

SCHEME OF AMALGAMATION

**(UNDER SECTION 230 READ WITH SECTION 232 AND OTHER
APPLICABLE PROVISIONS OF LAW)**

BETWEEN

DHELAKHAT TEA CO LIMITED

WITH

RYDAK SYNDICATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

A. PREAMBLE

The Scheme of Amalgamation (hereinafter referred to as the "Scheme") is presented under Section 230, read with Section 232 of the Companies Act, 2013 ("Act"), and such other provisions of law as may be applicable, and the Companies (Compromise, Arrangements and Amalgamation) Rules, 2016 or other applicable rules, and provides for amalgamation of Dhelakhat Tea Co Limited ("**Transferor Company**") with Rydak Syndicate Limited ("**Transferee Company**") and subsequent dissolution of the Transferor Company without winding up.



In addition to the above, the Scheme also provides for the matters consequential, supplemental and/or otherwise integrally connected therewith.

B. DESCRIPTION OF COMPANIES

1. Dhelakhat Tea Co Limited (“Transferor Company”/ “First Applicant”)

1.1. **Transferor Company** is a CSE listed Company, having CIN: L15492WB1917PLC002894, incorporated on 19th November, 1917, under the provisions of the Companies Act, 1913 (validly existing under the Companies Act, 2013) having its registered office at 4 Dr Rajendra Prasad Sarani, Kolkata- 700001, in the State of West Bengal.

1.2. The main objects of the First Transferor Company, as stated in its Memorandum of Association, are *inter-alia* as follows:

“ III (a) To acquire lands in the District of Lakhimpur in the Province of Assam and with a view thereto to enter into the Agreement referred to in the Article 3 of the Company's Articles of Association and to carry the same into effect with or without modification.

(b) To acquire other lands in the Province of Assam and elsewhere in (British) India, the Straits Settlements, Ceylon or the Far East and any machinery works, stock, plant, movable or immovable property of any kind and wheresoever situate, including concessions and easements or rights and privileges of any kind.

.....”

1.3. Presently, the Transferor Company is engaged in the business of harvesting, manufacturing and selling of tea.

2. Rydak Syndicate Limited, (“Transferee Company”/ “Second Applicant”)

2.1. **Transferee Company** is a CSE listed Company, having CIN: L65993WB1900PLC001417, incorporated on 24th July, 1900, under the provisions of the Companies Act, 1913 (validly existing under the Companies Act, 2013) having its registered office at 4 Dr Rajendra Prasad Sarani, Kolkata- 700001, in the State of West Bengal.

2.2. The main objects of the Transferee Company, as stated in its Memorandum of Association, are *inter-alia* as follows:

“III (a) To enter into and carry into effect (either with or without modification) an agreement which has already been prepared and is expressed to be made between Robert Ross Waller and George Frank Playfair of the one part, and the Company of the other part, a copy whereof is set forth in the Schedule to the Articles of Association of the Company.

(b) To acquire, if and when considered expedient, landed property in British India other than that mentioned in the said Agreement, as aforesaid, set forth in the Schedule to the said Articles of Association.

(c) To open out on any land acquired by or belonging to the Company, such Tea Gardens and plantations as shall be considered expedient for the purposes of the Company, and to carry on the business of planting and cultivating the Tea plant and the manufacture and sale of Tea.

.....”

2.3. Presently, the Transferee Company is engaged in the business of harvesting, manufacturing and selling of tea. The Company has also commenced operations commercially as a Tea Tourism operator in Dooars

Region in the name of *Baradighi – The Bungalow*, by converting one of its heritage bungalows into a commercial property.

C. OBJECTIVES OF THE SCHEME

The circumstances that have necessitated or justified the proposed scheme and its main benefits are *inter-alia*, summarised as under:

- (a) Currently, both the Transferor and Transferee Companies are engaged in the business of harvesting, manufacturing and selling of tea. Therefore, with an aim to reduce multiplicity of legal and regulatory compliances, rationalising costs, it is proposed to merge the Transferor Company with the Transferee Company.
- (b) The amalgamation is in line with the Transferee Company's strategy to build a sustainable and profitable tea manufacturing and selling business in India.
- (c) The size of the net worth and earnings of the consolidated business of the Transferee Company is likely to increase from the current level consequent upon the proposed amalgamation. The consolidation of business of the Transferor Company with the Transferee Company will result into expansion of business and creation of greater value for shareholders and all the stakeholders.
- (d) The independent operation of the Transferor Company and the Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by achieving cost saving.
- (e) The proposed Scheme will provide pooling of the managerial, technical and financial resources of the Transferor Company and Transferee Company,

which will help in increasing the competitiveness of the Transferee Company.

- (f) The banks, creditors and financial institutions, if any, are not adversely affected by the proposed amalgamation as their security and asset cover will be maintained.

D. THE SCHEME IS DIVIDED INTO FOLLOWING PARTS:

Part I - deals with definitions and interpretations of the terms used in the present Scheme of Amalgamation and sets out the share capital of the Transferor Company ('herein defined') and Transferee Company ('herein defined');

Part II - deals with Amalgamation of Transferor Company with the Transferee Company;

Part III – deals with Accounting treatment of Amalgamation in the books of the Transferee Company; and

Part IV - deals with the dissolution of the Transferor Company and the general terms and conditions that would be applicable to the Scheme and other matters consequential and integrally connected thereto.

The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date ('hereinbelow defined') and shall be in accordance with the relevant provisions of the Income Tax Act, 1961 including but not limited to Section 2(1B) and Section 47 thereof.

PART I

1. DEFINITION

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:

- 1.1. **“Act”** means the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force; the terms “Act” and “Section” shall be construed accordingly.
- 1.2. **“Applicable Law”** means the Act, and as appropriate, includes any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other Governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any Governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time.
- 1.3. **“Appointed Date”** means the date from which this Scheme shall become operative viz., 1st April, 2024 or such other date as the National Company Law Tribunal or such other authority having powers to sanction the Scheme under the Applicable law, may direct.
- 1.4. **“Board of Directors”** in relation to the board of directors of Transferor Company and/or the Transferee Company, as the case may be, and shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.

- 1.5. **“Bench”** means the Hon'ble National Company Law Tribunal, Kolkata Bench or such other authority empowered to sanction the Scheme as per the provisions of the Act.
- 1.6. **“CSE”** means the Calcutta Stock Exchange Limited.
- 1.7. **“Clause”** means clause in this Scheme.
- 1.8. **“Central Government”** means the Regional Director, Eastern Region.
- 1.9. **“Closing Date” / “Effective Date”** means the date or last of the dates on which the certified copy of the order of the Bench sanctioning this Scheme is filed with the Registrar of Companies by the Transferee Company and the Transferor Company.
- 1.10. **“Record date” or “Cut Off date”** means the date to be fixed by the Board of Directors of the Transferee Company in consultation with the Board of Directors of the Transferor Company, for the purposes of issue and allotment of Equity Shares of the Transferee Company to the shareholders of the Transferor Company under this Scheme upon Amalgamation of Transferor Company with the Transferee Company.
- 1.11. **“Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s), if any, approved, imposed, or directed by the Bench.
- 1.12. **“SEBI”** means the Securities and Exchange Board of India
- 1.13. **“SEBI Listing Regulation”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modifications, amendment and re-enactment thereof for the time being in force.

- 1.14. **“SEBI Circular”** means the SEBI Circular dated 20th June, 2023, bearing reference no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 as amended from time to time.
- 1.15. **“Transferor Company”** means Dhelakhat Tea Co Ltd, a CSE listed Company, having CIN: L15492WB1917PLC002894, incorporated on 19th November, 1917, under the provisions of the Companies Act, 1913 (validly existing under the Companies Act, 2013) having its registered office at 4 Dr Rajendra Prasad Sarani, Kolkata- 700001, in the State of West Bengal.
- 1.16. **“Transferee Company”** means Rydak Syndicate Limited, a CSE listed Company, having CIN: L65993WB1900PLC001417, incorporated on 24th July, 1900, under the provisions of the Companies Act, 1913 (validly existing under the Companies Act, 2013) having its registered office at 4 Dr Rajendra Prasad Sarani, Kolkata- 700001, in the State of West Bengal.
- 1.17. **“Undertaking”** shall mean and include the whole of the undertaking of the Transferor Company as a going concern, including its businesses, all secured and unsecured debts, liabilities, duties and obligations and all the assets, properties, rights, titles and benefits, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building (whether owned, leased, licensed), all fixed and movable plant and machinery, vehicles, fixed assets, work in progress, current assets, investments, reserves, provisions, funds, licenses, registrations, copyrights, patents, trade names, trademarks and other rights and licenses in respect thereof, applications for copyrights, patents, trade names, trademarks, leases, licenses, tenancy rights, premises, ownership, flats, hire purchase and lease arrangements, lending arrangements, benefits of security arrangements, computers,

office equipment, telephones, telexes, facsimile connections, internet connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, benefits of agreements, contracts and arrangements, powers, authorities, permits, allotments, approvals, consents, privileges, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, deposits, funds, cash, bank balances, accounts and all other rights, benefits of all agreements, subsidies, grants, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), software licenses, domain/ websites etc, in connection / relating to the Transferor Company and other claims and powers, of whatsoever nature and where so ever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company, as on the Appointed Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and bye-laws as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. (a) SHARE CAPITAL OF THE TRANSFEROR COMPANY AND TRANSFEREE COMPANY

2.1. The share capital of the Transferor Company, as on 31st March, 2024 is as follows:

Authorized Share Capital	Amount (in Rs.)
5,00,000 equity shares of Rs. 10 each	50,00,000

Total	50,00,000
Issued, Subscribed and Paid up	Amount (in Rs.)
3,92,770 equity shares of Rs. 10 each	39,27,700
Total	39,27,700

Subsequent to 31st March, 2024 and till the date of Board approval, there is no change in the Authorised share capital and paid up share capital of the Transferor Company.

- 2.2. The share capital of the Transferee Company as on 31st March, 2024 is as under:

Authorized Share Capital	Amount (in Rs.)
12,00,000 equity shares of Rs. 10 each	1,20,00,000
Total	1,20,00,000
Issued, Subscribed and Paid up	Amount (in Rs.)
9,73,128 equity shares of Rs. 10 each	97,31,280
Total	97,31,280

Subsequent to 31st March, 2024 and till the date of Board approval, there is no change in the Authorised share capital and paid up share capital of the Transferee Company.

2. (b) DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Hon'ble Bench shall be operative and fully effective with effect from the Appointed Date.

PART II

TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR

COMPANY WITH THE TRANSFEREE COMPANY

3. TRANSFER AND VESTING OF UNDERTAKING

- 3.1. Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and Undertaking(s) of the Transferor Company including all the debts, liabilities, duties and obligations, including those arising on account of taxation laws and other allied laws, of the Transferor Company of every description and also including, without limitation, all the movable and immovable properties and assets (whether tangible or intangible) of the Transferor Company comprising, amongst others, all furniture and fixtures, computers / data processing, office equipment, testing equipment, electrical installations, telephones, telex, facsimile and other communication facilities and business licenses, permits, authorisations, approvals, lease, tenancy rights, permissions, incentives, if any, and all other rights, patents, know-how, trademark, service mark, trade secret or other intellectual property rights, proprietary right, title, interest, contracts, consent, approvals and rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall, under the provisions of Section 230 read with Section 232 of the Act, and pursuant to the orders of the Bench and without further act, instrument or deed, be transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties, assets, rights, business and undertaking(s) of the Transferee Company.
- 3.2. With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date, whether

provided for or not in the books of account of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or up to the day of the Appointed Date shall be the debts, liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.

3.3. With effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

3.4. With effect from the Appointed Date, all the loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time in future become due between the Transferor Company and the Transferee Company shall, *ipso facto*, stand discharged and come to an end and there shall be no liability in that behalf on any party and appropriate effect shall be given in the books of accounts and records of the Transferee Company. It is hereby clarified that there will be no accrual of interest or other charges in respect of any inter-company loans, advances and other obligations with effect from the Appointed Date.

3.5. All the existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the assets comprised in the Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secure or relate to liabilities of the Transferor Company, the same shall, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the

Appointed Date and as are transferred to the Transferee Company, and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by any of the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.

- 3.6. All the existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the Transferee Company prior to the Appointed Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- 3.7. It is expressly provided that, save as herein provided, no other terms or conditions of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.
- 3.8. With effect from the Appointed Date, all statutory licences, permissions, approvals or consents to carry on the operations of the Transferor Company shall stand vested in or transferred to the Transferee Company without any further act or deed and shall be appropriately mutated by the statutory authorities concerned in favour of the Transferee Company upon the vesting and transfer of the Undertaking of the Transferor Company pursuant to this Scheme. The benefit of all statutory and regulatory permissions, factory licences, environmental approvals and consents, sales tax registrations or other licences and consents shall vest in and become available to the Transferee Company pursuant to this Scheme.

3.9. The amalgamation of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income Tax Act, 1961.

3.10. The Transferee Company is commercially solvent and can fully take care and honor its creditors, if any, and all liabilities, therefore by virtue of amalgamation of the Transferor Company with the Transferee Company, the creditors, if any, of the Transferor Company shall not be affected in any manner whatsoever.

4. CONSIDERATION

4.1. Upon the Scheme becoming operative, in consideration of the transfer and vesting of the Undertaking in the Transferee Company in terms of the Scheme, the Transferee Company shall, as soon as possible after the Record date and not later than 15 days from the Record date or such other date as may be required by the stock exchanges, complete allotment of Transferee Company's share in favour of Eligible Members without further application or deed, 27 Equity shares of Rs. 10/- each of the Transferee Company (credited as fully paid up) for every 100 Equity shares of Rs. 10/- each fully paid up in the Transferor Company.

4.2. If any Eligible member becomes entitled to any fractional shares, entitlements, or credit on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme, the Board of the Transferee Company shall consolidate all such fractional entitlements and shall without any further acts, application or deed, issue and allot such consolidated equity shares directly to an individual trust or Board

of Trustee or a corporate trustee or a SEBI Registered Merchant Banker nominated by the Transferee Company, who shall hold such consolidated equity shares in all additions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times within 60 (sixty) days from the date of allotment, as the Trustee may in its sole discretion decide and on such sale, pay to the Transferee Company, the net sale proceeds (after deduction of applicable taxes and costs incurred) thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned Eligible Member in proportion to their respective fractional entitlements.

4.3. In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme. The Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Transferee Company on account of difficulties faced in the transaction period.

4.4. The issue and allotment of the Transferee Company Shares by the Transferee Company to Eligible Members as provided in this Scheme is an integral part thereof and shall be deemed to have been carried out as if the procedure laid down under Section 62 read with Section 42 of the

Act and any other applicable provisions of the Act were duly complied with.

- 4.5. The issue and allotment of new equity shares by Transferee Company to the members of Transferor Company pursuant to Clause 4.1 above is an integral part of this Scheme.
- 4.6. Subject to Applicable Laws, the New Equity Shares of the Transferee Company that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of Transferee Company New Equity Shares in terms of this Scheme.

5. AUTHORIZED SHARE CAPITAL

- 5.1. Upon the Scheme becoming effective, the authorized share capital of the Transferor Company shall stand combined with the authorized share capital of the Transferee Company. Filing fees and stamp duty, if any, paid by the Transferor Company on its authorized share capital, shall be deemed to have been so paid by the Transferee Company on the combined authorized Share capital and accordingly, the Transferee Company shall not be required to pay any fee/ stamp duty for its increased authorized share capital.
- 5.2. 'Clause V' of the Memorandum of Association of the Transferee Company shall, without any further act, instrument or deed, be and stand re-classified, altered, modified and amended pursuant to the applicable

provisions of the Act accordingly by deleting the existing Clause and substituted by the following:

*"The Authorised Share Capital of the Company is Rs. **1,70,00,000/-** (Rupees One Crore Seventy Lakhs only) comprising of **17,00,000** equity shares of Re. 10/- (Rupees Ten) each. "*

5.3. It is hereby clarified that the alteration in the Memorandum of Association of the Transferee Company, as specified in Clause 5.2 above, shall be affected as a part of this Scheme only and approval/consent to the Scheme shall deemed to be due compliance of section 13, section 14 and all other relevant provisions of the Act, as may be applicable for the purpose of giving effect to the above alteration in the Memorandum of Association of the Transferee Company and no further resolution under Section 13 of the Act and/or any other applicable provisions of the Act and rules and regulations framed thereunder would be required to be separately passed, nor shall the Transferee Company be required to pay any additional registration fees, stamp duty, etc.

5.4. The filing fees already paid by the Transferor Company on their respective authorised share capital, shall be deemed to have been paid by the Transferee Company on the combined authorised share capital of the Company.

6. Treatment of inter-se transactions

All the inter holding between the Transferor Company and the Transferee Company or vice versa shall stand cancelled. Further, any sum of money owed by the Transferor Company to the Transferee Company shall stand cancelled. Without prejudice to the provisions of clause 3 above, with effect from the Appointed Date, all inter party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes.

7. LEGAL PROCEEDINGS

- 7.1. Any suit, appeal or other proceedings of whatever nature by or against any of the Transferor Company, if pending as on the Appointed Date, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- 7.2. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against any of the Transferor Company after the Appointed Date, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

- 8.1. Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to any of the Transferor Company and to which such Transferor Company is a party and subsisting or having effect on the Appointed Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of such Transferor Company, the Transferee Company had been a party thereto.

8.2. The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which any of the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of such Transferor Company and to implement or carry out all formalities required on the part of such Transferor Company to give effect to the provisions of this Scheme.

9. STAFF AND EMPLOYEES OF THE TRANSFEROR COMPANY

On the Scheme taking effect as aforesaid, the employees, if any, of the Transferor Company on the Appointed Date shall be deemed to have become the employees of the Transferee Company and their employment with the Transferee Company shall be on the following terms and conditions:

- i. The terms and conditions of service applicable to the employees shall not be less favourable than those applicable to them as on the Appointed Date;
- ii. The services of such employees shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or otherwise and for all purposes will be reckoned from the date of their appointment with the Transferor Company;
- iii. The Transferee Company undertakes to continue to abide by the agreement/settlement if any entered into by the Transferor Company with any of its employees, which is in force as on the Appointed Date; and

iv. It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts, if any, created or existing for the benefit of the staff, workmen and employees of the Transferor Company shall become trusts/funds of the Transferee Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Transferor Company in relation to such fund or funds shall become those of the Transferee Company. The trustees including Board of Directors of the Transferee Company shall be entitled to adopt such course in this regard as may be advised provided however that there shall be no discontinuation or breakage in the service of the employee of the Transferor Company.

10. PAYMENT OF TAX

10.1. All taxes paid or payable by the Transferor Company in respect of the operations and/or the profits before the Appointed Date under applicable law, shall be on account of the Transferee Company and, in so far it relates to the tax payment (whether by way of deduction at source, advance tax or otherwise howsoever) by the Transferor Company in respect of the profits made on and after the Appointed Date, the same shall be deemed to be the tax paid by the Transferee Company, and shall, in all proceedings, be dealt with accordingly.

10.2. Any refund under the Tax Laws due to Transferor Company consequent to the assessments made on Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall belong and to be received by the Transferee Company.

11. BANK OPERATION

Upon the Scheme being sanctioned and taking effect, all cheques, drafts, pay orders, direct and indirect tax balances and/or payment advices of any kind or description issued in favour of the Transferor Company, either before or after the Appointed Date, or in future, may be deposited with the Bank of the Transferee Company and credit of all receipts thereunder will be given in the accounts of the Transferee Company.

PART III

ACCOUNTING TREATMENT FOR THE AMALGAMATION IN THE BOOKS OF THE TRANSFEREE COMPANY

12. ACCOUNTING TREATMENT

- 12.1. Transferee Company shall account for the amalgamation of the Transferor Company in its books of account with effect from the Appointed Date according to the Pooling of Interest method laid down in Appendix C of Indian Accounting Standard (Ind AS) 103, Business Combinations and other accounting principles prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Act.
- 12.2. With effect from the Appointed Date, all the assets and liabilities appearing in the books of accounts of the Transferor Company shall stand transferred to and vested in Transferee Company pursuant to the Scheme and shall be recorded by Transferee Company at their book values.
- 12.3. All reserves and surplus, including but not limited to Securities Premium Account and Profit and Loss Account (including debit balance of Profit and Loss Account), if any, of the Transferor Company as on the Appointed Date shall be transferred to and vested in Transferee Company in the same form in which they appear in the books of the Transferor Company.
- 12.4. The inter-corporate deposits/ loans and advances by whatever name called, outstanding between the Transferor Company and Transferee Company, will stand cancelled.

- 12.5. Transferee Company shall credit to the Share Capital Account in its books of account, the aggregate face value of the Equity Shares of Transferee Company issued and allotted by it to the shareholders of the Transferor Company pursuant to this Scheme based on Exchange ratio as mentioned in Clause 4.1 above.
- 12.6. The surplus, if any, pursuant to the above accounting, shall be credited to the Capital Reserve Account.
- 12.7. 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 and the difference till the Appointed Date will be quantified and adjusted in the General Reserve Account mentioned earlier to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.
- 12.8. All shares held by Transferor Company in Transferee Company or vice versa shall stand cancelled.

13. TRANSACTIONS BETWEEN APPOINTED DATE AND CLOSING DATE

With effect from the Appointed Date and up to the Closing Date:

- 13.1. The Transferor Company shall carry on and be deemed to have carried on their business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of their entire businesses and Undertakings for and on account of and in trust for the Transferee Company;

- 13.2. Transferor Company shall carry on its business and activities in the ordinary course of business with reasonable diligence and business prudence;
- 13.3. All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising or incurred by the Transferor Company shall for all purposes be treated and deemed to be and accrue as the profits or income or expenditure or losses (as the case may be) of the Transferee Company; and
- 13.4. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Bench and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Company.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities and the continuance of proceedings by or against any of the Transferor Company shall not affect any transaction or proceedings already concluded by such Transferor Company on or after the Appointed Date till the Closing Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by such Transferor Company in respect thereto as done and executed on behalf of itself.

PART IV

DISSOLUTION OF THE TRANSFEROR COMPANY AND THE GENERAL TERMS AND CONDITIONS APPLICABLE TO THIS SCHEME

15. DISSOLUTION OF TRANSFEROR COMPANY WITHOUT WINDING UP

On the Scheme coming into effect, from the Effective Date, the Transferor Company shall, without any further act or deed, stand dissolved without winding up in accordance with the provisions of the Act and Applicable laws.

16. JOINT APPLICATION TO THE BENCH

The Transferee Company and Transferor Company shall, jointly with all reasonable dispatch with all the necessary annexure, as may be required, make Application/Petition to the Bench under Section 230 read with Section 232 of the Act, for sanctioning this Scheme and for appropriate Orders under the applicable provisions of the Act for carrying this Scheme into effect.

17. MODIFICATIONS/ AMENDMENTS TO THE SCHEME

17.1. The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) in their full and absolute discretion may assent to any modification(s) or amendment(s) in this Scheme which the Bench and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Further, the Transferor Company (by its Board of Directors), the Transferee Company (by its Board of Directors) and after the dissolution of the Transferor Company, the Transferee Company (by

its Board of Directors) be and are hereby authorized 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 Bench 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.

17.2. The Board of Directors of the Transferor Company hereby authorise the Board of Directors of the Transferee Company or any committee thereof to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification by the Board of Directors of the Transferee Company and the Board of Directors of the Transferor Company be and is hereby authorised by the Board of Directors of the Transferor Company to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

18. CONDITIONALITY OF THE SCHEME

The Scheme is conditional upon and subject to –

18.1. Approval of the Scheme by the requisite majority of the respective members and creditors of the Transferor Company and the Transferee Company, as may be required and directed by the Bench;

- 18.2. Sanctions and Orders under the provisions of Section 230 read with Section 232 of the Act being obtained by the Transferor Company and the Transferee Company from the Bench;
- 18.3. The Stock Exchange having issued their observation/ no-objection to the Scheme as required pursuant to the SEBI Listing Regulations read with the SEBI Circular;
- 18.4. This Scheme shall be effective from the Appointed Date as per Section 230 read with Section 232 of the Act and shall be duly filed with the Registrar of Companies Kolkata, by the Transferor Company and the Transferee Company.

19. REVOCATION AND SEVERABILITY

- 19.1. In the event of any of the said sanctions and approvals referred to in Clauses 20 above not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the Bench and/or order or orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* 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 in accordance with the applicable law and in such case, each Company shall bear its own costs unless otherwise mutually agreed.

19.2. If any part of this Scheme hereof is invalid, ruled illegal by the Hon'ble NCLT, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

19.3. The Scheme may be withdrawn by the Board of Directors of Transferor Company and Transferee Company only by mutual consent and only if such Boards of Directors jointly agree that the coming into effect of the Scheme could have adverse implication on both the Transferor Company and Transferee Company.

20. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties (including the stamp duty, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

