

SCHEME OF AMALGAMATION
(UNDER SECTIONS 391 & 394 OF THE COMPANIES ACT, 1956)
OF
THE BORMAH JAN TEA COMPANY (1936) LIMITED
WITH
TEESTA VALLEY TEA COMPANY LIMITED

PART - I
(PRELIMINARY)

1. DEFINITIONS:

In this Scheme, unless inconsistent with the meaning or context thereof, the following expressions shall have the following meanings:

- 1.2 "Appointed Date" means the 1st day of April, 2014.
- 1.3 "The Transferor Company" means The Bormah Jan Tea Company (1936) Limited, a Company incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at McLeod House, 3, Netaji Subhas Road, Kolkata 700 001 in the State of West Bengal.
- 1.4 "Effective Date" means the date when the certified copies of the Order sanctioning this Scheme is filed by the Transferor Company and the Transferee Company.
- 1.5 "High Court" means the Hon'ble High Court at Calcutta.
- 1.6 "Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or directed by the Hon'ble High Court at Calcutta.
- 1.7 "The Transferee Company" means Teesta Valley Tea Company Limited, a Company incorporated under the provisions of Act X of 1866 of the Legislative Council of India, entitled "The Indian Companies Act, and having its registered office at 5 & 7, Netaji Subhas Road, Kolkata 700 001 in the State of West Bengal.
- 1.8 "Undertaking of the Transferor Company" means and includes:
- (i) All the assets, properties, investments and benefits of the Transferor Company; and
 - (ii) All debts, liabilities, duties and obligations of the Transferor Company.

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Without prejudice to the generality of this sub-clause, the Undertaking of the Transferor Company shall include all the movable and immovable assets and properties, real and personal, corporeal and incorporeal, in possession or reversion, present and contingent, all other assets (whether tangible or intangible) of whatsoever nature, wheresoever situate, land, buildings, tea estates, tea bushes, crops, investments, lease contracts, ownership flats, lease rights, tenancy rights, agency rights, other rights, powers, authorities, allotments, approvals, consents, exemptions letters of intent, industrial and other licenses, permit, registrations, contracts, engagements, arrangements, right, title, interest, incentives, benefits, and advantages of any nature whatsoever and wheresoever situate of, belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to all patents, patent rights applications, trade marks, trade names, copyrights and other industrial properties and rights of any nature whatsoever and licenses, assignments, grants in respect thereof, privileges, liberties, easements, contracts advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services, of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements including the power purchase agreement, purchase orders, contracts, arrangements, deposits, advances, recoverables and receivables whether from government, semi-government, local authorities or any other customers etc. and all other rights, interests, claims and powers of every kind, nature and description of and arising to the Transferor Company and cash and bank balances, all earnest moneys and/or deposits, including security deposits paid by the Transferor Company.

1.9 Word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed thereto.

2. **SHARE CAPITAL:**

The Authorised, Issued, Subscribed and Paid-up Share Capital of the Transferor Company and the Transferee Company are as under:

2.1 **The Transferor Company:**

AUTHORISED SHARE CAPITAL:		(Rs.)
4,85,000 Equity Shares of Rs.10/- each and 75,000 - 6% Redeemable Cumulative Preference Shares of Rs.100/- each.		1,23,50,000

ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL:		(Rs.)
1,25,000 Equity Shares of Rs.10/- each fully paid up.		12,50,000

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2.2 **The Transferee Company:****AUTHORISED SHARE CAPITAL:**

(Rs.)

5,00,000 Equity Shares of Rs.10/- each and 1,75,000 – 6% Redeemable Cumulative Preference Shares of Rs.100/- each.	2,25,00,000
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ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL:

(Rs.)

1,50,000 Equity Shares of Rs.10/- each fully paid up and 1,62,000 – 6% Redeemable Cumulative Preference Shares of Rs.100/- each fully paid up.	1,77,00,000
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3. **OBJECTS OF THE SCHEME:**

3.1 Both, the Transferor Company and the Transferee Company are engaged in the business of cultivation, manufacture and sale of tea.

3.2 In the circumstances, for better and more economic and efficient management, control and running of the businesses of the companies concerned, to obtain advantages of economies of scale, for growth and development of businesses and undertakings of both the companies with their combined resources and a larger capital and asset base, it is considered desirable and expedient to amalgamate the Transferor Company with the Transferee Company in the manner and on the terms and conditions stated in this Scheme of Amalgamation.

3.3 The amalgamation will enable appropriate consolidation and integration of the activities of the Transferor Company and the Transferee Company with pooling and more effective utilization of resources of both the companies, reduction of overheads and other expenses and improvement in various operating parameters, resulting in enhanced competitiveness for the amalgamated entity. The amalgamation will result in formation of a larger and stronger company having greater capacity for conducting its operations more effectively and efficiently. The Scheme will have beneficial results for the two companies, their respective shareholders, employees and all concerned.

PART – II**(MERGER OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY)**4. **TRANSFER OF UNDERTAKING:**

4.1 With effect from the Appointed Date and pursuant to the provisions of this Scheme, the Transferor Company shall stand amalgamated with the Transferee Company. Accordingly, with effect from the Appointed Date, the Undertaking of the Transferor Company shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Companies Act, 1956 stand transferred to and vest in or be deemed to be transferred to and

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- vest in the Transferee Company, as a going concern without any further act, deed, matter or thing so as to become on the Appointed Date, the Undertaking of the Transferee Company. It is expressly provided that in respect of such of the said assets as are movable in nature or otherwise capable of being transferred by manual/ physical delivery or by endorsement and delivery, the same shall be so transferred and/or made over by the Transferor Company and shall become the property of the Transferee Company accordingly.
- 4.2 All the debts, liabilities, duties and obligations and refunds, credits and claims of the Transferor Company shall, pursuant to the provisions of Section 394 and other applicable provisions of the Companies Act, 1956 be also transferred or deemed to be transferred to and vest in and be assumed by the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, duties and obligations of the Transferee Company.
- 4.3 The transfer and vesting of the Undertaking of the Transferor Company, as aforesaid, shall be subject to the existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof, provided however that such charges, mortgages and/ or encumbrances shall be confined only to the relative assets of the Transferor Company or part thereof on or over which they are subsisting on transfer to and vesting of such assets in the Transferee Company and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of the Transferee Company. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to any assets of the Transferor Company shall be so construed to the end and intent that such security shall not extend, nor be deemed to extend, to any of the other asset(s) of the Transferee Company. Similarly, the Transferee Company shall not be required to create any additional security over assets acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance already availed/to be availed by it and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of the Transferee Company shall not extend or be deemed to extend or apply to the assets so acquired by the Transferee Company.
- 4.4 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates and no objection certificates obtained by the Transferor Company for its operations and/or to which the Transferor Company is entitled to in terms of the various statutes and/or schemes of Union and State Governments, judicial/quasi judicial authorities, Director General of Foreign Trade, or any other agencies, shall be available to and vest in the Transferee Company, without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company. Since the Undertakings of the Transferor Company will be transferred to and vested in the Transferee Company as a going concern without any break or interruption in operations thereof, the Transferee Company shall be entitled to the benefit

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of all such licenses, permissions, approvals, consents, registrations, eligibility certificates and no objection certificates and to carry on and continue the operations of the Undertakings of the Transferor Company on the basis of the same upon this Scheme becoming effective. Further, all benefits, including under Income Tax, Fringe Benefit Tax, Sales Tax, Service Tax, Excise (including Modvat/Cenvat), subsidy schemes of any State or Central Government, West Bengal Estate Acquisition Act, 1953, etc. to which the Transferor Company is entitled to in terms of the various statutes and/or schemes of the Union and State Governments shall be available to and vest in the Transferee Company upon this Scheme becoming effective.

5. LEGAL PROCEEDINGS:

If any suits, actions and proceedings of whatsoever nature (hereinafter called "the Proceedings") by or against the Transferor Company are pending on the Effective Date, the same shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in this Scheme, but the Proceedings may be continued and enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as the same would or might have continued and enforced by or against the Transferor Company, if this Scheme had not been made.

6. CONTRACTS AND DEEDS:

All contracts, deeds, bonds, agreements, arrangements, licenses, engagements and other instruments of whatsoever nature to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which have not lapsed and are subsisting on the Effective Date, shall remain 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 the Transferor Company, the Transferee Company had been a party or beneficiary thereto.

7. SAVING OF CONCLUDED TRANSACTIONS:

The transfer of the Undertaking of the Transferor Company under Clause 4 above, the continuance of Proceedings under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above, shall not affect any transaction or Proceedings already concluded by the Transferor Company on or before the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto, as if done and executed on its behalf.

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8. EMPLOYEES:

On and from the Effective Date:

- 8.1 All the employees of the Transferor Company in service on the Effective Date shall, on and from the Effective Date, become the employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without any break, discontinuance or interruption in service.
- 8.2 Accordingly the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.
- 8.3 The accumulated balances, if any, standing to the credit of the employees of the Transferor Company in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds of which they are members will be transferred to such Provident Fund, Gratuity Fund, Superannuation Fund and other funds nominated by the Transferee Company and/or such new Provident Fund, Gratuity Fund, Superannuation Fund and other funds to be established and caused to be recognised by the concerned authorities by the Transferee Company. Pending the transfer as aforesaid, the dues of the employees of the Transferor Company relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

9. DISSOLUTION OF THE TRANSFEROR COMPANY:

The Transferor Company shall be dissolved without winding up pursuant to the provisions of Section 394 of the Companies Act, 1956.

10. BUSINESS IN TRUST FOR THE TRANSFEE COMPANY:

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

- 10.1 The Transferor Company shall carry on and be deemed to have carried on its businesses and activities and shall hold and stand possessed of and be deemed to have held and stood possessed of all its assets for and on account of and in trust for the Transferee Company.
- 10.2 The Transferor Company shall carry on its business and activities with due diligence and business prudence and shall not, without the prior written consent of the Transferee Company, charge, mortgage, encumber or otherwise deal with or alienate its assets or any part thereof, nor incur, accept or acknowledge any debt, obligation or any liability or incur any major expenditure, except as is necessary in the ordinary course of its business.
- 10.3 All 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 deemed to have accrued as the profits or income or expenditure or losses, as the case may be, of the Transferee Company.

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- 11. ISSUE OF SHARES:**
- 11.1 Upon the Scheme coming into effect, and without any further application, act or deed the Transferee Company shall, in consideration of the amalgamation, issue and allot to the Equity Shareholders of the Transferor Company holding fully paid-up equity shares in the Transferor Company, 1 (one) Equity Share of Rs.10/- each in the Transferee Company credited as fully paid up (hereinafter referred to as the "New Equity Shares") for every 1 (one) Equity Share of Rs.10/- each fully paid up held by them in the Transferor Company.
- 11.2 The New Equity Shares of the Transferee Company to be issued and allotted to the equity shareholders of the Transferor Company in lieu of the equity shares of the Transferor Company under Clause 11.1 shall rank pari passu in all respects with the existing equity shares of the Transferee Company.
- 11.3 The Equity Shareholders of the Transferor Company shall have the option, exercisable by notice in writing, by them to the Transferee Company on or before such date as may be determined by the Board of Directors of the Transferee Company or a committee thereof, to receive, either in certificate form or in dematerialized form, the New Equity Shares of the Transferee Company in lieu thereof in accordance with terms hereof. In the event such notice is not received by the Transferee Company in respect of any of the members, the New Equity Shares of the Transferee Company shall be issued to such members in certificate form. Those members exercising the option to receive the shares in dematerialized form shall be required to have an account with a depository participant and shall provide details thereof and such other confirmations as may be required. The Transferee Company shall issue and directly credit the dematerialized securities account of such members with the New Equity Shares of the Transferee Company. Notwithstanding anything to the contrary in this Scheme, upon the New Equity Shares in the Transferee Company being issued and allotted by it to the equity shareholders of the Transferor Company as on the Record Date, the existing share certificates in relation to the Equity Shares held by the equity shareholders in the Transferor Company shall stand cancelled. Wherever applicable, the Transferee Company shall instead of requiring the surrender of the share certificates of the Transferor Company, directly issue and dispatch the new share certificates of the Transferee Company in lieu thereof.
- 11.4 No fractional shares shall be issued by the Transferee Company in respect of the fractional entitlements, if any, to which the Equity Shareholders of the Transferor Company may be entitled on issue and allotment of the new Equity Shares of the Transferee Company. Fractional entitlements, if any, shall be rounded off to the nearest integer for the purpose of determining the number of new Equity Shares to be allotted by the Transferee Company to a member of the Transferor Company pursuant to the ratio specified in Clause 11.1.
- 11.5 On the approval of the Scheme by the Shareholders of the Transferor Company and the Transferee Company pursuant to Section 391 of the Companies Act, 1956, it shall be deemed that the said shareholders have also accorded all relevant consents under Section 62 of the Companies Act, 2013 or any other provisions of the Act to the extent the same may be considered applicable.

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- 11.6 The New Equity Shares of the Transferee Company issued in terms of the Scheme shall, subject to applicable regulations and guidelines, be listed and/or admitted to trading on the relevant stock exchange(s), where the Equity Shares of the Transferee Company are listed and/or admitted to trading.
- 12. ACCOUNTING:**
- 12.1 An account shall be taken of the assets and liabilities of the Transferor Company to be transferred to the Transferee Company under this Scheme as on a date immediately preceding the Appointed Date. All the assets and liabilities of the Transferor Company shall be transferred to the Transferee Company at their respective Book Values. The reserves and surplus, if any, and credit balance in the Profit and Loss account shall be transferred to the Transferee Company in the same nomenclature and in the same manner in which it appears in the books of the Transferor Company as on the Appointed Date. Similarly, debit balance in Profit and Loss Account of the Transferor Company shall be transferred to the Transferee Company in the same nomenclature and in the same manner in which they appear in the books of the Transferor Company as on the Appointed Date.
- 12.2 It is clarified that the transfer of all assets and liabilities of the Transferor Company to the Transferee Company is to the end and intent that all such assets and liabilities appear in the books of the Transferee Company in the same manner as they appear in the books of the Transferor Company and the amalgamation results in pooling of interests of the Transferor Company and Transferee Company as envisaged in Accounting Standard 14 as notified in the Companies (Accounting standards) Rules 2006, or any provision as may be applicable.
- 12.3 The aggregate face value of the equity shares to be issued by the Transferee Company to the members of the Transferor Company pursuant to Clause 11.1 of this Scheme shall be credited to share capital of the Transferee Company. The excess or deficit, if any, remaining after the aforesaid entries shall be credited to General Reserves or debited to Goodwill, as the case may be, of the Transferee Company. The Goodwill Account, if any, shall be adjusted with the General Reserves of the Transferee Company.
- 12.4 All liabilities / obligations in relation to inter corporate balances, loans, or other liabilities / obligations dues between the Transferee Company and the Transferor Company shall come to an end and the corresponding effect shall be given to the books of accounts and records of the Transferee Company in this regard.
- 12.5 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy,

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13. AUTHORISED SHARE CAPITAL:

On the Effective Date, the Authorised share capital of the Transferee Company, in terms of its Memorandum of Association, shall stand enhanced by an amount of Rs.1,23,50,000/- represented by the authorized share capital of the Transferor Company, which shall thereafter be re-classified. The revised/enhanced and re-classified Authorised share capital of the Transferee Company shall be Rs.3,48,50,000/- (Rupees Three crores Forty Eight Lacs fifty thousand only) which shall consist of 9,85,000 equity shares of Rs.10 each and 2,50,000 6% Redeemable Cumulative Preference Shares of Rs.100/- each and its Memorandum of Association shall automatically stand amended accordingly, and the words and figures in Clause V of its Memorandum of Association shall stand substituted to read as follows:

"V. The authorised share capital of the Company is Rs.3,48,50,000/- (Rupees Three crores Forty Eight Lacs fifty thousand only) which shall consist of 9,85,000 equity shares of Rs.10 each and 2,50,000 6% Redeemable Cumulative Preference Shares of Rs.100/- each only with such rights, privileges and conditions attached thereto as may be determined by the Board of Directors of the Company at the time of the issue. The Company has and shall always have the power to divide the share capital for the time being into several classes and to increase or reduce its capital for the time being into several classes and to increase or reduce its capital from time to time and to vary, modify or abrogate any rights, privileges or conditions attached to any class of shares in such manner as may for the time being provided by the regulations of the Company."

It is hereby clarified that for the purposes of this clause, the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution under Sections 13 and 61 and 64 or any other applicable provisions of the Companies Act, 2013 would be required to be separately passed, nor any registration fee, stamp duty etc., shall be payable by the Transferee Company.

14. BANK OPERATIONS:

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.

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PART – III
(MISCELLANEOUS)

15. APPLICATIONS:

The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make necessary applications to the High Court pursuant to Sections 391 and 394 of the Companies Act, 1956 for convening meetings of shareholders, for sanctioning and carrying out of this Scheme and for consequent dissolution of the Transferor Company without winding up and shall apply for and obtain such other approvals, as required by law.

16. APPROVALS AND MODIFICATIONS:

The Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

- 16.1 to assent from time to time to any modifications or amendments or substitutions of this Scheme or of any conditions or limitations which the High Court and / or any authorities under law may deem fit to approve or direct or as may be deemed expedient or necessary; and
- 16.2 to settle all doubts or difficulties that may arise in carrying out this Scheme and to do and execute all acts, deeds, matters and things necessary, desirable or proper for putting this Scheme into effect.

Without prejudice to the generality of the foregoing, the Transferor Company and the Transferee Company (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize) shall each be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them or as may otherwise be deemed expedient or necessary.

17. SCHEME CONDITIONAL UPON:

This Scheme is conditional upon and subject to:

- 17.1 the Transferor Company and the Transferee Company complying with the provisions of the SEBI Circular and / or Applicable Law, including seeking approval of the members of the Parties through postal ballot and e-voting. The Transferor Company and the Transferee Company undertake that the approval of the members of the Transferor Company and the Transferee Company of the Scheme shall be sought in a meeting of the members with voting occurring through postal ballot and e-voting;

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- 17.2 sanction of the Scheme by the High Court under Sections 391 and 394 and other applicable provisions of the Act;
- 17.3 such other sanctions and approvals, including sanctions of any governmental or regulatory authority, as may be required; and
- 17.4 the certified copies of the order of the High Court sanctioning this Scheme being filed with the Registrar of Companies, West Bengal.

Accordingly, this Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the last of the dates on which the conditions referred to above have been fulfilled.

18. COSTS, CHARGES AND EXPENSES:

All costs, charges and expenses, in connection with this Scheme, 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.

19. RESIDUAL PROVISIONS:

In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case no rights or liabilities whatsoever shall accrue to or be incurred *inter se* by the parties or their shareholders or creditors or employees or any other person.

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