

## **RATIONALE OF THE SCHEME OF ARRANGEMENT**

### **A. Demerger of the Sugar Division of Jay Shree Tea & Industries Ltd. (JSTIL) into Majhaulia Sugar Industries Pvt. Ltd. (MSIPL)**

- JSTIL is engaged in the business of cultivation and production of tea, chemicals & fertilisers and sugar. MSIPL has been formed for the purposes of undertaking the business of manufacture and sale of sugar.
- JSTIL is incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Industry House, 10 Camac Street, Kolkata 700017 in the State of West Bengal.
- MSPIL is incorporated under the provisions of the Companies Act, 2013 and having its registered office at P-7, Transport Depot Road, Kolkata 700088 in the State of West Bengal.
- Each of the businesses of JSTIL has its potential for growth and profitability, if carried out independently under separate management and set up. The nature of risk, consideration, factors and commercial parameters applicable to the business of sugar is different from that of tea and fertilisers. As such, it is proposed to reorganise JSTIL by demerger of its Sugar Division to MSIPL.
- The demerger will enable JSTIL to focus on its core business of manufacture and sale of tea and fertilizers. Further, MSIPL will by reason of demerger, will obtain sugar mill from JSTIL resulting in its growth, expansion and development.
- The demerger will result in better, efficient and economical management, control, and running of the businesses and further development and growth of the businesses of JSTIL and MSIPL. The Scheme will accordingly have beneficial results for all the companies, their shareholders, employees and all concerned. The restructuring will unlock significant value for the shareholders of JSTIL and will be beneficial for all the companies.


For JAY SHREE TEA & INDUSTRIES LTD.

  
R.K. GANERIWALA  
President & Secretary

**B. Demerger of the Jay Shree Beneficiary Trust Unit of Jay Shree Tea & Industries Ltd. (JSTIL) into Jayantika Investment & Finance Ltd. (JIFL)**

- The Transferor Company is engaged in the business of cultivation and production of tea, chemicals & fertilisers and sugar. JIFL is engaged in the business of investing in shares and securities and providing finance.
- JSTIL is incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Industry House, 10 Camac Street, Kolkata 700017 in the State of West Bengal.
- JIFL is incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industry House, 10 Camac Street, Kolkata 700017 in the State of West Bengal.
- Each of the businesses of JSTIL has its potential for growth and profitability, if carried out independently under separate management and set up. The nature of risk, consideration, factors and commercial parameters applicable to the business of investment is different from that of tea and fertilisers. As such, it is proposed to reorganise JSTIL by demerger of its Jay Shree Beneficiary Trust Unit to JIFL.
- The demerger will enable JSTIL to focus on its core business of manufacture and sale of tea and fertilizers. Further, JIFL will by reason of demerger, will obtain shares from JSTIL resulting in growth, expansion and development of their respective businesses.
- The demerger will result in better, efficient and economical management, control, and running of the businesses and further development and growth of the businesses of JSTIL and JIFL. The Scheme will accordingly have beneficial results for all the companies, their shareholders, employees and all concerned. The restructuring will unlock significant value for the shareholders of JSTIL and will be beneficial for all the companies.

For JAY SHREE TEA & INDUSTRIES LTD.

  
R.K. GANERIWALA  
President & Secretary