ANNEXURE-2

SCHEME OF ARRANGEMENT

(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER)

BETWEEN

JAY SHREE TEA & INDUSTRIES LIMITED

AND

BIDHANNAGAR TEA CO. PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Certified To Be True Copy
For JAY SHREE TEA & INDUSTRIES LTD.
R.K. GANERIWALA
President & Secretary

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A. PREAMBLE

This scheme of arrangement (hereinafter referred to as the "**Scheme**") provides for demerger of the Demerged Undertaking (as defined hereinafter) of Jay Shree Tea & Industries Limited and transfer of the same to Bidhannagar Tea Co. Private Limited pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013.

B. DESCRIPTION OF THE DEMERGED COMPANY AND THE RESULTING COMPANY

B.1. Jay Shree Tea & Industries Limited (CIN: L15491WB1945PLC012771) ("**Demerged Company**") is a listed public company limited by shares, incorporated under the provisions of the Indian Companies Act, 1913 under the name "The Jay Shree Tea Gardens Limited" on 27 October 1945 with the Addl. Registrar of Joint Stock Companies, Bengal under Company Registration Number 548 of 1945-46. Subsequently, the name of the Demerged Company was changed to its existing name on 27 June 1960. The registered office of the Demerged Company is located at Industry House, 10, Camac Street, Kolkata 700 017 in the state of West Bengal. The Demerged Company is engaged in the business of production, manufacture and sale of tea, chemicals, fertilizers and sugar. The equity shares of the Demerged Company are listed on BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Association Limited.

B.2. Bidhannagar Tea Co. Private Limited (CIN: U01132WB1999PTC088940) ("**Resulting Company**") is a private company limited by shares, incorporated under the provisions of the Companies Act, 1956 on 10 March 1999. The registered office of the Resulting Company registered office at Industry House, 10, Camac Street, Kolkata 700 017 in the state of West Bengal. The Resulting Company has been incorporated to carry on the business of cultivation and manufacture of tea.

B.3. The Demerged Company holds the entire equity share capital of the Resulting Company.

C. RATIONALE

C.1. The Resulting Company is a wholly owned subsidiary of the Demerged Company. The Demerged Undertaking of the Demerged Company comprise the Sholayar and Kallyar Tea Estates which are situated in the state of Tamil Nadu whereas the other tea estates of the Demerged Company are situated in the Northern Region in the states of Assam and West Bengal. The Demerged Company is also engaged in the business of manufacture of chemicals, fertilizers and sugar, which are in the eastern region.

C.2. The Demerged Undertaking of the Demerged Company requires capital and technical know-how for growth and development of its business. The Demerged Company has tied up with a joint venture partner, with control in the Resulting Company by the said joint venture partner, having sound business background in South India, who will bring in the required funds to run and operate the business in South India more effectively. As such, for optimum growth and development of the Sholayar and Kallyar Tea Estates, it is necessary to demerge the Demerged Undertaking of the Demerged Company to Resulting Company.

C.3. The operations in the northern and eastern region are distinct from the southern region and requires independent management set up. Of late, the Demerged Company has been experiencing difficulty in managing the operations of northern / eastern region and southern region together.

C.4. The Resulting Company has been formed for the purpose of undertaking the business of cultivation and manufacture of tea.

C.5. In view of the aforesaid, it has become necessary to demerge the southern operations of tea business to another company. The said demerger will entail smoother operations of the respective businesses under independent management set up paving way for growth and development of each of the businesses.

C.6. The Scheme will enable the Resulting Company to get an established business to undertake

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operations smoothly and effectively.

C.7. The Scheme will result in simplification of the group structure and management structure leading to better administration and more focused operational efforts, rationalization, standardization and simplification of business processes.

C.8. The Scheme will enable the entities to leverage their resources to improve alignment of debt repayments with cash flow.

C.9. The synergies that exist between the two companies in terms of services and resources can be put to the best advantage of all stakeholders.

C.10. The Scheme is envisaged to be in the best interests of the shareholders, employees and the creditors of the Demerged Company and the Resulting Company.

D. **OPERATION OF THE SCHEME**

D.1. The Demerged Undertaking of the Demerged Company is proposed to be demerged, pursuant to Sections 230 and 232 of the Companies Act, 2013, and/or any other Applicable Laws and be transferred to the Resulting Company for achieving the above-mentioned objectives.

D.2. The Resulting Company shall issue and allot shares to the Demerged Company as consideration for the transfer of the Demerged Undertaking in proportion to their shareholding in the Demerged Company. The demerger of the Demerged Undertaking in accordance with this Scheme shall take effect from the Appointed Date.

E. **GENERAL**

This Scheme is divided into the following parts:

(a) Part I of the Scheme deals with definitions and interpretations, and sets out the share capital of the Demerged Company and the Resulting Company;

(b) Part II of the Scheme deals with the demerger of the Demerged Undertaking from the Demerged Company as a going concern and transfer to and vesting into the Resulting Company; and

(c) Part III of the Scheme deals with the general terms and conditions applicable to the Scheme.

PART I
(DEFINITIONS, INTERPRETATIONS & SHARE CAPITAL)

1. **DEFINITIONS AND INTERPRETATIONS**

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

"Act" or **"the Act"** means the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof) and rules and regulations made thereunder.

"Applicable Law" means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force.

"Appointed Date" means opening business hours of 1 April 2022.

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"Appropriate Authority" means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, agency or commission or department or public or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies and NCLT.

"Board" in relation to the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the Board or such committee of directors duly constituted and authorized for the purposes of matters pertaining to the arrangement as contemplated under this Scheme and/or any other matter relating thereto.

"BSE" means the BSE Limited.

"CSE" means the Calcutta Stock Exchange Limited.

"Demerged Company" means Jay Shree Tea & Industries Limited (CIN: L15491WB1945PLC012771), a public company limited by shares, incorporated under the provisions of the Indian Companies Act, 1913 and having its registered office at Industry House, 10, Camac Street, Kolkata 700 017 in the state of West Bengal.

"Demerged Undertaking" means all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and where so ever situated, of the Demerged Company, in relation to and pertaining to the Sholayar / Kallyar Tea Estates on a going concern basis, as on the Appointed Date, together with all its assets and liabilities and shall include (without limitation):

a) all the movable and immovable properties, tangible or intangible, including all tea bushes, tea estates, immovable properties, land and building, freehold and leasehold properties, plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, computers and accessories, software, applications and related data, including cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold, brands, goodwill, other intangibles, industrial and other licenses, approvals, permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, facsimile, email, internet and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, local authorities or any other person including customers, contractors or other counter parties, etc., all earnest monies and/or deposits, privileges, liberties, easements, advantages, benefits, exemptions, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by the Demerged Company in relation to the Sholayar / Kallyar Tea Estates as on the Appointed Date;

b) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/or security deposits, payment against warrants, if any, or other entitlements of the Demerged Company pertaining to the Sholayar / Kallyar Tea Estates as on the Appointed Date;

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c) all employees of the Demerged Company engaged in or in relation to the Sholayar / Kallyar Tea Estates along with all benefits under employment including gratuity, superannuation, pension benefits and the provident fund or other compensation or benefits of such employees;

d) all the debts, liabilities and apportioned liabilities as per the provisions of the Income Tax Act,1961, duties and obligations including contingent liabilities of the Demerged Company in relation to the Sholayar / Kallyar Tea Estates as on the Appointed Date; and

e) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Sholayar / Kallyar Tea Estates of the Demerged Company as on the Appointed Date.

"Effective Date" means opening of business hours of the last of the dates on which the conditions specified in Clause 16.1 and 16.2 of the Scheme are complied with.

"NCLT" means the National Company Law Tribunal at Kolkata Bench.

"NSE" means the National Stock Exchange of India Limited.

"Parties" means the Demerged Company and the Resulting Company, collectively, as the case may be.

"Party" means the Demerged Company or the Resulting Company, individually.

"Record Date" shall be the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company for issue of New Equity Shares (as defined in Clause 8.1 below), pursuant to this Scheme.

"Remaining Undertaking" means all the undertakings, businesses, activities and operations of the Demerged Company other than those comprised in the Demerged Undertaking.

"Resulting Company" means Bidhannagar Tea Co. Private Limited (CIN: U01132WB1999PTC088940), a private company limited by shares, incorporated under the provisions of the Companies Act, 1956 and having its registered office at Industry House, 10, Camac Street, Kolkata 700 017 in the state of West Bengal.

"Scheme" or **"the Scheme"** or **"this Scheme"** means this scheme of arrangement in its present form submitted to the NCLT or any other Appropriate Authority in the relevant jurisdiction with any modification(s) thereof made under Clause 15 of the Scheme or as directed by the NCLT or any other Appropriate Authority and accepted by the Parties.

"SEBI" means the Securities and Exchange Board of India.

"SEBI Circular" shall mean the circular issued by the SEBI, being Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended by Circular No CFD/DIL3/CIR/2018/2 dated January 3, 2018 and any amendments thereof.

"Stock Exchanges" means BSE, NSE and CSE as may be applicable.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, Income-tax Act, 1961 and other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

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1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

1.2.3 references to the word "include" or "including" shall be construed without limitation;

1.2.4 a reference to an article, clause, section, paragraph is, unless indicated to the contrary, a reference to an article, clause, section or paragraph of this Scheme;

1.2.5 references to dates and times shall be construed to be references to Indian dates and times;

1.2.6 reference to a document includes an amendment or supplement to, or replacement or novation of, that document;

1.2.7 reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement or amendment of, that law or legislation or regulation;

1.2.8 reference in this Scheme to the date of "coming into effect of this Scheme or effectiveness of this Scheme" shall mean references to the Effective Date;

1.2.9 word(s) and expression(s) elsewhere defined in the Scheme will have the meaning(s) respectively ascribed to them; and

1.2.10 references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives' body (whether or not having separate legal personality).

2. **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 NCLT, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. **SHARE CAPITAL**

3.1 The share capital of the Demerged Company as on 31 March 2022 is as under:

Authorised Share Capital	Amount (Rs.)
8,45,00,000 Equity Shares of Rs. 5/- each	42,25,00,000
20,00,000 Preference Shares of Rs.100/- each	20,00,00,000
Total	62,25,00,000
Issued Share Capital	**Amount (Rs.)**
2,89,02,786 Equity Shares of Rs. 5/- each	14,45,14,000
Total	14,45,14,000
Subscribed and Paid up Share Capital	**Amount (Rs.)**
2,88,77,488 Equity Shares of Rs. 5/- each	14,43,87,000
Total	14,43,87,000

The equity shares of the Demerged Company are listed on the BSE, NSE and CSE.

3.2 The share capital of the Resulting Company as on 31 March 2022 is as under:

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Authorised Share Capital	Amount (Rs)
50,000 Equity Shares of Rs 10 each	5,00,000
Total	**5,00,000**
Issued, Subscribed and Fully Paid up Share Capital	
10,200 Equity Shares of Rs 10 each	1,02,000
Total	**1,02,000**

The equity shares of the Resulting Company are presently not listed on any stock exchange in India.

PART II

(DEMERGER OF THE DEMERGED UNDERTAKING)

4. **TRANSFER OF ASSETS AND LIABILITIES**

4.1 With effect from the Appointed Date, and subject to the provisions of this Scheme in relation to the mode of transfer and vesting of the Demerged Undertaking, the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred to and vested in, and/or be deemed to have been and stand transferred to and vested in the Resulting Company on a going concern basis, so as to become on and from the Appointed Date, the estate, assets, rights, title, interest and authorities of the Resulting Company, pursuant to Sections 230 and 232 of the Act and all other applicable provisions, if any, of the Act.

4.2 Without prejudice to the generality of Clause 4.1 above, on and from the Appointed Date:

4.2.1 the Demerged Undertaking including all its assets, properties, investments, shareholding interests in other companies, claims, title, interest, assets of whatsoever nature such as licenses and all other rights, title, interest, contracts or powers of every kind, nature and description of whatsoever nature and wheresoever situated shall, pursuant to the provisions of Sections 230 and 232 and other applicable provisions, if any, of the Act, and pursuant to the order of the NCLT sanctioning this Scheme and without further act or deed or instrument, but subject to the charges affecting the same as on the Appointed Date, be and stand transferred to and vested in the Resulting Company as a going concern.

4.2.2 without prejudice to the generality of Clause 4.1 above, with respect to the assets forming part of the Demerged Undertaking that are movable in nature or are otherwise capable of being transferred by manual delivery or by paying over or endorsement and/or delivery, the same may be so transferred by the Demerged Company without any further act or execution of an instrument with the intent of vesting such assets with the Resulting Company.

4.2.3 without prejudice to the aforesaid, the Demerged Undertaking, including all immoveable property, whether or not included in the books of the Demerged Company, whether freehold or leasehold (including but not limited to land, buildings, sites and immovable properties and any other document of title, rights, interest and easements in relation thereto) of the Demerged Undertaking shall stand transferred to and be vested in the Resulting Company, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. For the purpose of giving effect to the vesting order passed under Sections 230 and 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all such immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the NCLT and upon the effectiveness of this Scheme in accordance with the terms hereof without

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any further act or deed to be done or executed by the Demerged Company and/or the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary for the purposes of the aforesaid mutation and/or substitution.

Notwithstanding any provision to the contrary, from the Appointed Date and until the owned property, leasehold property and related rights thereto, license /right to use the immovable property, tenancy rights, liberties and special status are transferred, vested, recorded effected and or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is deemed to be authorized to carry on business in the name and style of the Demerged Company under the relevant agreement, deed, lease and/or license, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

4.2.4 with respect to the assets of the Demerged Undertaking other than those referred to in Clause 4.2.2 above, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 and 232 of the Act. All the rights, title and interests of the Demerged Company in any leasehold properties in relation to the Demerged Undertaking shall, pursuant to Sections 230 and 232 of the Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required. The execution of such documents shall form an integral part of the Scheme.

4.2.5 the consents, permissions, licenses, certificates, authorisations (including for the operation of bank accounts), powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking, and the rights and benefits under the same shall, and all quality certifications and approvals, trademarks, brands, patents and domain names, copyrights, industrial designs, trade secrets, trade formulae, and other intellectual property and all other interests relating to the goods or services being dealt with by the Demerged Company in relation to the Demerged Undertaking, be transferred to, and vest in, the Resulting Company.

4.2.6 subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature, in relation to the Demerged Undertaking, to which the Demerged Company is a party subsisting or having effect on or immediately before the Appointed Date shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements and other instruments as stated above.

4.2.7 without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time on or after the Appointed Date, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to

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carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.

4.2.8 in so far as the various incentives, tax exemption and benefits, tax credits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any Appropriate Authority, or availed of by the Demerged Company, in relation to or in connection with the Demerged Undertaking as on the Appointed Date are concerned, including income tax deductions, recognitions and exemptions, the same shall, without any further act or deed, vest with and be available to the Resulting Company on the same terms and conditions on and from the Appointed Date.

4.2.9 as per the provisions of Section 72A(4) and other applicable provisions of the Income- tax Act, 1961, all accumulated tax losses and unabsorbed depreciation of the Demerged Company shall be:

4.2.9.1 where such loss or unabsorbed depreciation is directly relatable to the Demerged Undertaking transferred to the Resulting Company, be allowed to be carried forward and set off in the hands of the Resulting Company;

4.2.9.2 where such loss or unabsorbed depreciation is not directly relatable to the Demerged Undertaking transferred to the Resulting Company, be apportioned between the Demerged Company and the Resulting Company in the same proportion in which the assets of the undertakings have been retained by the Demerged Company and transferred to the Resulting Company, and be allowed to be carried forward and set off in the hands of the Demerged Company or the Resulting Company, as the case may be.

4.2.10 all debts, liabilities, loans raised and used, obligations incurred, duties of any kind, nature or description (including contingent liabilities which arise out of the activities or operations of the Demerged Undertaking) of the Demerged Company as on the Appointed Date and relatable to the Demerged Undertaking (**"Transferred Liabilities"**) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date and shall become the debts, liabilities, loans, obligations and duties of the Resulting Company which shall meet, discharge and satisfy the same. The term "Transferred Liabilities" shall include:

4.2.10.1 the liabilities which arise out of the activities or operations of the Demerged Undertaking;

4.2.10.2 the specific loans or borrowings (including debentures raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and

4.2.10.3 in cases other than those referred to in Clauses 4.2.10.1 or 4.2.10.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to this Scheme bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

4.2.11 in so far as any encumbrance in respect of Transferred Liabilities is concerned, such encumbrance shall, without any further act, instrument or deed being required be modified and shall be extended to and shall operate only over the assets comprised in the Demerged Undertaking which may have been encumbered in respect of the Transferred Liabilities as transferred to the Resulting Company pursuant to this Scheme. For the avoidance of doubt, it is hereby clarified that in so far as the assets comprising the Remaining Undertaking are concerned, the encumbrance, if any, over

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such assets relating to the Transferred Liabilities, without any further act, instrument or deed being required, be released and discharged from the obligations and encumbrances relating to the same. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which shall continue with the Demerged Company, shall without any further act or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities;

4.2.12 any tax liabilities under Customs Act, 1962, Central Excise Act, 1944, value added tax laws, as applicable to any State in which the Demerged Company operates, Central Sales Tax Act, 1956, Central Goods and Services Tax Act, 2017 any other State sales tax / value added tax laws/ goods and services tax laws, or service tax, or corporation tax, income tax, or other Applicable Laws and regulations dealing with taxes/ duties/ levies/cess (hereinafter in this Clause 4.2 referred to as "**Tax Laws**") to the extent not provided for or covered by tax provision in the Demerged Company's accounts, in relation to or in connection with the Demerged Undertaking, made as on the date immediately preceding the Appointed Date shall be transferred to the Resulting Company. Any surplus in the provision for taxation/ duties/ levies account as on the date immediately preceding the Appointed Date in relation to the Demerged Undertaking will also be transferred to the account of and belong to the Resulting Company.

4.2.13 any claims due to the Demerged Company from its customers or otherwise and which have not been received by the Demerged Company as on the date immediately preceding the Appointed Date as the case may be, in relation to or in connection with the Demerged Undertaking, shall also belong to and be received by the Resulting Company.

4.2.14 without prejudice to the generality of the above, all benefits including under Tax Laws, to which the Demerged Company, in relation to or in connection with the Demerged Undertaking, is entitled to in terms of the applicable Tax Laws, including, but not limited to advances recoverable in cash or kind or for value, and deposits with any Appropriate Authority or any third party/entity, shall be available to, and vest in, the Resulting Company.

4.2.15 with respect to the investments made by the Demerged Company in shares, stocks, bonds, warrants, units of mutual fund or any other securities, shareholding interests in other companies, whether quoted or unquoted, by whatever name called, forming part of the Demerged Undertaking, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company on the Appointed Date pursuant to the provisions of Sections 230 and 232 of the Act.

It is hereby clarified that in case of any refunds, benefits, incentives, grants, subsidies etc, in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme under Sections 230 and 232 of the Act, the relevant refund, benefit, incentive, grant, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

4.2.16 on and from the Appointed Date, and thereafter, the Resulting Company shall be entitled to operate all bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and

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issue credit notes in respect of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Demerged Undertaking to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions.

4.2.17 for avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Appointed Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of the Demerged Company, in relation to or in connection with the Demerged Undertaking, in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking, after the Appointed Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, in relation to or in connection with the Demerged Undertaking. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company, in relation to or in connection with the Demerged Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case maybe, continued by or against the Resulting Company after the Effective Date.

4.2.18 without prejudice to the provisions of the foregoing clauses of this Clause 4.2, and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company shall execute any and all instruments or documents and do all the acts and deeds as may be required, including filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, West Bengal at Kolkata to give formal effect to the above provisions.

4.2.19 the Demerged Company and the Resulting Company shall be entitled to revise their tax returns and to get credit/claim refund regarding any tax paid (including advance tax) and/or tax deduction at source certificates, pertaining to the Demerged Undertaking. It is specifically provided that if Demerged Company or their successor(s) receives any refunds / credit / claims or incurs any liability in respect of the Demerged Undertaking, the same shall be on behalf of and as a trustee of Resulting Company and the same shall be refunded to / paid by the Resulting Company.

5. **PERMITS, CONSENTS AND LICENSES**

5.1 All the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, allotments, insurance cover, clearances, authorities, privileges, affiliations, easements, rehabilitation schemes, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by and all rights and benefits that have accrued to the Demerged Company, in relation to or in connection with the Demerged Undertaking, pursuant to the provisions of Sections 230 and 232 of the Act, shall without any further act, instrument or deed, be transferred to and vest in or be deemed to have been transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date, the estates, assets, rights, title, interests and authorities of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions to the extent permissible in Applicable Law.

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Upon the Appointed Date and until the licenses, permits, quotas, approvals, incentives, subsidies, rights, claims, leases, tenancy rights, liberties, rehabilitation schemes, special status are transferred, vested, recorded, effected, and/or perfected, in the record of the Appropriate Authority, in favour of the Resulting Company, the Resulting Company is authorized to carry on business in the name and style of the Demerged Company, in relation to or in connection with the Demerged Undertaking, and under the relevant license and or permit and / or approval, as the case may be, and the Resulting Company shall keep a record and/or account of such transactions.

6. **EMPLOYEES**

6.1 Upon the effectiveness of this Scheme and with effect from the Appointed Date, the Resulting Company undertakes to engage all the employees of the Demerged Company, engaged in or in relation to the Demerged Undertaking, on the same terms and conditions on which they are engaged by the Demerged Company without any interruption of service as a result of transfer of the Demerged Undertaking to the Resulting Company. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits and to this effect the accumulated balances, if any, standing to the credit of the employees in the existing provident fund, gratuity fund and superannuation fund of which they are members will be transferred to such provident fund, gratuity fund and superannuation funds nominated by the Resulting Company and/or such new provident fund, gratuity fund and superannuation fund to be established and caused to be recognized by the Appropriate Authorities, by the Resulting Company, or to the government provident fund in relation to the employees of the Demerged Company who are not eligible to become members of the provident fund maintained by the Resulting Company. In relation to those employees who are not covered under the provident fund trust of the Resulting Company, and for whom the Demerged Company is making contributions to the government provident fund, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.

6.2 Pending the transfer as aforesaid, the provident fund, gratuity fund and superannuation fund dues of the employees would be continued to be deposited in the existing provident fund, gratuity fund and superannuation fund respectively of the Demerged Company.

6.3 The transfer and vesting of the Demerged Undertaking under the Scheme and the continuance of the Proceedings by or against the Resulting Company under Clause 7 below shall not affect any transaction or proceeding already completed by the Demerged Company relating to the Demerged Undertaking till the Appointed Date to the end and intent that the Resulting Company accepts all acts, deeds and things done and executed by and/or on behalf of the Demerged Company as acts, deeds and things done and executed by and on behalf of the Resulting Company.

7. **PROCEEDINGS**

7.1 If any suit, cause of actions, appeal or other legal, taxation, quasi-judicial, arbitral, administrative, or other proceedings of whatever nature, under any Applicable Law (hereinafter referred to as the "**Proceedings**") by or against the Demerged Company be pending, in relation to or in connection with the Demerged Undertaking, on the Appointed Date, the same shall not abate, be discontinued or be in anyway prejudicially affected by reason of the transfer and vesting of the Demerged Undertaking or of anything contained in the Scheme, but such Proceedings may be continued, prosecuted, defended and enforced by

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or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made. On and from the Appointed Date, the Resulting Company may initiate any Proceedings for and on behalf of the Demerged Company for matters relating to or in connection with the Demerged Undertaking. The Resulting Company shall have/all Proceedings initiated by or against the Demerged Company with respect to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company.

8. **CONSIDERATION**

8.1 Upon the effectiveness of this Scheme and in consideration of the transfer and vesting of the Demerged Undertaking into the Resulting Company pursuant to provisions of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to the Demerged Company 3,02,500 (three lacs two thousand five hundred) equity shares of Rs 10 (Rupees Ten) each of Resulting Company credited as fully paid up (**"New Equity Shares"**).

8.2 The New Equity Shares to be issued and allotted as provided in Clause 8.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank *pari passu* with the existing equity shares of the Resulting Company including with respect to dividend, bonus entitlement, rights shares entitlement, voting rights and other corporate benefits.

8.3 The New Equity Shares to be issued pursuant to Clause 8.1 above shall be issued in dematerialized form by the Resulting Company, provided that the Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required.

8.4 The New Equity Shares issued pursuant to Clause 8.1, which the Resulting Company is unable to allot due to Applicable Laws (including, without limitation, the failure to receive approvals of an Appropriate Authority as required under Applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of the Resulting Company. If the above cannot be effected for any reason, the Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. The Resulting Company and / or the Depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.

8.5 The issue and allotment of the New Equity Shares in terms of this Scheme shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act have been complied with.

9. **DIVIDENDS**

9.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only consistent with the past practice, or in the ordinary course.

9.2 Upon the Scheme becoming effective, on and from the Appointed Date, the profits of the Demerged Undertaking shall belong to and be the profits of the Resulting Company and will be available to Resulting Company for being disposed of in any manner as it thinks fit.

9.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Boards of Demerged

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Company and Resulting Company respectively, subject to such approval of the shareholders, as may be required.

10. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND THE RESULTING COMPANY

10.1 Accounting treatment in the books of the Demerged Company

Upon the effectiveness of this Scheme, in accordance with the applicable accounting standards under the Act and generally accepted accounting principles in India:

10.1.1 The value of all assets and liabilities pertaining to the Demerged Undertaking which cease to be assets and liabilities of the Demerged Company shall be reduced by the Demerged Company at their carrying values; and

10.1.2 The difference i.e. the excess or shortfall, as the case may be, of the value of transferred assets over the transferred liabilities pertaining to the Demerged Undertaking and demerged from the Demerged Company pursuant to the Scheme shall, after adjusting the same with the amount of shares to be issued by the Resulting Company, shall be adjusted with the reserves of the Demerged Company.

10.2 Accounting treatment in the books of the Resulting Company

Upon the effectiveness of this Scheme and with effect from the Appointed Date:

10.2.1 the Resulting Company shall comply with accounting standard IND AS 103 – Business Combination and account for the identifiable assets and liabilities pertaining to the Demerged Undertaking using the acquisition method at acquisition date fair value.

10.2.2 the Resulting Company shall issue shares to the Demerged Company as per Clause 8.1 of this Scheme. These shares shall be issued and recorded at face value and accordingly the aggregate face value of the shares to be issued shall be credited to the Resulting Company's share capital account.

10.2.3 The difference i.e. the excess or shortfall, as the case may be, of the value of the assets and the liabilities pertaining to the Demerged Undertaking and received from the Demerged Company pursuant to the Scheme after taking into account the face value of the shares issued by the Resulting Company shall be transferred to its capital reserve or goodwill, as the case may be.

11. CONDUCT OF BUSINESS BY THE DEMERGED COMPANY PERTAINING TO DEMERGED UNDERTAKING UNTIL THE EFFECTIVE DATE

Till the Effective Date, the Demerged Company undertakes to carry on the business and activities of the Demerged Undertaking with reasonable diligence, business prudence and shall not except in the ordinary course of business or without prior written consent of the Resulting Company or as provided in this Scheme, alienate, charge, mortgage, encumber or otherwise deal with or dispose any business or part thereof.

12. REMAINING UNDERTAKING

12.1 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Company.

12.2 All proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter and relating to the Remaining Undertaking of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced against the Demerged Company.

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12.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 12.2 above relating to the Remaining Undertaking, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.

12.4 If proceedings are taken against the Demerged Company in respect of matters referred to in Clause 12.2 above relating to the Demerged Undertaking, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify the Demerged Company, against all liabilities and obligations incurred by the Demerged Company in respect thereof.

PART III

(GENERAL PROVISIONS)

13. INCREASE OF AUTHORISED SHARE CAPITAL

Upon the Scheme becoming effective, the Resulting Company will increase its Authorised Share Capital to Rs.35,00,000/- comprising of 3,50,000 Equity Shares of Rs.10/- each by addition of 3,00,000 Equity Shares of Rs.10/- each and will file requisite forms and make payment of requisite fees with the Appropriate Authority

14. APPLICATIONS / PETITIONS TO THE NCLT AND APPROVALS

14.1 The Parties shall dispatch, make and file all applications and petitions under Sections 230 and 232 of the Act and other applicable provisions of the Act before the NCLT, for sanction of this Scheme under the provisions of Applicable Law.

14.2 The Parties shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Demerged Company / Resulting Company may require to own the assets and/ or liabilities of the Demerged Undertaking and to carry on the business of the Demerged Undertaking.

15. MODIFICATIONS / AMENDMENTS TO THE SCHEME

15.1 The Demerged Company and the Resulting Company, through their respective Boards, acting collectively, in their full and absolute discretion, may make and/or consent to any modifications / amendments to the Scheme or to any conditions or limitations:

15.1.1 which the Stock Exchange(s), SEBI and any other Appropriate Authority may deem fit to suggest / impose / direct; or

15.1.2 effect any other modification or amendment which the NCLT may deem fit;

and give such directions as they may consider necessary or desirable for settling any question, doubt or difficulty arising under the Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith or in regard to its implementation or in any matter connected therewith (including any question, doubt or difficulty arising in connection with any deceased or insolvent shareholder of the Demerged Company or the Resulting Company, as the case may be) and to do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect.

15.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorised person of the Demerged Company and/or the Resulting Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be,

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shall be binding on all Parties, in the same manner as if the same were specifically incorporated in this Scheme.

15.3 If, upon the Scheme becoming effective and upon the transfer and vesting of the assets and liabilities of the Demerged Undertaking into the Resulting Company and pursuant to the provisions of Applicable Law, the Resulting Company is not permitted under the Applicable Law to carry on the certain business or hold assets, licenses, etc, transferred and vested pursuant to this Scheme, the Board of the Resulting Company shall be permitted and/or entitled to divest such business or assets, licences, etc, in the manner as it may be deemed appropriate.

16. **CONDITIONS PRECEDENT**

16.1 This Scheme is conditional on and subject to:

16.1.1 the sanction or approval of the Appropriate Authorities and other sanctions and approvals (as may be required by Applicable Law) in respect of this Scheme being obtained in respect of any of the matters in respect of which such sanction or approval is required or on the expiry of any statutory time period pursuant to which such approval is deemed to have been granted; and

16.1.2 certified/authenticated copy of the order of the NCLT, sanctioning the Scheme, being filed with the Registrar of Companies, West Bengal by the Demerged Company and the Resulting Company in relation to this Scheme.

16.2 Other conditions precedent for this Scheme:

16.2.1 approval of the Scheme by the requisite majority of each class of shareholders / creditors of the Demerged Company and the Resulting Company or as may be required under the Act and as may be directed by the NCLT;

16.2.2 the Scheme being approved by the public shareholders of the Demerged Company through e-voting in terms of paragraph 10 of Part – I (A) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the votes cast by the public shareholders in favour of the Scheme shall be more than the number of votes cast by the public shareholders against the Scheme; and

16.2.3 the sanction and order of NCLT, under Sections 230 and 232 of the Act being obtained by the Demerged Company and the Resulting Company.

16.3 It is hereby clarified that submission of the Scheme to the NCLT; and to Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Demerged Company and/or the Resulting Company may have under or pursuant to all appropriate and Applicable Law.

16.4 On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the demerger, as the case may be, set out in this Scheme, related matters and this Scheme itself.

17. **EFFECT OF NON-RECEIPT OF APPROVALS AND MATTERS RELATING TO REVOCATION / WITHDRAWAL OF THE SCHEME**

17.1 In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the NCLT, and/or the order or orders not being passed as aforesaid on or before December 31, 2019 or within such further period or periods as may be agreed upon between the Demerged Company and the Resulting Company through their respective Boards, the Scheme shall become null and void and the Demerged Company shall bear and pay its costs, charges and expenses for and/or in connection with the Scheme.

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17.2 The Demerged Company and/or the Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme, (i) in case any condition or alteration imposed by any Appropriate Authority / person is unacceptable to any of them or (ii) they are of the view that coming into effect of this Scheme could have adverse implications on the respective companies.

17.3 In the event of revocation/withdrawal under Clauses 17.1 and 17.2 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se the Demerged Company and/or the Resulting 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 Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

17.4 If any provision of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Demerged Company and the Resulting Company through their respective Boards, affect the validity or implementation of the other parts and/or provisions of this Scheme.

18. **COSTS, CHARGES AND EXPENSES**

The Demerged Company shall bear all costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) arising out of or incurred in connection with and in implementing this scheme and matters incidental thereto.

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