

SCHEME OF ARRANGEMENT  
BETWEEN  
DHUNSERI PETROCHEM & TEA LIMITED  
AND  
DHUNSERI TEA & INDUSTRIES LIMITED  
AND  
DHUNSERI INFRASTRUCTURE LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS  
FOR  
DEMERGER OF TEA DIVISION AND REORGANISATION OF IT SEZ  
DIVISION OF DHUNSERI PETROCHEM & TEA LIMITED

PART - I  
(Preliminary)

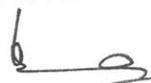
1. **Definitions:**

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

- i. "Act" means the Companies Act, 1956 or the Companies Act, 2013 as in force from time to time. As on the date of approval of this Scheme by the Boards of Directors of DPTL, DTIL and DIL, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified. References in this Scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 1956, unless stated otherwise. Upon such provisions of the Companies Act, 1956 standing re-enacted by enforcement of provisions of the Companies Act, 2013, such references shall, unless a different intention appears, be construed as references to the provisions so re-enacted;
- ii. "DPTL" means Dhunseri Petrochem & Tea Limited, an existing Company within the meaning of the Act and having its registered office at 'Dhunseri House', 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.
- iii. "DTIL" means Dhunseri Tea & Industries Limited (formerly 'Dhunseri Services Limited'), a Company incorporated under the Act and having its registered office at 'Dhunseri House', 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.
- iv. "DIL" means Dhunseri Infrastructure Limited (formerly 'Dhanurveda Infrastructure Private Limited'), a Company incorporated under the Act and having its registered office at 'Dhunseri House', 4A, Woodburn Park, Kolkata 700 020 in the State of West Bengal.

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For Dhunseri Petrochem & Tea Ltd. 1 | 19

  
K.V. Balan  
Company Secretary  
& Compliance Officer

- v. **“Appointed Date”** means the 1st day of April, 2014.
- vi. **“Tea Division”** means the entire undertaking of DPTL constituted in the business of cultivation, production and marketing of tea and all properties, assets, rights and powers and all debts, liabilities, duties and obligations of DPTL comprised in and/or pertaining to the said Tea Division including:
- (a) all properties and assets, moveable and immovable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the Tea Division, including all lands comprised in the tea estates in the States of Assam, tea bushes and seedlings, nurseries, clones and other crops and trees whatsoever growing or standing thereon, all other lands, buildings, commercial and residential flats and offices, plant and machinery, electrical installations, vehicles, equipment, furniture, computers, investments, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances and other assets as appearing in the books of account of DPTL in relation to the Tea Division, leases, tenancies and agency of DPTL pertaining to the Tea Division, and all other interests or rights in or arising out of or relating to the Tea Division together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, quotas, patents, copyrights, trademarks, brand names, liberties, easements and advantages, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of sales tax, value added tax, turnover tax, excise duty, service tax, and other indirect taxes), deferred tax benefits and other benefits appertaining to the Tea Division and/or to which DPTL is entitled to in respect of the Tea Division of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the Tea Division;
  - (b) all debts, liabilities, duties and obligations of DPTL in relation to the Tea Division as appearing in the books of account of DPTL as on the Appointed Date, including liabilities on account of secured loans, unsecured loans and sundry creditors and bonus, gratuity and other employee benefits pertaining to the Tea Division; and
  - (c) all permanent employees of DPTL engaged in or in relation to the Tea Division as on the Effective Date.
- vii. **“IT SEZ Division”** means the entire undertaking of DPTL constituted in the business of providing infrastructure facilities in the Information Technology/ Information Technology Enabled Services (IT/ITES) Special Economic Zone at Bantala in 24

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Parganas (South), West Bengal and all properties, assets, rights and powers and all debts, liabilities, duties and obligations of DPTL comprised in and/or pertaining to the said IT SEZ Division including:

- (a) all properties and assets, moveable and immoveable, freehold and leasehold, real and personal, corporeal and incorporeal, in possession, or in reversion, present and contingent of whatsoever nature, wheresoever situate, as on the Appointed Date relating to the IT SEZ Division, including all lands at Bantala in the State of West Bengal, buildings, commercial and residential flats and offices, plant and machinery, electrical installations, vehicles, equipment, furniture, computers, investments, sundry debtors, inventories, cash and bank balances, bills of exchange, deposits, loans and advances and other assets as appearing in the books of account of DPTL in relation to the IT SEZ Division, leases, tenancies and agency of DPTL pertaining to the IT SEZ Division, and all other interests or rights in or arising out of or relating to the IT SEZ Division together with all respective powers, interests, charges, privileges, benefits, entitlements, industrial and other licenses, registrations, -quotas, patents, copyrights, trademarks, brand names, liberties, easements and advantages, subsidies, grants, taxes, tax credits (including but not limited to credits in respect of sales tax, value added tax, turnover tax, excise duty, service tax, and other indirect taxes), deferred tax benefits and other benefits appertaining to the IT SEZ Division and/or to which DPTL is entitled to in respect of the IT SEZ Division of whatsoever kind, nature or description held, applied for or as may be obtained thereafter together with the benefit of all respective contracts and engagements and all respective books, papers, documents and records relating to the IT SEZ Division;
  - (b) all debts, liabilities, duties and obligations of DPTL in relation to the IT SEZ Division as appearing in the books of account of DPTL as on the Appointed Date, including liabilities on account of secured loans, unsecured loans and sundry creditors and bonus, gratuity and other employee benefits pertaining to the IT SEZ Division; and
  - (c) all permanent employees of DPTL engaged in or in relation to the IT SEZ Division as on the Effective Date.
- viii. **"Effective Date"** means the date or last of the dates on which certified copies of the order sanctioning this Scheme are filed by DPTL, DTIL and DIL with the Registrar of Companies.
- ix. **"Scheme"** means this Scheme of Arrangement under Sections 391 to 394 of the Act in the present form or with such modification(s) as sanctioned by the Hon'ble High Court at Calcutta.

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

**2. Share Capital:**

The Authorised, Issued, Subscribed and Paid-up Share Capital of DPTL, DTIL and DIL is as under:

**i. DPTL**

<u>Authorised Share Capital:</u>	(Rs.)
35,12,20,000 Equity Shares of Rs.10/- each	351,22,00,000/-
<u>Issued, Subscribed and Paid up Share Capital:</u>	-
3,50,24,754 Equity Shares of Rs.10/- each fully paid up	35,02,47,540/-
Add Amount paid up on forfeited Equity Shares	81,000/-
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	<b>35,03,28,540/-</b>
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**ii. DTIL**

<u>Authorised Share Capital:</u>	(Rs.)
50,000 Equity Shares of Rs.10/- each	5,00,000/-
<u>Issued, Subscribed and Paid up Share Capital:</u>	
50,000 Equity Shares of Rs.10/- each fully paid up	5,00,000/-

**iii. DIL**

<u>Authorised Share Capital:</u>	(Rs.)
50,000 Equity Shares of Rs.10/- each	5,00,000/-
<u>Issued, Subscribed and Paid up Share Capital:</u>	
50,000 Equity Shares of Rs.10/- each fully paid up	5,00,000/-

**3. Objects and Reasons:**

- i. DPTL is a well established concern presently carrying on and having interests in various lines of business directly and through its subsidiaries. DPTL's first business was cultivation and production of tea at its tea estates in the State of Assam. Later, DPTL acquired the Bottle Grade PET Resin business of South Asian Petrochem Limited at Haldia in the State of West Bengal in terms of a Scheme of Arrangement with effect from 1<sup>st</sup> April, 2009. This acquisition marked the first major diversification for DPTL in terms of nature of business and interests.

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- ii. The businesses and interests of DPTL have since evolved in more ways than one. At the time of acquisition of the petrochemicals business, the size and reach of the tea business of DPTL and such petrochemicals business were relatively small and manageable in one entity. The businesses and interests of DPTL have since grown from strength to strength pursuant to acquisitions and capacity expansion projects.
- iii. The tea business of DPTL was well established in India with premium gardens in the State of Assam and two strong brands, 'Lal Ghora' and 'Kala Ghora'. With effect from 31 August 2012, DPTL acquired through its Singapore subsidiary, namely Dhunseri Petrochem & Tea Pte Limited, controlling interest in Makandi Tea and Coffee Estates Limited and Kawalazi Estate Company Limited, two companies having large tea plantations in Malawi in South Africa with a combined capacity of production of 94 Lakhs kgs of bulk tea. The said acquisition as also internal growth has resulted in considerable scaling up of the size and reach of the consolidated tea business of DPTL. As compared to a total production of 98.58 lakh kgs of bulk tea and gross turnover of Rs.10,584 Lakhs in the financial year 2008-2009, the said business of DPTL had a total production of 153.56 lakh kgs of bulk tea and gross turnover of Rs.20,785 Lakhs in the period of nine months ended on 31st December 2013. The total production and gross turnover of the said business in the current financial year 2013-2014 is expected to be in excess of 190 lakh kgs of bulk tea and Rs.26,500 Lakhs respectively.
- iv. There has been a considerable scaling up of the size and reach of the petrochemicals business as well since 2009. The said business had a capacity of 2,00,000 metric tonnes (MT) of PET Resin in 2009 in its plant in Haldia. An additional capacity of 2,10,000 MT per annum was installed and commissioned in the plant at Haldia with effect from 15 November 2012. Further, between July 2010 and March 2012 DPTL also acquired for a total cost of USD 33.6 Million, 3,36,000 Equity Shares of USD 100 each constituting 70% of the total equity capital of Egyptian Indian Polyester Company S.A.E. ("EIPET"), a company which has undertaken a greenfield plant in Egypt for production of 4,20,000 MT per annum of PET Resin. DPTL has invested a further sum of USD 6.3 Million towards additional Share Capital of EIPET. Production commenced in Line-1 of the said plant recently. EIPET has also achieved mechanical completion of Line-2 of the said plant and the same is expected to commence production shortly. As compared to a total production of 1,92,655 MT of PET Resin and gross turnover of Rs.1,16,011 Lakhs in the financial year 2008-2009, the said business of DPTL had a total production of 3,09,026 MT of PET Resin and gross turnover of Rs.2,81,849 Lakhs in the period of nine months ended on 31<sup>st</sup> December 2013. The total production and gross turnover of the consolidated petrochemicals business of DPTL in the financial year 2014-2015 is expected to be in excess of 7,53,000 MT of Pet Resin and Rs. 7,22,000 Lakhs respectively.
- v. DPTL has also undertaken the business of providing infrastructure facilities in an area of 1.226 hectares in the IT/ITES Special Economic Zone (SEZ) at Bantala in 24 Parganas (South), West Bengal as a Co-Developer within the meaning of the Special Economic Zones Act, 2005. The first phase of the project for construction of 3,70,000 square feet built up area is under

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implementation. In the second phase another 3,80,000 square feet of built up area is proposed to be added jointly with other Co-Developers.

- vi. The present day nature and size of the aforesaid three businesses of DPTL are such that the divergent considerations, factors, financials, risks and rewards applicable to the running, growth and development of such businesses are required to be addressed with greater focus at all levels. Such divergent nature of the said businesses are also such that they are required to be evaluated and looked at separately. At present any prospective investor, strategic partner or other stakeholder interested in investing in equity capital or participating and taking a stake in any other form in any one business has to look at and pay for the other businesses as well since the businesses are largely held in or through one company, i.e. DPTL. The said businesses have good potential for funding, running, growth and development thereof as independent businesses.
- vii. In view, inter alia, of the aforesaid and as part of an overall business reorganisation plan and in order to take the respective businesses to the next level of growth it is necessary to segregate and realign the businesses and interests of DPTL appropriately. In the circumstances it is considered desirable and expedient to reconstruct DPTL by (i) demerging the Tea Division, including investments in subsidiaries relating to the same, to DTIL in consideration of issue and allotment of shares by DTIL to the shareholders of DPTL and (ii) reorganising the IT SEZ Division by transferring the same to DIL in consideration of issue and allotment of shares and payment in cash by DIL to DPTL itself in the manner and on the terms and conditions stated in this Scheme of Arrangement.
- viii. The arrangement will simplify and rationalise the holding structure of various businesses and interests of DPTL and result in creation of three more focussed entities, i.e. (a) DPTL having interests primarily in petrochemicals business, (b) DTIL having interests primarily in tea business and (c) DIL having interests primarily in the IT SEZ business. Consequent to the arrangement, the said businesses will be capable of independent evaluation. The same will unlock shareholders value and enable independent funding of the said businesses as also suitable strategic, technological and/or financial alliance and participation of appropriate partners and stakeholders in such businesses.
- ix. The arrangement will enable the petrochemicals, tea and IT SEZ businesses to be held, carried on and monitored by DPTL, DTIL and DIL respectively with independent management and administrative set-up and greater focus, attention and specialisation. The Scheme will facilitate the business considerations and factors peculiar to the respective businesses to be addressed more effectively and adequately by the respective Companies.
- x. The arrangement will enable the said businesses to be carried on more conveniently and advantageously and will unlock the capacity of each of the businesses to raise and access larger funds for running, growth and expansion thereof on the basis of their individual strengths and operating parameters and independent evaluation.

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- xi. The arrangement will assist in the potential of the respective businesses being realized more fully and will have beneficial results for the said Companies, their shareholders and all concerned. The Scheme is proposed accordingly.

**PART – II**

(Demerger of Tea Division)

- 4. Transfer of Tea Division of DPTL:**
- 4.1 With effect from the Appointed Date, the Tea Division of DPTL shall stand demerged to DTIL. Accordingly, the Tea Division of DPTL shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and transfer of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in DTIL, as a going concern with effect from the Appointed Date for all the estate and interest of DPTL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.
- 4.2 It is expressly provided that in respect of such of the said assets of the said Tea Division as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall be so transferred by DPTL and shall become the property of DTIL accordingly as an integral part of the Tea Division transferred to DTIL, without requiring any deed or instrument of conveyance for the same.
- 4.3 In respect of such of the assets of the Tea Division other than those referred to in Clause 4.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in DTIL pursuant to an order passed under the provisions of Section 394 of the Act.
- 4.4 All debts, liabilities, duties and obligations of DPTL relating to the Tea Division as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of DPTL relating to the Tea Division which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to DTIL, without any further act or deed, pursuant to an order passed under the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of DTIL.
- 4.5 The transfer and vesting of the Tea Division of DPTL, 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 DPTL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in DTIL and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of DTIL. Any reference in any security documents or arrangements (to which DPTL is a party) to any assets of DPTL 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 DTIL. Similarly, DTIL shall not be required to create any additional security over assets of Tea Division of DPTL acquired

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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 DTIL shall not extend or be deemed to extend or apply to the assets so acquired by DTIL.

- 4.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates obtained by DPTL for the operations of the Tea Division and/or to which DPTL is entitled to in relation to the Tea Division in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in DTIL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of DTIL. Since the Tea Division will be transferred to and vested in DTIL as a going concern without any break or interruption in the operation thereof, DTIL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates and to carry on and continue the operations of the Tea Division on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Modvat/Cenvat), Sales Tax etc to which DPTL is entitled in relation to the Tea Division in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in DTIL upon this Scheme becoming effective.

**5. Legal Proceedings:**

All legal or other proceedings by or against DPTL and relating to the Tea Division of DPTL shall be continued and enforced by or against DTIL only. If proceedings are taken against DPTL, DPTL will defend on notice or as per advice of DTIL at the costs of DTIL and DTIL will indemnify and keep indemnified DPTL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

**6. Contracts and Deeds:**

- 6.1 Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, engagements and other instruments of whatsoever nature relating to the Tea Division to which DPTL is a party or to the benefit of which DPTL 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 DTIL as the case may be, and may be enforced by or against DTIL as fully and effectually as if, instead of DPTL, DTIL had been a party thereto.
- 6.2 DPTL and/or DTIL shall, if and to the extent required by law, enter into and / or issue and / or execute deeds, writings or confirmations, or enter into any Tripartite Arrangement, confirmation or novation to give formal effect to the provisions of this Clause.

**7. Saving of Concluded Transactions:**

The transfer and vesting of the properties and liabilities of the Tea Division under Clause 4 above, the continuance of the proceedings by or against DTIL under Clause 5 above and the effectiveness of contracts and deeds under Clause 6 above shall not affect any transaction or proceeding relating to the Tea Division already completed by DPTL on or before the Effective

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Date to the end and intent that DTIL accepts all acts, deeds and things relating to the Tea Division done and executed by and/or on behalf of DPTL as acts, deeds and things done and executed by and on behalf of DTIL.

**8. Employees:**

On and from the Effective Date:

- 8.1 DTIL undertakes to engage all the employees of DPTL engaged in the Tea Division on the Effective Date on the same terms and conditions on which they are engaged by DPTL without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the Tea Division to DTIL.
- 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, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with DPTL.
- 8.3 The accumulated balances, if any, standing to the credit of the employees of the Tea Division 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 DTIL 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 DTIL. Pending the transfer as aforesaid, the dues of the employees of the Tea Division 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. Business in trust for DTIL:**

With effect from the Appointed Date and upto and including the Effective Date:

- 9.1 DPTL undertakes to carry on the business of the Tea Division in the ordinary course of business and DPTL shall be deemed to have carried on and to be carrying on all business and activities relating to the Tea Division for and on account of and in trust for DTIL.
- 9.2 All profits accruing to DPTL (including taxes paid thereon) or losses arising or incurred by DPTL in relation to the Tea Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of DTIL.
- 9.3 DPTL shall be deemed to have held and stood possessed of the properties to be transferred to DTIL for and on account of and in trust for DTIL and, accordingly, DPTL shall not (without the prior written consent of DTIL) alienate, charge or otherwise deal with or dispose of the Tea Division or any part thereof except in the usual course of business.

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**10. Consideration | Issue of Shares by DTIL:**

10.1 Upon the Scheme coming into effect and without further application, act or deed, DTIL shall, in consideration of the demerger and transfer of the Tea Division, issue and allot to the members of DPTL holding fully paid up Equity Shares in DPTL and whose names appear in the Register of Members of DPTL on such date ("Record Date") as the Board of Directors of DPTL shall determine in consultation with DTIL, Equity Shares of Rs.10/- each in DTIL, credited as fully paid up with rights attached thereto as hereinafter mentioned in the following entitlement ratio:

1 Equity Share(s) of Rs.10/- each in DTIL credited as fully paid up for every 5 Equity Share(s) of Rs.10/- each fully paid-up held by them in the capital of DPTL.

10.2 All the Equity Shares to be issued and allotted by DTIL to the Equity Shareholders of DPTL under this Scheme shall rank pari passu in all respects with the existing Equity Shares of DTIL. Further such Equity Shares shall pursuant to circular issued by the Securities Exchange Board of India (SEBI) on 4 February 2013 bearing No.CIR/CFD/DIL/05/2013 and subject to compliance with requisite formalities be listed and/or admitted to trading on the relevant stock exchange(s) where the existing Equity Shares of DPTL are listed and/or admitted to trading.

10.3 No fractional shares shall be issued by DTIL in respect of the fractional entitlements, if any, to which the members of DPTL may be entitled on issue and allotment of Equity Shares in DTIL as above. The Board of Directors of DTIL or a committee thereof shall consolidate all such fractional entitlements, and issue and allot the Equity Shares in lieu thereof to a Director and / or Officer(s) of DTIL on the express understanding that such Director and / or Officer(s) to whom such new Equity Shares are allotted shall sell the same in the market and pay to DTIL the net sale proceeds thereof, whereupon DTIL shall distribute such net sale proceeds to the members of DPTL in proportion to their fractional entitlements.

10.4 In respect of the shareholding of the members in DPTL held in the dematerialised form, the Equity Shares in DTIL shall, subject to applicable regulations, also be issued to them in the dematerialised form pursuant to clause 10.1 above with such shares being credited to the existing depository accounts of the members of DPTL entitled thereto, as per records maintained by the National Securities Depository Limited and / or Central Depository Services (India) Limited on the Record Date for Demerger Shares.

10.5 In respect of the shareholding of the members in DPTL held in the certificate form, the Equity Shares in DTIL shall be issued to such members in certificate form. Members of DPTL desirous of receiving the new shares in DTIL in dematerialised form should have their shareholding in DPTL dematerialised on or before the Record Date for Demerger Shares.

10.6 Upon the Scheme becoming effective, the Authorised Share Capital of DTIL shall be increased to Rs.7,50,00,000 divided into 75,00,000 Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of DTIL shall be altered accordingly.

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- 10.7 DTIL shall, if and to the extent required, apply for and obtain the requisite consent or approval of the Government of India and the Reserve Bank of India and other Appropriate Authorities concerned for the issue and allotment of Equity Shares in DTIL in terms hereof to the non-resident members of DPTL.
- 10.8 The Equity Shares in DTIL allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.
- 10.9 Apart from cancellation of existing Equity Shares of DTIL in terms of clause 11 herein, there shall be no change in the shareholding pattern or control in DTIL between the Record Date and the listing which may affect the status of the approval of the stock exchanges to this Scheme.
- 11. Cancellation of Existing Shares of DTIL:**  
All existing shares of DTIL, i.e. 50,000 Equity Shares of Rs.10/- each shall stand cancelled, without any further act or deed, upon the new Equity Shares being issued by DTIL to the shareholders of DPTL as on the Record Date in terms of clause 10.1 of this Scheme and until such cancellation shall continue to be held by DPTL.
- 12. Accounting:**
- 12.1 The assets and liabilities of the Tea Division shall be transferred to DTIL and incorporated in the books of account of DTIL at their values as appearing in the books of account of DPTL as on the Appointed Date, viz 1 April 2014, with change in such values consequent to revaluation being ignored. An indicative Statement thereof as appearing from the books of account of DPTL as on 31 December 2013 is set out in Schedule I hereto.
- 12.2 The difference between the value of the assets and liabilities of the Tea Division thereby recorded in the books of account of DTIL, as reduced by the aggregate face value of the Equity Shares issued and allotted by DTIL in terms of clause 10 above shall be adjusted in General Reserves in the books of account of DTIL or dealt with in any other manner, as may be deemed fit by the Board of Directors of DTIL or Committee thereof.
- 12.3 In the books of account of DPTL the difference between the assets and liabilities of the Tea Division, shall be adjusted against the General Reserves of DPTL.
- 12.4 Subject to the aforesaid, the Board of Directors of DPTL and DTIL shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the demerger in the respective books of account of the said Companies.
- 13. Post Scheme conduct of business:**  
Even after this Scheme becomes operative, DTIL shall be entitled to operate all Bank Accounts and realise all monies and complete and enforce all pending contracts and transactions relating to the Tea Division in the name of DPTL and in so far as may be

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necessary until the transfer of rights and obligations of the said Tea Division to DTIL under this Scheme is formally accepted by the parties concerned.

### **PART – III**

(Reorganisation of IT SEZ Division)

#### **14. Transfer of IT SEZ Division of DPTL:**

- 14.1 With effect from the Appointed Date, the IT SEZ Division of DPTL shall stand reorganised in DIL. Accordingly, the IT SEZ Division of DPTL shall, pursuant to the provisions contained in Section 394 and other applicable provisions of the Act and subject to the provisions of the Scheme in relation to the mode and transfer of vesting, stand transferred to and vest in or be deemed to be transferred to and vested in DIL, as a going concern with effect from the Appointed Date for all the estate and interest of DPTL therein in accordance with and subject to the modalities for transfer and vesting stipulated herein.
- 14.2 It is expressly provided that in respect of such of the said assets of the said IT SEZ Division as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same shall be so transferred by DPTL and shall become the property of DIL accordingly as an integral part of the IT SEZ Division transferred to DIL, without requiring any deed or instrument of conveyance for the same.
- 14.3 In respect of such of the assets of the IT SEZ Division other than those referred to in Clause 14.2 above, the same shall, be transferred to and vested in and/or be deemed to be transferred to and vested in DIL pursuant to an order passed under the provisions of Section 394 of the Act.
- 14.4 All debts, liabilities, duties and obligations of DPTL relating to the IT SEZ Division as on the close of business on the day immediately preceding the Appointed Date and all other debts, liabilities, duties and obligations of DPTL relating to the IT SEZ Division which may accrue or arise from the Appointed Date but which relate to the period upto the day immediately preceding the Appointed Date shall also be transferred to DIL, without any further act or deed, pursuant to an order passed under the provisions of Section 394 of the Act, so as to become the debts, liabilities, duties and obligations of DIL.
- 14.5 The transfer and vesting of the IT SEZ Division of DPTL, 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 DPTL or part thereof on or over which they are subsisting on transfer to and vesting of such assets in DIL and no such charges, mortgages, and/ or encumbrances shall extend over or apply to any other asset(s) of DIL. Any reference in any security documents or arrangements (to which DPTL is a party) to any assets of DPTL 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 DIL. Similarly, DIL shall not be required to create any additional security over assets of IT SEZ Division of DPTL acquired by it under this Scheme for any loans, debentures, deposits or other financial assistance

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already availed/to be availed by it and the charges, mortgages, and/ or encumbrances in respect of such indebtedness of DIL shall not extend or be deemed to extend or apply to the assets so acquired by DIL.

14.6 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates obtained by DPTL for the operations of the IT SEZ Division and/or to which DPTL is entitled to in relation to the IT SEZ Division in terms of the various Statutes and / or Schemes of Union and State Governments, shall be available to and vest in DIL, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith in favour of DIL. Since the IT SEZ Division will be transferred to and vested in DIL as a going concern without any break or interruption in the operation thereof, DIL shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations, eligibility certificates, fiscal incentives and no-objection certificates and to carry on and continue the operations of the IT SEZ Division on the basis of the same upon this Scheme becoming effective. Further, all benefits, including, under Income Tax, Excise (including Modvat/Cenvat), Sales Tax etc to which DPTL is entitled in relation to the IT SEZ Division in terms of the various Statutes and / or Schemes of Union and State Governments shall be available to and vest in DIL upon this Scheme becoming effective. Transfer of immovable property and the document relating thereto in a Special Economic Zone is exempt, inter alia, from payment of stamp duty. The transfer herein of immovable property at Bantala comprised in the SEZ Division of DPTL to DIL in terms of this Scheme shall be entitled to exemption from, payment of stamp duty accordingly.

**15. Legal Proceedings:**

All legal or other proceedings by or against DPTL and relating to the IT SEZ Division of DPTL shall be continued and enforced by or against DIL only. If proceedings are taken against DPTL, DPTL will defend on notice or as per advice of DIL at the costs of DIL and DIL will indemnify and keep indemnified DPTL from and against all liabilities, obligations, actions, claims and demands in respect thereof.

**16. Contracts and Deeds:**

16.1 Subject to the other provisions contained in this Scheme all contracts, deeds, bonds, agreements, engagements and other instruments of whatsoever nature relating to the IT SEZ Division to which DPTL is a party or to the benefit of which DPTL 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 DIL as the case may be, and may be enforced by or against DIL as fully and effectually as if, instead of DPTL, DIL had been a party thereto.

16.2 DPTL and/or DIL shall, if and to the extent required by law, enter into and / or issue and / or execute deeds, writings or confirmations, or enter into any Tripartite Arrangement, confirmation or novation to give formal effect to the provisions of this Clause.

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**17. Saving of Concluded Transactions:**

The transfer and vesting of the properties and liabilities of the IT SEZ Division under Clause 14 above, the continuance of the proceedings by or against DIL under Clause 15 above and the effectiveness of contracts and deeds under Clause 16 above shall not affect any transaction or proceeding relating to the IT SEZ Division already completed by DPTL on or before the Effective Date to the end and intent that DIL accepts all acts, deeds and things relating to the IT SEZ Division done and executed by and/or on behalf of DPTL as acts, deeds and things done and executed by and on behalf of DIL.

**18. Employees:**

On and from the Effective Date:

18.1 DIL undertakes to engage all the employees of DPTL engaged in the IT SEZ Division on the Effective Date on the same terms and conditions on which they are engaged by DPTL without treating it as a break, discontinuance or interruption of service on the said date as a result of the transfer of the IT SEZ Division to DIL.

18.2 Accordingly, the services of such employees for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes, including for the purpose of payment of any retrenchment compensation and other terminal benefits, will be reckoned from the date of their respective appointments with DPTL.

18.3 The accumulated balances, if any, standing to the credit of the employees of the IT SEZ Division 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 DIL 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 DIL. Pending the transfer as aforesaid, the dues of the employees of the IT SEZ Division relating to the said funds would be continued to be deposited in the existing Provident Fund, Gratuity Fund, Superannuation Fund and other funds respectively.

**19. Business in trust for DIL:**

With effect from the Appointed Date and upto and including the Effective Date:

19.1 DPTL undertakes to carry on the business of the IT SEZ Division in the ordinary course of business and DPTL shall be deemed to have carried on and to be carrying on all business and activities relating to the IT SEZ Division for and on account of and in trust for DIL.

19.2 All profits accruing to DPTL (including taxes paid thereon) or losses arising or incurred by DPTL in relation to the IT SEZ Division for the period falling on and after the Appointed Date shall for all purposes, be treated as the profits (including taxes paid) or losses, as the case may be of DIL.

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- 19.3 DPTL shall be deemed to have held and stood possessed of the properties to be transferred to DIL for and on account of and in trust for DIL and, accordingly, DPTL shall not (without the prior written consent of DIL) alienate, charge or otherwise deal with or dispose of the IT SEZ Division or any part thereof except in the usual course of business.
- 20. Consideration | Issue of Shares and Payment by DIL:**
- 20.1 Upon the Scheme coming into effect and without further application, act or deed, DIL shall, in consideration of the transfer of the IT SEZ Division, issue and allot to DPTL 50,00,000 Equity Shares of Rs.10/- each in DIL credited as fully paid up in DIL. Such Equity Shares to be issued and allotted by DIL to DPTL under this Scheme shall rank pari passu in all respects with the existing Equity Shares of DIL.
- 20.2 The balance consideration, being the net asset value (book value of assets less liabilities) of the IT SEZ Division as on the Appointed Date as reduced by the aggregate face value of the shares to be issued as per clause 20.1 above shall be paid in cash by DIL to DPTL within a period of five years from the Effective Date in such manner as shall be mutually agreed between DIL and DPTL.
- 20.3 Upon the Scheme becoming effective, the Authorised Share Capital of DIL shall be increased to Rs5,05,00,000 divided into 50,50,000 Equity Shares of Rs.10/- each and Clause V of the Memorandum of Association of DIL shall be altered accordingly.
- 21. Accounting:**
- 21.1 The assets and liabilities of the IT SEZ Division shall be transferred to DIL and incorporated in the books of account of DIL at their values as appearing in the books of account of DPTL as on the Appointed Date, viz 1 April 2014. An indicative Statement of assets and liabilities of the IT SEZ Division as appearing in the books of account of DPTL as on 31 December 2013 is set out in Schedule II hereto.
- 21.2 Subject to the aforesaid, the Board of Directors of DPTL and DIL shall be entitled to make such corrections and adjustments as may in their opinion be required for ensuring consistent accounting policy or which may otherwise be deemed expedient by them in accounting for the transfer in the respective books of account of the said Companies.
- 22. Post Scheme conduct of business:**
- Even after this Scheme becomes operative, DIL shall be entitled to operate all Bank Accounts and realise all monies and complete and enforce all pending contracts and transactions relating to the IT SEZ Division in the name of DPTL and in so far as may be necessary until the transfer of rights and obligations of the said IT SEZ Division to DIL under this Scheme is formally accepted by the parties concerned.

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**PART – IV**

(General/ Miscellaneous Provisions)

**23. Remaining Business:**

Save and except the Tea Division and IT SEZ Division of DPTL and as expressly provided in this Scheme of Arrangement nothing contained in this Scheme of Arrangement shall affect the other business, undertaking, assets, and liabilities of DPTL which shall continue to belong to and be vested in and be managed by DPTL.

**24. Applications:**

DPTL, DTIL and DIL shall, with all reasonable dispatch, make necessary applications under Sections 391 to 394 of the Act, to the Hon'ble High Court at Calcutta, for sanction and carrying out of the Scheme and apply for and obtain such other approvals, as required by law. Any such application shall, upon constitution of the National Company Law Tribunal under the Companies Act, 2013 be pursued before the National Company Law Tribunal, if so required. In such event references in this Scheme to the Hon'ble High Court(s) shall be construed as references to the National Company Law Tribunal as the context may require. DPTL, DTIL and DIL shall also apply for such other approvals as may be necessary in law, if any, for bringing the Scheme into effect. Further, DPTL, DTIL and DIL shall be entitled to take such other steps as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

**25. Approvals and Modifications:**

DPTL, DTIL and DIL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) are empowered and authorised:

25.1 To assent from time to time to any modifications or amendments or substitutions of the Scheme or of any conditions or limitations which the Hon'ble High Court(s) and / or any authorities under law may deem fit to approve or direct or as may be otherwise deemed expedient or necessary by the respective Board of Directors as being in the best interest of the said companies and their shareholders.

25.2 To settle all doubts or difficulties that may arise in carrying out the Scheme; to give their approval to all such matters and things as is contemplated or required to be given by them in terms of this Scheme; and to do and execute all other acts, deeds, matters and things necessary, desirable or proper for putting the Scheme into effect.

Without prejudice to the generality of the foregoing DPTL, DTIL and DIL (by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorise) 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.

**26. Scheme Conditional Upon:**

The Scheme is conditional upon and subject to:

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- 26.1 Approval of the Scheme by the requisite majorities of the members of DPTL, DTIL and DIL; and
- 26.2 Sanction of the Scheme by the Hon'ble High Court at Calcutta.

Accordingly, the Scheme although operative from the Appointed Date shall become effective on the Effective Date, being the date or last of the dates on which certified copies of the order of the Hon'ble High Court at Calcutta sanctioning this Scheme are filed with the Registrar of Companies.

**27. Costs, Charges and Expenses:**

All costs, charges and expenses, in connection with the Scheme, arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto upto the stage of sanction of this Scheme, shall be borne and paid by DPTL. Subsequent to the said stage or in the event the Scheme does not take effect or stands withdrawn for any reason whatsoever, each Company shall pay and bear their own costs.

**28. Change of Name of DPTL:**

Consequent to the arrangement, the name of DPTL shall be changed to "Dhunseri Petrochem Limited". DPTL shall take necessary steps to give effect to such change of name. In the event, the aforesaid name is not made available for adoption under the Act, DPTL shall be at liberty to adopt such other suitable name reflecting its business consequent to the Scheme as may be made available under the Act.

**29. Residual Provisions:**

- 29.1 On the approval of the Scheme by the members of DPTL, DTIL and DIL pursuant to Section 391 of the Act, it shall be deemed that the said members have also accorded all relevant consents under Sections 23, 81(1-A), 94 and 100 of the Act or any other provisions of the Act to the extent the same may be considered applicable.
- 29.2 DPTL, DTIL and DIL are expressly permitted to file and/or revise their Income Tax, Service Tax, Excise and other statutory returns, consequent to the scheme becoming effective. DPTL, DTIL and DIL are expressly permitted to amend tax deducted at source certificates or other statutory certificates and shall have the right to claim refunds, advance tax credits, set off, adjustments etcetera relating to their respective incomes and/or transactions from the Appointed Date. DTIL and DIL shall be entitled to claim credit for taxes and duties paid pertaining to the respective divisions transferred to them in terms of this Scheme notwithstanding that the certificate, challan or other documents for payment of such taxes and duties are in the name of DPTL.
- 29.3 The demerger and transfer and vesting of the Tea Division of DPTL to DTIL under this Scheme has been proposed in compliance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section

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of the Income-tax Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the said Section. Such modification will however not affect the other parts of the Scheme.

Schedule I

Statement of Assets and Liabilities of Tea Division as on 31 December 2013

	Amount Rs. in Crs.
<b>LIABILITIES</b>	
<b>(1) Non Current Liabilities</b>	
(a) Long term borrowings	5.39
(b) Deferred Tax Liabilities (Net)	8.51
(c) Other Long-term liabilities	0.50
(d) Long term provisions	0.32
<b>(2) Current Liabilities</b>	
(a) Short-term borrowings	31.82
(b) Trade Payables	5.49
(c) Other current liabilities	9.62
(d) Short-term provisions	2.18
<b>Total</b>	<b>63.83</b>
<b>ASSETS</b>	
<b>(1) Non-Current Assets</b>	
(a) Fixed Assets	
(i) Tangible Assets	199.51
(ii) Intangible Assets	-
(iii) Capital work in progress	0.87
(b) Non-current Investments	62.06
(c) Long-term loans and advances	2.20
<b>(2) Current Assets</b>	
(a) Current investments	15.00
(b) Inventories	24.93
(c) Trade Receivables	23.92
(d) Cash and Bank Balances	13.08
(e) Short-term Loans & Advances	9.42
(f) Other Current Assets	0.73
<b>Total</b>	<b>351.72</b>
<b>Excess of Assets over Liabilities</b>	<b>287.89</b>

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Schedule II

Statement of Assets and Liabilities of IT SEZ Division as on 31 December 2013

LIABILITIES	Amount Rs. In Cr.
<b>(1) Non Current Liabilities</b>	
(a) Long term borrowings	-
(b) Deferred Tax Liabilities (Net)	--
(c) Long term provisions	--
<b>(2) Current Liabilities</b>	
(a) Trade Payables	-
(b) Other current liabilities	0.34
(c) Short-term provisions	-
<b>Total</b>	<b>0.34</b>
<b>ASSETS</b>	
<b>(1) Non-Current Assets</b>	
(a) Fixed Assets	
(i) Tangible Assets	2.63
(ii) Intangible Assets	-
(iii) Capital work in progress	39.74
(b) Non-current Investments	-
(c) Long-term loans and advances	3.19
<b>(2) Current Assets</b>	
(a) Inventories	-
(b) Trade Receivables	-
(c) Cash and Bank Balances	-
(d) Short-term Loans & Advances	-
(e) Other Current Assets	-
<b>Total</b>	<b>45.56</b>
<b>Excess of Assets over Liabilities</b>	<b>45.22</b>

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For Dhunseri Petrochem & Tea Ltd.



K.V. Balan  
Company Secretary  
& Compliance Officer