement of undertaking valuation exercise for determining Share Entitlement Ratio, Hence we have not carried our valuation of the sugar Business.

Valuation Approach	Equity Value in INR	Weight
Cost Approach	N.A.	N.A.
Income Approach	N.A.	N.A.
Market Approach		
Market Price Method	N.A.	N.A.
Comparable Companies Multiple Method	N.A.	N.A.



Date: February 25, 2022

To,
The Board of Directors
Ishwarshakti Holdings & Traders Limited
Seksaria Chambers 5th Floor 139
Nagindas Master Road Fort
Mumbai, 400001 India

Dear Members of the board,

1. Engagement Background

We Understand that the Board of Directors of Ishwarshakti Holdings & Traders Limited ("Company" or "Demerged Company"), situated in Seksaria Chambers 5th Floor 139, Nagindas Master Road Fort, Mumbai, 400001 India, is demerging its business into two units, viz., Sugar and Non Sugar Based Units, wherein, the Demerged Company shall mean the Non-Sugar business of Ishwarshakti Holdings and Traders Limited and Resulting Company Seksaria Finance Limited ("SFL"), a public limited company incorporated under the Companies Act, 2013 and having its registered office at Seksaria Chambers, 5th Floor, 139, Nagindas Master Road, Fort, Mumbai 400001 which will takeover the sugar business of the Demerged Company.

A Composite Scheme of Arrangement between Seksaria Industries Private Limited – Demerged Company No. 1 and Seksaria Agritech Private Limited – Resulting Company No. 1 and; Ishwarshakti Holdings & Traders Limited – Demerged Company No. 2 ("listed company") And Seksaria Finance Limited – Resulting Company No. 2 and their shareholders and creditors is proposed to be submitted to stock exchanges for their approval.

In this regard, for scheme filed by a listed company with SEBI/Stock Exchanges, the listed Company is required to obtain the valuation report to display workings, relative fair value per share and fair exchange ratio. Further, the listed company is required to submit a fairness opinion by a SEBI registered merchant banker on valuation of shares done by the valuer for the listed company and unlisted company.

However, as per Para (A)(4)(b) of Annexure PART I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23rd 2021, valuation report is not required in cases where there is no change in the shareholding pattern of the listed entity/resulting company. Further, Para (A)(4)(d) of the said Circular clarifies that "no change in shareholding pattern"



would include a case where, in case a listed entity (say, "entity A") demerges a unit and makes it a separate company (say, "entity B")

- i) if the shareholding of entity B is comprised only of the shareholders of entity A; and
- ii) if the shareholding pattern of entity B is the same as in entity A; and
- iii) every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger

In this regard, CS A. Someswara Rao, Registered Valuer: IBBI/RV/02/2019/11544 has certified that the requirement of the valuation report is not applicable for the proposed scheme pursuant to Para (A)(4)(b) of Annexure PART I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23rd 2021 vide certificate dated January 17, 2022.

We understand that the Valuation as well as the ratio thereof is based on the Valuation Certificate dated January 17, 2022 issued by Artham Someswara Rao, FCS, Reg.Valuer (IBBI), Registration No: IBBI/RV/02/2019/11544 ("Valuer").

We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by the Company to give a fairness opinion ("Opinion") on Valuation Certificate dated January 17, 2022 issued by the valuer.

2. Background of the companies and Rationale

Ishwarshakti Holdings & Traders Limited undertakes many businesses by way of investment (strategic and otherwise) in corporate equities, bonds, and debt instruments. It has shareholding in businesses comprised of Sugar Based and Non Sugar based companies. The Company is now demerging its business into two Units, Sugar and Non – Sugar Based units.

Ishwarshakti Holdings & Traders Limited, carries out Sugar Business through its shareholding i.e. 50% i.e. 49, 000 paid up equity share capital of Seksaria Industries Private Limited ("SIPL/Demerged Company No. 1") and carried on by SIPL inter alia through its shareholding in The Seksaria Biswan Sugar Factory Limited ("Seksaria Biswan") and U.P. National Industrial Corporation Private Limited ("UP NIC"), being 49.90% i.e. 11,734,530 of fully paid up equity shares of Seksaria Biswan held by SIPL and 31.50% i.e. 4,725 fully paid up equity shares and 100% i.e. 0.01% 27,800 Non-cumulative compulsory convertible preference shares of UP NIC held by SIPL, as also through its shareholdings in Seksaria Biswan, i.e. 4.99% i.e. 11,72,800 fully paid up equity shares of Seksaria Biswan and in UP NIC i.e. 50% i.e 7,500 fully paid up equity shares of UP NIC.

As per the scheme, Demerged Company will house the is the Non- Sugar Business of Ishwarshakti Holders & Traders Limited and the Resulting Company is Seksaria Finance Limited ("SFL") will house all investments in sugar businesses.



3. Key Features of the scheme:

Upon the Scheme becoming effective:

- (i) Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 2 into , Seksaria Finance Limited ("Resulting Company No. 2") in terms of this Scheme, Resulting Company No. 2 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.2 whose name appears in the register of members of Demerged Company No. 2 as on the Record Date 2 as may be stipulated by the Board of Directors of Demerged Company No.2 or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors
- (ii) Simultaneously with the issuance and allotment of equity shares by the Resulting Company No.2, the initial issued and paid up equity share capital of the Resulting Company No. 2, as held by the existing Equity Shareholders of the Resulting Company No.2 shall be cancelled at face value of such shares. The share certificates held by the existing Equity Shareholders representing the equity shares in the Resulting Company No. 2 shall be deemed to be cancelled and not tradable from and after such cancellation.
- (iii) Pursuant to the demerger, every shareholder of Demerged Company No. 2 will become shareholder of the Resulting Company No. 2 in the same proportion as shares held by such shareholders in Demerged Company No. 2. Further, there will be not be any change in the shareholding pattern of Demerged Company No. 2 as shareholding pattern of the Resulting Company No. 2 pursuant to and after the Scheme coming into effect would be same as that of the Demerged Company No. 2 and every shareholder in the Resulting Company No. 2 would be same as of Demerged Company No. 2 and hold equity shares in the same proportion as held by it in the Demerged Company No. 2

4. Exclusions and Limitations

Our opinion and analysis is limited to the extent of review of the valuation report by the valuer. In connection with the opinion, we have

- a) Reviewed valuation report by the valuer dated January 17, 2022.
- b) Reviewed audited financials for the Company for the year ended March 31, 2021.
- c) Draft Composite Scheme Of Arrangement Under Sections 230 to 232 of the Companies Act, 2013 between Seksaria Industries Private Limited – Demerged Company No. 1 and "Seksaria Agritech Private Limited" Resulting Company No. 1 and Ishwarshakti Holdings & Traders Limited – Demerged Company No. 2 "Seksaria Finance Limited" Resulting Company No. 2 and their Respective Shareholders and Creditors in respect of the demerger of sugar undertaking of Demerged Company No. 1 And Demerged Company No. 2.



- d) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations.
- e) Reviewed such other information and explanations that we have sought and which have been provided by the management of the Company.

This opinion is intended only for the sole use and information of the Company and in connection with the demerger, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either the Company and/or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate for the proposed demerger of the Company in two business units and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of the Company, the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed demerger of the Company and their respective shareholders, and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve



performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

We do not express any opinion as to any tax or other consequences that might arise from the Demerger on the Company, and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which the Company and/or their associates/ subsidiaries, are or may be a party.

The company has been provided with an opportunity to review the Draft Opinion (excluding the recommended fair exchange ratio) as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.

5. Conclusion

Based on the scheme of arrangement and the certificate of the Valuer, and considering the information and explanation given to us, it is our opinion that the conclusion of Valuer, that the requirement of valuation report is not applicable for the proposed scheme pursuant to Para (A)(4)(b) of Annexure PART I of SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23rd 2021 is Fair.

For Saffron Capital Advisors Private Limited,

SAKSHI GUPTA Digitally signed by SAKSHI GUPTA

Sakshi Gupta
Head-Valuation



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Private and Confidential

Report Ref No: RVA2223BOMREP307

24/03/2023

Ishwarshakti Holdings & Traders Limited

Seksaria Chambers, 5th Floor,
139 Nagindas Master Road,
Fort, Mumbai – 400001

Kind Attention: Mr. Vivek Seksaria, Director

Sub: Valuation of 'Sugar Business' of Ishwarshakti Holdings & Traders Limited

Dear Sirs,

In accordance with our appointment letter dated February 20, 2023, we enclose our report ("Report") on the valuation of 'Sugar Business' (as defined herein later) of Ishwarshakti Holdings & Traders Limited as of March 31, 2021 ("Valuation Date") on a 'going concern value' premise.

1. Preamble

- 1.1. Ishwarshakti Holdings & Traders Limited (hereinafter referred to as "IHTL" or the "Company" or the "Client") is public company incorporated in 1983. The Company is registered as Non-Banking Financial Company with Reserve Bank of India vide registration certificate no. 13.00633 issued dated April 7, 1998. The Company is in the business of providing financial services, trading and investment in the securities market. The equity shares of the Company are listed on BSE Limited.
- 1.2. Seksaria Industries Private Limited ("SIPL") is private company incorporated in 1948. SIPL is in the business of trading in optical goods, trading in commodities and construction activities. IHTL holds 50.0% of the equity capital of SIPL. The shares of SIPL are not listed on any stock exchange in India.
- 1.3. The Seksaria Biswan Sugar Factory Limited ("Seksaria Biswan") is public company incorporated in 1939. Seksaria Biswan is an integrated conglomerate, primarily engaged in manufacturing of sugar and allied products at its factory at Biswan, Uttar Pradesh. The shares of Seksaria Biswan are not listed on any stock exchange in India. IHTL holds 4.99% and SIPL holds 49.9% of the equity capital of Seksaria Biswan, respectively.
- 1.4. U.P. National Industrial Corporation Private Limited ("UPNIC") is private company incorporated in 1947. UPNIC derives its revenues from lease rental and from the business of running hotel and cinema hall. UPNIC holds ~6.2% equity stake of Seksaria Biswan. IHTL holds 50.0% of the equity capital of UPNIC, while SIPL holds 31.50% of the equity capital of UPNIC and 100% of the Non-Cumulative Compulsorily Convertible Preference Shares ("NCCPS") of UPNIC.



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- 1.5. Seksaria Agritech Private Limited ("SAPL") is a private limited company, incorporated on April 12, 2021, with objective to purchase and manufacture sugar. The present share capital of SAPL is INR 0.1 Mn divided into 10,000 equity shares of INR 10 each, entirely held by SIPL.
- 1.6. Seksaria Finance Limited ("SFL") is a public limited company, incorporated on April 10, 2021, with objective to carry out investment and trading activities. The present share capital of SAPL is INR 0.5 Mn divided into 50,000 equity shares of INR 10 each, entirely held by IHTL.
- 1.7. IHTL, SIPL, Seksaria Biswan and UPNIC are hereinafter collectively referred to as the "Specified Companies").
- 1.8. Scheme of Arrangement ("Scheme"):
 - 1.8.1. On February 25, 2022, the Board of Directors of IHTL approved a scheme to demerge the 'Sugar Business' of IHTL into SFL with effect from April 1, 2021, pursuant to a scheme of arrangement under section 230-232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013, read with Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961 ("Proposed Transaction"). As per the Scheme, the restructuring would result in the simplification of the group and management structure between sugar and non-sugar business. Further the restructuring would enable SFL to unlock shareholders value and help focus and enhance the sugar business by streamlining operations and risk management thereby ensuring better and more efficient management control. The Scheme is presently awaiting regulatory approvals.
 - 1.8.2. The Proposed Transaction envisages:
 - 1.8.2.1. Demerger of the sugar business of SIPL comprising of 49.90% i.e., 11,734,530 equity shares of Seksaria Biswan, 31.50% i.e., 4,725 equity shares of UPNIC and 100% i.e., 0.01% 27,800 NCCPS of UPNIC on a going concern basis into SAPL.
 - 1.8.2.2. Demerger of the sugar business of IHTL comprising of 50.0% i.e., 4,90,000 equity share capital of SAPL, 4.99% i.e., 1,172,800 equity shares of Seksaria Biswan and 50.0% i.e., 7,500 equity shares of UPNIC on a going concern basis into SFL.
 - 1.8.2.3. Considering *inter-alia*, the capital structure, serviceability and other factors, the management of IHTL (the "Management") had proposed a Share Entitlement Rati of,
 - 10 (Ten) fully paid up Equity Shares of INR 10/- each of SAPL for every 1 (One) Equity Share of INR 100/- each fully paid up held in SIPL; and
 - 7 (Seven) fully paid up Equity Shares of INR 10/- each of SFL for every 1 (One) Equity Share of INR 10/- each fully paid up held in IHTL.
 - 1.8.2.4. Post the Scheme becoming effective,
 - 1.8.2.4.1. SFL shall hold following investments,
 - 50.0% i.e., 4,90,000 equity share capital of SAPL,
 - 4.99% i.e., 1,172,800 equity shares of Seksaria Biswan and
 - 50.0% i.e., 7,500 equity shares of UPNIC, representing the 'Sugar Business' of IHTL.
 - 1.8.2.4.2. The equity share capital of SAPL and SFL comprising of 10,000 Equity share of INR 10 each and 50,000 Equity share of INR 10 each, respectively, shall be cancelled at face value of such shares.



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- 1.9. The Proposed Transaction did not require valuation report under SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular"), since there was no change in the shareholding pattern of IHTL and therefore no independent valuation of the Sugar Business was carried out. Saffron Capital Advisors Private Limited had provided their fairness opinion on the on the valuation certificate provided by the valuer appointed by IHTL in this regard.
- 1.10. We understand from the Management, that SEBI has sought from IHTL, fair valuation of the Sugar Business. In this context, the Management has approached RBSA Valuation Advisors LLP ("RBSA") to carry out the valuation of Sugar Business as of March 31, 2021 ("Valuation Date") on a 'going concern value' premise on the basis that the Scheme is approved and the sugar business of SIPL and IHTL have been demerged into SAPL and SFL respectively.
- 1.11. We have carried out the valuation of the Sugar Business as at the Valuation Date and our approach, along with the valuation conclusions, are detailed in this Report.

2. Specified Companies Overview

2.1 Seksaria Biswan:

- 2.1.1 Seksaria Biswan is an integrated conglomerate, primarily engaged in the manufacture of sugar and allied products at its manufacturing complex at Biswan, District- Sitapur, Uttar Pradesh. The company has 8,500 TCD Cane Crushing, 32 MW bagasse based cogeneration power plant and 65 KLPD expandable to 81 KLPD molasses based distillery.
- 2.1.2 Seksaria Biswan has 2 wholly owned subsidiaries ("WOS"), viz, Seksaria Behta Sugar Factory Pvt. Ltd and Seksaria Farm Pvt. Ltd. The WOS have land banks which are given on rent to Seksaria Biswan for carrying out its business operations.
- 2.1.3 The shareholding pattern of Seksaria Biswan as of the Valuation Date is as under,

Sr. No.	Name of shareholder	No. of Equity Shares Held *	%
1	Mrs. Aparna Seksaria	4,26,700	1.81%
2	Bhavnagar Oil Mills Pvt. Ltd.	28,48,000	12.11%
3	Mrs. Geeta K. Seksaria	13,52,000	5.75%
4	Ishwarshakti Holdings & Traders Ltd.	11,72,800	4.99%
5	Mr. Kailashchandra Kesardeo Seksaria	7,54,100	3.21%
6	Mrs. Radhika Seksaria	4,50,000	1.91%
7	Seksaria Industries Pvt. Ltd.	1,17,34,530	49.90%
8	U.P. National Ind. Corp. Pvt. Ltd.	14,42,270	6.13%
9	Mr. Vinay K. Seksaria	11,34,800	4.83%
10	Mr. Vivek K. Seksaria C/o. Vivek & Sons HUF	49,000	0.21%
11	Mr. Vivek K. Seksaria	5,84,225	2.48%
12	Mr. Yashasvi Seksaria	15,69,900	6.68%
Total		2,35,18,325	100.00%

* Entire beneficial ownership of Seksaria Biswan is with the Seksaria family

- 2.1.4 Extracts of the financials of Seksaria Biswan for FY20 and FY21 are provided in Annexure 1.



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2.2 UPNIC:

2.2.1 U.P. National Industrial Corporation Private Limited ("UPNIC") is private company incorporated in 1947. UPNIC derives its revenues from lease rental and from the business of running hotel and cinema hall in Agra. UPNIC owns Mahalaxmi Picture Palace at Agra and Mahalaxmi Hotel at Agra and operates cinematographic shows since its inception, with seating capacity of 836 people. UPNIC also runs hotel business under the name 'Mahalaxmi Hotel' at Agra, which is given on a conducting basis. UPNIC earns rental income from shops and godowns located in the said premises.

2.2.2 The shareholding pattern of UPNIC as of the Valuation Date is as under,

Sr. No.	Name of shareholder	No. of Equity Shares Held ^	%
1	Mr. Kailashchandra Kesardeo Seksaria	2,540	16.93%
2	Mr. Vivek K. Seksaria	195	1.30%
3	Seksaria Industries Pvt. Ltd.	4,725	31.50%
4	Ishwarshakti Holdings & Traders Ltd.	7,500	50.00%
5	Mr. Vinay K. Seksaria	20	0.13%
6	Mr. Shubhkaran Bholaram	20	0.13%
Total		15,000	100.00%

List of 0.01 % Non-Cumulative Compulsory Convertible Preference shares of INR 100 each

Sr. No.	Name of shareholder	No. of Preference Shares Held ^	%
1	Seksaria Industries Pvt. Ltd.	27,800	100.00%

^ - Management Information

2.2.3 Extracts of the financials of UPNIC for FY20 and FY21 are provided in Annexure 2.

2.3 Ishwarshakti Holdings & Traders Limited

2.3.1 IHTL is in the business of providing financial services, trading and investment in the securities market. The equity shares of the Company are listed on BSE Limited.

2.3.2 The shareholding pattern of the Company is as under,

Sr. No.	Category of shareholder	No. of Equity Shares Held	%
1	Promoters	10,80,000	75.00%
2	Public	3,60,000	25.00%
Total		14,40,000	100.00%

Source: BSE Filings / Management Information

2.3.3 Extracts of the Balance Sheet of IHTL for FY20 and FY21 is provided in Annexure 3.



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2.4 Seksaria Industries Private Limited

2.4.1 SIPL is in the business of trading in optical goods, trading in commodities and construction activities.

2.4.2 The shareholding pattern of the Company is as under,

Sr. No.	Name of shareholder	No. of Equity Shares Held	%
1	Ishwarshakti Holdings & Traders Ltd.	49,000	50.00%
2	Seksaria Family	49,000	50.00%
		98,000	100.00%

Source: Management Information

2.4.3 Extracts of the Balance Sheet of SIPL for FY20 and FY21 is provided in Annexure 4.

3. INDUSTRY OVERVIEW

Sugar Cane Industry in India

Sugarcane and sugar play significant role in economy of India, trade and livelihood. Sugar is country's second largest agro-based industry, next to cotton. Sugarcane and sugar industry together impact the livelihood of over 5 crore farmers and their dependents involved in cultivating sugarcane in an area of almost 50 lakh hectares. India is the largest consumer and the second-largest producer of sugar in the world.

The global sugar production in marketing year (MY) 2020-21 increased to 185 million metric tons (MMT) (raw value), registering an increase of 19 MMT from the previous year, Brazil is one of the largest sugar producers in the world. India, the European Union (EU), China and Thailand are also among the leading sugar producing countries in the world.

India is one of the largest consumers of industrialised sugar and is projected to grow over a period of time in comparison to other regions worldwide. According to the first estimate issued by the trade association AISTA, sugar production in India, increased to 36 million tonnes in the fiscal year 2021-22. Apart from this, 3.4 million tonnes of sugar was diverted to ethanol. Following lower output in Brazil due to unfavourable weather conditions, the nation's sugar exports are anticipated to rise to approximately 10-11 million tonnes in sugar season 2022.

According to ISMA, FY22-23 is expected to see a 45 lakh tonnes decrease in sugar production due to the conversion of cane juice and B-molasses to ethanol. Approximately 34 lakh tonnes were diverted in the 2021-2022. Consumption of sugar is predicted to increase at a modest rate of 1% to 2%, and the shift of more cane to ethanol production would produce a 6-8 million tonne exportable surplus in the 2023 sugar season preserving a favourable domestic balance.

Indian Ethanol Industry

Ethanol is a major by-product for integrated sugar mills which finds downstream applications among oil marketing companies, who blend ethanol with fuel.



The Indian Ethanol Market was valued at ~ USD 2.8 billion in 2021 and is predicted to increase with a CAGR of ~12.7% to reach a market value of ~ USD 5.6 Bn by 2027. This growth is anticipated to occur as a result of the rising demand for biofuels. The Indian Ethanol Market is likely to develop over the next five years because of government initiatives like the new ethanol blending programme (EBP), which requires oil manufacturing companies (OMCs) to mix 10 percent ethanol in gasoline by the end of 2022 and 20 percent by 2025.

The need for ethanol as a solvent in the production of varnishes and perfumes is also growing significantly. Additionally, the pandemic scenario has raised the demand for ethanol for use in hand sanitizers and cleaning products to meet the increasing need to maintain hygiene in order to prevent the COVID-19 virus infection.

According to the International Energy Agency, India is anticipated to overtake the US and Brazil as the third largest ethanol market in the world by 2026. Between 2017 and 2021, India's demand for ethanol is expected to increase by three times to 3 billion litres. Demand expansion is thought to be primarily caused by government initiatives. Other factors including the total demand for transportation fuel, price, and the design of a specific policy will also be crucial.

Sugar mills and distilleries are expected to earn over INR 180,000 Mn from selling ethanol to oil marketing companies (OMC) for blending with gasoline in FY22. In every sugar season, production of sugar stands at around 32-33 Mn tonnes as against the domestic consumption of 26-27 Mn tonnes, resulting in huge carry over stock of sugar with mills.

The ministry stated that diverting extra sugar to ethanol will alleviate the problem of excessive sugar stocks, enhance mill liquidity and therefore assist mills to pay their cane dues on schedule. According to a report published by ICRA, India's ethanol production needs to be increased three times its current level in order to meet the aim of 20% ethanol blending by 2025. According to the report, India's ethanol production in 2021 was roughly 3,350 Mn litres. As a result, ethanol was blended with gasoline at a rate of roughly 9%. In order to reach the E20 objective, India will need to produce 10,140 Mn litres of ethanol by 2025.

SWOT Analysis

Strengths:

- India, the second largest producer of sugar in the world, is more than self-reliant for its sugar consumption;
- The sugar industry is one of the largest agricultural employers;
- The bagasse from sugarcane generates cogeneration revenues;
- The country is endowed with rich arable land;
- India is among the lowest-cost sugar producers in the world;
- The industry uplifts rural communities

Weaknesses:

- The sugar manufacturing technology is obsolete in most companies; most factories are more than 40 years old;
- India's plantation white sugar enjoys lower global demand;
- The country is completely dependent on monsoonal rain;



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Opportunities:

- On the back of a rising population and increased downstream demand, sugar demand is increasing in India;
- There is scope of increasing ethanol production;

Threats:

- Competition from cheap sugar imports;
- The dependence of the sugar industry on rainfall, cultivated area and transportation cost affects sugarcane prices;

Source: Indian Sugar Companies annual reports and secondary research reports

4. SOURCES OF INFORMATION

We have obtained and relied upon the following information for valuation of Sugar Business as provided to us by the Management:

- Audited financials of IHTL and SIPL as of March 31, 2021, including assets pertaining to sugar business proposed to be demerged;
- Consolidated audited financials of Seksaria Biswan for financial year ended March 31, 2020 ("FY20"), and March 31, 2021 ("FY21");
- Audited financials of UPNIC for FY20 and FY21;
- Market / Fair values of Investment Properties of Seksaria Biswan and UPNIC, carried out by S.S. Rahalkar, Govt. Registered Valuer and Mr. C. S. Gupta (expert);
- Discussions with the Management to *inter-alia* understand historical performance of Seksaria Biswan, key value drivers, competitive scenario, business outlook, etc.;
- Information obtained from public domain and subscribed databases in respect of comparable companies;
- Such other information and explanation that we considered necessary for the purpose of valuation which was provided by the Management.

Our scope did not include valuation of fixed assets of Seksaria Biswan or any other entities forming part of Proposed Transaction.

5. PROCEDURES ADOPTED:

The procedures used in our valuation included such substantive steps as we considered necessary under the circumstances, including, the following:

- Considered carved out statement of assets and liabilities of IHTL and SIPL for FY21;
- Considered audited financials of Seksaria Biswan and UPNIC for FY20 and FY21;
- Considered fair values of investment properties;
- Discussions and correspondence with the Management / their representatives;
- Considered Information obtained from public domain and subscribed databases; and
- Such other analyses, reviews and inquires as we considered necessary.



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6. VALUATION APPROACHES AND METHODOLOGY

6.1 Valuation of the 'Sugar Business' of IHTL as of the Valuation Date is carried out in accordance with the Valuation Standards issued by the Institute of Chartered Accountants of India ("ICAI VS").

6.2 Fair value basis has been adopted as the basis for valuation. Fair Value has been defined as per ICAI VS as under:

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date."

Premise of Value refers to the conditions and circumstances of how an asset is deployed. Valuation of IHTL has been carried out on a 'going concern value' premise.

6.3 The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods, within the market approach, income approach and asset approach, for determining the business value, which can be considered in the present case, to the extent relevant and applicable, and subject to the availability of detailed information, to arrive at the business enterprise value and equity value.

6.4 Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

6.4.1 Market Price Method:

Under this method, the value of shares of a company is determined by taking the average of the market capitalization of the equity shares of such company as quoted on a recognized stock exchange over reasonable periods of time where such quotations are arising from the shares being regularly and freely traded in an active market, subject to the element of speculative support that may be inbuilt in the market price.

6.4.2 Comparable Companies Multiple ("CCM") Method:

Under this method, one attempts to measure the value of the shares / business by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business - to the relevant financial parameter of business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate the factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances..



6.4.3 Comparable Transaction Multiple ("CTM") Method

Under Comparable Transaction Method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

6.5 Income Approach – Discounted Cash Flow ("DCF")

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount. The value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Such DCF analysis involves determining the following:

- *Estimating future free cash flows:*
Free cash flows are the cash flows expected to be generated by a company/ asset that are available to the providers of the company's capital – both debt and equity.
- *Appropriate discount rate to be applied to cash flows i.e., the cost of capital:*
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely, shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

6.6 Asset Approach

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. A net asset methodology is most applicable for businesses where the value lies in its underlying assets and not in the ongoing operations of the business.

6.7 Valuation Approach/ methodology adopted for valuation of Sugar Business

6.7.1 The Scheme contemplates demerger of Sugar Business of IHTL. On approval of the Scheme, the following investments of IHTL shall be transferred to SFL which constitutes Sugar Business, which have been valued,

- 4,90,000 equity shares of SAPL,
- 1,172,800 equity shares of Seksaria Biswan and
- 7,500 equity shares of UPNIC.

6.7.2 The shares of SAPL, Seksaria Biswan and UPNIC are not listed. Accordingly, Market price method is not adopted.



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6.7.3 Methodology adopted for valuing Seksaria Biswan:

6.7.3.1 Seksaria Biswan is engaged in manufacturing of sugar and allied products and is profit making.

6.7.3.2 In the present case, having regard to the business in which it operates, projecting financials on a reliable basis, is difficult and involves considerable subjectivity and hence such projections have not been made available for the present exercise. In absence of business plan and projections, we have not considered the Income Approach. Considering this, we have considered it appropriate to adopt Comparable Companies Multiple method for the valuation of Sugar Business.

6.7.3.3 We have not adopted Comparable transactions multiple method ('CTM') for the purpose of valuation of Seksaria Biswan considering inter alia the size/ historical performance of the business and lack of adequate details of comparable transactions.

6.7.3.4 The historical net asset value of Seksaria Biswan may not be representative of its earning potential. Accordingly, Asset Approach has not been adopted for the valuation of Seksaria Biswan.

6.7.4 Methodology adopted for valuing UPNIC:

6.7.4.1 UPNIC derives its revenues from lease rental and from the business of running hotel and cinema hall in Agra, however the fair value of land and building exceeds the value of capitalized rentals it earns, hence we have not adopted Comparable Companies Multiple method and DCF method to carry out valuation.

6.7.4.2 UPNIC has issued 27,800 NCCPS to SIPL which are convertible in the ratio of 1:1 (i.e., one equity share to be issued against one preference share). To arrive at the value per share of UPNIC, we have assumed a fully dilutive equity share capital, considering conversion of preference share into equity.

6.7.4.3 Considering the aforementioned, the value of UPNIC has been valued considering the Asset Approach, factoring the fair market values of land and building as provided to us by the Management.

6.7.5 Methodology adopted for valuing SAPL:

6.7.5.1 SAPL is a newly incorporated private limited company, with no business operations. Post the Scheme becoming effective, SAPL would be holding investments in Seksaria Biswan and UPNIC.

6.7.5.2 Considering this, the value of SAPL has been valued considering Asset Approach considering *inter alia* the fair values of stake it would hold in Seksaria Biswan and UPNIC, as worked out by us.

6.7.6 Methodology adopted for valuing SFL:

6.7.6.1 SFL is a newly incorporated private limited company, with no business operations. Post the Scheme becoming effective, SFL would be holding investments in SAPL, Seksaria Biswan and UPNIC.

6.7.6.2 Considering this, the value of SFL has been valued considering Asset Approach considering *inter alia* the fair values of stake it would hold in SAPL, Seksaria Biswan and UPNIC, as worked out by us.



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7 SCOPE ASSUMPTIONS & LIMITING CONDITIONS

- 7.1 RBSA has been appointed by the Management to carry out the valuation of 'Sugar Business', on the basis that the Scheme is approved and the sugar business of SIPL and IHTL have been demerged into SAPL and SFL respectively and our valuation is subject to this premise.
- 7.2 The basis of value applied in this engagement is fair value. Fair Value has been defined as per the valuation standards issued by the Institute of Chartered Accountants of India ("ICAI VS") as, "Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date."
- 7.3 This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the Valuation Date; (iii) financial statements of the Specified Companies for the year ended March 31, 2021; (iv) the Scheme and (v) other information provided by/on behalf of the Management and information obtained from public domain and subscribed databases. We have been informed by the Management that the business activities of the Specified Companies have been carried out in the normal and ordinary course between March 31, 2021, and the Report date and except to the extent specifically informed to us, no material changes have occurred in their respective operations and financial position between March 31, 2021, and the Report date.
- 7.4 Valuation is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. In the ultimate analysis, our valuation will have to be tempered by the exercise of judicious discretion and judgment taking into accounts all the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value. There is, therefore, no indisputable single value and while we normally express our opinion on the value as falling within a likely range, considering the nature, purpose, and requirement of the engagement we have provided a single point value by adopting a value at the mid-point of our valuation range. While we have provided our opinion on valuation based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion.
- 7.5 Our valuation is based on the market, financial and other information provided by the Management and other information that was publicly available or sourced from subscribed databases, which have been relied upon for the purpose of valuation. The Management has represented to us that the information provided for valuation is complete, accurate, true, and correct to the best of their knowledge. We have relied on the Management representation concerning the financial data and operational data. We have carried out relevant analyses and evaluations through discussions, calculations, and such other means, as appropriate.
- 7.6 In accordance with the terms of our engagement letter and in accordance with the customary approach adopted in valuation exercise, our valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting / financial / commercial / legal / tax / environmental due diligence or forensic / investigation services and does not include verification or validation work. Accordingly, we express no audit opinion or any other form of assurance on the information provided.



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- 7.7 The Management has indicated us, and they understand that any omissions, inaccuracies, or misstatements may materially affect our valuation analysis/conclusion. Accordingly, we assume no responsibility for any errors in the information provided by the Management and their impact on the Report. We reserve our right to alter our conclusions, if it is found that the information provided to us by the Management was not reliable, accurate or complete.
- 7.8 We have relied on data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.
- 7.9 During the course of the valuation, we were provided with both written and verbal information We have evaluated the information provided to us by the Specified Companies through inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement.
- 7.10 Our Report and the opinion/ valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.
- 7.11 This Report has been prepared for the purpose as stated herein and should not be relied upon for any other purpose. This Report is only for the sole use of IHTL and is restricted for the purpose indicated in the engagement letter. We shall not assume any responsibility to any third party to whom the Report is disclosed or otherwise made available. Unless required by law, it shall not be provided to any third party without our prior written consent. In no event, regardless of whether consent has been provided, shall we assume any responsibility to any such third party to whom the Report is disclosed or otherwise made available. We do not take any responsibility for the unauthorized use of this Report.
- 7.12 We owe responsibility only to IHTL that has appointed RBSA under the terms of the engagement letter. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other third party to the Specified Companies. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Specified Companies, their directors, employees, or agents. In no circumstances shall the liability of RBSA, its partners, directors, or employees, relating to the services provided in connection with the engagement set out in this Report exceed the amount paid to RBSA in respect of the fees charged by it for these services.
- 7.13 We are not responsible to any other person / party for any decision of such person / party based on this Report. Any person / party intending to provide finance to the Specified Companies, invest / divest shares of the Specified Companies, if any, shall do so after seeking their professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person / party (other than the Specified Companies) chooses to place reliance on any matters included in the Report, they shall do so at their own risk and without recourse to RBSA. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report



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or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so. RBSA accepts no responsibility or liability to any other party (including Permitted Recipient), in connection with this Report. It is clarified that reference to this Report in any document and / or filing or possession of this Report by any party, shall not be deemed to be an acceptance by RBSA of any responsibility or liability to any person / party other than the Specified Companies. RBSA accepts no duty, obligation, liability, or responsibility to any party, other than the Specified Companies with respect to the services and/ or this Report.

- 7.14 Our valuation is primarily from a business perspective and does not consider various legal and other corporate structures beyond the limited information provided to us by the Management. Valuation is based on business, economic, market and other conditions as they existed as of the Valuation Date. Subsequent events or circumstances that could affect the conclusions set forth in our valuation include, without limitation, adverse changes in industry performance or market conditions and changes to the business, financial condition, and results of operations of the Specified Companies. This Report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Specified Companies and any other matter, which may have an impact on our opinion, on the valuation analysis as on the Valuation Date. Due to possible changes in market forces and circumstances, this Report can only be regarded as relevant as at the Valuation Date. RBSA is under no obligation to update, revise or reaffirm the valuation.
- 7.15 We have provided draft copy/ workings of this Report to the Management, who have confirmed to the best of their knowledge and belief that the factual information contained within this document is correct and that there are no material omissions.
- 7.16 The Report assumes that the Specified Companies comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Specified Companies will be managed in a competent and responsible manner. Further, unless specifically stated, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the financial statements provided to us. Valuation may be significantly influenced by adverse legal, title or ownership, encumbrance issues; we reserve our right to alter the conclusions should any such issues are brought to our knowledge at a later date.
- 7.17 In performing the valuation analysis set forth herein, we have made certain assumptions with respect to industry performance and general business and economic conditions, many of which are outside the control of the relevant Specified Companies and subject to change.
- 7.18 The scope of work has been limited both in terms of the areas of the business and operations which have been reviewed. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 7.19 The fee for our services is not contingent upon the results/ value conclusion of the engagement. This Report is subject to laws of India.



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- 7.20 We do not have any financial interest in the Specified Companies, nor do we have any conflict of interest in carrying out this valuation. Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation.
- 7.21 Certain clarifications were provided by the Management orally, without confirmations in writing. We have assumed that such verbal information or clarifications provided to us is reliable, accurate and complete in all respects. We reserve the right to alter our conclusions should any information that we are not aware of at the time of preparing this Report comes to light that has a material impact on the conclusions herein.
- 7.22 The outbreak of the Novel Coronavirus ("COVID-19"), declared by the World Health Organization as a "Global Pandemic" on March 11, 2020, has adversely affected the Global and Indian economy. Travel restrictions implemented by many countries has affected the economic activities. Governments have announced various measures to combat COVID 19 pandemic and to support the economic and business activities. The outbreak of COVID 19 Pandemic has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, Valuation is reported on the basis of 'material valuation uncertainty' and accordingly less certainty and a higher degree of caution should be attached to the Valuation than would normally be the case. It may be noted that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/ uncertainties on account of COVID 19 pandemic.
- 7.23 This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can lead to proper conclusions only if the Report as a whole is taken into account.

8 Deliverables

- 8.1 This Report is intended only for the sole use and information of the Board of Directors of IHTL in connection with the Proposed Transaction including for the purpose of obtaining regulatory approvals, as required under applicable laws of India. Without limiting the foregoing, we understand that IHTL may be required to share this Report with shareholders, regulatory or judicial authorities in connection with the Proposed Transaction (together, "Permitted Recipients"). We hereby give consent to such disclosure of this Report, on the basis that the RBSA owes responsibility only to IHTL who has engaged us, under the terms of the engagement, and to no other person; and that, to the fullest extent permitted by law, RBSA accepts no duty, obligation, liability, or responsibility to any other party, with respect to the services and/ or this Report. It is clarified that reference to this Report in any document and / or filing with Permitted Recipients, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than IHTL.
- 8.2 In no event shall we be liable for any loss, damage, cost, or expense arising in any way from fraudulent acts, misrepresentations, or willful default on the part of IHTL, their directors, employees, or agents. In no circumstances shall the liability of RBSA, its partners, directors, or employees, relating to services provided in connection with the engagement set out in this letter (or variation or addition thereto) exceed the amount paid to us in respect of the fees charged for those services.



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9 Conclusion

Based on the analysis of the information provided by the Management, analysis of industry and other relevant factors, read with explanation provided in Para 6 above, the value of Sugar Business of IHTL as of March 31, 2021, is INR 1,432 Mn.

We thank you for the cooperation provided by you and your team during the course of this engagement.

For RBSA Valuation Advisors LLP
RVE No.: IBBI/RV-E/05/2019/110



Samir D. Shah
Partner

Asset Class : Securities or Financial Assets

RV No. : IBBI/RV/06/2019/12263

Date : 24/03/2023

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Annexure 1 – Historical financials of Seksaria Biswan

1.1 Income statement of Seksaria Biswan

Particulars for the year ended,	(In INR Mn)	
	March 31, 2021	March 31, 2020
Income		
Revenue from Operations	6,576.2	5,614.1
Other Income	47.1	8.9
Total Revenue	6,623.3	5,623.1
Expenses		
Cost of Materials Consumed	4,419.7	4,921.6
Changes in inventories of Finished Goods, WIP & Stock in trade	477.8	(537.0)
Employee benefits expense	255.9	250.4
Finance Cost	131.7	159.1
Depreciation & Amortization	287.7	270.1
Other Expenses	482.6	439.8
Total Expenses	6,055.3	5,504.0
Profit / (Loss) Before Extraordinary Items & Tax	568.0	119.1
Tax Expenses	115.1	43.8
Profit / (Loss) from Operations	452.9	75.3

Source: Audited financials

Key Points:

- Revenue from operations comprise of income from manufacture and sale of sugar, industrial alcohol, power, by-products and others.
- Other Income comprises of income from scrap, rental from properties and others. For FY2021, an amount of INR 32.4 Mn was received against insurance claim.
- Cost of materials consumed represents expenses incurred in procuring sugar cane.
- Other Expenses comprise of repairs and maintenance, consumption of packing material, stores, spares and chemicals, etc.



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1.2 Statement of Assets and Liabilities of Seksaria Biswan

Particulars as at,	(In INR Mn)	
	March 31, 2021	March 31, 2020
Equity Share Capital	235.2	235.2
Reserve & Surplus	3,726.4	3,277.1
Non-Current Liabilities		
Long-Term Borrowings	1,570.9	1,773.8
Long-Term Provision	12.3	9.0
Deferred Tax Liabilities (Net)	259.7	246.5
Current Liabilities		
Short-Term Borrowings	525.9	1,193.4
Trade Payables		
Trade due to micro and small enterprises	3.3	0.8
Trade due to creditors other than micro and small enterprises	604.1	1,140.7
Other current liabilities	538.5	429.6
Short-Term Provision	13.3	14.5
Total equity & liabilities	7,489.6	8,320.5
Fixed Assets		
Tangible Assets	3,825.1	3,656.2
Capital Work In progress	-	69.8
Non-Current Investment	21.0	20.8
Long-Term Loan & Advances	89.0	109.5
Other Non-current assets	5.2	11.4
Current Assets		
Current Investment	48.5	129.7
Inventories	2,781.5	3,216.9
Trade Receivables	359.2	457.2
Cash & cash Equivalent	321.3	515.6
Short-Term Loan & Advance	36.4	88.8
Other Current Assets	2.6	44.8
Total Assets	7,489.6	8,320.5

Source: Audited financials

Key Points:

- i. Share capital comprises of 2,35,18,325 shares of INR 10 each.
- ii. Reserves & Surplus comprise of Capital Redemption Reserve, Revaluation Reserve, balance in Profit & Loss Account, General Reserve and Molasses storage reserve.
- iii. Long terms borrowings represents loan taken from Banks and Other parties.
- iv. Other Current Liabilities comprises mainly of current portion of long term borrowings and interest accrued.
- v. Tangible Assets mainly comprises of Land & Building, Plant & Machinery at Biswan, Co-Gen plant and investment properties at Mumbai.
- vi. Investments comprises of investment in quoted shares.



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Annexure 2 – Historical financials of UPNIC

2.1 Income statement of UPNIC

(In INR Mn)

Particulars for the year ended,	March 31, 2021	March 31, 2020
Revenue From Operations	1.9	1.8
Other Income	0.5	0.0
Total Income	2.4	1.8
Depreciation & Amortization	0.0	0.0
Other Expenses	0.7	1.6
Total Expenses	0.7	1.6
Profit Before Exceptional and Extraordinary Items and Tax	1.7	0.1
Current tax	0.3	0.0
Profit After Tax	1.5	0.1

Source: Audited financials

Key Points:

- Revenue from operations comprise of rental income.
- Other Income comprises of dividend income, interest income and profit on sale of equity / mutual fund units.
- Other Expenses majorly pertains to expense incurred on hotel and cinema hall operations.

2.2 Statement of Assets and Liabilities of UPNIC

(In INR Mn)

Particulars as at	March 31, 2021	March 31, 2020
Equity Share Capital	4.3	4.3
Reserve & Surplus	237.6	236.1
Deferred Tax Liabilities (Net)	0.1	0.1
Other current liabilities	0.9	0.8
Short-Term Provision	0.3	0.0
Total equity & liabilities	243.1	241.3
Fixed Assets	0.1	0.1
Non-Current Investment	235.4	239.4
Long-Term Loan & Advances	0.0	0.0
Trade Receivables	0.2	0.2
Cash & cash Equivalent	6.5	1.0
Short-Term Loans & Advance	0.7	0.5
Total assets	243.1	241.3

Source: Audited financials

Key Points:

- Share capital comprises of 15,000 equity shares of INR 100 each and 27,800 NCCPS of INR 100 each.
- Reserves & Surplus comprises of share premium and other reserves.
- Non-Current investment mainly comprises of investment in Seksaria Biswan and in units of mutual funds.



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Annexure 3 – Statement of Assets and Liabilities of IHTL

		(In INR Mn)
Particulars as at March 31, 2021		Amount
Equity Share Capital		14.4
Reserve & Surplus		109.9
Deferred Tax Liabilities (Net)		16.3
Current Liabilities		
Short-Term Borrowings		10.6
Other current liabilities		0.3
Current Tax liabilities		0.0
TOTAL		151.6
Fixed Assets		0.0
Non-Current Investment		
UP National Industrial Corporation Private Limited	0.8	#
The Seksaria Biswan Sugar Factory Limited	131.2	#
Seksaria Industries Private Limited	1.0	@
Other Investments	8.2	
Current Assets		
Inventories	9.2	
Cash & cash Equivalent	0.3	
Other Current Assets	0.9	
TOTAL		151.6

Source: Audited financials

to be demerged into SFL, pursuant to Scheme

@ The Scheme provides for demerger of sugar business of SIPL into SAPL. Further, IHTL would also demerge shares of SAPL into SFL, pursuant to Scheme



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Annexure 4 – Statement of Assets and Liabilities of SIPL

	(In INR Mn)
Particulars as at March 31, 2021	Amount
Equity Share Capital	9.8
Reserve & Surplus	784.1
Non-Current Liabilities	
Long-Term Liabilities	25.3
Long-Term Provision	2.6
Current Liabilities	
Trade Payables	81.6
Other current liabilities	14.8
Short-Term Provision	2.9
TOTAL	921.1
Fixed Assets	9.1
Intangible Assets	0.3
Non-Current Investment	
The Seksaria Biswan Sugar factory Limited	8.7 #
UP National Industrial Corporation Private Limited	0.5 #
UP National Industrial Corporation Private Limited - NCCPS	232.4 #
Other Investments	62.5
Long-Term Loan & Advances	120.0
Deferred tax assets	2.5
Current Assets	
Current Investment	9.7
Inventories	368.8
Trade Receivables	40.9
Cash & cash Equivalent	33.3
Short-Term Loan & Advance	30.9
Other Current Assets	1.5
TOTAL	921.1

Source: Audited financials

to be demerged into SAPL, pursuant to Scheme



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Annexure 5 - Valuation Workings

Annexure 5.1 Seksaria Biswan – Computation of EV/EBITDA Multiple

Particulars	(In INR Mn)					
	Enterprise Value 2021	Enterprise Value 2020	EBITDA 2021	EBITDA 2020	EV/EBITDA 2021	EV/EBITDA 2020
Magadh Sugar & Energy Limited	7,905.4	7,990.8	1,149.5	1,551.7	6.88	5.15
The Ugar Sugar Works Limited	7,885.8	6,535.2	679.3	701.8	11.61	9.31
Dhampur Sugar Mills Limited	22,041.3	30,295.3	3,010.4	3,576.2	7.32	8.47
Dwarikesh Sugar Industries Limited	11,981.9	14,612.2	1,992.4	1,344.8	6.01	10.87
Uttam Sugar Mills Limited	12,371.1	12,713.4	2,173.7	1,829.0	5.69	6.95
DCM Shriram Industries Limited	7,849.3	8,197.4	1,502.9	1,428.3	5.22	5.74
Avadh Sugar & Energy Limited	17,658.1	21,222.8	2,591.5	2,616.4	6.81	8.11
Triveni Engineering & Industries Limited	28,156.7	30,129.0	5,586.5	5,590.0	5.04	5.39
Balrampur Chini Mills Limited	48,047.1	47,108.1	7,132.1	6,810.6	6.74	6.92
Median					6.74	6.95

Source: Capital IQ

Enterprise Value = Market Cap + Net Debt and Debt Like Items

Market Cap is 6 Months average market capital for the period ended March 2020 / March 2021

EBITDA is net- off non-operating income / expense

Comparable Companies Multiple Method

Particulars	(In INR Mn)		
	Low	High	
Maintainable EBITDA	860.4	860.4	Note 1
EV/EBITDA multiple	7.00	7.25	Note 2
Enterprise Value	6,022.7	6,237.8	
Add: Cash & Bank Balance	329.0	329.0	
Add: Fair Value of Investments	79.8	79.8	Note 3
Add: Fair Value of Surplus Property	63.0	63.0	Note 4
Add: Advance tax	76.2	76.2	
Less: Debt and Debt like Items	(2,551.5)	(2,551.5)	
Less: Contingent liabilities	(2.8)	(2.8)	Note 5
Equity Value	4,016.4	4,231.5	
Number of Equity shares	23.5	23.5	
Equity Value range per share	170.8	179.9	
Equity Value per share		175.4	

Note 1: Considered after applying appropriate weights to adjusted operating EBITDA of FY20 and FY21.

Note 2: Premium has been applied to the EV/EBITDA multiple considering, better margins and business mix vis-à-vis competitors.

Note 3: Represents fair value of investment in equity shares of NTPC Limited and Reliance Industries Limited as of Valuation Date.

Note 4: Represents fair value of investment properties located at Mumbai as of Valuation Date.

Note 5: Considered on net of tax basis after applying probability factor of 25%.



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Annexure 5.2 – UPNIC – Assets Approach

Particulars	(in INR Mn)	
	31-03-2021	Fair Value
Non-Current Assets		
Net Fixed Assets	0.1	95.0
Investments	235.4	254.3
Other Non-Current Assets	0.0	0.0
Trade Receivables	0.2	0.2
Cash and Cash equivalents	6.5	6.5
Short Term Loans & Advances	0.7	0.7
TOTAL ASSETS (A)	243.1	356.9
Liabilities		
Deferred Tax Liabilities	0.1	0.1
Other Current Liabilities	0.9	0.9
Provisions	0.3	0.3
TOTAL LIABILITIES (B)	1.2	1.2
Net Asset Value (A-B)	241.9	355.7
Number of Equity shares		42,800.0
Equity Value per share		8,309.8

Note 1: Represents fair value of land and building situated at Agra as of Valuation Date.

Note 2: Represents appreciation in value of investment of Seksaria Biswan.

Annexure 5.3 – SAPL – Assets Approach

Particulars	(in INR Mn)	
	No of shares	Fair Value
Investments:		
The Seksaria Biswan Sugar factory Limited	1,17,34,530	2,057.7
UPNIC	4,725	39.3
UPNIC NCCPS	27,800	231.0
Net Asset Value		2,327.9
Number of Shares		9,80,000
Equity Value per share		2,375.5

Annexure 5.4 – SFL - Assets Approach

Particulars	(in INR Mn)	
	No of shares	Fair Value
Investments		
Seksaria Biswan Sugar factory Limited	11,72,800	205.7
UPNIC	7,500	62.3
SAPL	4,90,000	1,164.0
Net Asset Value		1,432.0



DCS/AMAL/TL/IP/2726/2023-24

April 17, 2023

The Company Secretary,
ISHWARSHAKTI HOLDINGS & TRADERS LTD.
Seksaria Chambers, 5th Floor,
139 Nagindas Master Road Fort,
Mumbai, Maharashtra, 400001

Dear Sir,

Sub: Observation letter regarding the Composite Scheme of Arrangement between Seksaria Industries Private Limited, Seksaria Agritech Private Limited, Ishwarshakti Holdings & Traders Limited and Seksaria Finance Limited and their respective shareholders and Creditors

We are in receipt of the Scheme of Arrangement of Ishwarshakti Holdings & Traders Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 17, 2023 has inter alia given the following comment(s) on the draft scheme of Arrangement:

- a) "Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
- b) "Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."
- c) "Company shall ensure compliance with the SEBI circulars issued from time to time."
- d) "The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of the Transferor Company are transferred to Transferee Company."
- e) "Company is advised that the information pertaining to all the Unlisted Companies Involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."
- f) "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."
- g) "Company is advised that the details of the proposed scheme under consideration as provided by Company to the stock exchange shall be prominently disclosed in the notice sent to the shareholders."
- h) "Company is advised to incorporate the pre & post scheme details of Assets & Liabilities of the Companies involved in SOA based on the latest audited financials, details of Assets & Liabilities which are being transferred to the Resulting Companies, details of Assets & Liabilities of the Resulting Companies based on the latest audited financials based on the latest audited financials and the detailed rationale of SOA, as a part of the explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013."
- i) "Company is advised that the proposed equity shares to be issued in terms of the 'Scheme' shall mandatorily be in demat form only."
- j) "Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."

- k) "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."
- l) "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."
- m) "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."
- n) "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Seksaria Finance 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. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Seksaria Finance Limited 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 Seksaria Finance Limited is at the discretion of the Exchange. In addition to the above, the listing of Seksaria Finance Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Seksaria Finance Limited 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 details of Seksaria Finance Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. 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 Seksaria Finance Limited 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:

- "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."
- "There shall be no change in the shareholding pattern of Seksaria Finance Limited 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.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' 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.

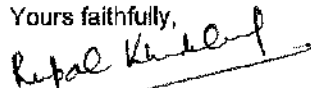
Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,


Rupal Khandelwal
Assistant General Manager


Tanmayi Lele
Assistant Manager

IN THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH

C.A(CAA)/221/MB-I/2023

In the matter of
Companies Act, 2013

AND

In the matter of
Companies Act, 2013 (18 of 2013) and
Section 230-232 of the Companies Act, 2013
and other applicable provisions of the
Companies Act, 2013 read with the
Companies (Compromises, Arrangements and
Amalgamations) Rules, 2016;

In the matter of
Scheme of Arrangement of

Seksaria Industries Private Limited

CIN: U17120MH1948PTC006225

... Applicant Company No.1
/Demerged Company 1

Seksaria Agritech Private Limited

CIN: U15490MH2021PTC358800

... Applicant Company No.2
/Resulting Company 1

**Ishwarshakti Holdings & Traders
Limited**

CIN: L51100MH1983PLC030782

... Applicant Company No.3
/Demerged Company 2

Seksaria Finance Limited

CIN: U67110MH2021PLC358689

Applicant Company No.4
/Resulting Company 2

“Collectively referred as Applicant Companies”

Order delivered on 01.11.2023

Coram:

Shri Prabhat Kumar
Hon'ble Member (Technical)
(Judicial)

Justice Shri V.G. Bisht
Hon'ble Member

Appearances (through)

For the Applicant(s) : Mr. Ahmed Chunawala Ms.
Ashwini Gawde, Advocates i/b
ASR & Associates

ORDER

Per: Prabhat Kumar, Member (Technical)

1. The Joint Company Scheme Application is filed and sought sanction of this Tribunal under section 232 r/w Section 230 of the Companies Act, 2013 for the present Scheme of Arrangement of **Seksaria Industries Private Limited** ("Demerged Company No. 1") and **Seksaria Agritech Private Limited** (Resulting Company No. 1") and **Ishwarshakti Holdings & Traders Limited** (Demerged Company No. 2") with **Seksaria Finance Limited** ("Resulting Company No. 2") and their respective shareholders ("the Scheme") under sections 230 to 232 of the Companies Act, 2013.
2. The Board of Directors of the Demerged Companies and Resulting Companies in their respective meetings conducted on 2nd November,

2021 and 25th February, 2022 for the Demerged Companies and the Resulting Companies have approved the Scheme.

3. The Appointed Date is 1st April, 2021. The Applicant Company submits that the Board Resolution was passed on 2nd November, 2021 and 25th February, 2022. The Applicant Company is a listed Company and the Approval from BSE was obtained on 17th April, 2023.
4. The rationale for the proposed Scheme is as under:
 - i.Result In simplification of the group segregation structure of the Sugar and Non sugar business comprising of real estate, optical, confectionaries and finance between the two sets of shareholders to ease out the business operation.
 - ii.Enable each business being unrelated to pursue respective growth and investment opportunities.
 - iii.Result in economics in business operations, provide optimal utilization of resources and greater administrative efficiencies.
5. The Business Clause is as follows:
 - i. The Applicant Company No. 1 is in the business of buying and selling of flats, shops, construction, optical shops.
 - ii. The Applicant Company No. 2 is in the business of agricultural and allied services.
 - iii. The Applicant Company No. 3 is in the business of financing Industrial Enterprises and to carry on business as an investment company by investing, acquiring,

holding and dealing in shares, securities, movable, immovable properties and also carries business as investment company to invest and acquire, hold, sell and otherwise deal in shares, debentures, stocks, bonds.

iv. The Applicant Company No. 4 is engaged in the business of Finance and Investment.

6. The Authorised Share Capital of the Applicant Company No.1 (Demerged Company No.1), as on the 31st day of March, 2023 is as under:

Particulars	Amount in Rs
<u>Authorized Share Capital</u>	
1,10,000 Equity Shares of Rs. 100/- each	1,10,00,000
TOTAL	1,10,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
98,000 Equity Shares of Rs. 100/- Each fully paid up	98,00,000
TOTAL	98,00,000

As on date there is no change in the capital structure of the Applicant Company No.1.

7. That there are 12 (Twelve) Equity Shareholders in the Applicant Company No.1. That the convening and holding the meeting of the Equity Shareholders of the Applicant Company No.1 for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement of **Seksaria Industries Private Limited** (“Demerged Company No. 1”) and **Seksaria Agritech Private Limited** (Resulting Company No. 1”) and **Ishwarshakti Holdings & Traders Limited** (Demerged Company No.

2”) with **Seksaria Finance Limited** (“Resulting Company No. 2”) and their respective shareholders (“the Scheme”) is dispensed with, in view of the consent affidavits given by the twelve Equity Shareholders of the Applicant Company No.1.

8. The authorized, issued, subscribed & paid-up share capital of the Second Applicant Company, as on March 31, 2023 is as under:

Particulars	Amount in Rs
<u>Authorized Share Capital</u>	
10,000 Equity shares of Rs.10 each	1,00,000
TOTAL	1,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
10,000 Equity Shares of Rs. 10/- each fully paid-up	1,00,000
TOTAL	1,00,000

As on date there is no change in the capital structure of the Applicant Company No.2/Resulting Company 1.

9. That there are 3 (Three) Equity Shareholders in the Applicant Company No.2. That the convening and holding the meeting of the Equity Shareholders of the Applicant Company No.2 for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement is dispensed with in view of the consent affidavits given by the three Equity Shareholders of the Applicant Company No.2, which are annexed as ‘Exhibit J-1 to J-3’ to the Company Scheme Application.
10. The authorized, issued, subscribed & paid-up share capital of the Third Applicant Company, as on March 31, 2023 is as under:

Particulars	Amount in Rs
<u>Authorized Share Capital</u>	

Particulars	Amount in Rs
20,00,000 Equity shares of Rs. 10 each	2,00,00,000
TOTAL	2,00,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
14,40,000 Equity Shares of Rs. 10/- each fully paid-up	1,44,00,000
TOTAL	1,44,00,000

As on date there is no change in the capital structure of the Applicant Company No.3/Demerged Company 2.

11. That the convening and holding the meeting of the Equity Shareholders of the Applicant Company No.3 for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement of the Petitioner Companies shall be convened & held as may be decided by the Chairman.
12. The authorized, issued, subscribed & paid-up share capital of the Fourth Applicant Company, as on March 31, 2023 is as under:

Particulars	Amount in Rs
<u>Authorized Share Capital</u>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
TOTAL	5,00,000
<u>Issued, Subscribed and Paid-up Share Capital</u>	
50,000 Equity Shares of Rs. 10/- each	5,00,000
TOTAL	5,00,000

As on date of filing this application, there is no change in the authorized, issued, subscribed & paid-up share capital of the Fourth Applicant Company.

13. That there are 07 (Seven) Equity Shareholders in the Applicant Company No.4. That the convening and holding the meeting of the Equity Shareholders of the Applicant Company No.4 for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement of the Applicant Companies is dispensed with in view of the consent affidavits given by the seven Equity Shareholders of the Applicant Company No.4.
14. At least 30 (Thirty) clear days before the said meeting of the Equity Shareholders of all the Applicant Company No. 3 to be held as aforesaid, a notice convening the said Meeting at the place, day, date and time aforesaid, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230 of the Companies Act, 2013 and the prescribed form of proxy, shall be sent by registered post or by air mail or by courier or by speed post or by hand delivery or email to each of the Equity Shareholders of all the Applicant Company No. 3 at their respective registered or last known addresses or by e-mail to the registered e-mail address of the Equity Shareholders as per the records of the Applicant Company No.3 or can be obtained free of charge at the registered office of the Applicant Company as aforesaid. The Applicant Company No.3 shall publish the notice convening the meeting of Equity Shareholders in 'Business Standard' in English and 'Navshakti' in Marathi having circulation in the State of Maharashtra in which the registered office of the company is situated.

15. The Applicant Companies submits that there are no Secured Creditors in the Applicant Companies.
16. That there are 44 (Forty Four) Unsecured creditors having an outstanding balance of Rs.9,40,20,688/- (Rupees Nine Crore Forty Lakhs Twenty Thousand Six Hundred And Sixty only) in the First Applicant Company. That the convening and holding the meeting of the Unsecured Creditors of the Applicant Company No.1 for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement of Applicant Companies and their respective shareholders (“the Scheme”) is dispensed with in view of the consent affidavits given by the 100% Unsecured Creditors of the Applicant Company No.1.
17. That there are 02 (Two) unsecured creditors having an outstanding balance of Rs.36,800/- (Rupees Thirty Six Thousand Eight Hundred only) in the Second Applicant Company. That the convening and holding the meeting of the Unsecured Creditors of the Applicant Company No.2 for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement of and their respective shareholders (“the Scheme”) is dispensed with in view of the consent affidavits given both the Unsecured Creditors of the Applicant Company No.2.
18. That there are 05 (Five) unsecured creditors having an outstanding balance of Rs.1,14,35,570/- (Rupees One Crore Fourteen Lakh Thirty Five Thousand Five Hundred and Seventy only) in the Third Applicant Company. That the convening and holding the meeting of the Unsecured Creditors of the Applicant Company No.3 for the purpose of considering and, if thought fit, approving, with or without

modification(s) the proposed Scheme of Arrangement and their respective shareholders (“the Scheme”) is dispensed with in view of the consent affidavits given by the 100% Unsecured Creditors of the Applicant Company No.3.

19. That there is 01 (One) unsecured creditors having an outstanding balance of Rs.11,800/- (Rupees Eleven Thousand Eight Hundred only) in the Third Applicant Company. That the convening and holding the meeting of the Unsecured Creditors of the Applicant Company No.4 for the purpose of considering and, if thought fit, approving, with or without modification(s) the proposed Scheme of Arrangement between Applicant Companies and their respective shareholders (“the Scheme”) is dispensed with in view of the consent affidavit given by the Creditor of the Applicant Company No.4.
20. The Applicant Company No. 3 undertakes to:
 - i. Issue notice convening meeting of the Equity Shareholders as per Form No. CAA.2 (Rule 6) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016
 - ii. issue statement containing all the particulars as per Section 230 of the Companies Act, 2013;
 - iii. Issue form of proxy as per Form No. MGT-11 (Rule 19) of the Companies (Management and Administration) Rules, 2014; and
 - iv. advertise the notice convening meeting as per Form No. CAA.2 (Rule 7) the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
21. That Shri Sushil Kumar Agarwal, Retd. IRS, Mob:- 8437545158, Email: sushilkumar1957@yahoo.com, shall be the Chairperson of the

meeting of Equity Shareholders of the Applicant Company No. 3 and failing him, Mr. Deepak Kumar Bubna, Audit Committee Member shall be the alternate Chairperson of the said meeting. The Applicant Company No.1 is directed to pay remuneration of Rs.1.50 Lakh plus GST, if applicable to the Chairman. The Scrutinizer for the meeting of the Applicant Company No. 3 shall be Mr. Milan Mehta, Company Secretary. The Applicant Company No.1 is directed to pay remuneration of Rs.0.50 Lakh plus GST, if applicable to the Scrutinizer.

22. The Chairperson appointed for the aforesaid Equity Shareholders of the Applicant Company No. 3 to issue the notices of the meeting referred to above. The said Chairperson shall have all powers under the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
23. The quorum for the aforesaid meeting of the Equity Shareholders of the Applicant Company No. 3 shall be as prescribed under Section 103 of the Companies Act, 2013.
24. The voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorization duly signed by the person entitled to attend and vote at the meeting, is filed with all the Applicant Company No.3 at their respective Registered Office not later than, 48 hours before the aforesaid Equity Shareholders meeting as required under Rule 6 of the

Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

25. The value and number of the shares of each member shall be in accordance with the books/ register of all the Applicant Company No. 3 or depository records and where the entries in the books / register / depository records are disputed, the Chairperson of the Meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
26. The Chairperson to file an affidavit not less than seven days before the date fixed for the holding of the meeting and do report this Tribunal that the direction regarding the issue of notices and advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
27. The Chairperson to report to this Tribunal, the result of the aforesaid meeting within thirty days of the conclusion of the meeting, as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
28. The Consideration is as follows:
 - i. Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 1 into Resulting Company No. 1 in terms of this Scheme, Resulting Company No. 1 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.1 whose name appears in the register of members of Demerged Company No. 1 as on the Record Date 1 as may be stipulated by the Board of Directors of Demerged Company No.1 or to such of their heirs,

executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

10(Ten) fully paid up Equity Shares of Rs.10/- each of Resulting Company No. 1 shall be issued and allotted as fully paid up for every 1 (one) Equity Share of Rs.100/- each fully paid up held in Demerged Company No. 1.

- ii. Upon the Scheme becoming effective and upon the demerger of the Demerged Undertaking No. 2 into, Resulting Company No. 2 in terms of this Scheme, Resulting Company No. 2 shall, without any further application or deed, issue and allot shares to the shareholders of Demerged Company No.2 whose name appears in the register of members of Demerged Company No. 2 as on the Record Date 2 as may be stipulated by the Board of Directors of Demerged Company No.2 or to such of their heirs, executors, administrators or the successors in title, as the case may be as may be recognized by the Board of Directors, in the following proportion viz:

7 (Seven) fully paid up Equity Shares of Rs.10 each of Resulting Company No. 2 shall be issued and allotted as fully paid up for every 1 (One) Equity Shares of Rs.10 each fully paid up held in Demerged Company No. 2

29. That the Applicant Companies are directed to serve notices along with copy of Scheme under the provisions of Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 upon the-

- a. Central Government through the office of Regional Director, Western Region, Mumbai;
 - b. Jurisdictional Registrar of Companies;
 - c. Jurisdictional Income Tax Authority within whose jurisdiction; the Applicant Company's assessment are made; and the Nodal Authority in the Income Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai, Address:- 3 rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020, Phone No. 022-22017654 [E-mail: Mumbai.pccit@incometax.gov.in];
 - d. Jurisdictional GST Authority(s) (proper officer), within whose jurisdiction such companies are assessed to tax under GST law;
 - e. National Stock Exchange;
 - f. Bombay Stock Exchange,
 - g. Securities Exchange Board of India
 - h. Reserve Bank of India;
 - i. Any other Sectoral/Regulatory Authorities relevant to the Petitioner Companies or their business.
30. The Notice shall be served through by Registered Post-AD, Speed Post and email along with copy of Scheme and state that “*If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities has no objection to the proposed Scheme*”. It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the noticee.
31. The Applicant Companies will submit –
- i. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any.
 - ii. List of pending IBC cases, if any, along with all other litigation;
 - iii. pending against the Applicant Companies having material impact on the proposed Scheme.

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- iv. The Applicant Companies shall submit details of all Letters of Credit sanctioned and utilized as well as Margin Money details; if any.
32. The Applicant Companies to file an affidavit of service within 10 working days after serving to notice to all the regulatory authorities as stated above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.
33. The Applicant Companies to file an affidavit of service within 10 working days after serving to notice to all the regulatory authorities as stated above and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.
34. The Appointed Date is 1st April, 2021.

Sd/-

Prabhat Kumar
Member (Technical)

Sd/-

Justice V.G. Bisht
Member (Judicial)