

Scheme of Amalgamation

Between

Mawana Foods Private Limited

And

Mawana Sugars Limited

And

Their respective shareholders and creditors

[Pursuant to sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013]

Preamble

This scheme of amalgamation (hereinafter referred to as "Scheme" and more particularly defined hereinafter) is presented under the provisions of sections 230 to 232 and other relevant provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "Act" and more particularly defined hereinafter) as applicable, read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, for amalgamation of Mawana Foods Private Limited (hereinafter referred to as "Transferor Company") with and into Mawana Sugars Limited (hereinafter referred to as "Transferee Company"), on a going concern basis with effect from the Appointed Date (more particular defined hereinafter).

[For the sake of brevity, the Transferor Company and Transferee Company are hereinafter collectively referred to as "Companies"].

1. BACKGROUND AND DESCRIPTION OF COMPANIES

- 1.1. Mawana Sugars Limited or Transferee Company is a listed public limited company duly incorporated under the provisions of Companies Act, 1956 on 27th March 1961, bearing Corporate Identification Number ("CIN") L74100DL1961PLC003413 and having its registered office situated in the State of Delhi at 5th Floor, Kirti Mahal, 19 Rajendra Place, Central Delhi, New Delhi – 110125, India. The equity shares of the Transferee Company are listed on the Stock Exchanges (as defined hereinafter). Permanent Account Number ("PAN") of the Transferee Company is AAACS4902Q, and the correspondence e-mail address of the Transferee Company is secretarialdept@mawanasugars.com.

The Transferee Company is engaged in business of manufacturing and marketing of sugar, ethanol and cogeneration of power at its units located at Mawana Sugar Works, Distt. Meerut, Uttar Pradesh and Nanglamal Sugar Complex, Nanglamal, Distt. Meerut, Uttar Pradesh.

- 1.2. Mawana Foods Private Limited or Transferor Company is an unlisted private limited company duly incorporated under the provisions of the Companies Act, 1956 on 3rd January 2006, bearing CIN U74899DL2006PTC144412 and having its registered office situated in the State of Delhi at 5th Floor, Kirti Mahal, 19 Rajendra Place, Central Delhi, New Delhi - 110008, India. PAN of the Transferor Company is AAJCS7525A. The correspondence e-mail address of the Transferor Company is ashokkumarshukla@mawanafoods.com. Further, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

The Transferor Company is engaged in the business of trading of sugar under the brand name 'Mawana'.



2. RATIONALE FOR THE SCHEME

The Transferee Company is engaged in the business of manufacturing and marketing of sugar, ethanol and cogeneration of power at its units located at Mawana Sugar Works, Distt. Meerut, Uttar Pradesh and Nanglamal Sugar Complex, Nanglamal, Distt. Meerut, Uttar Pradesh whereas the Transferor Company is engaged in the business of trading of sugar under the brand name 'Mawana'. As both the Companies are engaged in similar line of businesses, accordingly, in order to leverage the existing strength and capabilities of group entities engaged in similar businesses, it is proposed to amalgamate the Transferor Company with and into the Transferee Company.

Thus, the Amalgamation (as defined hereinafter) would, inter-alia, have the following benefits:

- (a) the consolidation of business would create synergies between the businesses of the Companies, thereby enabling pooling of financial, marketing, technical, distribution and other resources along with optimum utilization of resources.
- (b) the Scheme would lead to efficient and economical cost management, cost savings, better alignment, coordination and streamlining of day-to-day operations of the units and will provide a larger and stronger base for potential future growth.
- (c) the consolidation of business would result in simplification of the existing corporate structure and eliminate administrative duplications, consequently rationalization of administrative expenses/ services as well as reducing multiple legal and regulatory compliances.
- (d) the consolidation of business would allow for streamlined decision making process, help in better utilization of human resources and providing access to a larger and more diverse talent pool leading to improved expertise, skills and capabilities.
- (e) thus, this Scheme, as envisaged, is in the interest of the shareholders, creditors, employees, and other stakeholders of each of the Companies by pursuing a focused business approach under a single entity, thereby resulting in overall maximization of value creation of all the stakeholders involved.

The respective Board of Directors of the Transferor Company and the Transferee Company are of the opinion that the Scheme is not prejudicial to the shareholders, directors, key management personnel, creditors, lenders, employees and other stakeholders of the companies.

3. PARTS OF THE SCHEME:

This Scheme is divided into the following parts:

Part-I: This part of the Scheme deals with definitions, interpretation, sets out the capital structure of the companies and date of taking into effect and implementation of the Scheme.

Part-II: This part of the Scheme, inter-alia, deals with transfer and vesting of the assets, liabilities, profits or losses, legal proceedings, employees and business of the Transferor Company with and into the Transferee Company.

Part-III: This part of the Scheme deals with consideration for Amalgamation (as defined hereinafter).

Part-IV: This part of the Scheme deals with accounting treatment, conditionality of the Scheme and other miscellaneous provisions.



PART-I

DEFINITIONS, INTERPRETATION, CAPITAL STRUCTURE OF THE COMPANIES AND DATE OF TAKING INTO EFFECT OF THE SCHEME AND IMPLEMENTATION OF THE SCHEME

4. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings respectively assigned to them hereinbelow:

- 4.1. **“Act”** means the Companies Act, 2013 and applicable rules made thereunder (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force).
- 4.2. **“Amalgamation”** means amalgamation of the Transferor Company with and into the Transferee Company on a going concern basis in terms of the Scheme (as defined hereinafter) in its present form or with any modification(s) as approved by the Hon’ble Tribunal (as defined hereinafter).
- 4.3. **“Applicable Laws”** means any relevant statute, notification, by-laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinances, schemes, notices, treaties, judgement, decree, approvals, orders or instructions enacted or issued or sanctioned by any Governmental and Registration Authority (as defined hereinafter), having the force of law and as applicable to the Companies.
- 4.4. **“Appointed Date”** for the purpose of this Scheme means 1st April 2025 or such other date as the Hon’ble Tribunal (as defined hereinafter) may direct.
- 4.5. **“Board of Directors”** or **“Board”** in relation to the Transferor Company and Transferee Company, as the case may be, means the board of directors of such companies and shall include a committee of directors or any person authorized by such board of directors, or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme or any other matter relating thereto.
- 4.6. **“Effective Date”** shall be last of the dates on which all the conditions and matters referred to in clause 24 of Part-IV have been fulfilled or waived in accordance with this Scheme and Applicable Laws.

Provided that references in this Scheme to the date of “upon coming into effect of the Scheme” or “upon the scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.

- 4.7. **“Governmental and Registration Authority”** means an authority established by a government of any jurisdiction (including any national, state, municipal, or local government or any political or administrative subdivision thereof), any legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, SEBI (as defined hereinafter), Stock Exchanges (as defined hereinafter), quasi-judicial body or arbitral body having jurisdiction over the Companies.
- 4.8. **“GST”** means the goods and services tax levied under the Central Goods and Services Tax Act, 2017, and the respective States Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017.
- 4.9. **“Intellectual Property Rights”** or **“IPR”** means, whether registered or not in the name of the Transferor Company or recognized under Applicable Laws as being intellectual property of the Transferor Company.



- 4.10. **“IT Act”** means the Income-Tax Act, 1961 and the rules made thereunder and shall include any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force.
- 4.11. **“Registrar of Companies”** or **“RoC”** means the Registrar of Companies, Delhi.
- 4.12. **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this scheme of amalgamation between the Companies and their respective shareholders and creditors pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Act in its present form or with any modification(s) made pursuant to the provisions of this Scheme by the Board of Directors of the Companies and/ or as approved or directed by the Hon’ble Tribunal, as the case may be.
- 4.13. **“SEBI”** means Securities and Exchange Board of India.
- 4.14. **“SEBI Master Circular”** shall mean the SEBI Master Circular dated 20th June 2023 bearing reference No. SEBI/HO/CFD/POD-2/P/CIR/2023/93, as amended or replaced from time to time.
- 4.15. **“SEBI LODR Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 4.16. **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited, collectively.
- 4.17. **“Transferee Company”** shall have the meaning as ascribed to it in clause 1.1 of this Scheme.
- 4.18. **“Transferor Company”** shall have the meaning as ascribed to it in clause 1.2 of this Scheme.
- 4.19. **“Tribunal”** or **“NCLT”** means the National Company Law Tribunal, Bench at New Delhi.

5. INTERPRETATION

Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and if not defined therein then under the relevant Applicable Laws. In this Scheme, unless the context otherwise requires:

- i. references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships.
- ii. heading, sub-heading and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme.
- iii. the term “Clause” refers to the specified clause of this Scheme.
- iv. references to one gender includes all genders.
- v. any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- vi. words in the singular shall include the plural and vice versa.
- vii. reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time and any reference to a legal provision shall include any subordinate legislation made from time to time under such a statutory provision.



6. CAPITAL STRUCTURE OF THE COMPANIES

- 6.1. The authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 1st April 2025 is as under:

Share Capital	Amount (in Rs.)
Authorized Share Capital	
10,00,00,000 equity shares of Rs. 10/- each	100,00,00,000/-
75,00,00,000 preference shares of Rs. 100/- each	75,00,00,000/-
Total	175,00,00,000/-
Issued, Subscribed and Paid-up Share Capital:	
39,116,864 equity shares of Rs. 10/- each	39,11,68,640/-
Total	39,11,68,640/-

Subsequent to 1st April 2025 and till the date of approval of this Scheme by the Board of Directors of the Transferee Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferee Company.

The equity shares of the Transferee Company are listed on the Stock Exchanges.

- 6.2. The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 1st April 2025 is as under:

Share Capital	Amount (in Rs.)
Authorized Share Capital	
2,50,00,000 equity shares of Rs. 10/- each	25,00,00,000/-
Total	25,00,00,000/-
Issued, Subscribed and Paid-up Share Capital:	
2,00,36,851 equity shares of Rs. 10/- each	20,03,68,510/-
Total	20,03,68,510/-

Subsequent to 1st April 2025 and till the date of approval of this Scheme by the Board of Directors of the Transferor Company, there has been no change in the authorized, issued, subscribed and paid-up share capital of the Transferor Company.

- 6.3. It is expressly clarified that until this Scheme becomes effective, the Companies are free to alter their authorized, issued, subscribed and paid-up share capital for their basic respective business requirements, by way of fresh issue, consolidation, buy-back, stock-split or any other manner, as may be required, subject to the necessary approvals from their respective Board and shareholders, if required.

7. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

- 7.1. This Scheme in its present form or with any modification(s) made in accordance with clause 23 of this Scheme, shall become effective from the Appointed Date but shall be operational from the Effective Date.

PART-II

TRANSFER AND VESTING OF ASSETS, LIABILITIES, PROFITS OR LOSSES, LEGAL PROCEEDINGS, EMPLOYEES AND BUSINESS ETC. OF TRANSFEROR COMPANY WITH AND INTO THE TRANSFEE COMPANY

8. TRANSFER AND VESTING

- 8.1. Upon this Scheme becoming effective and with effect from the Appointed Date, all the assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company in the following manner:



- (a) All the assets and liabilities of the Transferor Company shall under the provisions of sections 230 to 232 and all other applicable provisions, if any, of the Act and pursuant to the order of the Hon'ble Tribunal sanctioning the Scheme and without any further act, instrument or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company as a going concern on and from the Appointed Date.
- (b) The Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found to be interpreted or inconsistent with the said provisions at a later date including resulting from amendment of any law or for any other reason whatsoever, the provisions of the said section of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with the section 2(1B) of the IT Act. Such modification will, however, not affect the remaining parts of the Scheme.

9. TRANSFER OF ASSETS

- 9.1. Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, the whole of the undertaking and properties including assets, being movable or immovable, tangible or intangible, rights and interests of every description belonging to the Transferor Company (hereinafter referred to as "Assets"), be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company in the mode and manner as specified in this Scheme on a going concern basis pursuant to the provisions of sections 230 to 232 and all other applicable provisions, if any, of the Act and pursuant to the order of the Hon'ble Tribunal or any other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing so as to become on and from Appointed Date, Assets of the Transferee Company.
- 9.2. Without prejudice to the above, the tangible and intangible assets of the Transferor Company as are movable in nature or otherwise capable of being transferred by physical delivery or by endorsement and delivery, shall be so transferred by the Transferor Company, without requiring any deed, instrument or conveyance for the same unless specifically desired by any Governmental and Registration Authority or any third party and shall become the property of the Transferee Company on and from the Appointed Date.
- 9.3. Without prejudice to the above, in respect of the properties other than those referred to in clause 9.2 above, including but not limited to all immovable properties, if any and all the documents of title, rights and easements in relation thereto, if any, shall pursuant to the provisions of sections 230 to 232 of the Act and pursuant to the order of the Hon'ble Tribunal sanctioning this Scheme, be transferred by the Transferor Company, without any act, deed, instrument or charge or securities for the same and shall become the properties of the Transferee Company on and from the Appointed Date.
- 9.4. Without prejudice to the above, Intellectual Property Rights, if any, of the Transferor Company shall stand transferred to and vested and be deemed to be transferred to and vested in the name of the Transferee Company without any further act, instrument or deed. The Transferee Company, however, shall, after the effectiveness of this Scheme, file relevant intimations, if required, with the Governmental and Registration Authority concerned in relation to Amalgamation, who shall take them on record pursuant to the order of Hon'ble Tribunal.



10. TRANSFER OF LIABILITIES

- 10.1. Upon the Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, all secured and unsecured liabilities, borrowings (long-term and short-term) including liabilities of every kind, nature and description, whatsoever and howsoever arising, whether present or future, including contractual liabilities and obligations of Transferor Company (hereinafter referred to as “**Liabilities**”) shall be transferred to and stand vested in and/or be deemed to be transferred to and stand vested in the Transferee Company, on a going concern basis, pursuant to provisions of sections 230 to 232 and all other applicable provisions, if any, of Act and pursuant to the order of the Hon’ble Tribunal or any other appropriate authority or forum, if any, sanctioning the Scheme.
- 10.2. With effect from the Effective Date and until such time the names of the bank accounts of the Transferor Company are replaced with that of the Transferee Company, the Transferee Company shall be entitled to operate the existing bank account(s) of the Transferor Company, in so far, as may be necessary. The banks shall also allow, and honour cheques or other bills issued in the name of the Transferor Company on and from the Effective Date.
- 10.3. Without prejudice to other provisions of this Scheme and notwithstanding that vesting of Liabilities of the Transferor Company with and into the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company, at any time upon coming into effect of this Scheme, may execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement or memorandum of understanding to which the Transferor Company is a party, on the Effective Date, as may be necessary to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of this Scheme and/or subject to necessary approvals required under the Applicable Laws be deemed to be authorized to execute any such writings on behalf of the Transferor Company to carry out or perform all such formalities or compliance, referred to above.

11. TRANSFER OF PROFITS, INCOMES, LOSSES AND EXPENDITURE

- 11.1. All profits or incomes or expenditure or losses accruing or arising to the Transferor Company or expenditure arising or incurred including interest expenses, bonus to employees, if any, to the Transferor Company on and any time after Appointed Date shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses, as the case may be, of the Transferee Company.

12. LEGAL PROCEEDINGS

- 12.1 Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings (before any statutory or quasi-judicial authority or tribunal or any court or arbitral body), if any, by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and/or be enforced by or against the Transferee Company as effectually and in the same manner and extent as if the same has been instituted and/or pending and/or arising by or against the Transferee Company.
- 12.2 It is expressly specified that the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Company as referred above, be transferred to its name and shall have the same continued, prosecuted and enforced in its name.



13. INTER COMPANY TRANSACTIONS

13.1 Without prejudice to the above provisions, upon the Scheme becoming effective and with effect from the Appointed Date, all inter-company transactions, inter-se, between the Transferor Company and the Transferee Company including but not limited to:

- a) any loans, advances, investment in equity share capital and preference share capital or otherwise and other obligations which are due or outstanding or which may at any time in future; or
- b) any agreement/memorandum of understanding, executed between the aforesaid Companies which are due or outstanding or which may become due at any time in future,

shall stand cancelled as on the Effective Date and shall be of no effect and the Transferor Company and the Transferee Company shall have no further obligation outstanding in that regard.

14. TREATMENT OF TAXES

14.1 Any liabilities including all liabilities under the IT Act, the GST laws, or other Applicable Laws/ regulations, if any (hereinafter collectively referred to as "**Tax Laws**") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to the Transferee Company pursuant to the Scheme becoming effective. Similarly all credits for taxes, if any, available under applicable Tax Laws including Minimum Alternate Tax, Sales Tax/ Value Added Tax and Service Tax, GST Act to Transferor Company or obligation for deduction/ collection of tax at source on any payment made by or to be made by the Transferor Company shall be made or deemed to have been made and duly complied with by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to Transferee Company upon the Scheme becoming effective and upon relevant proof and documents being provided to the authorities. Similarly, any advance tax, self-assessment tax payment, if any, made by Transferor Company shall also be deemed to have been made by the Transferee Company.

14.2 All taxes including income tax, dividend distribution tax, buyback tax, equalisation levy, customs duty, GST etc. paid or payable by the Transferor Company, if any, in respect of the operations and/ or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, GST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall in all proceedings, be dealt with accordingly.

14.3 Upon this Scheme becoming effective, all unavailed credits, claims and exemptions, any refunds, interest due there on and other statutory benefits, if any, in respect of income tax (including but not limited to TDS, tax collected at source, advance tax, book and tax losses etc.), cenvat, customs, value added tax, sales tax, service tax, GST etc. to which the Transferor Company is entitled to, prior to the period of the Appointed Date, shall be available to and vest in the Transferee Company, without any further act or deed. Further any taxes paid, and taxes deducted at source and deposited by the Transferee Company on inter se transactions during the period between the Appointed Date and the Effective Date shall be treated as advance tax paid by the Transferee Company and shall be available to the



Transferee Company for set-off against its liability under the IT Act, and excess tax so paid shall be eligible for refund together with interest.

- 14.4 Upon the Scheme becoming effective, the Transferee Company is permitted to file or revise the returns of the Transferor Company including but not limited to TDS return, sales tax/value added tax returns, GST returns and all other relevant returns filed with the Governmental and Registration Authority for the period prior to the Appointed Date, to claim refunds and interest due, if any thereon, credits, exemptions pursuant to provisions of this Scheme, notwithstanding that the time period prescribed for filing/ revision of such return may have elapsed.
- 14.5 Any refund, benefits, budgetary support under the Tax laws due to the Transferor Company consequent to the assessments made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong to and be received by the Transferee Company. The concerned Governmental and Registration Authority shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the Scheme becoming effective and documents being provided to the said authorities.
- 14.6 The Transferee Company shall file relevant intimations, if required under the Applicable Laws, at its own cost, for the record of concerned Governmental and Registration Authority who shall take them on file. The Transferee Company shall be deemed to be authorized to execute any such writings on behalf of the Transferor Company in order to carry out or perform all such formalities or compliances referred to above on part of the Transferor Company.
- 14.7 All the expenses incurred by the Companies in relation to the Amalgamation as per the terms and conditions of this Scheme including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with the provisions of section 35DD of the IT Act over a period of 5 years, or any other period prescribed under the IT Act, beginning with the previous year in which this Scheme becomes effective. Further, all the expenses incurred by the Transferor Company under Section 43B of the IT Act, in relation and pertaining to its business, shall be claimed as a deduction by the Transferee Company and the transfer of the entire business shall be considered as succession of business by the Transferee Company.
- 14.8 Upon the Scheme becoming effective, any TDS deposited, TDS certificates issued, or TDS returns filed by the Transferor Company shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued, and TDS returns were filed by the Transferee Company. Any TDS deducted by, or on behalf of the Transferor Company on inter se transactions will be treated as advance tax deposited by the Transferee Company and shall be available to the Transferee Company for set-off against its liability under the IT Act, and excess tax so paid shall be eligible for refund together with interest.

15. EMPLOYEES

15.1 Upon coming into effect of this Scheme:

- a) All staff and employees who are in employment of the Transferor Company on the Effective Date shall become the staff and employees of the Transferee Company with effect from the Appointed Date on the basis that:
 - (i) their employment shall be deemed to have been continuous and not interrupted by reasons of the said transfer; and



- (ii) the terms and conditions of their employment after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the said transfer.
- b) It is expressly provided that as far as provident fund, employee state insurance plan scheme, gratuity scheme/trusts, leave encashment, superannuation scheme, compensated absences, unavailed leave scheme or any other special scheme(s) or fund(s) or trust(s), provisions for benefits created or existing, if any, for benefit of staff / workmen / employees of the Transferor Company are concerned, upon coming into effect of the Scheme, the Transferee Company shall stand substituted for all the Transferor Company for all purposes whatsoever, related to the administration or operation of such scheme(s) or fund(s) or trust(s) and intent that all rights, duties, powers and obligation(s) of the Transferor Company in relation to such scheme(s) or fund(s) or trust(s) shall become those of the Transferee Company. It is clarified that the employment of employees of the Transferor Company will be treated as having been continuous for the purpose of the aforesaid scheme(s) or fund(s) or trust(s) including for the purposes of payment of any retrenchment compensation and other terminal benefits. The Transferee Company shall file relevant intimations with the Governmental and Registration Authority concerned who shall take the same on record and endorse the name of the Transferee Company for the Transferor Company. Upon this Scheme becoming effective, all contributions to such scheme(s) or fund(s) or trust(s) created or existing for the benefit of such employees of the Transferor Company shall be made by the Transferee Company in accordance with the applicable provisions of such scheme(s) or fund(s) or trust(s) and Applicable Laws.

16. CONTRACTS, DEEDS, RESOLUTIONS, ETC.

- 16.1 Subject to other provisions contained in this Scheme, all contracts, understandings, agreements and writings and benefits of whatsoever nature, if any, to which the Transferor Company is a party and are subsisting or having effect on the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto or beneficiary or oblige thereto or thereunder.
- 16.2 Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all statutory or regulatory licences, certificates, insurance covers, clearances, authorities, power of attorney given by, issued to or executed in favour of the Transferor Company or any instrument of whatsoever nature including various incentives, subsidies, schemes and other benefits or privileges enjoyed or availed by the Transferor Company, granted by any Governmental or Registration Authority, or by any other person, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.
- 16.3 All resolutions of the Transferor Company which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have any upper monetary or any other limits imposed under provisions of the Act, then the said limits shall apply mutatis mutandis



to such resolutions and shall constitute the aggregate of the said limits in the Transferee Company.

17. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

17.1 During the period between the approval of the Scheme by the Board of Directors of the Transferor Company and Transferee Company and Effective Date, the Transferor Company shall be deemed to carry on all their businesses and other incidental matters for and on account of and in trust for the Transferee Company with reasonable diligence and due business prudence in the same manner as carried before and shall not without the prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of any of such Assets or IPR and their business undertaking(s) or any part thereof, save and except in each case:

- a) If it is in the ordinary course of business of the Transferor Company; or
- b) If the same is expressly permitted by this Scheme.

18. SAVING OF CONCLUDED TRANSACTION

18.1 Where any of the Liabilities of the Transferor Company have been discharged by the Transferor Company prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company.

18.2 Without prejudice to anything mentioned above or anything contained in this Scheme, transfer and vesting of business of the Transferor Company as per this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things made, done and executed by the Transferor Company as acts, deeds, matters and things made, done and executed by or on behalf of the Transferee Company.

18.3 All the Liabilities, incurred or undertaken by the Transferor Company prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and pursuant to provisions of section 232 and any other applicable provisions of the Act, shall without any further act, instrument or deed, be and stand transferred to and/or vested in and/ or be deemed to have been transferred to and vested in the Transferee Company and shall become Liabilities of the Transferee Company.

PART-III

CONSIDERATION FOR AMALGAMATION

19. CONSIDERATION

19.1 Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company, accordingly, upon the Scheme becoming effective, all the equity shares as held by the Transferee Company in the Transferor Company either by itself or through its nominee shall stand cancelled and extinguished. Therefore, there will be no issue and allotment of shares as consideration by the Transferee Company to the shareholders of the Transferor Company upon coming into effect of the Scheme. The investments in the shares of the Transferor Company, appearing in the books of account of Transferee Company shall, without any further act or deed, stand cancelled.



PART-IV

ACCOUNTING TREATMENT, CONDITIONALITY OF SCHEME AND OTHER
MISCELLANEOUS PROVISIONS

20. ACCOUNTING TREATMENT FOR AMALGAMATION

Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the Amalgamation of the Transferor Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix-C of Indian Accounting Standard ("Ind AS") 103 (Business Combinations of entities under common control) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:

20.1. In the books of Transferee Company:

- 20.1.1. All the assets and liabilities including goodwill, if any, of the Transferor Company shall be recorded in the financial statements of the Transferee Company at the carrying value as appearing in the consolidated financial statements of the Transferee Company.
- 20.1.2. The identity of the reserves pertaining to the Transferor Company, shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying values as appearing in the consolidated financial statements of Transferee Company.
- 20.1.3. Pursuant to the Amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and/or the Transferor Company, if any, appearing in the books of the Transferor Company and/or the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.
- 20.1.4. The value of investment held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to Amalgamation and there shall be no further obligation in that behalf.
- 20.1.5. The surplus, if any arising after taking the effect of clause 20.1.1. to 20.1.4., shall be transferred to Capital Reserve in the financial statements of the Transferee Company. The deficit, if any, arising after taking the effect of clause 20.1.1. to 20.1.4. and adjustment of previously existing credit balance in capital reserve, if any, shall be debited to the Retained Earnings in the financial statements of the Transferee Company to the extent of the balance available in the said account. If there is further deficit, the amount will be debited to the Amalgamation Adjustment Deficit Account, and its nature shall be akin to debit balance in the Profit and Loss Account. The balance of this account shall be presented as part of reserves and a note explaining the nature shall be given in the financial statements of the Transferee Company.
- 20.1.6. In case of any differences in accounting policy between the Transferor Company and Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements of Transferee Company reflect the financial position on consistent accounting policies.
- 20.1.7. Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of Amalgamation, as stated above, as if the Amalgamation had occurred from the beginning of the comparative period. However, if common control came into existence after that date, the prior period information shall be restated only from the date of the common control.



- 20.1.8. For accounting purposes, the Scheme will be given effect on the date when all substantial conditions of the Amalgamation of the Transferor Company with Transferee Company are completed.
- 20.1.9. Any matter not dealt with in clause hereinabove shall be dealt with in accordance with the requirements of applicable the Indian Accounting Standards.

20.2. In the books of Transferor Company:

- 20.2.1. Upon the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound up and hence, there is no accounting treatment prescribed under this Scheme in the books of the Transferor Company.

21. DISSOLUTION OF THE TRANSFEROR COMPANY

- 21.1. Upon the Scheme becoming effective, the Transferor Company shall, without any further act or deed, stand dissolved without winding up.

22. APPLICATION TO THE TRIBUNAL

- 22.1. The Companies shall, with all reasonable documents/ annexures dispatch, make necessary applications/petitions under sections 230 to 232 and other applicable provisions of the Act to the Hon'ble Tribunal for seeking sanction of this Scheme.

23. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 23.1. Subject to approval by the Hon'ble Tribunal, the Board of each of the Companies may assent to any modification(s)/ amendment(s) including withdrawal/ termination of the Scheme or to any other conditions or limitations that the Hon'ble Tribunal or any Governmental and Registration Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by their respective Boards. Each of the Companies shall authorize their respective Boards to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of the Hon'ble Tribunal or any Governmental and Registration Authority of any other competent authority or otherwise howsoever arising out of or by virtue of the Scheme and/or to give effect to and to implement the Scheme, in part or in whole, and/or any matter concerned or connected therewith.
- 23.2. Further, it is hereby clarified that the initial consent of the shareholders and creditors (both secured and unsecured), if any, of the Companies to this Scheme shall in itself be deemed to be sufficient to authorize the operation of the abovementioned clause of this Scheme and any subsequent alteration would not require a fresh note of consent from such shareholders and creditors.

24. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 24.1. The approval of the Scheme by the respective requisite majorities in number and value of the shareholders and/or creditors (where applicable) of the Companies in accordance with sections 230 to 232 of the Act.
- 24.2. The Scheme being sanctioned by the Hon'ble Tribunal in terms of sections 230 to 232 and other relevant provisions of the Act and the requisite orders of the Hon'ble Tribunal.
- 24.3. Any other sanction or approval of the appropriate authorities concerned, as may be considered necessary and appropriate by the respective Boards of Directors of the Transferor



Company and the Transferee Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.

- 24.4. Certified copies of the order of the Hon'ble Tribunal sanctioning this Scheme being filed with the RoC by the Transferor Company and the Transferee Company in terms of the provisions of the Act.

25. COMPLIANCE WITH SEBI LODR REGULATIONS AND SEBI MASTER CIRCULAR

- 25.1. Since, the present Scheme solely provides for merger of a wholly owned subsidiary company i.e., Transferor Company with its holding company i.e., Transferee Company, therefore, in accordance with the provisions of Regulation 37(6) of the SEBI LODR Regulations read with SEBI Master Circular, the requirement of obtaining no-objection letter from the Stock Exchanges or SEBI does not arise and the present Scheme is only required to be filed with the Stock Exchanges for disclosures and dissemination purposes.

26. WITHDRAWAL OF THE SCHEME

- 26.1 Subject to approval by Hon'ble Tribunal, the Transferor Company and the Transferee Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed upon by the Board of Directors of the Transferor Company and the Transferee Company prior to the Effective Date. In such a case, the Transferor Company and the Transferee Company shall bear their own cost or as may be mutually agreed. It is hereby clarified that notwithstanding anything to the contrary contained in this Scheme, the Transferor Company and the Transferee Company shall not be entitled to withdraw the Scheme unilaterally without the prior written consent of the other Company.

27. EFFECT OF NON-RECEIPT OF APPROVALS

- 27.1 In the event of any of the said sanctions and approvals as referred to in clause 24 of the Scheme above, not being obtained and/or complied with and/or satisfied, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.
- 27.2 In the event of revocation of the Scheme, no rights and liabilities whatsoever shall accrue to or be incurred inter-se to the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

28. COSTS, CHARGES AND EXPENSES

- 28.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly provided) of the Transferor Company and the Transferee Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

29. MISCELLANEOUS

- 29.1 In case any doubt or difference or issue arises between the Companies or any of their



shareholders, creditors, employees or persons entitled to or claiming any right to any shares in any of the Companies, as to the construction of this Scheme or as to any account, valuation or apportionment to be taken or made in connection herewith or as to any other aspects contained in or relating to or arising out of this Scheme, the same shall be amicably settled between the Board of the respective Companies, and the decision arrived at therein shall be final and binding on all concerned parties.

For Mawana Sugars Limited

For Mawana Foods Private Limited


 (Ashok Kumar Shukla)
 Company Secretary
 ACS-29673




 (Narender Jain)
 Chief Financial Officer




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